

**OUTCROP GOLD CORP.**  
#905 – 1111 West Hastings Street  
Vancouver, BC V6E 2J3

**MANAGEMENT INFORMATION CIRCULAR**  
as at May 21, 2020

**This Management Information Circular (“Information Circular”) is furnished in connection with the solicitation of proxies by management of Outcrop Gold Corp. (the “Company”) for use at the annual general and special meeting (the “Meeting”) of shareholders of the Company (the “Shareholders”) to be held on June 25, 2020 and any adjournment thereof, for the purposes set forth in the attached Notice of Annual General and Special Meeting. Except where otherwise indicated, the information contained herein is stated as of May 21, 2020.**

In this Information Circular, references to the “Company” and “we” refer to Outcrop Gold Corp. “Common Shares” means common shares without par value in the capital of the Company. “Registered Shareholders” means Shareholders whose names appear on the records of the Company as the registered holders of Common Shares. “Non-Registered Shareholders” means Shareholders who do not hold Common Shares in their own name. “Intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Non-Registered Shareholders.

**GENERAL PROXY INFORMATION**

**Solicitation of Proxies**

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. The Company will bear all costs of this solicitation. We have arranged to send meeting materials directly to Registered Shareholders, as well as Non-Registered Shareholders who have consented to their ownership information being disclosed by the Intermediary holding the Common Shares on their behalf (non-objecting beneficial owners). We have not arranged for Intermediaries to forward the meeting materials to Non-Registered Shareholders who have objected to their ownership information being disclosed by the Intermediary holding the Common Shares on their behalf (objecting beneficial owners) under National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*. As a result, objecting beneficial owners will not receive the Information Circular and associated meeting materials unless their Intermediary assumes the costs of delivery.

**Appointment and Revocation of Proxies**

The individuals named in the accompanying form of proxy (the “Proxy”) are officers or directors of the Company. **If you are a Registered Shareholder, you have the right to attend the meeting or vote by proxy and to appoint a person or company other than the person designated in the Proxy, who need not be a Shareholder, to attend and act for you and on your behalf at the Meeting.** You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of Proxy. If you are a Registered Shareholder you may wish to vote by proxy whether or not you are able to attend the Meeting in person. Registered Shareholders electing to submit a Proxy may do so by:

- (i) Completing, dating and signing the enclosed form of Proxy and returning it to the Company’s transfer agent, Computershare Investor Services Inc. (“Computershare”), by fax within North America at 1-866-249-7775, or by mail or hand delivery at 8<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, Canada; or
- (ii) Using a touch-tone phone to transmit voting choices to the toll-free number given in the Proxy. Registered Shareholders who choose this option must follow the instructions of the voice response system and refer to the enclosed Proxy for the toll-free number, the holder’s account number and the Proxy Control Number.

You should ensure that the Proxy is received at least 48 hours before the Meeting or the adjournment thereof at which the Proxy is to be used.

Every Proxy may be revoked by an instrument in writing:

- (i) executed by the Shareholder or by his/her attorney authorized in writing or, where the Shareholder is a company, by a duly authorized officer or attorney of the company; and
- (ii) delivered either to the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof, at which the Proxy is to be used, or to the chairman of the Meeting on the day of the Meeting or any adjournment thereof,

or in any other manner provided by law.

**Only Registered Shareholders have the right to revoke a Proxy. Non-Registered Shareholders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective Intermediaries to revoke the Proxy on their behalf.** If you are a Non-Registered Shareholder, see “Voting by Non-Registered Shareholders” below for further information on how to vote your Common Shares.

### **Exercise of Discretion by Proxyholder**

If you vote by proxy, the persons named in the Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. The Proxy confers discretionary authority on the persons named therein with respect to:

- (i) each matter or group of matters identified therein for which a choice is not specified;
- (ii) any amendment to or variation of any matter identified therein;
- (iii) any other matter that properly comes before the Meeting; and
- (iv) exercise of discretion of the proxyholder.

**In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Common Shares represented by the Proxy for the approval of such matter.** Management is not currently aware of any other matters that could come before the Meeting.

### **Voting by Non-Registered Shareholders**

The following information is of significant importance to Shareholders who do not hold Common Shares in their own name. Non-Registered Shareholders should note that the only Proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders.

If Common Shares are listed in an account statement provided to a Shareholder by an Intermediary, then in almost all cases those Common Shares will not be registered in the Shareholder’s name on the records of the Company. Such Common Shares will more likely be registered under the name of the Shareholder’s Intermediary or an agent of that Intermediary. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. as nominee for The Canadian Depository for Securities Limited (which acts as depository for many Canadian brokerage firms and custodian banks), and in the United States, under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many United States brokerage firms and custodian banks).

If you have consented to disclosure of your ownership information, you will receive a request for voting instructions from the Company (through Computershare). If you have declined to disclose your ownership information, you may receive a request for voting instructions from your Intermediary if they have assumed the cost of delivering the Information Circular and associated meeting materials. Every Intermediary has its own mailing procedures and provides its own return instructions to clients. However, most Intermediaries now delegate responsibility for obtaining voting instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in the United States and in Canada.

If you are a Non-Registered Shareholder, you should carefully follow the instructions on the voting instruction form received from Computershare or Broadridge in order to ensure that your Common Shares are voted at the Meeting. The voting instruction form supplied to you will be similar to the Proxy provided to the Registered Shareholders by the Company. However, its purpose is limited to instructing the Intermediary on how to vote on your behalf.

The voting instruction form sent by Computershare or Broadridge will name the same persons as the Company's proxy to represent you at the Meeting. Although as a Non-Registered Shareholder you may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of your Intermediary, you, or a person designated by you (who need not be a Shareholder), may attend at the Meeting as Proxyholder for your Intermediary and vote your Common Shares in that capacity. To exercise this right to attend the meeting or appoint a Proxyholder of your own choosing, you should insert your own name or the name of the desired representative in the blank space provided in the voting instruction form. Alternatively, you may provide other written instructions requesting that you or your desired representative attend the Meeting as Proxyholder for your Intermediary. The completed voting instruction form or other written instructions must then be returned in accordance with the instructions on the form.

**If you receive a voting instruction form from Computershare or Broadridge, you cannot use it to vote Common Shares directly at the Meeting. The voting instruction form must be completed as described above and returned in accordance with its instructions well in advance of the Meeting in order to have the Common Shares voted.**

#### **INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON**

Except as disclosed herein, no person has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting other than the election of directors and as set out herein. For the purpose of this paragraph, "person" shall include each person: (a) who has been a director, senior officer or insider of the Company at any time since the commencement of the Company's last financial year; (b) who is a proposed nominee for election as a director of the Company; or (c) who is an associate or affiliate of a person included in subparagraphs (a) or (b).

#### **RECORD DATE AND QUORUM**

The board of directors (the "**Board**") of the Company has fixed the record date for the Meeting as the close of business on May 21, 2020 (the "**Record Date**"). Shareholders of record as at the Record Date are entitled to receive notice of the Meeting and to vote their Common Shares at the Meeting, except to the extent that any such Shareholder transfers any Common Shares after the Record Date and the transferee of those Common Shares establishes that the transferee owns the Common Shares and demands, not less than ten (10) days before the Meeting, that the transferee's name be included in the list of Shareholders entitled to vote at the Meeting, in which case, only such transferee shall be entitled to vote such Common Shares at the Meeting.

Under the Company's articles, the quorum for the transaction of business at a meeting of Shareholders is one person who is a Shareholder, or who is otherwise permitted to vote Common Shares of the Company at a meeting of Shareholders, present in person or by Proxy.

#### **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

On the Record Date, there were **78,370,345** Common Shares issued and outstanding, with each Common Share carrying the right to one vote. Only Shareholders of record at the close of business on the Record Date will be entitled to vote in person or by Proxy at the Meeting or any adjournment thereof.

To the knowledge of the Directors and Senior Officers of the Company, as of the Record Date, the following beneficially own, or control or direct, directly or indirectly, common shares carrying more than 10% of the voting rights attached to all outstanding common shares of the Company:

Name of Shareholder	Number of common shares	Percentage of Issued and Outstanding
Cedar Capital Corporation	22,500,000	28.70%

The above information was supplied by the Company's SEDI profile

## PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the Company's directors, the only matters to be placed before the Meeting are those set forth in the accompanying Notice of Meeting and more particularly discussed below.

### Presentation Of Financial Statements

The annual consolidated financial statements of the Company for the financial year ended August 31, 2018, together with the auditor's report thereon, will be placed before the Meeting. The Company's financial statements are available on the System of Electronic Document Analysis and Retrieval (SEDAR) website at [www.sedar.com](http://www.sedar.com).

### ELECTION OF DIRECTORS

The Company proposes to fix the number of directors of the Company at four (4) and to nominate the persons listed below for election as directors. Each director will hold office until the next annual general meeting of the Company or until his successor is elected or appointed, unless his office is earlier vacated. Management does not contemplate that any of the nominees will be unable to serve as a director. If, prior to the Meeting, any vacancies occur in the slate of nominees herein listed, it is intended that discretionary authority shall be exercised by the person named in the Proxy as nominee to vote the Common Shares represented by Proxy for the election of any other person or persons as directors.

The following table sets out the names of the management nominees; their positions and offices in the Company; principal occupations; the period of time that they have been directors of the Company; and the number of Common Shares which each beneficially owns or over which control or direction is exercised.

Name, Residence and Present Position within the Company	Director Since	Number of Common Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Discretion is Exercised <sup>(1)</sup>	Principal Occupation <sup>(1)</sup>
<b>Joseph Hebert</b> Nevada, United States <i>President, CEO &amp; Director</i>	January 21, 2014	1,876,160	CEO, Outcrop Gold Corp.
<b>Kevin Nishi</b> <sup>(2)</sup> British Columbia, Canada <i>Director</i>	February 16, 2015	111,111	Partner, Smythe LLP
<b>Ian Slater</b> <sup>(2)</sup> British Columbia, Canada <i>Executive Chairman</i>	January 24, 2020	22,500,000	CEO, Libero Copper & Gold Corporation
<b>Jay Sujir</b> <sup>(2)</sup> British Columbia, Canada <i>Director</i>	January 23, 2020	0	Partner, Farris LLP.

#### Notes:

<sup>(1)</sup> The information as to principal occupation, business or employment, and Common Shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective nominees. Unless otherwise stated above, any nominees named above not elected at the last annual general meeting have held the principal occupation or employment indicated for at least the five preceding years.

<sup>(2)</sup> Member of the Audit Committee.

Except as otherwise disclosed below, to the knowledge of the Company, no proposed director of the Company is, as at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:

- (a) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer, or
- (b) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

For the purposes of subsection (a) above, “order” means:

- (i) a cease trade order;
- (ii) an order similar to a cease trade order; or
- (iii) an order that denied the relevant company access to any exemption under securities legislation;

that was in effect for more than 30 consecutive days.

Except as otherwise disclosed below, to the knowledge of the Company, no proposed director of the Company:

- (a) is, as at the date of this Information Circular, or has been within 10 years before the date of this Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in the that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
- (b) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director or executive officer;
- (c) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (d) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

#### **APPOINTMENT OF AUDITOR**

Management is recommending that Shareholders vote to appoint Davidson & Company LLP of 1200 - 609 Granville Street, Vancouver, BC, V7Y 1G6, as the Company’s auditor and to authorize the directors to fix their remuneration.

#### **APPROVAL OF STOCK OPTION PLAN**

At the Meeting of Shareholders of the Company on December 17, 2019 the shareholders passed a resolution approving the 2019 rolling stock option plan (the “Plan”) to replace the existing fixed stock option plan. The purpose of the Plan is to provide an incentive to directors, employees and consultants to acquire a proprietary interest in the Company, to continue their participation in the affairs of the Company, to increase their efforts on behalf of the Company, and to reward or compensate their contributions towards the long-term goals of the Company.

The following summary of the material terms of the Plan does not purport to be complete and is qualified in its entirety by reference to the Plan.

Eligible Participants. Options may be granted under the Plan to directors or officers of the Company or an affiliate of the Company (collectively, the “Directors”), employees of the Company (collectively, the “Employees”) consultants of

the Company or its affiliate (collectively, the “Consultants”) or Management Company Employees (as that term is defined in Policy 4.4 of the TSX Venture Exchange (the “Exchange”) Corporate Finance Manual). The Board, in its discretion, determines which of the Directors, Employees, Consultants or Management Company Employees will be awarded Options under the Plan.

Number of Shares Reserved. The number of Common Shares which may be issued pursuant to options granted under the Plan may not exceed 10% of the issued and outstanding Common Shares of the Company from time to time at the date of granting of Options (including all options granted by the Company prior to the adoption of the Plan and under the Plan). Options which are cancelled or expire prior to exercise continue to be issuable under the Plan.

Limitations. Under the Plan, the aggregate number of options granted to any one person in a 12 month period must not exceed 5% of the issued and outstanding shares of the Company, calculated on the date the option is granted. The aggregate number of options granted to any one Consultant in a 12 month period must not exceed 2% of the issued and outstanding shares of the Company, calculated at the date the option is granted. The aggregate number of options granted to all persons retained to provide investor relations services to the Company (including Consultants and Employees or Directors whose role and duties primarily consist of providing investor relations services) must not exceed 2% of the issued and outstanding shares of the Company in any 12 month period, calculated at the date an option is granted to any such person.

Term of Options. Subject to the termination and change of control provisions noted below, the terms of any Option granted under the Plan is determined by the Board and may not exceed ten years from the date of grant.

Exercise Price. The exercise price of Options granted under the Plan is determined by the Board, provided that it is not less than the Discounted Market Price, as that term is defined in the Exchange’s Corporate Finance policy manual or such other minimum price as is permitted by the Exchange in accordance with the policies from time to time, or, if the Common Shares are no longer listed on the Exchange, then such other exchange or quotation system on which the Common Shares are listed or quoted for trading. The exercise price of Options granted to insiders may not be decreased without disinterested shareholder approval at the time of the proposed amendment.

Term of Options. Subject to the termination and change of control provisions noted below, the term of any options granted under the Plan is determined by the Board and may not exceed ten years from the date of grant.

Vesting. All Options granted pursuant to the Plan will be subject to such vesting requirements as may be prescribed by the Exchange, if applicable, or as may be imposed by the Board.

Termination. Any Options granted pursuant to the Plan will terminate upon the earliest of:

- (a) such date as the Board has fixed when the Option is granted, provided that the date is no more than one year from the date on which the holder ceases to be eligible (the “Cessation Date”) to hold the Option;
- (b) the end of the term of the Option;
- (c) if the Cessation Date is as a result of dismissal for cause or regulatory sanction, then immediately on the Cessation Date; or
- (d) if the Cessation Date is as a result of death or disability, then the date that is one year from the date of such death or disability.

### ***Shareholder Approval***

The rules of the TSX-V require that the Option Plan be approved by an Ordinary Resolution passed by a majority of the votes cast by holders of Shares of the Company present or represented by proxy at the Meeting.

