



**FORM 51-102F6V**  
**STATEMENT OF EXECUTIVE COMPENSATION**  
**(for the Fiscal Year ended December 31, 2017)**

During the fiscal year ended December 31, 2017, three individuals were “named executive officers” of Medgold Resources Corp. (the “**Company**”) within the meaning of the definition set out in National Instrument Form 51-102F6V, “Statement of Executive Compensation – Venture Issuers” (“**Form 51-102F6V**”). As required by Form 51-102F6V, the following includes disclosure of the compensation paid or payable by the Company to Simon Ridgway, its Chief Executive Officer (“**CEO**”), Daniel James, its President, and Kevin Bales, its Chief Financial Officer (“**CFO**”) (hereinafter collectively referred to as “**NEOs**”), and to the Company’s directors.

**Compensation Excluding Compensation Securities**

The following summarizes compensation, excluding Compensation Securities (as defined below), paid or payable to NEOs and directors of the Company during the fiscal years ended December 31, 2017 and 2016:

| <b>COMPENSATION EXCLUDING COMPENSATION SECURITIES</b> |      |                                                     |            |                                |                           |                                      |                         |
|-------------------------------------------------------|------|-----------------------------------------------------|------------|--------------------------------|---------------------------|--------------------------------------|-------------------------|
| Name and Position                                     | Year | Salary, Consulting Fee, Retainer or Commission (\$) | Bonus (\$) | Committee or Meeting Fees (\$) | Value of Perquisites (\$) | Value of All Other Compensation (\$) | Total Compensation (\$) |
| Simon Ridgway<br>CEO & Director                       | 2017 | 60,000 <sup>(1)</sup>                               | Nil        | Nil                            | Nil                       | Nil                                  | 60,000                  |
|                                                       | 2016 | 60,000 <sup>(1)</sup>                               | Nil        | Nil                            | Nil                       | Nil                                  | 60,000                  |
| Daniel James<br>President & Director                  | 2017 | 228,621 <sup>(2)</sup>                              | Nil        | Nil                            | Nil                       | Nil                                  | 228,621                 |
|                                                       | 2016 | 217,568 <sup>(3)</sup>                              | Nil        | Nil                            | Nil                       | Nil                                  | 217,568                 |
| Kevin Bales<br>CFO                                    | 2017 | 34,279 <sup>(4)</sup>                               | Nil        | Nil                            | Nil                       | Nil                                  | 34,279                  |
|                                                       | 2016 | 28,875 <sup>(4)</sup>                               | Nil        | Nil                            | Nil                       | Nil                                  | 28,875                  |
| Ralph Rushton<br>Director                             | 2017 | Nil                                                 | Nil        | Nil                            | Nil                       | Nil                                  | Nil                     |
|                                                       | 2016 | 9,150 <sup>(5)</sup>                                | Nil        | Nil                            | Nil                       | Nil                                  | 9,150                   |
| David Hall<br>Director                                | 2017 | Nil                                                 | Nil        | Nil                            | Nil                       | Nil                                  | Nil                     |
|                                                       | 2016 | Nil                                                 | Nil        | Nil                            | Nil                       | Nil                                  | Nil                     |
| Jeremy Martin<br>Director                             | 2017 | Nil                                                 | Nil        | Nil                            | Nil                       | Nil                                  | Nil                     |
|                                                       | 2016 | Nil                                                 | Nil        | Nil                            | Nil                       | Nil                                  | Nil                     |
| Michael Skead<br>Director                             | 2017 | Nil                                                 | Nil        | Nil                            | Nil                       | Nil                                  | Nil                     |
|                                                       | 2016 | Nil                                                 | Nil        | Nil                            | Nil                       | Nil                                  | Nil                     |

Notes:

- (1) Paid or payable to Mill Street Services Ltd. (“**Mill Street**”) for the services of Simon Ridgway as CEO of the Company.
- (2) Includes amounts paid or payable to Wellhead Management Ltd. (“**Wellhead**”) commencing September 1, 2017 for the ongoing services of Daniel James as President of the Company. Includes \$43,000, being the fair market value of Common Shares issued to Mr. James pursuant to a shares-for-services agreement dated June 23, 2017.
- (3) Paid or payable to Daniel James for his services as President of the Company. Includes \$46,875, being the fair market value of Common Shares issued to Mr. James pursuant to a shares-for-services agreement dated June 29, 2016.
- (4) Paid or payable to Gold Group Management Inc. (“**Gold Group**”) for the services of Kevin Bales as CFO of the Company.
- (5) Paid or payable to Focus Ventures Ltd. for corporate development services of Ralph Rushton.

**Compensation Securities**

The Company did not grant or issue any stock options, convertible securities, exchangeable securities or similar instruments including stock appreciation rights, deferred share units or restricted stock units (collectively “**Compensation Securities**”) to its NEOs and directors during the fiscal year ended December 31, 2017.

The total number of Compensation Securities, and underlying securities, held by each NEO and director as at December 31, 2017 are:

|               |                                                        |
|---------------|--------------------------------------------------------|
| Simon Ridgway | 750,000 stock options (and underlying common shares)   |
| Daniel James  | 1,500,000 stock options (and underlying common shares) |
| Kevin Bales   | 250,000 stock options (and underlying common shares)   |
| Ralph Rushton | 350,000 stock options (and underlying common shares)   |
| David Hall    | 350,000 stock options (and underlying common shares)   |
| Jeremy Martin | 350,000 stock options (and underlying common shares)   |
| Michael Skead | 350,000 stock options (and underlying common shares)   |

The Company’s NEOs and directors did not exercise any Compensation Securities during the fiscal year ended December 31, 2017.