Shareholders will be asked at the Meeting to consider and, if deemed advisable, to pass, with or without variation, the Ordinary Resolution in the form set forth below:

**"BE IT RESOLVED THAT AS AN ORDINARY RESOLUTION OF THE MAJORITY OF THE MINORITY SHAREHOLDERS THAT:**

1. Subject to the approval of the TSX Venture Exchange and any other regulatory approvals, if so required, the Stock Option Plan as described in the Information Circular of the Company and approved by shareholders on Dec 17, 2019 and all unallocated entitlements issuable pursuant to the Option Plan are hereby approved and authorized for issuance until the date that is one year from the date of the Meeting; and
2. Any one Director or officer of the Company is authorized and directed on behalf of the Company to execute all documents and to do all such other acts and things as such Director or officer may determine to be necessary or advisable to give effect to the foregoing provisions of this resolution."

**PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE STOCK OPTION PLAN RESOLUTION UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE VOTED AGAINST SUCH RESOLUTION.**

#### **ADOPTION OF RSU/DSU PLAN**

The Company proposes to adopt an additional share based compensation plan which would permit the grant of restricted share units of the Company ("**RSUs**") and/or deferred share units of the Company ("**DSUs**") to certain eligible participants (the "**RSU/DSU Plan**"). The Board approved the RSU/DSU Plan on May 15, 2020 and the Company received acceptance of the RSU/DSU Plan from the TSXV, conditional upon receipt of disinterested shareholder approval and applicable filing fees. The Company has not granted any RSUs or DSUs under the RSU/DSU Plan.

The RSU/DSU Plan is intended to bring the Company's compensation policies in line with trends in industry compensation practice, which includes a move towards RSUs and DSUs, and to preserve the working capital of the Company by paying Directors, Employees, Consultants and other persons or companies engaged to provide ongoing services to the Company and its Affiliates, other than persons involved in Investor Relations Activities relating to the Company (as such terms are defined in the RSU/DSU Plan) (collectively the "**Eligible Persons**") compensation in the form of share based awards as opposed to cash. Eligible Persons who are granted RSUs or DSUs under the RSU/DSU Plan are collectively referred to herein as "**Participants**" or "**Grantees**". Under the proposed RSU/DSU Plan, no cash settlements will be made, as settlement will be in the form of Common Shares only.

RSUs are performance-based share units which will be granted to Eligible Persons under the RSU/DSU Plan based on both individual and corporate performance criteria as determined by the Board or the Granting Authority (as such term is defined in the RSU/DSU Plan). The RSUs vest and are paid out to the Participant at no later than three years after the year in which the RSUs were granted. Non-vested RSUs are forfeited if the Participant voluntarily leaves his or her employment with the Company. RSUs provide the Company with a more transparent and objective tool for rewarding performance or compensating Participants, while providing the Participant with a better defined incentive award.

The proposed RSU/DSU Plan also makes provision for the use of DSUs as partial payment of an Eligible Person's fees. A DSU is a notional share that has the same value as one Common Share as at the grant date. Under the proposed RSU/DSU Plan, a Participant may choose, with the consent of the Company, to take all or part of their fees in DSUs. DSUs are paid out to the Participant as Common Shares when they retire from or no longer service the Company. A

retiring Participant can defer the payout of his or her DSUs to the year following his or her departure from the Company. The use of DSUs has the advantage of encouraging higher levels of share ownership by the Participants, thereby aligning their interests more closely with that of the Company while also preserving cash for the Company.

The following is a summary of the additional important provisions of the RSU/DSU Plan. It is not a comprehensive discussion of all of the terms and conditions of the RSU/DSU Plan. Readers are advised to review the full text of the RSU/DSU Plan appended hereto as appendix C to fully understand all terms and conditions of the RSU/DSU Plan.

**Purpose:** The RSU/DSU Plan is being introduced to bring the Company's compensation policies in line with trends in industry compensation practice. The proposed RSU/DSU Plan includes provision for granting RSUs as well as DSUs. Under the RSU/DSU Plan, no cash settlements will be made in respect of vested RSUs or DSUs, as settlement will be in the form of Common Shares only.

The RSU/DSU Plan will advance the interests of the Company by encouraging Participants to receive equity-based compensation and incentives, thereby (i) increasing the proprietary interests of such persons in the Company, (ii) aligning the interests of such persons with the interests of the shareholders of the Company generally, (iii) encouraging such persons to remain associated with the Company, and (iv) furnishing such persons with additional incentive in their efforts on behalf of the Company. The Board also contemplates that through the RSU/DSU Plan, the Company will be better able to compete for and retain the services of the individuals needed for the continued growth and success of the Company.

**Administration:** Under the RSU/DSU Plan, the Board may, at any time, appoint a committee to, among other things, interpret, administer and implement the RSU/DSU Plan on behalf of the Board in accordance with such terms and conditions as the Board may prescribe, consistent with the RSU/DSU Plan.

**Eligible Persons:** Under the RSU/DSU Plan, RSUs or DSUs (collectively the "Awards") may be granted to any Eligible Person. A Participant or Grantee is an Eligible Person to whom an Award has been granted under the RSU/DSU Plan.

**Number of Securities Issued or Issuable:** Subject to the adjustment provisions provided for in the RSU/DSU Plan and applicable rules and regulations of all regulatory authorities to which the Company is subject (including any stock exchange), the total number of Common Shares reserved for issue pursuant to the RSU/DSU Plan and the 2020 Stock Option Plan may not exceed 10% of the number of issued and outstanding Common Shares from time to time.

At this Meeting, shareholders of the Company will be asked to approve the listing of 4,000,000 Common Shares, representing 5.10% of the number of issued and outstanding Common Shares at the date of this Circular, to be made available for issue under the RSU/DSU Plan.

If any Award is cancelled in accordance with the terms of the RSU/DSU Plan or the agreements evidencing the grant, the Common Shares reserved for issue pursuant to such Award will, upon cancellation of such Awards, revert to the RSU/DSU Plan and will be available for other Awards.

**Maximum Grant to Any One Participant:**

The issue of Awards to Eligible Persons is subject to, among others, the following restrictions:

- (a) the number of Common Shares which may be reserved for issue pursuant to the RSU/DSU Plan together with the Common Shares which may be reserved for issue pursuant to any other share compensation arrangements of the Company, including the 2019 Stock Option Plan, to any one Eligible Person within a 12 month period may not exceed in the aggregate 5% of the number of Common Shares issued and outstanding on a non-diluted basis on the date of the grant of the Award unless the Company has received disinterested shareholder approval;
- (b) the number of Common Shares which may be reserved for issue pursuant to the RSU/DSU Plan together with the Common Shares which may be reserved for issue pursuant to any other share compensation

arrangements of the Company, including the 2020 Stock Option Plan, to all insiders of the Company may not exceed 10% of the number of Common Shares issued and outstanding on a non-diluted basis at any point in time unless the Company has received disinterested shareholder approval;

- (c) the number of Common Shares which may be reserved for issue pursuant to the RSU/DSU Plan together with the Common Shares which may be reserved for issue pursuant to any other share compensation arrangements of the Company, including the 2020 Stock Option Plan, to all insiders of the Company within a 12 month period may not exceed in the aggregate 10% of the number of Common Shares issued and outstanding on a non-diluted basis on the date of the grant of the Award unless the Company has received disinterested shareholder approval; and
- (d) the number of Common Shares which may be reserved for issued pursuant to the RSU/DSU Plan together with the Common Shares which may be reserved for issue pursuant to any other share compensation arrangements of the Company, including the 2020 Stock Option Plan, to any one consultant in any 12 month period may not exceed 2% of the number of Common Shares issued and outstanding on a non-diluted basis on the date of the grant of the Award.

***Restricted Share Units:*** Restricted Share Units granted pursuant to the RSU/DSU Plan will be used to compensate Participants for their individual performance-based achievements and are intended to supplement stock option awards in this specific respect. The goal of such grants is to more closely tie Awards to individual performance based on established Performance Criteria (as such term is defined in the RSU/DSU Plan).

***Vesting of Restricted Share Units:*** The Granting Authority may determine the vesting schedule of any RSUs at the time of grant. Notwithstanding such determination, in the event of a Change of Control (as such term is defined in the RSU/DSU Plan) while the Grantee is employed by the Company or a wholly owned subsidiary of the Company, the termination of the Grantee by the Company without cause or in the event that the Grantee terminates employment with the Company and its subsidiaries by reason of Eligible Retirement (as such term is defined in the RSU/DSU Plan), death or total disability (as determined by the Granting Authority in good faith) (each an "**Accelerated Vesting Event**"), the non-vested RSUs will: (i) in the case of a Change of Control, termination without cause, Eligible Retirement or death being the Accelerated Vesting Event, immediately become 100% vested, or (ii) in the case of total disability being the Accelerated Vesting Event, vest on the 60<sup>th</sup> day following the date on which the Participant is determined to be totally disabled.

If the Grantee terminates employment with the Company and its subsidiaries for any reason other than such Eligible Retirement, total disability or death or termination without cause, any non-vested RSUs granted thereunder will be immediately cancelled without liability or compensation therefor and be of no further force and effect. For clarity, where the Grantee voluntarily terminates his/her employment with the Company or is otherwise terminated by the Company for cause, all non-vested RSUs of the Grantee shall be immediately cancelled without compensation or liability therefor and be of no further force and effect.

***Settlement of Vested Restricted Share Units:*** Payment to the Grantee in respect of vested RSUs will be made in the form of Common Shares only and will be evidenced by book entry registration or by a share certificate registered in the name of the Grantee as soon as practicable following the date on which the RSUs become vested, provided that the settlement date may not be later than the third anniversary of the date of grant of the RSU and all payments in respect of vested RSUs in the Grantee's notional account maintained by the Company will be paid in full on or before December 31 of the same calendar year.

***Deferred Share Units:*** DSUs granted pursuant to the RSU/DSU Plan will be used as a means of reducing the cash payable by the Company in respect of a Participant's compensable amounts. In so doing, the interests of a Participant will become more closely aligned with those of the Company and its shareholders. Vested DSUs will be settled upon the third business day (or such other period of time as permitted by the Granting Authority under the grant agreement) following the Eligible Retirement or death of the applicable Participant or at the time the Participant otherwise ceases to hold office subject to payment or other satisfaction of all related withholding obligations in accordance with the provisions of this RSU/DSU Plan.

*Vesting of Deferred Share Units:* Subject to the vesting provisions otherwise stipulated by the Granting Authority, where a Grantee is terminated for cause or resigns and, in the case of a director of the Company, is otherwise removed as a result of losing his or her eligibility to serve on the Board due to an order by a regulatory body or stock exchange or for culpable conduct as determined by the Granting Authority, all unvested DSUs in the Grantee's notional account maintained by the Company will be immediately cancelled without liability or compensation therefor and be of no further force and effect (unless otherwise determined by the Granting Authority).

Notwithstanding the vesting provisions above, in the event of a Change of Control while the Grantee is employed by or is a director of the Company or a related entity or in the event of the Grantee being terminated without cause, the non-vested DSUs will immediately become 100% vested.

**Settlement:** Settlement of Restricted Share Units and Deferred Shares Units shall be made by delivery of one Common Share for each such RSU or DSU then being settled.

**Assignability:** Awards granted under the RSU/DSU Plan are non-transferable and non-assignable to anyone other than to the estate of a Participant in the event of death and then only in accordance with the terms of the RSU/DSU Plan.

**Procedure for Amending of the RSU/DSU Plan:** Subject to the terms of the RSU/DSU Plan and any applicable requirements of the TSXV, the Granting Authority has the right at any time to amend the RSU/DSU Plan or any Award agreement thereunder, provided that disinterested shareholder approval has been obtained by ordinary resolution. Notwithstanding the foregoing, shareholder approval is not required for the amendments set out below:

- (a) amendments of a technical, clerical or "housekeeping" nature including, without limiting the generality of the foregoing, any amendments for the purpose of curing any ambiguity, error or omission in the RSU/DSU Plan or to correct or supplement any provision of the RSU/DSU Plan that is inconsistent with any other provision of the RSU/DSU Plan;
- (b) amendments necessary to comply with the provisions of applicable law and the applicable rules of the TSXV;
- (c) amendments necessary in order for Awards to qualify for favourable treatment under the *Income Tax Act* (Canada) or under the United States *Internal Revenue Code*;
- (d) amendments respecting administration of the RSU/DSU Plan including, without limitation, the method or manner of exercise of any Award;
- (e) any amendments to the vesting provision of the RSU/DSU Plan or any Award;
- (f) any amendments to the early termination provisions of the RSU/DSU Plan or any Award, whether or not such Award is held by an insider of the Company, provided such amendment does not entail an extension of an Award beyond the original expiry date;
- (g) any amendments in the termination provision of the RSU/DSU Plan or any Award, other than an Award held by an insider of the Company in the case of an amendment extending the term of an Award, provided any such amendment does not entail an extension of the expiry date of such Award beyond its original expiry date;
- (h) adjustments to outstanding Awards in the event of a Change of Control or similar transaction entered into by the Company;
- (i) amendments necessary to suspend or terminate the RSU/DSU Plan; and
- (j) any other amendment, whether fundamental or otherwise, not requiring shareholder approval under applicable law or the rules of the TSXV.

**Financial Assistance:** The Company does not provide financial assistance to Participants to facilitate the purchase of Common Shares upon the exercise of Awards granted under the RSU/DSU Plan.

**Other Material Information:** Appropriate adjustments to the RSU/DSU Plan and to Awards granted thereunder will be made by the Company to give effect to adjustments in the number and type of Common Shares (or other securities or other property) resulting from subdivisions, consolidations, substitutions, or reclassifications of Common Shares, payment of stock dividends or other prescribed changes in the Company's capital. In the event of any merger, acquisition, amalgamation, arrangement or other scheme of reorganization that results in a Change of Control, the Company may take whatever action with respect to the Awards outstanding that it deems necessary or desirable including accelerating the vesting date of Awards to the date which is immediately preceding the Change of Control. Moreover, if approved by the Board prior to or within 30 days after such time as a Change of Control is deemed to have occurred, the Board has the right to require that all or any portion of the Awards be settled and discharged in cash based on the "cash value" of such Awards in lieu of settlement by issue of Common Shares. At the Meeting, Disinterested Shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution in the form set out below (the "**RSU/DSU Plan Resolution**"), subject to such amendments, variations or additions as may be approved at the Meeting, authorizing and approving the RSU/DSU Plan. In order to pass, the RSU/DSU Plan Resolution must be approved by a majority of the votes cast at the Meeting by Disinterested Shareholders. As of the Record Date, the Disinterested Shareholders beneficially owned an aggregate of \*\* Common Shares representing approximately \*\*% of the then issued and outstanding number of Common Shares.

If the RSU/DSU Plan Resolution is not approved, the RSU/DSU Plan will not be implemented.

**The Board recommends that Shareholders vote for the RSU/DSU Plan Resolution.**

The text of the RSU/DSU Plan Resolution to be submitted to shareholders at the Meeting is set forth below, subject to such amendments, variations or additions as may be approved at the Meeting:

**"BE IT RESOLVED THAT AS AN ORDINARY RESOLUTION OF THE MAJORITY OF THE MINORITY SHAREHOLDERS THAT:**

1. the adoption of the restricted share units and deferred share units compensation plan by the Company as described in the management information circular dated May 21, 2020 and attached thereto as Schedule "B" (the "**RSU/DSU Plan**"), is hereby authorized, approved and confirmed;
2. the reservation for issue under the RSU/DSU Plan of 4,000,000 Common Shares pursuant and subject to the terms and conditions of the RSU/DSU Plan is hereby authorized, approved and confirmed;
3. the RSU/DSU Plan may be amended by the directors of the Company in order to satisfy the requests of any regulatory authorities or the TSX Venture Exchange (collectively the "**Regulatory Requests**") without further approval of the shareholders of the Company, unless approval of the shareholders of the Company is required by the Regulatory Requests; and
4. any director or officer of the Company is hereby authorized and directed, acting for, in the name of and on behalf of the Company, to execute or cause to be executed, under the seal of the Company or otherwise and to deliver or to cause to be delivered, all such other deeds, documents, instruments and assurances and to do or cause to be done all such other acts as in the opinion of such director or officer of the Company may be necessary or desirable to carry out the terms of the foregoing resolutions."

**PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE RSU/DSU PLAN RESOLUTION UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE VOTED AGAINST SUCH RESOLUTION.**

## OTHER BUSINESS

As of the date of this Information Circular, the management of the Company knows of no other matters to be acted upon at the Meeting. However, should any other matters properly come before the Meeting, the Common Shares represented by the Proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the Common Shares represented by the Proxy.

### STATEMENT OF EXECUTIVE COMPENSATION

For the purposes of this statement of executive compensation:

“**CEO**” means the Company’s chief executive officer;

“**CFO**” means the Company’s chief financial officer;

“**Named Executive Officer**” or “**NEO**” means:

- (a) a CEO;
- (b) a CFO;
- (c) the most highly compensated executive officer, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was more than \$150,000 for that financial year; and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

As at August 31, 2019, the end of the most recently completed financial period of the Company, the Company had two (2) NEOs, whose names and positions held within the Company are set out in the summary compensation table below.

#### Director and named executive officer compensation

The following table is a summary of compensation awarded to, earned by, paid to, or payable to each director and NEO of the Company for the two most recently completed financial periods ended August 31, 2019 and August 31, 2018.

Table of compensation excluding compensation securities							
Name and position	Fiscal period end	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
<b>Joseph Hebert</b> <sup>(1)</sup> <i>CEO and Director</i>	2019	\$323,032 <sup>(2)</sup>	Nil	Nil	Nil	Nil	\$243,307
	2018	\$180,616 <sup>(3)</sup>	Nil	Nil	Nil	Nil	\$180,616
<b>Rakesh Patel</b> <sup>(4)</sup> <i>CFO</i>	2019	\$40,000	Nil	Nil	Nil	Nil	\$40,000
	2018	N/A	N/A	N/A	N/A	N/A	N/A
<b>James Cragg</b> <sup>(5)</sup> <i>Director</i>	2019	\$18,574 <sup>(2)</sup>	Nil	Nil	Nil	Nil	\$18,574
	2018	\$17,891 <sup>(3)</sup>	\$56,228 <sup>(2)</sup>	Nil	Nil	Nil	\$74,119
<b>Kevin Nishi</b> <sup>(6)</sup> <i>Director</i>	2019	\$22,170	Nil	Nil	Nil	Nil	\$22,170
	2018	\$21,290	\$55,000	Nil	Nil	Nil	\$76,290

**Table of compensation excluding compensation securities**

<b>Name and position</b>	<b>Fiscal period end</b>	<b>Salary, consulting fee, retainer or commission (\$)</b>	<b>Bonus (\$)</b>	<b>Committee or meeting fees (\$)</b>	<b>Value of perquisites (\$)</b>	<b>Value of all other compensation (\$)</b>	<b>Total compensation (\$)</b>
<b>John Anderson</b> <sup>(7)</sup> <i>Director</i>	2019	\$16,455	Nil	Nil	Nil	Nil	\$16,455
	2018	\$18,074	\$55,000	Nil	Nil	Nil	\$73,074
<b>Len Goldsmith</b> <sup>(8)</sup> <i>Former CFO</i>	2019	\$40,370	Nil	Nil	Nil	Nil	\$37,500
	2018	\$150,000 <sup>(9)</sup>	\$55,000	Nil	Nil	Nil	\$205,000
<b>Kenneth Cunningham</b> <sup>(10)</sup> <i>Former Chairman</i>	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	\$16,755 <sup>(3)</sup>	Nil	Nil	Nil	Nil	\$16,755

**Notes:**

- (1) Mr. Hebert was appointed as a director of the Company effective as of January 21, 2014 and as CEO of the Company effective as of January 28, 2016. Mr. Hebert received compensation in the amount of \$Nil for acting as a director of the Company and \$243,307 for acting as CEO of the Company.
- (2) Compensation paid in US dollars during the financial year ended August 31, 2019 is converted into Canadian dollars by using an average exchange rate for the fiscal 2019 financial year of 1.3267.
- (3) Compensation paid in US dollars during the financial year ended August 31, 2018 is converted into Canadian dollars by using an average exchange rate for the fiscal 2019 financial year of 1.2779.
- (4) Mr. Patel was appointed as CFO of the Company effective as of October 1, 2018 and ceased as CFO on Oct 1, 2019. Mr. Alex Tong fulfilled the vacancy of CFO on January 2, 2020.
- (5) Mr. Cragg was appointed as a director of the Company effective as of December 13, 2004.
- (6) Mr. Nishi was appointed as a director of the Company effective as of February 16, 2015.
- (7) Mr. Anderson was appointed as a director of the Company effective as of August 7, 2017 and appointed as Chairman of the Company for the interim period of Oct 31, 2019 – January 24, 2020. Mr. Anderson did not stand for re-election at the 2020 Annual General Meeting of Shareholders.
- (8) Mr. Goldsmith was appointed as the CFO of the Company effective as of October 17, 2013 and ceased to be the CFO effective as of October 1, 2018.
- (9) Mr. Goldsmith's consulting fees were paid to Goldnor Global Management Inc. in connection with Mr. Goldsmith providing CFO services to the Company.
- (10) Mr. Cunningham served as Chairman of the Company from January 28, 2016 to July 31, 2017.

**Stock options and other compensation securities**

The following table sets forth particulars of all outstanding share-based and option-based awards granted to the NEO's and Directors which were outstanding at August 31, 2019:

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities and percentage of class <sup>(1)</sup>	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date
<b>Joseph Hebert</b> <sup>(1)(6)</sup> <i>CEO and Director</i>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Rakesh Patel</b> <sup>(2)(6)</sup> <i>CFO</i>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>James Cragg</b> <sup>(3)(6)</sup> <i>Director</i>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Kevin Nishi</b> <sup>(4)(6)</sup> <i>Director</i>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>John Anderson</b> <sup>(5)(6)</sup> <i>Director</i>	Nil	Nil	Nil	Nil	Nil	Nil	Nil

**Notes:**

- <sup>(1)</sup> Mr. Hebert held a total of 1,850,000 stock options as of the last day of the most recently completed financial year.
- <sup>(2)</sup> Mr. Patel held no compensation securities on the last day of the most recently completed financial year.
- <sup>(3)</sup> Mr. Cragg held a total of 300,000 stock options as of the last day of the most recently completed financial year.
- <sup>(4)</sup> Mr. Nishi held a total of 300,000 stock options as of the last day of the most recently completed financial year.
- <sup>(5)</sup> Mr. Anderson held a total of nil compensation securities as of the last day of the most recently completed financial year.
- <sup>(6)</sup> The above stock option totals are not reflective of the 10:1 stock consolidation that occurred on February 7, 2017.

No compensation securities were exercised by the directors or NEOs during the most recently completed financial year.

### Employment, consulting and management agreements

Except as disclosed herein, the Company does not have any agreement or arrangement under which compensation was provided during the most recently completed financial period ended August 31, 2019 or is payable in respect of services provided to the Company that were performed by a director or a NEO, or performed by any other party but are services typically provided by a director or a NEO.

Joseph Hebert, the CEO for the Company, entered into an amended and restated employment agreement (the “**Hebert Agreement**”) with the Company on January 28, 2016, pursuant to which Mr. Hebert agreed to perform the duties and fulfill the responsibilities consistent with the position held in consideration of an annual salary of US\$188,000, plus health and fringe benefits of approximately US\$50,000 per year. Mr. Hebert’s employment pursuant to the Hebert Agreement is for an indefinite term, continuing until terminated pursuant to the terms of the Hebert Agreement. The Company may terminate the Hebert Agreement for cause, as more particularly set out in the Hebert Agreement, or at any time without cause by payment to Mr. Hebert equal to two times his annual salary plus one times his annual benefits, based on the annual salary and benefits pursuant to the Hebert Agreement at the time of termination, and all wages and benefits owing to Mr. Hebert up to and including his last day of employment (collectively, the “**Severance Package**”, as defined in the Hebert Agreement). Mr. Hebert may terminate the Hebert Agreement on 60-days’ written notice to the Company if: (i) the Company makes a material adverse change in the salary, duties, or responsibilities assigned to Mr. Hebert pursuant to the Hebert Agreement; or (ii) a “change in control” (as defined in the Hebert Agreement) of the Company occurs; in either of which cases, the Company shall pay to Mr. Hebert the Severance Package. Mr. Hebert may terminate the Hebert Agreement at any time without cause on 60-days’ written notice to the Company, with all remaining salary and benefits ceasing on that effective date.

On March 1, 2016, the Company entered into a consulting agreement with Goldnor Global Management Inc. (“**Goldnor**”), a company owned and controlled by Len Goldsmith, former CFO of the Company (the “**Goldnor Agreement**”). The services of Mr. Goldsmith as CFO and Corporate Secretary of the Company were provided by and performed under the Goldnor Agreement. Goldnor provided the Company with accounting, financial, corporate, and

regulatory compliance services in consideration of an annual service fee of \$150,000, pro-rated for time spent on any business in connection with the Company, plus applicable taxes; plus reimbursement of all preapproved expenses incurred by Goldnor in furtherance of or in connection with the business of the Company and its subsidiaries. The Goldnor Agreement contained non-disclosure and non-solicitation provisions typical of an agreement of this nature. Mr. Goldsmith ceased to be CFO of the Company effective as of October 1, 2018, accordingly the Goldnor Agreement has been terminated.

### **Oversight and description of director and named executive officer compensation**

The compensation of directors is reviewed annually by the Compensation Committee, who then makes a recommendation to the Board. The independent members of the Board approve the annual compensation levels, if any, for the directors. Currently, the Company has no standard arrangement pursuant to which directors are compensated for their services in their capacity as directors.

The objectives of the Company's executive compensation program are as follows:

- to attract, retain and motivate talented executives;
- to align the interests of the Company's executives with the interests of the shareholders;
- to reward executive officers based on their skill and experience level, the level of responsibility involved in their position, the individual's experience and qualifications;
- to reward executives for reinforcing the Company's business objectives and values, for achieving the Company's performance objectives, and for their individual performance; and
- to provide total compensation to executives that is competitive with that paid by other companies of comparable size engaged in a similar business in appropriate regions.

The Company aims to design executive compensation packages that are comparable to those for executives with similar talents, qualifications and responsibilities at companies with similar financial and operating characteristics. However, executive compensation is not evaluated against a formal "peer group".

The Company has implemented three levels of compensation. First, executive officers may be paid a monthly consulting fee or salary. Second, executive officers may be awarded long term incentives in the form of stock options. Finally, and only in special circumstances, cash or share bonuses for exceptional performance that results in a significant increase in shareholder value may be awarded. The Company does not provide pension benefits to the executive officers.

The base compensation of the executive officers is reviewed annually by the Compensation Committee, who then makes a recommendation to the Board. The independent members of the Board approve the annual compensation levels for the executive officers. The Compensation Committee may make recommendations to the Board from time to time regarding stock option grants to be made pursuant to the Plan. The Compensation Committee may also make recommendations regarding awarding bonuses, which are then approved by the independent members of the Board at their discretion. The Compensation Committee and Board do not have pre-existing performance criteria or objectives that it considers in setting compensation amounts.

See "*Statement of Executive Compensation - Director and named executive officer compensation*" above for a description of the compensation awarded to each NEO during the most recently completed financial period ended August 31, 2019. Compensation for the most recently completed financial period should not be considered an indicator of expected compensation levels in future periods. All compensation is subject to and dependent on the Company's financial resources and prospects.

### **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The following table sets out information as of the end of the Company's most recently completed financial year with respect to compensation plans under which equity securities of the Company are authorized for issuance:

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights<sup>(1)</sup> (a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (b)</b>	<b>Number of securities remaining available for future issuances under equity compensation plan (excluding securities reflected in column (a)) (c)</b>
Equity compensation plans approved by security holders (stock option plan)	416,000	\$1.10	5,296,890
Equity compensation plans not approved by security holders	N/A	N/A	N/A
<b>Total:</b>	416,000	\$1.10	5,296,890

### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

None of the directors, executive officers, employees, proposed nominees for election as directors and their associates, or any former executive officers, directors and employees of the Company or any of its subsidiaries, is, as at the date of this Information Circular, or has been at any time during the most recently completed financial year, indebted to the Company or any of its subsidiaries.

### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Except as disclosed herein or above, since the commencement of the Company's most recently completed financial year, no informed person (a director, officer or holder of 10% or more of the Common Shares) or nominee for election as a director of the Company or any associate or affiliate of any informed person or proposed director had any interest in any transaction that has materially affected or would materially affect the Company or any of its subsidiaries.

### **MANAGEMENT CONTRACTS**

Management functions of the Company or any of its subsidiaries are not to any substantial degree performed by anyone other than by the directors or executive officers of the Company or subsidiary. See "Employment, consulting and management agreements" above.

### **STATEMENT OF CORPORATE GOVERNANCE**

#### **Corporate Governance**

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the Shareholders, and takes into account the role of the individual members of management who are appointed by the Board and charged with the day to day management of the Company. The Canadian Securities Administrators ("CSA") have adopted National Policy 58-201 *Corporate Governance Guidelines*, which provides non prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, the CSA have implemented National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("NI 58-101"), which prescribes certain disclosure by the Company of its corporate governance practices. This disclosure is presented below.

#### **Board of Directors**

The composition of the Board currently consists of the following five members: Joseph Hebert, Ian Slater, John Anderson, Jay Sujir and Kevin Nishi. It is proposed that at the Meeting the following four individuals will be elected as member of the Board for the ensuing year: Joseph Hebert, Kevin Nishi, Ian Slater and Jay Sujir.

The Board consists of a majority of individuals who qualify as independent directors. For this purpose, a director is

independent if he or she has no direct or indirect “material relationship” with the Company. A “material relationship” is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of the director’s independent judgment. Of the proposed nominees, Joseph Hebert, President and CEO is considered to be a non-independent director

### **Other Directorships**

The following table sets forth the directors of the Company who are directors of other reporting issuers as at May 21, 2020:

<b>Name of Director</b>	<b>Name of Reporting Issuer</b>
Ian Slater	Libero Copper & Gold Corp. Abigail Capital Corporation
Jay Sujir	Vanadian Energy Corp. Collingwood Resources Corp. Carlin Gold Corporation Roughrider Exploration Limited Kutcho Copper Corp. Libero Copper & Gold Corp. Abigail Capital Corporation

### **Orientation and Continuing Education**

Orientation of new members of the Board is conducted informally by Management and members of the Board. The Company has not adopted formal policies respecting continuing education for Board members.