**Stock Option Plans and Other Incentive Plans**

The Company has a stock option plan (the “**Option Plan**”) which was approved by the shareholders of the Company on November 29, 2017. The TSX Venture Exchange (the “**Exchange**”) requires that the Company obtain shareholder approval to its stock option plan yearly at its annual general meeting. The material terms of the Option Plan are as follows:

1. the Option Plan reserves a rolling maximum of 10% of the issued capital of the Company at the time of granting of each option, with no vesting provisions other than the vesting restrictions required by the Exchange for options granted to investor relations consultants;
2. no more than 5% of the issued capital may be reserved for issuance to any one individual in any 12 month period;
3. no more than 2% of the issued capital may be reserved for issuance to any Consultant (as defined by the Exchange) or to an optionee providing investor relations services in any 12 month period;
4. the minimum exercise price of an option cannot be less than the Market Price (as defined by the Exchange) of the Company’s shares;
5. options may be granted for a period of up to 10 years;
6. options are non-assignable and non-transferable;
7. unless otherwise determined by the Company’s Board of Directors (the “**Board**”), a vested option is exercisable for up to 90 days from the date the optionee ceases to be a director, officer, employee or service provider of the Company or of its subsidiaries, unless: (i) such optionee was terminated for cause, in which case the option shall be cancelled, or (ii) if an optionee dies, the legal representative of the optionee may exercise the option for up to one year from the date of death;
8. unless otherwise determined by the Board, if an optionee’s employment or service with the Company is terminated by the Company without cause, by the optionee for “**Good Reason**” (as defined in the Option Plan) or due to disability or death, a portion of the unvested options held by such optionee shall immediately vest according to a set formula;

9. unless otherwise determined by the Board, where an optionee's employment is terminated by the Company within 12 months after a change of control of the Company, the optionee resigns for Good Reason within 12 months after a change of control, or if the optionee dies while performing his or her regular duties as a director, officer and/or employee of the Company or its subsidiaries, then all of his or her outstanding options shall immediately vest; and
10. there are provisions for adjustment in the number of shares issuable on exercise of options in the event of a share consolidation, split, reclassification or other relevant change in the Company's corporate structure or capitalization.

### **Compensation Agreements or Arrangements**

Mill Street is paid a monthly fee for the services of Simon Ridgway as CEO of the Company. Mill Street is controlled by Mr. Ridgway. There is no written agreement between the parties regarding these services.

Pursuant to a consulting agreement dated effective September 1, 2017, Wellhead is paid a monthly fee of \$15,500 for the services of Daniel James as President of the Company. The agreement has no fixed expiry date and contains provisions regarding fees and expenses, and termination of services. The agreement may be terminated without cause by either party on three months' notice. If, on December 31, 2017, the Company had terminated the agreement without cause, \$46,500 would have been payable to Wellhead. Wellhead is controlled by Daniel James, the President of the Company.

Pursuant to an agreement dated June 23, 2017, the Company issued to Daniel James for his services as President of the Company during 2017, Common Shares of the Company having a total fair value of \$43,000.

Pursuant to an agreement dated July 1, 2012, Gold Group is reimbursed by the Company on a monthly basis for certain shared costs and other business related expenses paid by Gold Group on behalf of the Company, including the services of the Company's CFO and its directors, as applicable. The agreement may be terminated by either party on three months' notice. Gold Group is controlled by Simon Ridgway, the CEO of the Company.

### **Oversight and Description of Director and NEO Compensation**

The Company does not have a formal compensation program. The Board relies on the experience of its members as officers or directors of other junior exploration companies to ensure that total compensation paid to the Company's NEOs and directors is fair and reasonable. The Board meets periodically to discuss and determine such compensation, without reference to formal objectives, criteria or analysis.

The general philosophy of the Company's compensation strategy is to: (a) encourage management to achieve a high level of performance and results with a view to increasing long-term shareholder value; (b) align management's interests with the long-term interest of shareholders; (c) provide a compensation package that is commensurate with other mineral exploration companies in order to attract and retain highly qualified executives and directors; and (d) ensure that total compensation paid takes into account the Company's overall financial position.

Compensation of the Company's NEOs is comprised primarily of cash salaries and/or incentive stock options. The compensation to the Company's NEOs for the fiscal year ended December 31, 2017 was comprised of cash salaries, as well as the issuance of a total of 215,557 Common Shares to Daniel James in part consideration for his services as President of the Company during 2017. Stock options were most recently granted to NEOs and directors during the 2016 fiscal year. The Company may in the future grant additional stock options to its NEOs and directors.

In establishing levels of cash or share compensation and the granting of stock options, the individual's performance, level of expertise, and responsibilities are considered. Stock options are generally granted at the time of the individual's appointment and periodically thereafter. Previous grants of options are taken into account by the Board when it considers the granting of new stock options.

Incentive stock options are granted pursuant to the Company's stock option plan which is designed to encourage share ownership on the part of the Company's management, directors, employees and consultants. The Board believes that the stock option plan aligns the interests of the Company's personnel with shareholders by linking compensation to the longer term performance of the Company's shares. The granting of incentive stock options is an important component of executive compensation as it allows the Company to reward an individual's efforts to increase shareholder value without requiring the use of the Company's cash reserves.