### **Ethical Business Conduct**

The Board has adopted a formal written Code of Business Ethics and Conduct for its directors, officers and employees. The Board expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company’s business plan and to meet performance objectives and goals. In addition, the Board must comply with conflict of interest provisions in Canadian corporate law, including relevant securities regulatory instruments, in order to ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest. The Code of Business Ethics and Conduct is posted on the Company’s profile at [www.SEDAR.com](http://www.SEDAR.com).

### **Nomination of Directors**

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual general meeting. The Board takes into account the number of directors required to carry out the Board’s duties effectively and to maintain diversity of views and experience.

The Board has not established a nominating committee and this function is currently performed by the Board as a whole.

### **Board Committees**

The Board has no committees other than the Audit Committee.

### **Assessments**

The Board annually, and at such other times as it deems appropriate, reviews the performance and effectiveness of the Board, the directors and its committees to determine whether changes in size, personnel or responsibilities are warranted. To assist in its review, the Board conducts informal surveys of its directors and receives reports from each committee respecting its own effectiveness. As part of the assessments, the Board or the individual committee may review their respective mandate or charter and conduct reviews of applicable corporate policies.

## **AUDIT COMMITTEE**

### **Audit Committee Disclosure**

Pursuant to Section 224(1) of the British Columbia Business Corporations Act and National Instrument 52-110 of the Canadian Securities Administrators (“**NI 52-110**”) the Company is required to have an audit committee (the “**Audit Committee**”) comprised of not less than three directors, a majority of whom are not officers, control persons or employees of the Company or an affiliate of the Company. NI 52-110 requires the Company, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor, as set forth below.

The primary function of the Audit Committee is to assist the Board in fulfilling its financial oversight responsibilities by: (i) reviewing the financial reports and other financial information provided by the Company to regulatory authorities and Shareholders; (ii) reviewing the systems for internal corporate controls which have been established by the Board and management; and (iii) overseeing the Company’s financial reporting processes generally. In meeting these responsibilities the Audit Committee monitors the financial reporting process and internal control system; reviews and appraises the work of external auditors and provides an avenue of communication between the external auditors, senior management and the Board. The Audit Committee is also mandated to review and approve all material related party transactions.

### **Composition of the Audit Committee:**

The Audit Committee is comprised of the following members: Ian Slater, Jay Sujir and Kevin Nishi. Each member of the Audit Committee is considered to be financially literate, as defined by NI 52-110, in that they have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company’s financial statements.

The members of the Audit Committee are elected by the Board at its first meeting following the annual shareholders’ meeting. Unless a chair is elected by the full Board, the members of the Audit Committee designate a chair by a majority vote of the full Audit Committee membership.

### **Relevant Education and Experience**

All three Audit Committee members have the ability to read and understand financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements and are therefore considered “financially literate”.

*Ian Slater* – Mr. Slater is an entrepreneur who has founded numerous companies and been involved in the mining industry for over twenty years. Previously, Mr. Slater was the Managing Partner of both Ernst & Young's Canadian and Arthur Andersen's Central Asian Mining Practices. Mr. Slater is a Chartered Accountant.

*Jay Sujir* – Mr. Sujir is a Director of the Company. Mr. Sujir is a securities and natural resources lawyer who has extensive experience in advising and assisting public companies. He has been a partner with Farris, Vaughan, Wills & Murphy, LLP since May 2015. From 1991 to May 2015, Mr. Sujir was a partner at Anfield, Sujir Kennedy & Durno, LLP and its predecessor firms. Mr. Sujir obtained his Bachelor of Arts degree from the University of Victoria in 1981 with a double major in Economics and Philosophy and obtained his Bachelor of Law degree from the University of Victoria in 1985. He is a member of the Law Society of British Columbia and the Canadian Bar Association.

*Kevin Nishi* – Mr. Nishi is a CPA, CA and Chartered Business Valuator in practice with Smythe LLP, Chartered Professional Accountants. He has been a partner of the firm since 1996. Mr. Nishi holds a Bachelor of Business Administration from Simon Fraser University. Mr. Nishi has extensive background in accounting and auditing for public and private companies and he is a director of several publicly traded mineral exploration companies. Mr. Nishi is considered a financial expert.

### **The Audit Committee’s Charter**

The Company has adopted a Charter of the Audit Committee, a copy of which is attached hereto as Schedule “A”.

### **Audit Committee Oversight**

Since the commencement of the Company’s most recently completed financial year, the Board has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

### **Reliance on Certain Exemptions**

Since the commencement of the Company’s most recently completed financial year, the Company has not relied on the exemptions contained in sections 2.4, 6.1.1(4), 6.1.1(5), 6.1.1(6) or Part 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Section 6.1.1(4), (5) and (6) provide exemptions in certain circumstances from the requirement that a majority of the members of the Audit Committee must not be executive officers, employees or control persons of the venture issuer. Part 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

### **Pre-Approval Policies and Procedures**

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Board, and where applicable the Audit Committee, on a case-by-case basis.

### **External Auditor Service Fees**

In the following table, “audit fees” are fees billed by the Company’s external auditor for services provided in auditing the Company’s annual financial statements for the subject year. “Audit-related fees” are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit or review of the Company’s financial statements. “Tax fees” are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. “All other fees” are fees billed by the auditor for products and services not included in the foregoing categories.

The fees paid by the Company to its auditor in each of the last two fiscal years, by category, are as follows:

Financial Year Ending	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
August 31, 2019	\$32,000	\$nil	\$7,250	\$nil
August 31, 2018	\$37,500	\$nil	\$6,050	\$nil

### **Exemption**

The Company is relying on the exemption provided by section 6.1 of NI 52-110 which provides that the Company, as a venture issuer, is not required to comply with Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

## **ADDITIONAL INFORMATION**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com).

Financial information is provided in the Company's comparative annual audited financial statements and management's discussion and analysis ("**MD&A**") for its most recently completed financial year, and will be available online at [www.sedar.com](http://www.sedar.com). Shareholders may request additional copies by mail to Suite 905 – 1111 West Hastings Street, Vancouver, British Columbia, V6E 2J3.

## **DIRECTORS' APPROVAL**

The contents and the sending of the accompanying Notice of Meeting and this Information Circular have been approved by the Board.

DATED at Vancouver, British Columbia, this 21<sup>st</sup> day of May, 2020

**ON BEHALF OF THE BOARD OF DIRECTORS**

*"Joseph Hebert"*

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Joseph Hebert  
Chief Executive Officer

## Schedule "A"

### AUDIT COMMITTEE CHARTER

#### *PURPOSE OF THE AUDIT COMMITTEE*

The purpose of the Audit Committee (the "**Audit Committee**") of the board of directors (the "**Board**") of Outcrop is to provide an open avenue of communication between management, Outcrop's independent auditor and the Board, and to assist the Board in its oversight of:

- the integrity, adequacy and timeliness of Outcrop's financial reporting and disclosure practices;
- Outcrop's compliance with legal and regulatory requirements related to financial reporting; and
- the independence and performance of Outcrop's independent auditor.

The Audit Committee shall also perform any other activities consistent with this Charter, Outcrop's articles and governing laws, as the Audit Committee or Board deems necessary or appropriate.

The Audit Committee shall consist of at least three directors. Members of the Audit Committee shall be appointed by the Board and may be removed by the Board in its discretion. The members of the Audit Committee shall elect a Chairman from among their number. A majority of the members of the Audit Committee must not be officers or employees of Outcrop or of an affiliate of Outcrop. The quorum for a Meeting of the Audit Committee is a majority of the members who are not officers or employees of Outcrop or of an affiliate of Outcrop. With the exception of the foregoing quorum requirement, the Audit Committee may determine its own procedures.

The Audit Committee's role is one of oversight. Management is responsible for preparing Outcrop's financial statements and other financial information and for the fair presentation of the information set forth in the financial statements in accordance with International Financial Reporting Standards ("**IFRS**"). Management is also responsible for establishing internal controls and procedures and for maintaining the appropriate accounting and financial reporting principles and policies designed to assure compliance with accounting standards and all applicable laws and regulations.

The independent auditor's responsibility is to audit Outcrop's financial statements and provide its opinion, based on its audit conducted in accordance with generally accepted auditing standards, that the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of Outcrop in accordance with IFRS.

The Audit Committee is responsible for recommending to the Board the independent auditor to be nominated for the purpose of auditing Outcrop's financial statements, preparing or issuing an auditor's report or performing other audit, review or attest services for Outcrop, and for reviewing and recommending the compensation of the independent auditor. The Audit Committee is also directly responsible for the evaluation of and oversight of the work of the independent auditor. The independent auditor shall report directly to the Audit Committee.

#### *AUTHORITY AND RESPONSIBILITIES*

In addition to the foregoing, in performing its oversight responsibilities the Audit Committee shall:

1. Monitor the adequacy of this Charter and recommend any proposed changes to the Board.
2. Review the appointments of Outcrop's Chief Financial Officer and any other key financial executives involved in the financial reporting process.
3. Review with management and the independent auditor the adequacy and effectiveness of Outcrop's accounting and financial controls and the adequacy and timeliness of its financial reporting processes.
4. Review with management and the independent auditor the annual financial statements and related documents and review with management the unaudited quarterly financial statements and related documents, prior to filing or distribution, including matters required to be reviewed under applicable legal or regulatory requirements.
5. Where appropriate and prior to release, review with management any news releases that disclose annual or interim financial results or contain other significant financial information that has not previously been released to the public.

6. Review Outcrop's financial reporting and accounting standards and principles and significant changes in such standards or principles or in their application, including key accounting decisions affecting the financial statements, alternatives thereto and the rationale for decisions made.
7. Review the quality and appropriateness of the accounting policies and the clarity of financial information and disclosure practices adopted by Outcrop, including consideration of the independent auditor's judgment about the quality and appropriateness of Outcrop's accounting policies. This review may include discussions with the independent auditor without the presence of management.
8. Review with management and the independent auditor significant related party transactions and potential conflicts Of interest.
9. Pre-approve all non-audit services to be provided to Outcrop by the independent auditor.
10. Monitor the independence of the independent auditor by reviewing all relationships between the independent auditor and Outcrop and all non-audit work performed for Outcrop by the independent auditor.
11. Establish and review Outcrop's procedures for the:
  - receipt, retention and treatment of complaints regarding accounting, financial disclosure, internal controls or auditing matters; and
  - confidential, anonymous submission by employees regarding questionable accounting, auditing and financial reporting and disclosure matters.
12. Conduct or authorize investigations into any matters that the Audit Committee believes is within the scope of its responsibilities. The Audit Committee has the authority to retain independent counsel, accountants or other advisors to assist it, as it considers necessary, to carry out its duties, and to set and pay the compensation of such advisors at the expense of Outcrop.
13. Perform such other functions and exercise such other powers as are prescribed from time to time for the audit committee of a reporting company in Parts 2 and 4 of Multilateral Instrument 52-110 of the Canadian Securities Administrators, the *Business Corporations Act* (British Columbia) and the articles of Outcrop.

Schedule "B"

**OUTCROP GOLD CORP.**  
(the "Issuer")

**RESTRICTED SHARE UNIT AND  
DEFERRED SHARE UNIT COMPENSATION PLAN**  
(the "RSU/DSU Plan")

**1. Purpose**

- (a) **Background.** The Issuer currently has in place the Stock Option Plan pursuant to which Options may be granted to purchase Shares. Subject to section 14 hereof, the Issuer now also adopts this RSU/DSU Plan on the terms and conditions herein set forth (as may be amended from time to time) in order to provide the Issuer with flexibility in designing various equity-based compensation arrangements for the Directors, Employees, Consultants and other Persons engaged to provide ongoing services to the Issuer and its Affiliates, other than Persons involved in Investor Relations Activities relating to the Issuer. The Issuer represents that Employees, Consultants or Management Company Employees who are granted Awards under this RSU/DSU Plan will be bona fide Employees, Consultants or Management Company Employees at the time of grant. Section 14 hereof sets forth the provisions concerning the effective date of the RSU/DSU Plan, its termination and application to Awards under the existing and continuing Stock Option Plan.
- (b) **Purpose.** The purpose of this RSU/DSU Plan is to advance the interests of the Issuer by encouraging Directors, Employees and Consultants to receive equity-based compensation and incentives, thereby (i) increasing the proprietary interests of such Persons in the Issuer, (ii) aligning the interests of such Persons with the interests of the Issuer's shareholders generally, (iii) encouraging such Persons to remain associated with the Issuer, and (iv) furnishing such Persons with additional incentive in their efforts on behalf of the Issuer. The Board also contemplates that through the RSU/DSU Plan, the Issuer will be better able to compete for and retain the services of the individuals needed for the continued growth and success of the Issuer.

Restricted Share Units granted pursuant to this RSU/DSU Plan will be used to compensate Participants for their individual performance-based achievements and are intended to supplement stock option awards in this specific respect. The goal of such grants is to more closely tie Awards to individual performance based on established Performance Criteria.

Deferred Share Units granted pursuant to this RSU/DSU Plan will be used as a means of reducing the cash payable by the Issuer in respect of a Participant's compensable amounts. In so doing, the interest of each Participant will become more closely aligned with those of the Issuer and its shareholders.

**2. Definitions**

For purposes of this RSU/DSU Plan, the following terms shall have the meaning set forth below:

- (a) "**Act**" means the Business Corporations Act (British Columbia), or its successor, as amended, from time to time.
- (b) "**Affiliate**" has the meaning ascribed to that term in section 2 of Policy 1.1 of the TSXV.
- (c) "**Associate**" has the meaning ascribed to that term in section 1.2 of Policy 1.1 of the TSXV.
- (d) "**Awards**" means, collectively, Restricted Share Units and Deferred Share Units.
- (e) "**Board**" means the board of directors of the Issuer.
- (f) "**Change of Control**" has the meaning ascribed to that term in section 1.2 of Policy 1.1 of the TSXV.

- (g) "**Committee**" means the Board, or if the Board so determine in connection with section 3 hereof, the committee of the Board authorized to administer the RSU/DSU Plan.
- (h) "**Company**" means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.
- (i) "**Consultant**" means an individual (other than an Employee or a Director) or Company, that:
  - (i) is engaged to provide, on an ongoing bona fide basis, consulting, technical, management or other services to the Issuer or to an Affiliate of the Issuer, other than services provided in relation to a Distribution;
  - (ii) provides the services under a written contract between the Issuer or an Affiliate of the Issuer and the individual or the Company, as the case may be;
  - (iii) in the reasonable opinion of the Issuer, spends or will spend a significant amount of time and attention on the affairs and business of the Issuer or an Affiliate of the Issuer; and
  - (iv) has a relationship with the Issuer or an Affiliate of the Issuer that enables the individual to be knowledgeable about the business and affairs of the Issuer.
- (j) "**Control**" means, with respect to any Person, the possession, directly or indirectly, severally or jointly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or credit arrangement, as trustee or executor, or otherwise.
- (k) "**Deferred Share Units**" means a right, granted in accordance with section 6 hereof, to receive a Share
- (l) "**Director**" means a director, senior officer or Management Company Employee of the Issuer, or a director, senior officer or Management Company Employees of the Issuer's subsidiaries.
- (m) "**Disability**" means a physical injury or mental incapacity of a nature which the Committee determines prevents or would prevent the Grantee from satisfactorily performing the substantial and material duties of his or her position with the Issuer.
- (n) "**Disinterested Shareholder Approval**" means that the proposal must be approved by a majority of the votes cast at the shareholders' meeting other than votes attaching to securities beneficially owned by Insiders and their Associates to whom Shares may be issued pursuant to this RSU/DSU Plan.
- (o) "**Effective Date**" means the date as of which an Award shall take effect, provided that the Effective Date shall not be a date prior to the date the Granting Authority determines an Award shall be made and, unless otherwise specified by the Granting Authority, the Effective Date will be the date the Granting Authority determines an Award shall be made.
- (p) "**Eligible Person**" means, from time to time, any Director or Employee of the Issuer or an Affiliate of the Issuer, any Consultant and any Permitted Assign, other than Persons involved in Investor Relations Activities relating to the Issuer.
- (q) "**Eligible Retirement**" means, if determined by the Granting Authority in its sole discretion, termination of service, under circumstances as shall constitute retirement for age as determined by the Granting Authority or in accordance with the written policies established by the Granting Authority as they may be amended or revised from time to time.
- (r) "**Employees**" means:

- (i) an individual who is considered an employee under the ITA (such as an individual for whom income tax, employment insurance and Canadian Pension Plan deductions must be made at the source) of the Issuer or any Affiliate;
  - (ii) an individual who works full-time for the Issuer or any Affiliate thereof providing services normally provided by an employee and who is subject to the same control and direction by the Issuer or any Affiliate thereof over the details and methods of work as an employee of the Issuer or any Affiliate thereof, but for whom income tax deductions are not made at the source; or
  - (iii) an individual who works for the Issuer or any Affiliate thereof on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Issuer or any Affiliate thereof over the details and methods of work as an employee of the Issuer or any Affiliate thereof, but for whom income tax deductions are not made at the source.
- (s) "**Exchange**" means the TSXV or such other stock exchange where the Shares are listed for trading as at the relevant time.
- (t) "**Grant Date**" means the date on which an Award is granted to a Participant.
- (u) "**Granting Authority**" means the Board, the Committee or other committee, as applicable, that is charged with exercising the powers and responsibility as to a specific matter in question affecting this RSU/DSU Plan or an Award.
- (v) "**Insiders**" has the same meaning ascribed to that term in section 1.2 of Policy 1.1 of the TSXV.
- (w) "**Issuer**" means Libero Copper & Gold Corporation, a corporation existing under the Act, and includes any successor corporation thereof.
- (x) "**Investor Relations Activities**" has the same meaning ascribed to that term in section 1.2 of Policy 1.1 of the TSXV.
- (y) "**ITA**" means the Income Tax Act (Canada) and any regulations thereunder as amended from time to time.
- (z) "**Management Company Employee**" means an individual employed by a Person providing management services to the Issuer, which are required for the ongoing successful operation of the business enterprise of the Issuer, but excluding a Person involved in Investor Relations Activities relating to the Issuer.
- (aa) "**Market Value**" of a Share as of a relevant date shall mean the fair market value as determined by the Granting Authority:
- (i) in accordance with the rules of the TSXV if the Shares are then listed on such Exchange; or
  - (ii) if the Shares are not publicly traded at the time a determination of its fair market value is required to be made hereunder, the determination of fair market value shall be made in good faith by the Granting Authority using any fair and reasonable means selected in the Granting Authority's discretion.
- (bb) "**Option**" means an option granted in accordance with the terms of the Stock Option Plan to purchase a Share.
- (cc) "**Participants**" or "**Grantees**" means those individuals to whom Awards have been granted from time to time under the RSU/DSU Plan.
- (dd) "**Performance Criteria**" means such financial, personal and/or other performance criteria as may be determined by the Granting Authority with respect to Awards of Restricted Share Units and, for greater certainty, the Committee may take into consideration the present and potential contributions of and the services

rendered by the particular Participant to the success of the Issuer and any other factors which the Granting Authority deems appropriate and relevant.

- (ee) **"Permitted Assign"** means for a person that is an Employee, Director or Consultant of the Issuer or any of its Affiliates, a holding entity (as defined in National Instrument 45-106) of the person or an RRSP or RRIF of the Person.
- (ff) **"Person"** means a Company or an individual.
- (gg) **"Restricted Period"** means the period established by the Granting Authority with respect to an Award during which the Award either remains subject to forfeiture or is not exercisable by the Participant.
- (hh) **"Restricted Share Unit"** means a right, granted in accordance with section 6 hereof, to receive a Share.
- (ii) **"RSU/DSU Plan"** means this Restricted Share Unit and Deferred Share Unit Compensation Plan, as amended and restated from time to time.
- (jj) **"Shareholder Approval Date"** means the date on which this RSU/DSU Plan is approved by the shareholders of the Issuer.
- (kk) **"Shares"** means the common shares of the Issuer, as adjusted in accordance with the provisions of section 9 hereof.
- (ll) **"Stock Option Plan"** means the Issuer's stock option plan as it exists on the date hereof and as may be amended from time to time.
- (mm) **"Termination"** means: (i) in the case of an Employee, the termination of the employment of the Employee with or without cause by the Issuer or an Affiliate or the cessation of employment of the Employee with the Issuer or an Affiliate, other than the Eligible Retirement, of the Employee; and (ii) in the case of a Consultant, the termination of the services of the Consultant by the Issuer or any Affiliate.
- (nn) **"TSXV"** means the TSX Venture Exchange.
- (oo) **"TSXV Hold Period"** means the day that is four months and one day after the date of granting of the Award.
- (pp) **"Vested"** or **"Vesting"** means, with respect to an Award, that the applicable conditions established by the Granting Authority or this RSU/DSU Plan have been satisfied or, to the extent permitted under the RSU/DSU Plan, waived, whether or not the Participant's rights with respect to such Award may be conditioned upon prior or subsequent compliance with any confidentiality, non-competition or non-solicitation obligations.

### **3. Administration**

- (a) **Powers of the Board and the Committee.** Subject to and consistent with the terms of the RSU/DSU Plan, applicable law and applicable rules of the Exchange, and subject to the provisions of any charter adopted by the Board with respect to the powers, authority and operation of the Committee (as amended from time to time), the Board will have the general power to administer the RSU/DSU Plan in accordance with its terms (including all powers specified in clause 3(a)(ii) hereof and make all determinations required or permitted to be made, provided, however, that the Board may delegate all or any portion of such powers to the Committee or to other committees and provided, further, that with respect to Awards of the Issuer's executive officers, the Committee shall have such powers as are set forth in clause 3(a)(i) hereof.
  - (i) **Specific Provisions Concerning Delegation of Authority to the Committee.** In addition to any authority of the Committee specified under any other terms of the RSU/DSU Plan, and notwithstanding any other provision herein to the contrary, insofar as Awards under the RSU/DSU

Plan are to be made to executive officers, the Committee will make recommendations to the Board with respect to Awards.

The foregoing shall not limit the Board in delegating any other powers to the Committee or in delegating any or all determinations or other powers with respect to certain types of Awards, including the full power to make Awards and to exercise the other powers set forth in clause 3(a)(ii) hereof and the other powers granted herein to the Granting Authority.

- (ii) Specific Powers of the Granting Authority. Without limiting the lead-in paragraph of subsection 3(a) hereof, the powers of the Granting Authority shall include the powers to, subject to subsection 10(c) hereof:
- (1) interpret the RSU/DSU Plan and instruments of grant evidencing the Awards;
  - (2) prescribe, amend and rescind such procedures and policies, and make all determinations it deems necessary or desirable for the administration and interpretation of the RSU/DSU Plan and instruments of grant evidencing Awards;
  - (3) determine those Persons who are eligible to be Participants, grant one or more Awards to such Persons and approve or authorize the applicable form and terms of the related instrument of grant;
  - (4) determine the terms and conditions of Awards granted to any Participant, including, without limitation, and subject always to the RSU/DSU Plan (1) subject to subsection 4(b) and 4(c), the type, and number of Shares subject to an Award, (2) the conditions to the Vesting of an Award or any portion thereof, including terms relating to lump sum or instalment Vesting, the period for achievement of any applicable Performance Criteria as a condition to Vesting and the conditions, if any, upon which Vesting of any Award or portion thereof will be waived or accelerated without any further action by the Granting Authority, (3) the circumstances upon which an Award or any portion thereof shall be forfeited, cancelled or expire, (4) the consequences of a Termination with respect to an Award, (5) the manner of exercise or settlement of the Vested portion of an Award, including whether an Award shall be settled on a current or deferred basis, and (6) whether and the terms upon which any Shares delivered upon exercise or settlement of an Award must continue to be held by a Participant for any specified period;
  - (5) set forms of consideration, if any, to be paid with respect to the settlement of an Award (except to the extent certain forms of consideration must be paid to satisfy the requirements of applicable law);
  - (6) determine whether and the extent to which any Performance Criteria or other conditions applicable to Vesting of an Award have been satisfied or shall be waived or modified;
  - (7) amend the terms of any instrument of grant or other documents evidencing Awards; provided, however, that subject to subsection 5(d) hereof, no amendment of an Award may, without the consent of the holder of the Award, adversely affect such Person's rights with respect to such Award in any material respect;
  - (8) accelerate or waive any condition to the Vesting of any Award, all Awards, any class of Awards or Awards held by any group of Participants; and
  - (9) determine whether and the extent to which adjustments shall be made pursuant to section 9 hereof and the terms of any such adjustments.

However, the Granting Authority shall not have any discretion under this subsection 3(a) or any other provisions of the RSU/DSU Plan that would modify the terms or conditions of any Award that is intended to be exempt from the definition of "salary deferral arrangement" in the ITA if the exercise of such discretion would cause the Award to not be or cease to be exempt. The Granting Authority will also exercise its discretion in good faith in accordance with the Issuer's intention that the terms of the Awards and the modifications or waivers permitted hereby are in compliance with applicable law and the rules of the Exchange.

- (b) **Effects of Granting Authority's Decision.** Any action taken, interpretation or determination made, or any rule or regulation adopted by the Granting Authority pursuant to this RSU/DSU Plan shall be made in its sole discretion and shall be final, binding and conclusive on all affected Persons, including, without limitation, the Issuer, any of its Affiliates, any Grantee, holder or beneficiary of an Award, any shareholder and any Eligible Person.
- (c) **Liability Limitation and Indemnification.** No member of the Granting Authority or the Board generally shall be liable for any action or determination made in good faith pursuant to the RSU/DSU Plan or any instrument of grant evidencing any Award granted under the RSU/DSU Plan. To the fullest extent permitted by law, the Issuer shall indemnify and save harmless, and shall advance and reimburse the expenses of, each Person made, or threatened to be made, a party to any action or proceeding in respect of the RSU/DSU Plan by reason of the fact that such Person is or was a member of the Granting Authority or is or was a member of the Board in respect of any claim, loss, damage or expense (including legal fees) arising therefrom.
- (d) **Delegation and Administration.** The Granting Authority may, in its discretion, delegate such of its powers, rights and duties under the RSU/DSU Plan, in whole or in part, to such committee, Person or Persons as it may determine, from time to time, on terms and conditions as it may determine, except the Granting Authority shall not, and shall not be permitted to, delegate any such powers, rights or duties: (i) with respect to the grant, amendment, administration or settlement of any Award of a Participant, (ii) with respect to the establishment or determination of the achievement of the Performance Criteria, or (iii) with respect to any matter that would be in violation of applicable law or the rules of any Exchange. The Granting Authority may also appoint or engage a trustee, custodian or administrator to administer and implement the RSU/DSU Plan or any aspect of it, subject to the exception of the immediately preceding sentence hereof.

#### 4. Shares Subject to the Plan

- (a) **Aggregate Plan Limits.** Subject to adjustment pursuant to section 9 hereof, the maximum aggregate number of Shares that may be reserved for issue at any given time in connection with the Awards granted under this RSU/DSU Plan shall not exceed 4,000,000 Shares (being 5.10% of the issued and outstanding Shares as at May 15, 2020, the date on which the Board approved this RSU/DSU Plan) unless Disinterested Shareholder Approval for an additional listing of Shares under this RSU/DSU Plan has been obtained. Notwithstanding the foregoing, at no time shall the number of Shares that may be reserved for issue under this RSU/DSU Plan and the number of Shares that may be reserved for issue under the Stock Option Plan together exceed 10% of the total number of issued and outstanding Shares (calculated on a non-diluted basis) on the Grant Date.
- (b) **Certain Additional Limits.** Notwithstanding anything to the contrary in this RSU/DSU Plan, as long as the Shares are listed on the TSXV,
  - (i) the number of Shares which may be reserved for issue pursuant to this RSU/DSU Plan together with the Shares which may be reserved for issue pursuant to any other employee-related plan of the Issuer or options for services granted by the Issuer, including the Stock Option Plan, to any one Person within a 12 month period shall not exceed in the aggregate 5% of the number of Shares issued and outstanding on a non-diluted basis on the Grant Date unless the Issuer has received Disinterested Shareholder Approval;
  - (ii) the number of Shares which may be reserved for issue pursuant to this RSU/DSU Plan together with the Shares which may be reserved for issue pursuant to any other employee-related plan of the Issuer or options for services granted by the Issuer, including the Stock Option Plan, to all Insiders shall not

exceed 10% of the number of Shares issued and outstanding on a non-diluted basis at any point in time unless the Issuer has received Disinterested Shareholder Approval;

- (iii) the number of Shares which may be reserved for issue pursuant to this RSU/DSU Plan together with the Shares which may be reserved for issue pursuant to any other employee-related plan of the Issuer or options for services granted by the Issuer, including the Stock Option Plan, to all Insiders within a 12 month period shall not exceed in the aggregate 10% of the number of Shares issued and outstanding on a non-diluted basis on the Grant Date unless the Issuer has received Disinterested Shareholder Approval; and
- (iv) the number of Shares which may be reserved for issue pursuant to this RSU/DSU Plan together with those Shares which may be reserved for issue pursuant to any other employee-related plan of the Issuer or options for services granted by the Issuer, including the Stock Option Plan, to any one Consultant in any 12 month period shall not exceed 2% of the number of Shares issued and outstanding on a non-diluted basis on the Grant Date.

For the purposes of determining compliance with the above restrictions, the Granting Authority will take into account Shares reserved or issued pursuant to Options together with Shares reserved or issued pursuant to all of the Issuer's security-based compensation arrangements (including this RSU/DSU Plan) to the extent required by applicable law and applicable rules of the TSXV.

- (c) **Source of Shares.** Except as expressly provided in the RSU/DSU Plan, Shares delivered to Participants in connection with the exercise or settlement of Awards may be authorized but unissued Shares, Shares purchased in the open-market or in private transactions. The Board shall take such action as may be necessary to authorize and reserve for issue from unissued Shares such number of Shares as may be necessary to permit the Issuer to meet its obligations under the RSU/DSU Plan, provided, however, that the Issuer may satisfy its obligations from treasury shares or Shares purchased in the open market or private transactions.
- (d) **Legends.** In addition to any resale restrictions required under applicable securities laws or the policies of the TSXV, all Awards issued to Insiders and any Shares issued upon the Vesting of the Awards prior to the expiry of the TSXV Hold Period, must be legended as prescribed under the policies of the TSXV with the TSXV Hold Period commencing on the date the Awards were granted.

## 5. General Provisions Relating to Awards

- (a) **Eligibility.** Awards will be granted only to those Persons who are, at the time of the grant, Eligible Persons. If any Participant is (pursuant to the terms of his or her employment or otherwise) subject to a requirement that he or she not benefit personally from an Award, the Granting Authority may grant any Award to which such Person would otherwise be entitled to the Person's employer or to any other entity designated by them that directly or indirectly imposes such requirement on the Person. The Granting Authority shall have the power to determine other eligibility requirements with respect to Awards or types of Awards.
- (b) **Terms of Grant.** Subject to the other express terms of this RSU/DSU Plan, grants of Awards under the RSU/DSU Plan shall contain such terms and conditions as the Granting Authority may specify. Without limiting the foregoing,
  - (i) Each Award granted under the RSU/DSU Plan shall be evidenced by an instrument of grant, in such form or forms as the Granting Authority shall approve from time to time, which shall set forth such terms and conditions consistent with the terms of the RSU/DSU Plan as the Granting Authority may determine. Each instrument of grant shall set forth, at a minimum, the type and Effective Date of the Award evidenced thereby, the number of Shares subject to such Awards and the applicable Vesting conditions. Reference in the RSU/DSU Plan to an instrument of grant shall include any supplements or amendments thereto.

- (ii) The term or Restricted Period of each Award that is a Restricted Share Unit shall be for such period as may be determined by the Granting Authority, provided, however, that in no event shall the term of any Restricted Share Unit exceed a period of 10 years (or such other shorter term as may be required in respect of an Award so that such Award does not constitute a "salary deferral arrangement" as defined in subsection 248(1) of the ITA), subject to extension of such term where such term expires during the Restricted Period, provided that such extension may not be longer than 10 business days after the expiry of the Restricted Period.
  - (iii) The terms, conditions and/or restrictions contained in an Award may differ from terms, conditions and restrictions contained in any other Awards.
  - (iv) The Granting Authority may specify such other terms and conditions, consistent with the terms of the RSU/DSU Plan, as the Granting Authority shall determine or as shall be required under any other provisions of the RSU/DSU Plan. Such terms may include, without limitation, provisions requiring forfeiture of Awards in the event of termination of employment by the Participant and provisions permitting a Participant to make elections relating to his or her Award.
- (c) **Vesting Conditions.** Subject to terms of the RSU/DSU Plan, the Granting Authority shall determine any and all conditions to the Vesting of all and/or any portion of Awards and shall specify the material terms thereof in the applicable instrument of grant on, or as soon as reasonably practicable following, the Effective Date of the Award. Vesting of an Award, or portion thereof, may be conditioned upon passage of time, continued employment, satisfaction of Performance Criteria, or any combination of the foregoing, as determined by the Granting Authority.
- (d) **Change of Control.** Unless otherwise provided in the Award or by direction of the Granting Authority as to all or any type of number of Awards, in the event of a Change of Control and notwithstanding any other Vesting or other restrictions or conditions, the Granting Authority may take whatever action with respect to the Awards outstanding that it deems necessary or desirable, including following:
- (i) The Granting Authority may waive all restrictions and conditions of all Restricted Share Units and Deferred Share Units then outstanding with the result that those types of Awards shall be deemed satisfied, and the Restricted Period or other limitations on payment in full with respect thereto shall be deemed to have expired, as of the date of the Change of Control or such other date as may be determined by the Granting Authority, provided that, in no event shall a payment be made in respect of a Deferred Share Unit granted to a Participant prior to the date such Participant ceases to be an Employee or Director of the Issuer or of an Affiliate.
  - (ii) Notwithstanding the above provision of this subsection 5(d), but subject to any contractual rights created by the terms of an Award, the Granting Authority shall not be required to take any action described in the preceding provisions, and any decision made by the Granting Authority, in its sole discretion, not to take some or all of the actions described in the preceding provisions shall be final, binding and conclusive with respect to the Issuer and all other interested Persons. Any acceleration of Vesting shall be deemed to have occurred immediately prior to the Change of Control, no matter when the determination of the Granting Authority occurs.
  - (iii) If approved by the Board prior to or within 30 days after such time as a Change of Control shall be deemed to have occurred, the Board shall have at any time the right to require that all or any portion of the Awards be settled and discharged in cash based on the "cash value" of such Awards in lieu of settlement by issue of Shares. Such requirement may be specified in any arrangement relating to such Change of Control transaction to which the Issuer is a party or may be specified in any notice sent by the Issuer, which arrangement or notice may also specify the terms and timing of such settlement. If not so specified, the Board may require settlement at any time within a 45-day period immediately following the date that the Change of Control is deemed to have occurred. The Issuer may require Participants to verify the amount and completeness of any settlement of Awards as a condition to the final settlement and payment.

- (e) **Fractional Shares.** No fractional Shares shall be issued under the RSU/DSU Plan and there shall be no entitlement or payment for any fractional Shares and no payment shall be made in lieu of a fractional Share.
- (f) **Compliance with the ITA.** The terms and conditions applicable to any Award (or portion thereof) granted to a Participant who is subject to taxation under the ITA are intended to comply with the ITA. Without limiting the foregoing,
  - (i) the terms of any such Award (or portion thereof) permitting the deferral of payment or other settlement thereof shall be subject to such requirements and shall be administered in such manner as the Committee may determine to be necessary or appropriate to comply with the applicable provisions of the ITA as in effect from time to time; and
  - (ii) any elections allowed to be exercised by a Participant shall be deemed to be void or shall be deemed amended or altered so as not to cause the Award to be considered a "salary deferral arrangement" under the ITA, as defined in subsection 248(1) or create adverse tax consequences under the ITA.

## **6. Restricted Share Units and Deferred Share Units**

- (a) **Grants.** The Granting Authority may from time to time grant one or more Awards of Restricted Share Units and/or Deferred Share Units to Eligible Persons on such terms and conditions, consistent with the RSU/DSU Plan, as the Granting Authority shall determine and which terms shall be contained in a grant agreement substantially in the form annexed hereto as schedule A (in respect of Restricted Share Units) and schedule B (in respect of Deferred Share Units).
- (b) **Vesting Terms.** Restricted Share Units shall become Vested at such times, in such instalments and subject to such terms and conditions consistent with subsection 5(c) hereof as may be determined by the Granting Authority and set forth in the applicable instrument of grant, provided that the conditions to Vesting of Restricted Share Units may be based on the Participant's continued employment and having regard to the satisfaction of any Performance Criteria established by the Granting Authority, provided however that Restricted Share Units shall become Vested and be paid out no later than December 31 of the third calendar year following the calendar year in which the Grantee rendered the services in respect of which the Award is being made. Unless otherwise provided at the time of the grant, the Vesting of Deferred Share Units shall occur at such times, in such instalments and subject to such terms and conditions as may be determined by the Granting Authority and set forth in the applicable instrument of grant.
- (c) **Settlement.** Unless otherwise determined by the Granting Authority (including by the terms of the Award of the RSU/DSU Plan) and subject to the immediately preceding sentence and to subsection 6(b) hereof, Restricted Share Units shall be settled upon or as soon as reasonably practicable following the Vesting thereof and Deferred Share Units shall be settled on the third business day (or such other period of time as permitted by the Granting Authority under the grant agreement) following the Eligible Retirement or death of the applicable Participant or at the time the Participant otherwise ceases to hold office subject to payment or other satisfaction of all related withholding obligations in accordance with the provisions of this RSU/DSU Plan.

Notwithstanding the foregoing, Restricted Share Units shall also Vest in accordance with the following terms:

- (i) upon the death of the Participant, all unvested Restricted Share Units credited to the Participant will Vest on the date the Issuer is duly notified of the Participant's death. The Shares represented by the Restricted Share Units held by the Participant shall be issued, as determined by the Granting Authority, to the Participant's estate forthwith;
- (ii) in the case of Eligible Retirement of the Participant, all unvested Restricted Share Units credited to the Participant will Vest on the date of Eligible Retirement, and the Shares represented by Restricted Share Units held by the Participant shall be issued to the Participant forthwith;

- (iii) in the case of total Disability of the Participant, all unvested Restricted Share Units credited to the Participant will Vest within 60 days following the date on which the Participant is determined to be totally disabled, and the Shares represented by Restricted Share Units held by the Participant shall be issued to the Participant forthwith; and
- (iv) in the case of termination without cause by the Issuer of a Participant (other than Eligible Retirement), all unvested Restricted Share Units credited to the Participant shall Vest on the date of such termination, and the Shares represented by Restricted Share Units held by the Participant shall be issued to the Participant forthwith. For clarity, where a Participant is terminated for cause or where the Participant has voluntarily terminated his/her employment or service with the Issuer, all unvested Restricted Share Units as at the date of such termination or cessation of service shall be immediately cancelled without liability or compensation therefor and be of no further force and effect.

Settlement of Restricted Share Units and Deferred Shares Units in Shares shall be made by delivery of one Share for each such Restricted Share Unit or Deferred Share Unit then being settled.

Upon payment of any amount pursuant to settlement of Deferred Share Units or Restricted Share Units granted under this section 6 in Shares, the particular Deferred Share Units or Restricted Share Units in respect of which such payment was made shall be cancelled and no further payments (whether in Shares or otherwise) shall be made in relation to such Deferred Share Units or Restricted Share Units.

If any Restricted Share Unit or Deferred Share Unit is cancelled in accordance with the terms of the RSU/DSU Plan or the agreements evidencing the grant, the Shares reserved for issue pursuant to such Award shall, upon cancellation of such Restricted Share Unit or Deferred Share Unit, as applicable, revert to the RSU/DSU Plan and shall be available for other Awards.

- (d) **Dividend Equivalents.** Neither the Participant nor his or her legal personal representative shall have any rights or privileges of a shareholder in respect of any of the Shares issuable upon exercise of the Award granted to him or her (including any right to receive dividends or other distributions therefrom or thereon) unless and until certificates representing such Shares have been issued and delivered.
- (e) **Timing Requirements.** Notwithstanding any other provision of the RSU/DSU Plan, all amounts payable to, or in respect of a Grantee in respect of Deferred Share Units including, without limitation, the delivery of Shares, shall not be made prior to the date such Grantee ceases to be an Eligible Person and shall be paid or delivered on or before December 31 of the calendar year commencing immediately following the date the Grantee ceases to be an Eligible Person. All Deferred Share Units granted to a Participant shall have such terms and conditions as are necessary to comply with paragraph 6801(d) of the Regulations of the ITA.
- (f) **No Other Benefit.**
  - (i) No amount will be paid to, or in respect of, a Participant (or a Person with whom the Participant does not deal at arm's length within the meaning of the ITA) under the RSU/DSU Plan to compensate for a downward fluctuation in the price of a Share or the value of any Award granted, nor will any other form of benefit be conferred upon, or in respect of, a Participant (or a person with whom the Participant does not deal at arm's length within the meaning of the ITA), for such purpose.
  - (ii) The Issuer makes no representations or warranties to Participants with respect to the RSU/DSU Plan or any Deferred Share Units or Restricted Share Units whatsoever. Participants are expressly advised that the value of any Deferred Share Units or Restricted Share Units in the RSU/DSU Plan will fluctuate as the trading price of the Shares fluctuates.
  - (iii) In seeking the benefits of participation in the RSU/DSU Plan, a Participant agrees to exclusively accept all risks associated with a decline in the trading price of the Shares and all other risks associated with the holding of Deferred Share Units or Restricted Share Units.

## 7. Consequences of Termination

- (a) **General Provisions.** Unless otherwise determined by the Granting Authority (including by the terms of the Award or the RSU/DSU Plan).
- (i) If a Grantee is terminated for any reason whatsoever other than death, total Disability, Eligible Retirement, termination without cause by the Issuer, subject to subsection 6(c) hereof, any non-vested Award granted pursuant to the RSU/DSU Plan outstanding at the time of such termination and all rights thereunder shall wholly and completely terminate and no further Vesting shall occur.
  - (ii) If employment of a Grantee is terminated for cause or retirement which is not Eligible Retirement or is otherwise voluntarily terminated by the Grantee, any non-Vested Award granted pursuant to the RSU/DSU Plan outstanding at the time of such termination and all rights thereunder shall wholly and completely terminate and no further Vesting shall occur.
- (b) **Discretion of the Granting Authority.** Notwithstanding any other provision hereof and without limiting the discretion of the Granting Authority, the Granting Authority may (whether by terms of the Award or by its election notwithstanding the terms of an Award):
- (i) allow non-Vested Awards to be treated as Vested upon termination of employment or service of a Participant, as to any or all of termination, death or total Disability;
  - (ii) provide that the Awards with respect to certain classes, types or groups of Participants will have different acceleration, forfeiture, termination, continuation or other terms than other classes, types or groups of Participants;
  - (iii) provide for the continuation of any Award for such period which is not longer than 12 months and upon such terms and conditions as are determined by the Granting Authority in the event that a Participant ceases to be an Eligible Person;
  - (iv) subject to the applicable rules of the Exchange, provide that Vested Awards may be exercised for periods longer or different from those set forth in subsection 7(a) hereof; or
  - (v) set any other terms for the exercise or termination of Awards upon termination of employment or service.

Notwithstanding the foregoing, all Awards granted to Participants who are subject to the ITA shall be on terms that will be designed to prevent them from being considered a "salary deferral arrangement" as defined in subsection 248(1) of the ITA.

- (c) **Leave of Absence.** If an Employee is on sick leave or other bona fide leave of absence, such Person shall be considered an "Employee" for purposes of an outstanding Award during the period of such leave, provided that it does not exceed 90 days (or such longer period as may be determined by the Granting Authority in its sole discretion), or, if longer, so long as the Person's right to reemployment is guaranteed either by statute or by contract. If the period of leave exceeds 90 days (or such longer period as may be determined by the Granting Authority in its sole discretion), the employment relationship shall be deemed to have been terminated on the 91st day (or the first day immediately following any period of leave in excess of 90 days as approved by the Granting Authority) of such leave, unless the Person's right to reemployment is guaranteed by statute or contract.

## 8. Transferability

- (a) **Transfer Restrictions.** Unless otherwise provided in the instrument of grant evidencing an Award, no Award, and no rights or interests therein, shall or may be assigned, transferred, sold, exchanged, encumbered, pledged or otherwise hypothecated or disposed of by a Participant other than by testamentary disposition by the

Participant or the laws of intestate succession. No such interest shall be subject to execution, attachment or similar legal process including without limitation seizure for payment of the Participant's debts, judgments, alimony or separate maintenance.

- (b) **Transfer upon Death of Participant.** In the case where transfer is made following the death of a Participant to the Participant's legal personal representative, such legal personal representative may only receive the entitlement under the Award provided that it is exercised (if exercisable) at any time up to and including, but not after, 5:00 p.m. (Toronto time) on the date which is one year following the date of death of the Participant or up to 5:00 p.m. (Toronto time) on the date on which the Award granted to such participant expires, whichever is the earlier; such entitlement shall only occur in cases where the Award has Vested in accordance with the provisions of the RSU/DSU Plan and where it is found that the Participant is legally entitled to the Award.

## 9. Adjustments

- (a) **No Restriction on Action.** The existence of the RSU/DSU Plan and/or the Awards granted hereunder shall not limit, affect or restrict in any way the right or power of the Board or the shareholders of the Issuer to make or authorize (i) any adjustment, recapitalization, reorganization or other change in the capital structure or business of the Issuer, (ii) any merger, consolidation, amalgamation or change in ownership of the Issuer, (iii) any issue of bonds, debentures, capital, preferred or prior preference shares ahead of or affecting the capital Share of the Issuer or the rights thereof, (iv) any dissolution or liquidation of the Issuer, (v) any sale or transfer of all or any part of the assets or business of the Issuer, or (vi) any other corporate act or proceeding with respect to the Issuer. No Participant or any other Person shall have any claim against any member of the Board or the Granting Authority, or the Issuer or any employees, officers or agents of the Issuer as a result of any such action.

(b) **Recapitalization Adjustment**

- (i) In the event that (A) a dividend shall be declared upon the Shares or other securities of the Issuer payable in Shares or other securities of the Issuer, (B) the outstanding Shares shall be changed into or exchanged for a different number or kind of shares or securities of the Issuer or of another corporation or entity, whether through an arrangement, plan of arrangement, amalgamation, or other similar statutory procedure or a share recapitalization, subdivision, consolidation or otherwise, (C) there shall be any change, other than those specified in (A) or (B) above, in the number or kind of outstanding Shares or of any securities into which such Shares shall have been changed or for which they shall have been exchanged, or (D) there shall be a distribution of assets or shares to shareholders of the Issuer out of the ordinary course of business then, the Granting Authority shall determine whether an adjustment in the number or kind of Shares theretofore authorized but not yet covered by Awards, in the number or kind of Shares theretofore subject to outstanding Awards, in the number or kind of Shares generally available for Awards or available in any calendar year under the RSU/DSU Plan and/or such other adjustment as may be appropriate should be made, in order to ensure that, after any such event, the Shares subject to the RSU/DSU Plan and each Participant's proportionate interest shall be maintained substantially as before the occurrence of the event, and if the Granting Authority determines that an adjustment should be made, such adjustment shall be made and be effective and binding for all purposes.
- (ii) Any adjustment to any Award granted to a Participant which has been designed to fall within a specific exemption to the definition of "salary deferral arrangement" in subsection 248(1) of the ITA shall be such as to ensure the continued availability of such exemption.

## 10. Amendment and Termination

- (a) **General.** Subject to the provisions of subsection 10(c) hereof, the Board may amend, suspend or terminate this RSU/DSU Plan, or any portion thereof, at any time, subject to those provisions of applicable law and the rules of the Exchange, if any, that require the approval of shareholders or any governmental regulatory body.

(b) **Amendments Specifically Permitted.** Without limiting the generality of the foregoing, the Board may make the following types of amendments to the RSU/DSU Plan without seeking shareholder approval (unless and to the extent prohibited by applicable law or rule of an Exchange):

- (i) amendments of a technical, clerical or "housekeeping" nature including, without limiting the generality of the foregoing, any amendments for the purpose of curing any ambiguity, error or omission in the RSU/DSU Plan or to correct or supplement any provision of the RSU/DSU Plan that is inconsistent with any other provision of the RSU/DSU Plan;
- (ii) amendments necessary to comply with the provisions of applicable law and the applicable rules of the Exchange;
- (iii) amendments necessary in order for Awards to qualify for favourable treatment under the ITA or under the United States Internal Revenue Code;
- (iv) amendments respecting administration of the RSU/DSU Plan;
- (v) any amendments to the vesting provision of the RSU/DSU Plan or any Award;
- (vi) any amendments to the early termination provisions of the RSU/DSU Plan or any Award, whether or not such Award is held by an Insider, provided such amendment does not entail an extension of an Award beyond the original expiry date;
- (vii) any amendments in the termination provision of the RSU/DSU Plan or any Award, other than an Award held by an Insider in the case of an amendment extending the term of an Award, provided any such amendment does not entail an extension of the expiry date of such Award beyond its original expiry date;
- (viii) adjustments to outstanding Awards in the event of a Change of Control or similar transaction entered into by the Issuer;
- (ix) amendments necessary to suspend or terminate the RSU/DSU Plan; and
- (x) any other amendment, whether fundamental or otherwise, not requiring shareholder approval under applicable law or the rules of the Exchange.

(c) **Shareholder Approval.** To the extent required by applicable law or by the rules of the Exchange, shareholder approval will be required for the following types of amendments:

- (i) any amendment extending the term of an Award beyond its original expiry date except as otherwise permitted by the RSU/DSU Plan;
- (ii) any amendment extending eligibility to participate in the RSU/DSU Plan to persons other than Eligible Persons;
- (iii) any amendment permitting the transfer of Awards, other than for normal estate settlement purposes or to a trust governed by a registered retirement savings plan, registered retirement income fund, tax free savings account, registered education savings plan or similar plan;
- (iv) any amendment increasing the maximum aggregate number of Shares that may be subject to issue at any given time in connection with Awards granted under the RSU/DSU Plan;
- (v) any amendment to these amendment provisions;
- (vi) the adoption of any option exchange involving an Award; and

- (vii) any other amendment required to be approved by shareholder under applicable law or rules of a Exchange.

To the extent of any conflict between subsection 10(b) and subsection 10(c) hereof, subsection 10(c) shall prevail.

## **11. Regulatory Approval**

Notwithstanding anything herein to the contrary, the Issuer shall not be obligated to cause to be issued any Shares or cause to be issued and delivered any certificates evidencing Shares pursuant to the RSU/DSU Plan, unless and until the Issuer is advised by its legal counsel that the issue and delivery of the Shares and such Share certificates is in compliance with all applicable laws, regulations, rules, orders of governmental or regulatory authorities in Canada, the United States and any other applicable jurisdiction, and the requirements of the Exchange. The Issuer shall in no event be obligated to take any action in order to cause the issue or delivery of Shares or such certificates to comply with any such laws, regulations, and delivery of such Shares or certificates and in order to ensure compliance with such laws, regulations, rules, orders and requirements, that the Participant, or any permitted transferee of the Participant under section 7 hereof or, after his or her death, the Participant's estate, as described in section 7 hereof, make such covenants, agreements and representations as the Granting Authority deems necessary or desirable.

## **12. No Additional Rights**

No Person shall have any claim or right to be granted Awards under the RSU/DSU Plan, and the grant of any Awards under the RSU/DSU Plan shall not be construed as giving a Participant any right to continue in the employment of the Issuer or affect the right of the Issuer to terminate the employment of a Participant. Unless otherwise determined by the Granting Authority, neither any period of notice, if any, nor any payment in lieu thereof, upon Termination shall be considered as extending the period of employment for the purposes of the RSU/DSU Plan.

## **13. Miscellaneous Provision**

- (a) **Shareholder Rights.** A Participant shall not have the right or be entitled to exercise any voting rights, receive any dividends or have or be entitled to any other rights as a shareholder in respect of Shares subject to an Award unless and until such Shares have been paid for in full and issued and certificates therefor have been issued to the Participant. A Participant entitled to Shares as result of the settlement of a Restricted Share Unit or Deferred Share Unit shall not be deemed for any purpose to be, or have any such rights as a shareholder of the Issuer by virtue of such exercise or settlement, except to the extent a Share certificate is issued therefor and then only from the date such certificate is issued. No adjustment shall be made for dividends or distributions or other rights for which the record date is prior to the date such Share certificate is issued.
- (b) **Withholding.** The Issuer or any Affiliate may withhold from any amount payable to a Participant, either under this RSU/DSU Plan or otherwise, such amount as may be necessary so as to ensure that the Issuer or any Affiliate will be able to comply with the applicable provisions of any federal, provincial, state or local law relating to the withholding of tax or that any other required deductions are paid or otherwise satisfied, at the minimum statutory rate. Subject to the other provisions of the RSU/DSU Plan, the Issuer shall also have the right in its discretion to satisfy any such liability for withholding or other required deduction amounts by retaining or acquiring any Shares, or retaining any amount payable, which would otherwise be issued or delivered, provided or paid to a Participant hereunder. The Issuer may require a Participant, as a condition to the settlement of a Restricted Share Unit or a Deferred Share Unit, to pay or reimburse the Issuer for any such withholding (at the minimum statutory rate) or other required deduction amounts related to the settlement of Restricted Share Units or Deferred Share Units.
- (c) **Governing Law.** The RSU/DSU Plan, all instruments of grant evidencing Awards granted hereunder and any other agreements or other documents relating to the RSU/DSU Plan shall be interpreted and construed in accordance with the laws of Ontario (and the federal laws having application therein), except to the extent the terms of the RSU/DSU Plan, any supplement to the RSU/DSU Plan, or the Award in question expressly provides for application of the laws of another jurisdiction. The Granting Authority may provide that any dispute as to any Award shall be presented and determined in such forum as the Granting Authority may

specify, including through binding arbitration. Any reference in the RSU/DSU Plan, in any instruments of grant evidencing Awards granted hereunder or in any other agreement or document relating to the RSU/DSU Plan to a provision of law or to a rule or regulation shall be deemed to include any successor law, rule or regulation of similar effect or applicability.

- (d) **Compliance with Securities Laws.** The obligation of the Issuer to issue and deliver Shares in accordance with the RSU/DSU Plan is subject to applicable securities legislation and to the receipt of any approvals that may be required from any regulatory authority or stock exchange having jurisdiction over the securities of the Issuer. If Shares cannot be issued to a Participant upon the exercise of an Award for any reason whatsoever, the obligation of the Issuer to issue such Shares shall terminate and any funds paid to the Issuer in connection with the exercise of such Award will be returned to the relevant Participant as soon as practicable.
- (e) **Compliance with Laws of Other Jurisdictions.** Awards may be granted to Participants who are citizens or residents of a jurisdiction other than Canada or the United States on such terms and conditions different from those under the RSU/DSU Plan as may be determined by the Granting Authority to be necessary or advisable to achieve the purposes of the RSU/DSU Plan while also complying with applicable local laws, customs and tax practices, including any such terms and conditions as may be set forth in any supplement to the RSU/DSU Plan intended to govern the terms of any such Award. In no event shall the eligibility, grant, exercise or settlement of an Award constitute a term of employment, or entitlement with respect to employment, of any employee.
- (f) **Funding.** Except as would not result in adverse tax consequences to a Participant, no provision of the RSU/DSU Plan shall require or permit the Issuer, for the purpose of satisfying any obligations under the RSU/DSU Plan, to purchase assets or place any assets in a trust or other entity to which contributions are made or otherwise to segregate any assets, nor shall the Issuer maintain separate bank accounts, books, records or other evidence of the existence of a segregated or separately maintained or administered fund for such purposes. Participants shall have no rights under the RSU/DSU Plan other than as unsecured general creditors of the Issuer, except that insofar as they may have become entitled to payment of additional compensation by performance of services, they shall have the same rights as other Eligible Persons under general law.
- (g) **No Guarantee of Tax Consequences.** Neither the Board, nor the Issuer nor the Granting Authority makes any commitment or guarantee that any specific tax treatment will apply or be available to any Person participating or eligible to participate hereunder.

#### **14. Effective Date and Term of RSU/DSU Plan**

- (a) **Effective Date of the Plan.** The RSU/DSU Plan shall initially become effective on the Shareholder Approval Date, and any subsequent amendments to the RSU/DSU Plan, shall become effective upon their adoption by the Board, subject to approval by the shareholders of the Issuer at the next annual meeting of shareholders of the Issuer or any adjournment thereof, to the extent required. The effective date of this RSU/DSU Plan, as so amended, shall be the date of approval by the shareholders of the Issuer. If the shareholders do not approve the RSU/DSU Plan, or any amendments to the RSU/DSU Plan requiring shareholder approval, the RSU/DSU Plan or such amendments shall not be effective, and any and all actions taken prior thereto under the amendments effected hereby, including the making of any Awards subject to such approval being obtained, shall be null and void or shall, if necessary, be deemed to have been fully rescinded. However, in such case the Stock Option Plan shall remain in effect.
- (b) **Effect on Existing Awards.** Subject to subsection 14(a) hereof all new Awards granted on or after the effective date of the amendments as provided in subsection 14(a) hereof are granted under and subject to the terms of this RSU/DSU Plan as amended and restated and all outstanding Options granted under the Stock Option Plan shall continue to be governed by the terms of the Stock Option Plan and to the terms of their individual option agreements as in effect from time to time including provisions concerning change of control or other related events.
- (c) **Termination.** The Board may suspend or terminate the RSU/DSU Plan at any time, provided that such suspension or termination shall not affect any Awards that became effective pursuant to the RSU/DSU Plan

prior to such termination or suspension. The RSU/DSU Plan shall automatically terminate on failure to receive requisite shareholder confirmation every year (or such other period of time as required by the Exchange) from the date of its initial approval by shareholders provided that such termination shall not affect any Awards that became effective pursuant to the RSU/DSU Plan prior to such termination.

## SCHEDULE A

### RESTRICTED SHARE UNIT AGREEMENT

*[All Awards issued to Insiders must include the following legend:*

*Without prior written approval of the TSX Venture Exchange and compliance with all applicable securities legislation, the securities represented by this agreement and the shares issuable upon the vesting thereof may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until [insert the date that is four months and one day after the Grant Date of the Award].*

THIS RESTRICTED SHARE UNIT AGREEMENT (the "**Agreement**") is made as of the ● day of ●, ●.

B E T W E E N :

**OUTCROP GOLD CORP.**

(herein called the "**Issuer**")

- and -

●

(herein called the "**Grantee**")

This Agreement is made pursuant to the terms and conditions of the Issuer's Restricted Share Unit and Deferred Share Unit Compensation Plan (in effect from time to time, the "**RSU/DSU Plan**"), which is incorporated by reference herein. The Grantee accepts the terms and conditions of the RSU/DSU Plan and all rules and procedures adopted thereunder, as amended from time to time. In the event of any inconsistency between the terms of this Agreement and the terms of the RSU/DSU Plan, the terms of the RSU/DSU Plan shall prevail. Certain terms with initial capital letters used in this Agreement have the meanings set out in the RSU/DSU Plan.

Each RSU (as defined below) granted to the Grantee hereunder represents a right of the Grantee to receive one common share of the Issuer as presently constituted (each a "**Share**") on the terms set out herein.

The Issuer has granted to the Grantee, as of the Grant Date set out in exhibit 1 attached hereto, that number of restricted share units (the "**RSUs**") equal to the number of RSUs set out in exhibit 1 attached hereto, upon the terms and conditions set out in this Agreement, including the following:

**Restricted Share Units.** Each RSU granted to the Grantee hereunder represents a right of the Grantee to receive one Share on the date the said RSU vests.

**Grantee's Notional Account.** The Issuer shall maintain in its books a notional account for the Grantee (the "**Grantee's Account**") recording the number of RSUs granted to the Grantee and the number of RSUs that have Vested. Upon payment in satisfaction of vested RSUs through the issue of Shares from treasury, such Vested RSUs shall be cancelled.

**Vesting.** Subject to the earlier vesting provisions set out herein, the RSUs granted by the Issuer to the Grantee as set out on exhibit 1 attached hereto shall vest in accordance with the vesting provisions set out on exhibit 1 attached hereto (provided that in no event will the Grantee become entitled to acquire a fraction of a Share).

Notwithstanding the vesting provisions above, in the event of a Change of Control while the Grantee is employed by the Issuer or a wholly owned subsidiary of the Issuer or in the event that the Grantee terminates employment with the Issuer and its Subsidiaries by reason of Eligible Retirement, death or total Disability (as determined by the Committee in good faith) (each an "Accelerated Vesting Event"), the non-vested RSUs will:

- (i) in the case of a Change of Control, Eligible Retirement or death being the Accelerated Vesting Event, immediately become 100% vested, or
- (ii) in the case of total Disability being the Accelerated Vesting Event, vest on the 60th day following the Grantee's termination.

If the Grantee terminates employment with the Issuer and its Subsidiaries for any reason other than such Eligible Retirement, total Disability or death or termination without cause, any non-vested RSUs granted hereunder will be immediately cancelled without liability or compensation therefor and be of no further force and effect. For clarity, where the Grantee voluntarily terminates his/her employment with the Issuer or is otherwise terminated by the Issuer for cause, all non-Vested RSUs of the Grantee shall be immediately cancelled without compensation or liability therefor and be of no further force and effect.

In no event will the Grantee become entitled to acquire a fraction of a Share:

**Settlement of Vested RSUs.** Payment to the Grantee in respect of Vested RSUs will be made in the form of Shares only and will be evidenced by book entry registration or by a certificate registered in the name of the Grantee as soon as practicable following the date on which the RSUs become Vested; provided that the settlement date shall not be later than the third anniversary of the Grant Date and all payments in respect of Vested RSUs in the Grantee's Account shall be paid in full on or before December 31 of the same calendar year.

**No Shareholder Rights.** The Grantee will have none of the rights of a shareholder of the Issuer with respect to any Shares underlying the RSUs, including the right to vote such shares and receive any dividends that may be paid thereon, until such time, if any, that the Grantee has been determined to be a shareholder of record by the Issuer's transfer agent or one or more certificates of Shares are delivered to the Grantee in settlement thereof. Further, nothing herein will confer upon the Grantee any right to remain in the employ of the Issuer or its Subsidiaries.

**RSUs Non-Transferable.** RSUs are non-transferable (except to a Grantee's estate as contemplated under this Agreement).

**No Other Benefit.** No amount will be paid to, or in respect of, the Grantee under the RSU/DSU Plan to compensate for a downward fluctuation in the value of the Shares, nor will any other form of benefit be conferred upon, or in respect of, the Grantee for such purpose.

The Issuer makes no representations or warranties to the Grantee with respect to the RSU/DSU Plan or the RSUs whatsoever. The Grantee is expressly advised that the value of the RSUs in the RSU/DSU Plan will fluctuate as the value of Shares fluctuates.

In seeking the benefits of participation in the RSU/DSU Plan, the Grantee agrees to exclusively accept all risks associated with a decline in the value of Shares and all other risks associated with participation in the RSU/DSU Plan.

**Withholding Tax.** As set out in section 13 of the RSU/DSU Plan, if the Issuer determines that under the requirements of applicable tax laws the Issuer is obligated to withhold for remittance to any taxing authority any amount, the Issuer may require the Grantee to pay to the Issuer, such amount as the Issuer is obliged to remit in connection with the issue of the Shares as set out in section 13 of the RSU/DSU Plan.

**Income Taxes:** The Grantee acknowledges that he/she will be liable for income tax relating to grants and dispositions of RSUs. The Grantee hereby acknowledges that the Issuer is making no representation to him/her regarding taxes applicable to the Grantee and the Grantee will confirm the tax treatment with his/her own tax advisor.

**No Inducement.** By executing a copy of this Agreement, the Grantee hereby accepts the grant of RSUs and hereby confirms and acknowledges that his or her participation in the RSU/DSU Plan is voluntary and that he or she has not been induced to enter into this Agreement or participate in RSU/DSU Plan by expectation of employment or continued employment with the Issuer.

**Reorganization.** The existence of any RSUs shall not affect in any way the right or power of the Issuer or its shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Issuer's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Issuer or to create or issue any bonds, debentures, shares or other securities of the Issuer or the rights and conditions attaching thereto or to effect the dissolution or liquidation of the Issuer or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

**Binding Effect.** This Agreement shall enure to the benefit of and be binding upon the Issuer and the Grantee and each of their respective heirs, executors, administrators, successors and Permitted Assigns.

**Unfunded and Unsecured RSU/DSU Plan.** Unless otherwise determined by the Board, this Agreement and the RSU/DSU Plan shall be unfunded and the Issuer will not secure its obligations under this Agreement or the RSU/DSU Plan. To the extent any Grantee or his or her estate holds any rights by virtue of a grant of RSUs under this Agreement, such rights (unless otherwise determined by the Board) shall be no greater than the rights of an unsecured creditor of the Issuer.

**Governing Law.** This Agreement shall be governed by, and interpreted in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein, without regard to principles of conflict of laws.

**Effective Date.** The effective date of this Agreement shall be the Grant Date.

**Severability.** The invalidity or unenforceability of any provision of the RSU/DSU Plan or Agreement shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from this Agreement.

**OUTCROP GOLD CORP.**

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**Name:**

**Title:**

**Date:**

**GRANTEE**

---

**Signature of Grantee**

**Name:**

**Title:**

**Date:**

**EXHIBIT 1 TO SCHEDULE A**

**OUTCROP GOLD CORP.**

**RESTRICTED SHARE UNIT AND DEFERRED SHARE UNIT COMPENSATION PLAN**

**NOTICE OF RESTRICTED SHARE UNITS GRANTED**

Grantee: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

You have been granted Restricted Share Units of Outcrop Gold Corp. (the "**Issuer**"), as follows: Grant

Date: \_\_\_\_\_

Number of Restricted Share Units: \_\_\_\_\_

Starting Value of Restricted Share Unit Grant: \_\_\_\_\_

Vesting Schedule: \_\_\_\_\_

By your signature and the signature of the Issuer's representative below, you and the Issuer agree that this Restricted Share Unit Grant is granted under and governed by the terms and conditions of the Issuer's Restricted Share Unit and Deferred Share Unit Compensation Plan, as amended from time to time.

OUTCROP GOLD CORP.

\_\_\_\_\_

Name:

Title:

Date:

GRANTEE

\_\_\_\_\_

Signature of Grantee

Name:

Title:

Date:

## SCHEDULE B

### DEFERRED SHARE UNIT AGREEMENT

*[All Awards issued to Insiders must include the following legend:*

*Without prior written approval of the TSX Venture Exchange and compliance with all applicable securities legislation, the securities represented by this agreement and the shares issuable upon the vesting thereof may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until [insert the date that is four months and one day after the Grant Date of the Award].*

**THIS DEFERRED SHARE UNIT AGREEMENT (the "Agreement") is made as of the ● day of ●, ●**

**B E T W E E N :**

**OUTCROP GOLD CORP.  
(herein called the "Issuer")**

**- and -**

**●  
(herein called the "Grantee")**

This Agreement is made pursuant to the terms and conditions of the Issuer's Restricted Share Unit and Deferred Share Unit Compensation Plan (in effect from time to time, the "RSU/DSU Plan"), which is incorporated by reference herein. The Grantee accepts the terms and conditions of the RSU/DSU Plan and all rules and procedures adopted thereunder, as amended from time to time. In the event of any inconsistency between the terms of this Agreement and the terms of the RSU/DSU Plan, the terms of the RSU/DSU Plan shall prevail. Certain terms with initial capital letters used in this Agreement have the meanings set out in the RSU/DSU Plan.

The Issuer has granted to the Grantee, as of the Grant Date set out in exhibit 1 attached hereto, that number of deferred share units (the "DSUs") equal to the number of DSUs set out in exhibit 1 attached hereto upon the terms and conditions set out in this Agreement, including the following:

#### **Definitions:**

- (a) **"Distribution Date"** means either the Separation Date or such later date as the Grantee may elect (by written notice delivered to the Issuer prior to the Separation Date), provided that in no event shall a Grantee be permitted to elect a date which is later than December 1 of the calendar year following the calendar year in which the Separation Date occurs. In the case of death of a Grantee, the Distribution Date shall have the meaning ascribed to it under section 5 hereof;
- (b) **"Related Entity"** has the meaning ascribed to the term "related entity" in section 2.22 of National Instrument 45-106 – *Prospectus Exemptions* of the Canadian Securities Administrators, as amended from time to time; and
- (c) **"Separation Date"** means the date on which the Grantee ceases service as a director, and is not at that time an employee or officer, of the Issuer or a Related Entity.

**Deferred Share Units.** Each Vested DSU granted to the Grantee hereunder represents a right of the Grantee to receive one Share on the Distribution Date.

**Grantee's Notional Account.** The Issuer shall maintain in its books a notional account for the Grantee (the "Grantee's Account") recording the number of DSUs granted to the Grantee and the number of DSUs that have Vested. Upon payment in satisfaction of Vested DSUs through the issue of Shares on or about the Distribution Date (in accordance with the provisions herein), such Vested DSUs shall be cancelled as of the applicable Distribution Date.

**Vesting.** Subject to the earlier vesting provisions set out herein, the DSUs granted by the Issuer to the Grantee as set out on exhibit 1 attached hereto shall vest in accordance with the vesting provisions set out on exhibit 1 attached hereto, provided that where a Grantee is terminated for cause, resigns or, in the case of a director of the Issuer, is otherwise removed as a result of losing his/her eligibility to serve on the Board due to an order by a regulatory body or stock exchange or for culpable conduct as determined by the Granting Authority, all unvested DSUs in the Grantee's account shall be immediately cancelled without liability or compensation therefor and be of no further force and effect (unless otherwise determined by the Granting Authority).

Notwithstanding the vesting provisions above, in the event of a Change of Control while the Grantee is employed by or is a director of the Issuer or a Related Entity or in the event of the Grantee being terminated without cause, the non-vested DSUs will immediately become 100% vested.

In no event will the Grantee become entitled to acquire a fraction of a Share.

**Distribution of Vested DSUs.** The Issuer shall within 10 business days after the Distribution Date issue to the Grantee a number of Shares equal to the number of Vested DSUs in the Grantee's Account. In the case of a Grantee's Death, the Distribution Date shall be on or before the 30<sup>th</sup> business day after the Issuer is duly notified of the death of the Grantee and such distribution shall be made to the estate of the Grantee.

**Reporting of DSUs.** Statements of the Grantee's Account will be provided to Grantees on an annual basis.

**No Shareholder Rights.** The Grantee will have none of the rights of a shareholder of the Issuer with respect to any Shares underlying the DSUs, including the right to vote such shares and receive any dividends that may be paid thereon, until such time, if any, that the Grantee has been determined to be a shareholder of record by the Issuer's transfer agent or one or more certificates of Shares are delivered to the Grantee in settlement thereof. Further, nothing herein will confer upon the Grantee any right to remain in the employ of the Issuer or its Subsidiaries.

**DSUs Non-Transferable.** DSUs are non-transferable (except to a Grantee's estate as provided for in this Agreement).

**No Other Benefit.** No amount will be paid to, or in respect of, the Grantee under the RSU/DSU Plan to compensate for a downward fluctuation in the value of the Shares, nor will any other form of benefit be conferred upon, or in respect of, the Grantee for such purpose.

The Issuer makes no representations or warranties to the Grantee with respect to the RSU/DSU Plan or the DSUs whatsoever. The Grantee is expressly advised that the value of the DSUs in the RSU/DSU Plan will fluctuate as the value of Shares fluctuates.

In seeking the benefits of participation in the RSU/DSU Plan, the Grantee agrees to exclusively accept all risks associated with a decline in the value of Shares and all other risks associated with participation in the RSU/DSU Plan.

**Withholding Tax.** As set out in section 13 of the RSU/DSU Plan, if the Issuer determines that under the requirements of applicable tax laws, the Issuer is obligated to withhold for remittance to any taxing authority any amount, the Issuer may require the Grantee to pay to the Issuer, such amount as the Issuer is obliged to remit in connection with the issue of the Shares as set out in section 13 of the RSU/DSU Plan.

**Income Taxes:** The Grantee acknowledges that he/she will be liable for income tax relating to grants and dispositions of DSUs. The Grantee hereby acknowledges that the Issuer is making no representation to him/her regarding taxes applicable to the Grantee and the Grantee will confirm the tax treatment with his/her own tax advisor.

**No Inducement.** By executing a copy of this Agreement, the Grantee hereby accepts the grant of DSUs and hereby confirms and acknowledges that his or her participation in the RSU/DSU Plan is voluntary and that he or she has not been induced to enter into this Agreement or participate in RSU/DSU Plan by expectation of employment or continued employment with the Issuer.

**Reorganization.** The existence of any DSUs shall not affect in any way the right or power of the Issuer or its shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Issuer's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Issuer or to create or issue any bonds, debentures, shares or other securities of the Issuer or the rights and conditions attaching thereto or to effect the dissolution or liquidation of the Issuer or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

**Binding Effect.** This Agreement shall enure to the benefit of and be binding upon the Issuer and the Grantee and each of their respective heirs, executors, administrators, successors and Permitted Assigns.

**Unfunded and Unsecured RSU/DSU Plan.** Unless otherwise determined by the Board, this Agreement and the RSU/DSU Plan shall be unfunded and the Issuer will not secure its obligations under this Agreement or the RSU/DSU Plan. To the extent any Grantee or his or her estate holds any rights by virtue of a grant of DSUs under this Agreement, such rights (unless otherwise determined by the Board) shall be no greater than the rights of an unsecured creditor of the Issuer.

**Governing Law.** This Agreement shall be governed by, and interpreted in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein, without regard to principles of conflict of laws.

**Effective Date.** The effective date of this Agreement shall be the Grant Date.

**Severability.** The invalidity or unenforceability of any provision of the RSU/DSU Plan or this Agreement shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from this Agreement.

**OUTCROP GOLD CORP.**

---

**Name:**

**Title:**

**Date:**

**GRANTEE**

---

**Signature of Grantee**

**Name:**

**Title:**

**Date:**

**EXHIBIT 1 TO SCHEDULE B**

**OUTCROP GOLD CORP.**

**RESTRICTED SHARE UNIT AND DEFERRED SHARE UNIT  
COMPENSATION PLAN**

**NOTICE OF DEFERRED SHARE UNITS GRANTED**

Grantee: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

You have been granted Deferred Share Units of .Outcrop Gold Corp.(the "**Issuer**"), as follows:

Grant Date: \_\_\_\_\_

Number of Deferred Share Units: \_\_\_\_\_

Starting Value of Deferred Share Unit Grant: \_\_\_\_\_

Vesting Schedule: \_\_\_\_\_

By your signature and the signature of the Issuer's representative below, you and the Issuer agree that this Deferred Share Unit Grant is granted under and governed by the terms and conditions of the Issuer's Restricted Share Unit and Deferred Share Unit Compensation Plan, as amended from time to time.

OUTCROP GOLD CORP.

\_\_\_\_\_  
Name:  
Title:  
Date:

GRANTEE

\_\_\_\_\_  
Signature of Grantee  
Name:  
Title:  
Date: