



**Notice of Annual and Special Meeting of Shareholders  
and  
Management Information Circular**

**May 15, 2020**

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## Message from Chair and Chief Executive Officer

May 15, 2020

Dear Shareholder,

It is our pleasure to invite you to attend the annual and special meeting of shareholders of Harte Gold Corp. ("Harte"), which will be held on Wednesday, June 24, 2020 at 10:30 a.m. (Toronto time) (the "Meeting").

This year, in light of the COVID-19 pandemic and government recommendations, we will hold the Meeting in a virtual only format, which will be conducted via live audio webcast online at <https://web.lumiagm.com/296575486>. At this website, shareholders will have the opportunity to attend, ask questions and vote. We hope that hosting a virtual Meeting will increase participation by our shareholders, as it will enable shareholders to more easily attend the Meeting regardless of geographic location.

Detailed instructions about how to participate at our virtual Meeting and a description of the items of business to be considered at the Meeting can be found in the Notice of Annual and Special Meeting of Shareholders and the accompanying Management Information Circular. The board of directors of Harte has approved the contents and the dissemination of the accompanying materials. We encourage you to vote on the items of business to be conducted at the Meeting, which can easily be done by following the instructions enclosed with this circular.

2019 was a year of significant change at Harte which culminated in the fourth quarter of 2019 with the full implementation of changes at both the board of directors and senior executive levels. These changes serve to enhance Harte's depth of mining and financial expertise and operational capabilities. Harte is well positioned to establish the Sugar Zone Mine as a world-class operation and continue to grow mineral resources at the Sugar Zone Property.

We had a challenging start to 2020 with the onset of the COVID-19 pandemic and our announcement of a temporary suspension of operations effective March 30, 2020. We are currently working with our key stakeholders to determine the appropriate time to re-open mining operations.

We are pleased with the mine's continuous improvements over the past two quarters and we are now positioned to develop improved mining flexibility and improvements to short and long-term planning. The potential of this mine and our large land package is vast and we are now focused on unlocking its true potential.

On behalf of the board of directors and our employees, we would like to thank you for your on-going support of Harte and look forward to emerging from these challenging times stronger than before.

Yours sincerely,

(signed) "Joseph Conway"

Joseph Conway  
Chair of the Board

(signed) "Sam Coetzer"

Sam Coetzer  
President & Chief Executive Officer



## NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that the annual and special meeting (the “**Meeting**”) of shareholders of Harte Gold Corp. (the “**Corporation**” or “**Harte**”) will be held on Wednesday, June 24, 2020 at 10:30 a.m. (Toronto time) for the following purposes:

1. to receive the audited annual financial statements and the auditor’s reports thereon for the year ended December 31, 2019;
2. to elect the directors for the ensuing year to hold office until the close of the next annual meeting of shareholders of the Corporation;
3. to appoint KPMG LLP as auditors of the Corporation and to authorize the board of directors of the Corporation to fix their remuneration;
4. to consider, and, if deemed advisable, to pass an ordinary resolution to approve the issuance of certain warrants to ANR Investments B.V.;
5. to consider and, if deemed advisable, to pass, with or without amendment, an ordinary resolution to approve all unallocated options, rights and entitlements with respect to treasury issuances under the Stock Option Plan of the Corporation;
6. to consider and, if deemed advisable, to ratify, confirm and approve the Deferred Share Unit Plan of the Corporation;
7. to consider and, if deemed advisable, to ratify, confirm and approve the Performance and Restricted Share Unit Plan of the Corporation; and
8. to transact such other business as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

### **Who has the right to receive notice and vote**

You are entitled to receive notice of and to vote at the Meeting if you are a shareholder of record at the close of business on May 11, 2020.

### **Virtual only format**

This year, to proactively deal with the unprecedented public health impact of COVID-19 and to mitigate risks to the health and safety of our communities, shareholders, employees and other stakeholders, we will hold the Meeting in a virtual only format, which will be conducted via live audio webcast. Shareholders will have an equal opportunity to participate at the Meeting online regardless of their geographic location and will not be able to physically attend the Meeting.

Registered shareholders of the Corporation and duly appointed proxyholders will be able to attend, submit questions and vote at the Meeting online at <https://web.lumiagm.com/296575486>. Non-registered (beneficial) shareholders who have not duly appointed themselves as proxyholder will be able to attend the Meeting as guests, but guests will not be able to vote or ask questions at the Meeting.

## Your vote is important

The accompanying Management Information Circular includes important information about the Meeting and the voting process. Please read it carefully and remember to vote.

To be used at the Meeting, completed proxies must be returned to TSX Trust Company, by mail at 100 Adelaide Street West, Suite 301, Toronto, Ontario, Canada, M5H 4H1, Attention: Proxy Department; by calling toll-free at 1-866-600-5869; or by e-mail at [tmxeinvestorServices@tmx.com](mailto:tmxeinvestorServices@tmx.com) so that they arrive by 10:30 a.m. (Toronto time) on June 22, 2020 or, if the Meeting is adjourned or postponed, by not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time and date of the adjourned or postponed meeting. The time limit for the deposit of proxies may be waived or extended by the chair of the Meeting at his or her discretion, without notice, and the chair of the Meeting is under no obligation to accept or reject any particular late proxy.

Non-registered (beneficial) shareholders should follow the instructions on the voting instruction form or other form of proxy provided by their intermediaries with respect to the procedures to be followed for voting.

Shareholders who wish to appoint a proxyholder other than the persons designated by Harte on the form of proxy or voting instruction form (including a non-registered shareholder who wishes to appoint themselves as proxyholder) must carefully follow the instructions in the Management Information Circular and on their form of proxy or voting instruction form. These instructions include the additional step of registering such proxyholder with our transfer agent, TSX Trust Company, after submitting their form of proxy or voting instruction form. Failure to register the proxyholder will result in the proxyholder not receiving a control number that will act as their online sign-in credentials and is required for them to vote at the Meeting and, consequently, only being able to attend the Meeting online as a guest. Non-registered shareholders located in the United States must also provide TSX Trust Company with a duly completed legal proxy if they wish to vote at the Meeting or appoint a third party as their proxyholder.

## Notice and access

This year we are using “notice and access” to deliver the Meeting materials. Accordingly, this Notice of Annual and Special Meeting of Shareholders and the accompanying Management Information Circular, and our audited annual financial statements for the financial year ended December 31, 2019, along with the related management discussion and analysis, have been posted on our website at [www.hartegold.com/investor-resources/financial-statements](http://www.hartegold.com/investor-resources/financial-statements) and under our profile on SEDAR at [www.sedar.com](http://www.sedar.com).

**Dated:** May 15, 2020.

Yours sincerely,

(signed) “*Joseph Conway*”

*Joseph Conway*  
Chair of the Board

(signed) “*Sam Coetzer*”

Sam Coetzer  
President & Chief Executive Officer



## MANAGEMENT INFORMATION CIRCULAR

May 15, 2020

### SOLICITATION OF PROXIES AND VOTING INSTRUCTIONS

This management information circular (the "Circular") is furnished in connection with the solicitation of proxies by and on behalf of the management of Harte Gold Corp. (the "Corporation" or "Harte") for use at the annual and special meeting (the "Meeting") of the holders of common shares ("Common Shares") in the capital of the Corporation to be held on Wednesday, June 24, 2020 at 10:30 a.m. (Toronto time), for the purposes set out in the accompanying Notice of Annual and Special Meeting of Shareholders. The Meeting will be held in a virtual only format, which will be conducted via live audio webcast at <https://web.lumiagm.com/296575486>. Shareholders will not be able to physically attend the Meeting. A summary of the information shareholders will need to attend the Meeting online is provided below.

This solicitation is made on behalf of management of the Corporation. In addition to soliciting proxies by this Circular, directors, officers, employees and agents of the Corporation may solicit proxies personally, by telephone or by other means of communication. All costs of soliciting and preparing the notice and access notice, the notice of Meeting, this Circular and the proxy, as well as mailing the notice and access notice and the form of proxy or voting instruction form will be paid by us. All applicable Meeting related materials sent to beneficial holders will be indirectly forwarded to non-registered (beneficial) shareholders at the Corporation's cost.

### VOTING INFORMATION

You are entitled to vote at the Meeting if you were a holder of Common Shares at the close of business on May 11, 2020, the record date for the Meeting. Each Common Share is entitled to one (1) vote. How you vote depends on whether you are a registered shareholder or a non-registered shareholder.

#### Registered shareholders

You are a registered shareholder if your Common Shares are registered in your own name. As a registered shareholder, you may attend, ask questions and vote at the virtual only Meeting via live audio webcast online at <https://web.lumiagm.com/296575486>.

If you are a registered shareholder and will not attend the Meeting, or if your Common Shares are registered in the name of a company that you own, your Common Shares may still be counted by authorizing an individual, called a proxyholder, to attend the Meeting and vote your Common Shares. Any legal form of proxy may be used, and a form of proxy is provided with this Circular.

#### Non-Registered shareholders

You are a non-registered shareholder if you beneficially own Common Shares that are registered in the name of an intermediary such as a bank, trust company, securities broker or other nominee, or in the name of a depository of which the intermediary is a participant, and therefore do not have Common Shares registered in your own name.

In accordance with applicable securities laws, Harte has distributed copies of the Notice of Annual and Special Meeting of Shareholders, this Circular, Harte's audited annual financial statements for the financial year ended December 31, 2019, along with the related management discussion and analysis (the "Meeting Materials") to intermediaries for onward distribution to non-registered shareholders who have not waived their right to receive them. Typically, intermediaries will use a service company (such as Broadridge Investor Communications) to forward Meeting Materials to non-registered shareholders. Harte has elected to pay for the delivery of proxy-related materials to objecting non-registered shareholders by intermediaries. Meeting Materials will include either your intermediary's voting instruction form, or a form of proxy stamped by the intermediary limited to the number of Common Shares beneficially owned by you, but

that is otherwise not complete. The purpose of these documents is to permit you to direct the voting of the Common Shares you beneficially own. You should carefully follow the instructions set out in your intermediary's voting instruction form or form of proxy, as the case may be.

### **Notice and Access**

This year, as permitted by Canadian securities regulatory authorities and pursuant to exemptions from the sending of financial statements and proxy solicitation requirements granted under National Instrument 51-102 - *Continuous Disclosure Obligations* and National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer*, we are using notice and access to deliver the Meeting Materials to both our non-registered (beneficial) shareholders and registered shareholders. This means that our Meeting Materials are posted online for shareholders to access, instead of being mailed to shareholders. Notice and access reduces printing and mailing costs and is more environmentally friendly as it uses less materials and energy consumption.

You will receive a package in the mail which will include a form of proxy or voting instruction form, with instructions on how to vote your common shares and access the Meeting Materials electronically.

You may also request a paper copy of the Meeting Materials at no cost to you at any time prior to the Meeting by contacting our transfer agent, TSX Trust Company, via their email at [tmxeinvestorservices@tmx.com](mailto:tmxeinvestorservices@tmx.com) or by phone at 1-866-600-5869.

**If you request a paper copy of the Meeting Materials, you will not receive a new form of proxy or voting instruction form. Therefore, you should keep the original form sent to you in order to vote your Common Shares.**

### **Attending the Virtual Only Meeting**

This year, to proactively deal with the unprecedented public health impact of COVID-19 and to mitigate risks to the health and safety of our communities, shareholders, employees and other stakeholders, we will hold the Meeting in a virtual only format, which will be conducted via live audio webcast. Shareholders will not be able to physically attend the Meeting.

Registered shareholders and duly appointed proxyholders will be able to attend, participate and vote at the Meeting online at <https://web.lumiagm.com/296575486>. Such persons may enter the Meeting by clicking "I have a control number" and entering a valid control number and the **Password: "harte2020"** (case sensitive) before the start of the Meeting. Guests, including non-registered (beneficial) shareholders who have not duly appointed themselves as a proxyholder, can login to the Meeting by clicking "I am a guest" and completing the online form. Guests will be able to listen to the Meeting but will not be able to ask questions or vote at the Meeting.

If you attend the Meeting online, it is important that you are connected to the internet at all times during the Meeting in order to vote if and when balloting commences. You should ensure you have a strong, preferably high-speed, internet connection wherever you intend to participate in the Meeting. The Meeting will begin promptly at 10:30 a.m. (Toronto time) on June 24, 2020, unless otherwise adjourned or postponed. Online check-in will begin one hour prior to the Meeting, at 9:30 a.m. (Toronto time). You should allow ample time for online check-in procedures.

### **Appointment of a Third Party as Proxy**

The following applies to shareholders who wish to appoint a third-party proxyholder, including non-registered shareholders who wish to appoint themselves as proxyholder to attend, participate and vote at the Meeting.

Shareholders who wish to appoint a third-party proxyholder to represent them at the Meeting **MUST** submit their form of proxy or voting instruction form (as applicable), appointing that third-party proxyholder **AND** register that third-party proxyholder online, as described below. Registering your third-party proxyholder is an additional step to be completed **AFTER** you have submitted your form of proxy or voting instruction form. Failure to register the proxyholder will result in the proxyholder not receiving a control number that will act as their online sign-in credentials and is required for them to vote that is required for them to vote at the Meeting.

- **Step 1: Submit your form of proxy or voting instruction form:** To appoint a third-party proxyholder, insert such person's name in the blank space provided in the form of proxy or voting instruction form and follow the instructions for submitting such proxy or voting instruction form. This must be completed prior to registering

such proxyholder, which is an additional step to be completed once you have submitted your form of proxy or voting instruction form.

- **Step 2: Register your proxyholder:** To register a third-party proxyholder, shareholders must complete the registration form from the following link: <https://tsxtrust.com/resource/en/75> or contact TSX Trust Company at 1-866-600-5869 by 10:30 a.m. (Toronto Time) on June 22, 2020, or, if the Meeting is adjourned or postponed, not less than 48 hours (excluding Saturdays, Sundays and holidays in the Province of Ontario) before the time and date of the adjourned or postponed meeting, and provide TSX Trust Company with the required proxyholder contact information so that TSX Trust Company may provide the proxyholder with a control number via email. Without a control number, proxyholders will not be able to vote or ask questions at the Meeting but will be able to participate as a guest.

**If you are a non-registered shareholder and wish to vote at the Meeting, you have to insert your own name in the space provided on the voting instruction form sent to you by your intermediary, follow all of the applicable instructions provided by your intermediary AND register yourself as your proxyholder, as described above.** By doing so, you are instructing your intermediary to appoint you as proxyholder. It is important that you comply with the signature and return instructions provided by your intermediary.

**If you are a non-registered shareholder located in the United States and wish to vote at the Meeting or, if permitted, appoint a third-party as your proxyholder,** you must obtain a valid legal proxy from your intermediary. Follow the instructions from your intermediary included with the legal proxy form and the voting information form sent to you, or contact your intermediary to request a legal proxy form or a legal proxy if you have not received one. After obtaining a valid legal proxy from your intermediary, you must then complete the registration form from the following link: <https://tsxtrust.com/resource/en/75> and submit such legal proxy to TSX Trust Company. Requests for registration from non-registered shareholders located in the United States that wish to vote at the Meeting or, if permitted, appoint a third-party as their proxyholder must be sent by email or by courier to: TSX Trust Company, by mail at 100 Adelaide Street West, Suite 301, Toronto, Ontario, Canada, M5H 4H1, Attention: Proxy Department; or by fax at 416-595-9593 and must be labeled "Legal Proxy" and received no later than the voting deadline of 10:30 a.m. (Toronto time) on June 22, 2020. or, if the Meeting is adjourned or postponed, by not less than 48 hours (excluding Saturdays, Sundays and holidays in the Province of Ontario) before the time and date of the adjourned or postponed meeting. Legal proxy holders MUST also contact TSX Trust Company at 1-866-600-5869 no later than 10:30 a.m. (Toronto time) on June 22, 2020 so that TSX Trust Company may provide the holder of legal proxy a control number that will act as their online sign-in credentials via email. **Without a control number the legal proxy holder will only be able to log in to the Meeting as a guest and will not be able to vote.**

## VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

Each holder of Common Shares of record at the close of business on May 11, 2020 will be entitled to vote at the Meeting or at any adjournment thereof, either in person or by proxy, a quorum for the transaction of business at the Meeting shall be two persons present, each being a shareholder entitled to vote at the Meeting or a duly appointed proxy holder or representative for a shareholder so entitled, irrespective of the number of shares held by such persons.

The Corporation is authorized to issue an unlimited number of common shares without par value. As of May 11, 2020, the Corporation had 846,207,227 issued and outstanding Common Shares. Each Common Share carries the right to one vote per share. The outstanding Common Shares are listed on the Toronto Stock Exchange (the "TSX") under the symbol "HRT".

To the knowledge of the directors and executive officers of the Corporation, as of the date hereof, the following entity beneficially owns, controls or directs, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to the Common Shares.

Name	Number of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly <sup>(1)</sup>	Percentage of Outstanding Common Shares <sup>(2)</sup>
ANR Investments B.V. <sup>(3)</sup>	206,716,334	24.4%

**Notes:**

<sup>(1)</sup> Based on information provided by or on behalf of Appian Natural Resource Fund (as defined below).

<sup>(2)</sup> Based on the number of issued and outstanding Common Shares as at May 11, 2020.

<sup>(3)</sup> ANR Investments B.V. ("Appian") is owned by Appian Natural Resources Fund, L.P., Appian Natural Resources (UST) Fund, L.P. and Appian Natural Resources Fund (NV), L.P. (collectively, Appian Natural Resource Fund).

Pursuant to a subscription agreement dated as of November 23, 2016 between the Corporation and Appian (the "Appian Subscription Agreement"), so long as Appian continues to hold 7.5% or more of the Corporation's outstanding Common Shares, the Corporation has agreed to include two (2) Board nominees designated by Appian, in the Corporation's proposed slate of directors nominated for election, at each annual or special meeting at which directors are to be elected. The Corporation has agreed to put forward Messrs. Michael W. Scherb and Geoffrey Cohen to stand as Board nominees at the Meeting.

As at the date hereof, the directors and senior officers of the Corporation, as a group, beneficially own directly or indirectly, or exercise control over approximately 29% of the outstanding Common Shares.

## BUSINESS TO BE TRANSACTED AT THE MEETING

Unless otherwise noted, approval of matters to be placed before the Meeting is by an "**ordinary resolution**" a resolution passed by a simple majority (50% plus 1) of the votes cast by shareholders of the Corporation entitled to vote and present or represented by proxy.

### 1. FINANCIAL STATEMENTS

The financial statements for the fiscal year ended December 31, 2019 and the report of the auditors thereon which accompany this Circular will be placed before the shareholders of the Corporation at the Meeting. The presentation at the Meeting of the auditors' report and the Corporation's financial statements for this financial period will not constitute a request for approval or disapproval of any matters referred to therein.

### 2. ELECTION OF DIRECTORS

There are seven (7) directors standing for election to the board of directors of the Corporation ("**Board**") for a one-year term ending at the next annual meeting of the shareholders of the Corporation. Each of the nominees, is a current director of the Corporation and has been since the dates indicated below. Shareholders can vote for, or withhold their vote from, each individual nominee. If a nominee does not receive a majority of votes for, our director majority voting policy, as described below, applies.

As noted above, Appian is entitled to designate two (2) Board nominees pursuant to the Appian Subscription Agreement and has designated Messrs. Michael W. Scherb and Geoffrey Cohen as its nominees.

Management does not believe that any of the proposed nominees will be unable to serve as a director, but if that should occur for any reason before the Meeting, the management representatives designated in the enclosed form of proxy reserve the right to nominate and vote for another nominee at their discretion, unless otherwise instructed. **The form of proxy permits shareholders to vote for or withhold from voting for each nominee.** Each director elected will hold office until the next annual meeting or until his or her successor is elected or appointed.

The Corporation has adopted a majority voting policy providing that if any proposed nominee receives a greater number of votes "withheld" from his or her election than votes "for" such election, then such nominee will be expected to forthwith submit their resignation to the Board, effective on acceptance by the Board. The Board's Nominating, Compensation & Governance Committee ("NC&G Committee") will expeditiously consider the director's offer to resign and make a

recommendation to the Board on whether to accept it. Within 90 days of receiving the final voting results, the Board will issue a press release announcing the resignation of the director or explaining the reasons justifying its decision not to accept the resignation. If the Board accepts the resignation, it may appoint a new director to fill the vacancy. The policy applies only in the case of an uncontested election of directors.

The following table sets out the names of the persons nominated by management for election as directors as of the date hereof. The table includes information furnished by the nominees individually concerning their principal occupations, employment, Common Shares beneficially owned by them or over which they exercise control or direction, and certain other information.

Name	Office	Director Since	Present Occupation and Positions Held During the Last Five Years	Common Shares <sup>(1)</sup>
<b>Samuel T. Coetzer</b> Oakville, Ontario, Canada	President, CEO & Director	November 2019	Mr. Coetzer has over 30 years of international mining experience and acted as COO then President and CEO of Golden Star Resources Ltd., a gold producer in Ghana from 2011 to 2019. Mr. Coetzer held senior management positions with global mining companies, including Senior Vice-President, Kinross Gold Corp. South American Operations, COO of Xstrata Nickel, COO of Xstrata Coal South Africa and Managing Director Placer Dome Inc. in Africa.	1,923,076
<b>Geoffrey Cohen</b> MBA, B.Sc.E. <sup>(2) (3) (4)</sup> Toronto, Ontario, Canada	Director	April 2019	Mr. Cohen serves as Senior Advisor North America, Appian Capital Advisory LLP since January 2019. Prior thereto, he served as the Managing Director and Head of Mining Investment Banking at JP Morgan Canada from 2010 to 2018.	0
<b>Joseph Conway</b> <sup>(2)</sup> <sup>(3)</sup> Toronto, Ontario, Canada	Chairman Director	November 2019	Mr. Conway served as President and CEO of Primero Mining since 2010 and served in that role up to its acquisition by First Majestic Silver Corp. in 2018 and prior thereto Mr. Conway was President and CEO of Iamgold from 2003 to 2010.	1,000,000
<b>James Gallagher</b> <sup>(4)</sup> Oakville, Ontario, Canada	Director	November 2019	Mr. Gallagher is currently the Executive Chairman of Regency Gold Corp. and prior thereto was President and CEO of North American Palladium Ltd. ("NAP"); owner of the Lac des Illes mine palladium mine producer recently sold for \$1 Billion. Prior to NAP, Mr. Gallagher spent 24 years with Falconbridge Inc. Mr. Gallagher currently serves on the board of the Ontario Mining Association.	384,615
<b>Stephen G. Roman</b> B.A. King City, Ontario, Canada	Director	January 2009	Mr. Roman is currently the Chairman, President & CEO of Global Atomic Corporation since 2005. He previously served as Chairman, President and CEO of the Corporation from January 2009 to November 2019.	31,745,333
<b>Michael W. Scherb</b> BBA, Masters of Finance <sup>(5)</sup> London, UK	Director	April 2018	Mr. Scherb is the Founding Partner and CEO of Appian Capital Advisory LLP and Chairman of its Investment Committee. From its founding in 2011 Appian has grown into a leading Private Equity investor in the Metals and Mining sector.	206,716,334
<b>Dr. Richard H. Sutcliffe</b> Ph.D. Geol. P.Geo. <sup>(2) (3) (4)</sup> Ancaster, Ontario, Canada	Director	July 2015	Dr. Sutcliffe has over 30 years' experience in the mining industry and is currently President of Pavey Ark Minerals Inc.; a private mineral project generator and prior to 2012 served as President and CEO of Ursa Major Minerals Inc. and Chairman of Patricia Mining Corp.	240,000

**Notes:**

- (1) Information as to Common Shares beneficially owned, not being within the knowledge of the Corporation, has been furnished by the nominees.
- (2) Member of the NC&G Committee.
- (3) Member of the Audit Committee (the "Audit Committee").
- (4) Member of the Health, Safety, Environment and Technical Committee (the "HSET Committee").
- (5) Appian Capital Advisory LLP, is the investment advisor of Appian Natural Resource Fund, which is the sole shareholder of Appian. Appian owns 206,716,334 Common Shares.

## **Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

Except as disclosed below, to the knowledge of the Corporation, no director of the Corporation (a) is, as at the date of this Circular, or has been, within ten (10) years before the date of this Circular, a director, CEO or CFO of any company, including the Corporation, that, (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was issued while the director was acting in the capacity as director, CEO or CFO; or (ii) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was issued after the proposed director ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO, (b) is, as at the date of this Circular, or has been within ten (10) years before the date of this Circular, a director or executive officer of any company, including the Corporation, that, while that person was acting in 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; or (c) has, within the ten (10) years before the date of this 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 director.

Mr. Stephen G. Roman was a former director and the former Executive Chairman of Exall Energy Corporation, having resigned from such positions prior to such corporation having entered into receivership on March 25, 2015.

**VOTING FOR THE ELECTION OF THE ABOVE NAMED DIRECTORS WILL BE CONDUCTED ON AN INDIVIDUAL, AND NOT A SLATE, BASIS. THE PERSONS NAMED IN THE ENCLOSED FORM OF PROXY WILL, IF NOT DIRECTED TO THE CONTRARY, VOTE PROXIES IN FAVOUR OF THE ELECTION OF THE NOMINEES LISTED HEREIN AS DIRECTORS OF THE CORPORATION.**

### **3. APPOINTMENT OF AUDITORS**

KPMG LLP was appointed as the Corporation's auditors effective as of January 17, 2020. Upon the advice and recommendation of the Audit Committee, management proposes the re-appointment of KPMG LLP ("KPMG") as auditors of the Corporation for the ensuing year and that the directors be authorized to fix their remuneration.

RSM Canada LLP, the former auditors of the Corporation, acted as the Corporation's auditors from February 17, 2009 to January 17, 2020.

**PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE RE-APPOINTMENT OF KPMG AS AUDITORS OF THE CORPORATION FOR THE ENSUING YEAR AND THE AUTHORIZATION OF THE DIRECTORS TO FIX THE REMUNERATION OF THE AUDITORS, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT THE COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF.**

### **4. APPROVAL OF WARRANTS ISSUED TO APPIAN**

On August 28, 2019, the Corporation and Appian, among other parties, entered into a settlement agreement pursuant to which the Corporation announced plans to bolster its management team and update its corporate governance policies. The Corporation also agreed to grant Appian participation rights with respect to prior option issuances. The Corporation issued to Appian 3,950,000 warrants to purchase Common Shares at an exercise price of \$0.35 per Common Share, expiring on August 28, 2022 (the "August 2019 Warrant Grant"). In accordance with the requirements of the TSX, the warrants issued to Appian pursuant to the August 2019 Warrant Grant are to be included in determining the maximum number of Options (as defined below) available for the Corporation to issue under the Option Plan (as defined below), until such a time that the August 2019 Warrant Grant is exercised or expires unless approved by shareholders pursuant to the Appian Warrant Resolution (as defined below).

On October 2, 2019, the Corporation closed a public offering of \$6,900,000 through the issuance of 23,000,000 Common Shares that qualified as "flow-through shares" within the meaning of the Income Tax Act (Canada), at a price of \$0.30 per flow-through share for aggregate gross proceeds to the Corporation of \$6,900,000 ("October Offering"). For their services in connection with the October Offering, the Corporation granted the underwriter an over-allotment option, exercisable up to 30 days from the closing of the October Offering, to purchase up to an additional 3,000,000 flow-through shares pursuant to the October Offering; and (ii) up to an additional 1,150,000 Common Shares were

made issuable to the underwriter as broker warrants (the “Broker Warrants”), each Broker Warrant exercisable at a price of \$0.30 per share for a period of 18 months for the closing date.

In connection with the October Offering, Appian exercised its pre-emptive rights with respect to the issuance of the Broker Warrants to the underwriter for a total of 395,000 share purchase warrants (the “October 2019 Warrant Grant”, together with the August 2019 Warrant Grant, the “Appian Warrants”). In accordance with requirements of the TSX, the exercise of the October 2019 Warrant Grant is conditional upon the receipt of the approval of the Corporation’s shareholders at the Meeting.

The Appian Warrants must be approved by at least a simple majority of the votes cast by shareholders present or represented by proxy at the Meeting, with the votes attached to Common Shares held by Appian and its respective affiliates and associates being excluded from such vote (“Insider Approval”). As of May 11, 2020, the 206,716,334 Common Shares held by Appian, (representing approximately 24.43% of the issued and outstanding Common Shares as at May 11, 2020) will be excluded from voting on the approval of the issuance of the Appian Warrants. Final approval of the TSX will also be required with respect to the issuance of the Appian Warrants. The Appian Warrants are not listed on the TSX.

At the Meeting, shareholders will be asked to consider and, if deemed advisable, to approve, with or without variation, by ordinary resolution (the “Appian Warrant Resolution”) with the votes attached to Common Shares held by Appian and its respective affiliates and associates being excluded from such vote to approve the issuance of the Appian Warrants. The text of the Appian Warrant Resolution is as follows:

**“BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:**

1. the issuance to Appian of 3,950,000 share purchase warrants, entitling Appian to purchase one share of the Corporation at a price of \$0.35 per Common Share until August 28, 2022 is hereby ratified, confirmed and approved;
2. the issuance to Appian of 395,000 share purchase warrants, entitling Appian to purchase one share of the Corporation at a price of \$0.30 per Common Share until April 2, 2021 is hereby ratified, confirmed and approved;
3. any one director or officer is authorized and directed on behalf of the Corporation to perform all such acts, deeds and things and execute, under seal of the Corporation if applicable, all such documents, instruments, certificates and other writings as may be necessary or desirable to give effect to this resolution; and
4. all prior acts and deeds of any of one director or officer of the Corporation taken to carry out the intent and accomplish the purposes of the Appian Warrant Resolution are hereby approved, adopted, ratified and confirmed in all respects as the respective acts and deeds of the Corporation.”

**The Board recommends that the disinterested shareholders approve, by way of ordinary resolution, the Appian Warrant Resolution. Unless otherwise instructed, the persons named in the form of proxy intend to vote FOR the Appian Warrant Resolution.**

**5. APPROVAL OF UNALLOCATED OPTIONS, RIGHTS OR OTHER ENTITLEMENTS UNDER THE OPTION PLAN**

On November 28, 2003, shareholders of the Corporation approved a stock option plan, as amended (the “Option Plan”) which is described in further detail below in the section entitled “Securities Authorized for Issuance under Equity Compensation Plans – Option Plan”. Pursuant to the Option Plan, when options to acquire Common Shares (each an “Option”) have been granted, Common Shares reserved for issuance under an outstanding Option are referred to as allocated Options. Additional Common Shares that may be issued pursuant to the Option Plan but are not subject to current Option grants are referred to as unallocated Options.

The Option Plan is a “rolling plan” that provides that the maximum number of Common Shares from treasury that may be granted under the Option Plan and all other securities-based compensation arrangements shall not exceed 10% of the issued and outstanding Common Shares at the time of an Option grant. As a result, should the Corporation issue additional Common Shares in the future, the number of Common Shares issuable under the Option Plan will increase accordingly.

In accordance with the requirements of the TSX, every three years after institution, all unallocated options, rights or other entitlements with respect to treasury issuances under a security-based compensation arrangement which does not have a fixed maximum aggregate of securities issuable must be approved by: (i) the Board; and (ii) a majority of an issuer's security holders. The shareholders of the Corporation approved all unallocated Options, rights or other entitlements available under the Option Plan on June 27, 2017. On May 15, 2020, the Board approved the unallocated options, rights or other entitlements with respect to treasury issuances under the Corporation's Option Plan. Pursuant to the rules of the TSX, the Corporation will be required to obtain renewal approval from the shareholders at the Meeting.

If at the Meeting, the shareholders do not approve all unallocated Options, rights or other entitlements with respect to treasury issuances available under the Option Plan, all currently outstanding Options will be unaffected, however the Corporation will not issue any further Options under the Option Plan and any outstanding Options that are thereafter canceled or expire will not be available for re-grant until such time as shareholder approval is obtained.

At the Meeting, shareholders will be asked to consider and, if deemed advisable, to approve, with or without variation, a resolution (the "Option Plan Resolutions") to approve the unallocated Options, rights or other entitlements with respect to treasury issuances under the Option Plan and the grant of Options until June 24, 2023, which is the date that is three years from the date of the Meeting. The Board encourages shareholders to read the full text of the Option Plan before voting on the Option Plan Resolutions, which can be found under our profile on SEDAR at [www.sedar.com](http://www.sedar.com). The text of the Option Plan Resolutions is as follows:

**"BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:**

1. the unallocated options, rights or other entitlements with respect to treasury issuances under the Corporation's Stock Option Plan ("Option Plan") are hereby approved;
2. the Corporation shall have the ability to continue granting options under the Option Plan until June 24, 2023, which is three years from the date of the meeting at which approval of the shareholders of the Corporation is being sought;
3. any director or officer of the Corporation is hereby authorized and directed, for and on behalf of the Corporation, to do all things and execute and deliver all such agreements, documents and instruments necessary or desirable in connection with the foregoing; and
4. all prior acts and deeds of any of one director or officer of the Corporation taken to carry out the intent and accomplish the purposes of the Option Plan Resolutions are hereby approved, adopted, ratified and confirmed in all respects as the respective acts and deeds of the Corporation."

**The Board recommends that shareholders approve, by way of ordinary resolution, the Option Plan Resolutions. Unless otherwise instructed, the persons named in the enclosed form of proxy intend to vote FOR the Option Plan Resolutions. Whether or not the resolution is approved, all Options and other entitlements currently outstanding under the Option Plan will remain in effect in accordance with their terms.**

## **6. APPROVAL OF DEFERRED SHARE UNIT PLAN**

On May 15, 2020, the Board adopted the Deferred Share Unit Plan (the "DSU Plan"), providing for the issuance of Deferred Share Units ("DSUs") to certain non-executive directors. The implementation of the DSU Plan remains subject to shareholder and the requisite TSX approvals. A copy of the DSU Plan is attached hereto as Appendix B. The purpose of the DSU Plan is to advance the interests of the Corporation by: (i) aligning the interests of non-executive directors of the Corporation with the long-term interests of shareholders; and (ii) allow the Corporation to attract and retain high quality non-executive directors.

Shareholders will be asked at the Meeting to pass ordinary resolutions approving, ratifying and confirming the DSU Plan (the "DSU Plan Resolutions").

The following is a summary of the principal terms of the DSU Plan, which is qualified in its entirety by reference to the text of the DSU Plan, a copy of which is attached hereto as Appendix B.

<b>DESCRIPTION OF DSU PLAN</b>	
<b>Eligible Participants</b>	The Board may grant DSUs to any non-executive director in its sole discretion.
<b>Election to Defer Director Retainer</b>	The DSU Plan permits an eligible director to receive DSUs. The number of DSUs to be notionally credited to DSU participants in lieu of cash remuneration shall be determined on the grant date and calculated as the quotient obtained when (i) the aggregate value of the cash remuneration that would have been paid to such DSU participant, is divided by (ii) the fair market value as of the last day of such quarterly period.
<b>Common Shares Reserved For Issuance</b>	The maximum number of Common Shares that may be reserved for issuance under the DSU Plan, subject to certain adjustments described in the DSU Plan, is 10% of the total issued and outstanding Common Shares (which, based on 846,207,227 Common Shares outstanding at the date of this Circular, is 84,620,723 Common Shares), less any Common Shares reserved for issuance under all other security-based compensation arrangements of the Corporation.
<b>Redemption</b>	<ul style="list-style-type: none"> <li>• DSUs will vest on the date(s) designated in the grant agreement, or such earlier date as is provided for in the DSU Plan or is determined by the Board or any designated committee of the Board.</li> <li>• If a participant resigns or is not re-elected to the Board, all the participant's DSUs shall vest immediately prior to the participant's termination date.</li> </ul>
<b>General Restrictions</b>	<ul style="list-style-type: none"> <li>• The number of Common Shares issuable to insiders at any time, and issued to insiders within any one year period, pursuant to the DSU Plan, when combined with all of the Company's other share compensation arrangements, may not exceed five percent (5%) of the issued and outstanding Common Shares (which, based on 846,207,227 Common Shares outstanding as of the date of this Circular, is 42,310,361 Common Shares)</li> <li>• The value of DSUs awarded to any one person within each calendar year, together with all of the Corporation's security based compensation arrangements, shall not exceed \$150,000.</li> </ul>
<b>OTHER ELEMENTS OF DSU PLAN</b>	
<b>Change of Control / Capital Adjustments</b>	<ul style="list-style-type: none"> <li>• In the event of a change of control, the Board may make such provision for the protection of the rights of the participants as the Board in its discretion considers appropriate in the circumstances.</li> <li>• The DSU Plan contains provisions permitting the Board to make appropriate adjustments in the event of capital adjustments impacting the Corporation's assets or shares.</li> </ul>
<b>Assignment</b>	The DSU Plan shall be binding on all successors and assigns of the Corporation and each participant, including without limitation, the legal representative of a participant, or any receiver or trustee in bankruptcy or representative of the creditors of a Corporation or a participant.
<b>Transferability</b>	Rights respecting DSUs shall not be transferable or assignable other than by will or the laws of descent and distribution.
<b>Amendments, Suspension &amp; Termination</b>	<p>The Board may amend, suspend or terminate the DSU Plan, or any portion thereof, at any time, subject to those provisions of applicable law, if any, that require the approval of shareholders or any governmental or regulatory body.</p> <p><i>Amendments</i></p> <p>The Board has broad discretion to amend the DSU Plan without seeking the approval of shareholders, including, without limitation, amendments to the DSU Plan to rectify typographical errors and/or to include clarifying provisions for greater certainty. However, the Corporation may not make the following amendments to the DSU Plan, without the approval of shareholders and the TSX: (i) an amendment to remove or exceed the insider participation limit prescribed by the TSX Company Manual; (ii) an amendment to increase the maximum number of Common Shares made available for issuance from treasury under the DSU Plan; (iii) an amendment expanding the categories of eligible participants which would have the potential of broadening or increasing insider participation; or (iv) an amendment to the amending provision within the DSU Plan.</p> <p><i>Termination</i></p> <p>If a DSU Plan is terminated, its provisions and any administrative guidelines, and other rules adopted by the Board and in force at the time of the DSU Plan, will continue in effect as long as a DSU or any rights pursuant thereto remain outstanding. The Board may continue to make any amendments to the DSU Plan or the DSU it would be entitled to make if the DSU Plan were still in effect.</p>
<b>Revocation</b>	Elections made pursuant to the DSU Plan shall be irrevocable.

The above summary is qualified in its entirety by the full text of the DSU Plan, which is set out in Appendix B to this Circular. The Board encourages shareholders to read the full text of the DSU Plan before voting on the DSU Plan Resolutions.

On May 15, 2020, the Board unanimously passed a resolution approving the DSU Plan. The Board recommends that shareholders vote for the DSU Plan Resolutions. As of the date of this Circular, there are 5,000,000 DSUs outstanding, representing approximately 0.59% of the Corporation's issued and outstanding Common Shares.

The DSU Plan Resolutions are ordinary resolutions, which must be passed by more than 50% of the votes cast by those shareholders entitled to vote, whether case in person or by proxy. **In the absence of contrary instructions, the persons named in the form of proxy intend to vote the Common Shares represented thereby FOR the DSU Plan Resolutions.**

The text of the DSU Plan Resolutions is as follows:

**“BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:**

1. the adoption of the DSU Plan as described in the management information circular of the Corporation dated May 15, 2020 (“Circular”), is hereby approved, ratified and confirmed;
2. the Corporation shall have the ability to continue granting benefits under the DSU Plan until June 24, 2023, which is three years from the date of the meeting at which approval of the shareholders of the Corporation is being sought;
3. the issuance of Common Shares pursuant to all prior issuances of DSUs, as described in the Circular and subject to the DSU Plan, is hereby approved, ratified and confirmed;
4. any director or officer of the Corporation is hereby authorized and directed, for and on behalf of the Corporation, to do all things and execute and deliver all such agreements, documents and instruments necessary or desirable in connection with the foregoing; and
5. all prior acts and deeds of any of one director or officer of the Corporation taken to carry out the intent and accomplish the purposes of the DSU Plan Resolutions are hereby approved, adopted, ratified and confirmed in all respects as the respective acts and deeds of the Corporation.”

The Board recommends that shareholders vote in favour of the DSU Plan Resolutions. Unless a shareholder directs that his or her Common Shares are to be voted against this resolution, the persons named in the enclosed form of proxy intend to vote FOR the DSU Plan Resolutions.

**7. APPROVAL OF PERFORMANCE AND RESTRICTED SHARE UNIT PLAN**

On May 15, 2020, the Board adopted the Performance and Restricted Share Unit Plan (the “PRSU Plan”), which provides that the Board may issue Restricted Share Units (“RSUs”) and Performance Share Units (“PSUs”, together with RSUs, the “Share Units”), to certain employees or officers of the Corporation. The implementation of the PRSU Plan remains subject to shareholder and the requisite TSX approvals. A copy of the PRSU Plan is attached hereto as Appendix C. The purpose of the PRSU Plan is to advance the interests of the Corporation by: (i) supporting the achievement of the Corporation's performance objectives; (ii) ensuring that interests of key persons are aligned with the long term success of the Corporation and the creation of value for its shareholders; (iii) providing compensation opportunities to attract, retain and motivate officers and employees critical to the long-term success of the Corporation; and (iv) mitigating excessive risk taking by the Corporation's key employees.

Shareholders will be asked at the Meeting to pass ordinary resolutions approving, ratifying and confirming the PRSU Plan (the “PRSU Plan Resolutions”).

The following is a summary of the principal terms of the PRSU Plan, which is qualified in its entirety by reference to the text of the PRSU Plan, a copy of which is attached hereto as Appendix C.

<b>DESCRIPTION OF PRSU PLAN</b>	
<b>Eligible Participants</b>	The Board has discretion to grant Share Units to any employee or officer of the Corporation, or any affiliate of the Corporation.
<b>Common Shares Reserved For Issuance</b>	The maximum number of Common Shares that may be reserved for issuance under the PRSU Plan, subject to certain adjustments described in the PRSU Plan, is 10% of the total issued and outstanding Common Shares (which, based on 846,207,227 Common Shares outstanding

	at the date of this Circular, is 84,620,723 Common Shares), less any Common Shares reserved for issuance under all other security-based compensation arrangements of the Corporation.
<b>Redemption</b>	The Corporation, in its sole and absolute discretion, on redemption of Share Units may issue Common Shares or cash. Participants shall have no further rights respecting any Share Unit which has been redeemed.
<b>General Restrictions</b>	<ul style="list-style-type: none"> <li>The number of Common Shares issuable to insiders at any time, and issued to insiders within any one year period, pursuant to the PRSU Plan, when combined with all of the Company's other share compensation arrangements, may not exceed five percent (5%) of the issued and outstanding Common Shares (which, based on 846,207,227 Common Shares outstanding as of the date of this Circular, is 42,310,361 Common Shares)</li> </ul>
<b>DESCRIPTION OF RSUs</b>	
<b>Election to Defer Annual Incentive Compensation</b>	<ul style="list-style-type: none"> <li>An eligible participant may elect to receive all or a portion of compensation to be received under the Corporation's annual incentive plan in the form of RSUs.</li> <li>The number of RSUs awarded will be determined by dividing the dollar amount of incentive compensation to be deferred by the fair market value of a Common Share as at the date that incentive compensation is paid.</li> <li>Such elections shall be irrevocable.</li> </ul>
<b>Vesting</b>	RSUs vest in accordance with the provisions of the grant agreement and any additional conditions established by the Board (or such other committee of the directors appointed to administer the PRSU Plan) from time to time.
<b>Resignation / Termination for Cause</b>	<ul style="list-style-type: none"> <li>All rights, title and interest with respect to unvested RSUs are terminated, unless such unvested RSUs were awarded pursuant to the participant's election to defer annual compensation, in which case such RSUs shall vest as of the date of termination.</li> <li>If employment is terminated by resignation by the participant, all vested RSUs shall be redeemed as of the date of termination.</li> <li>If employment is terminated for cause by the Corporation, the participant shall forfeit all rights, title and interest with respect to vested RSUs.</li> </ul>
<b>Termination Without Cause</b>	All unvested RSUs shall vest in accordance with the formula set out in the PRSU Plan. The participant shall forfeit all rights, title and interest with respect to unvested RSUs.
<b>Death or Disability</b>	All RSUs shall vest immediately prior to the date of death or disability and shall be redeemed as of the date of death or disability.
<b>Retirement</b>	All RSUs shall be deemed to be vested on the date of termination and shall be redeemed as of the vesting date.
<b>Termination Following Change of Control</b>	Within twelve months following a change of control, all RSUs shall vest immediately prior to the date of termination and shall be redeemed as at the date of termination.
<b>PSUs</b>	
<b>Vesting</b>	PSUs vest in accordance with the terms of the relevant grant agreement and any additional conditions established by the Board (or such other committee of the directors appointed to administer the PRSU Plan) from time to time. The number of PSUs which vest is the number of PSUs scheduled to vest on the vesting date, multiplied by the adjustment factor provided in the grant agreement.
<b>Resignation / Termination for Cause</b>	<ul style="list-style-type: none"> <li>All rights, title and interest with respect to unvested PSUs are terminated.</li> <li>If employment is terminated by resignation by the participant, all vested PSUs shall be redeemed as of the date of termination.</li> <li>If employment is terminated for cause by the Corporation, the participant shall forfeit all rights, title and interest with respect to vested PSUs.</li> </ul>
<b>Termination Without Cause</b>	All unvested PSUs shall vest in accordance with the formula set out in the PRSU Plan. The participant shall forfeit all rights, title and interest with respect to unvested PSUs.
<b>Death or Disability</b>	All PSUs shall vest immediately prior to the date of death or disability using an adjustment factor of 100% and shall be redeemed as of the date of death or disability.
<b>Retirement</b>	All PSUs shall continue to vest in the ordinary course and shall be redeemed as at the vesting date provided in the grant agreement.
<b>Termination Following Change of Control</b>	Within twelve months following a change of control, all PSUs shall vest immediately prior to the date of termination using an adjustment factor of 100% and shall be redeemed as at the date of termination.

<b>OTHER ELEMENTS OF THE PRSU PLAN</b>	
<b>Capital Adjustments</b>	The PRSU Plan contains provisions permitting the Board or any designated committee of the Board to make appropriate adjustments in the event of capital adjustments impacting the Corporation's assets or shares.
<b>Clawback of Share Units</b>	In the Board's sole discretion, all Share Units granted under the PRSU Plan are subject to clawback and recapture, to the extent permitted by law, if: (i) such amounts were based on the achievement of financial results that were subsequently materially revised, for example, due to the restatement of the Corporation's financial statements; (ii) the participant engaged in grossly negligent or intentional misconduct that caused or substantially caused the need for the material revision; and (iii) fewer Share Units would have been granted or vested had the financial results been accurate.
<b>Transferability</b>	Rights respecting Share Units shall not be transferable or assignable other than by will or the laws of descent and distribution.
<b>Change of Control</b>	In the event of a change of control, any surviving, successor or acquiring entity shall assume any outstanding Share Units or shall substitute similar share units for the outstanding Share Units, failing which any outstanding Share Units shall vest in accordance with the change of control provisions of the PRSU Plan.
<b>Other Employee Benefits</b>	The amount of any compensation deemed to be received by a participant as a result of the redemption of any Share Unit will not constitute compensation with respect to which any other employee benefits of that participant are determined, including, without limitation, benefits under any bonus, pension, profit-sharing, insurance or salary continuation plan, except as otherwise specifically determined by the Board or any designated committee of the Board.
<b>Amendment, Suspension &amp; Termination</b>	<p>The Board (or a committee designated by the Board) may amend, suspend or terminate the PRSU Plan, or any portion thereof, at any time, subject to those provisions of applicable law, if any, that require the approval of shareholders or any governmental or regulatory body.</p> <p><i>Amendments</i></p> <p>No new awards may be made under the PRSU Plan after the 10th anniversary of the Effective Date. The Board has broad discretion to amend the PRSU Plan without seeking the approval of shareholders, including, without limitation, amendments to the PRSU Plan to, among other things, (i) amend the vesting provisions of the PRSU Plan and any grant agreement, including to accelerate, conditionally or otherwise, on such terms as it sees fit, the vesting date of a Share Unit; and (ii) amend the PRSU Plan or a Share Unit as necessary to comply with applicable law or the requirements of the applicable stock exchange or any other regulatory body having authority over the Corporation.</p> <p>However, the Corporation may not make the following amendments to the PRSU Plan without the approval of shareholders and the TSX: (i) an amendment to remove or exceed the insider participation limit prescribed by the TSX Company Manual; (ii) an amendment to increase the maximum number of Common Shares made available for issuance from treasury under the PRSU Plan; (iii) an amendment expanding the categories of eligible participants which would have the potential of broadening or increasing insider participation; or (iv) an amendment to the amending provision within the PRSU Plan.</p> <p><i>Termination</i></p> <p>If the PRSU Plan is terminated, its provisions and any administrative guidelines, and other rules adopted by the Board and in force at the time of the PRSU Plan, will continue in effect as long as a PRSU Plan or any rights pursuant thereto remain outstanding. The Board may continue to make any amendments to the PRSU Plan or the PRSU it would be entitled to make if the PRSU Plan were still in effect.</p>

The above summary is qualified in its entirety by the full text of the PRSU Plan, which is set out in Appendix C to this Circular. The Board encourages shareholders to read the full text of the PRSU Plan before voting on the PRSU Plan Resolutions.

On May 15, 2020, the Board unanimously passed a resolution approving the PRSU Plan. The Board recommends that shareholders vote for the PRSU Plan Resolutions. As of the date of this Circular, there are 3,750,000 RSUs outstanding representing approximately 0.44% of the Corporation's issued and outstanding Common Shares.

The PRSU Plan Resolutions are ordinary resolutions, which must be passed by more than 50% of the votes cast by those shareholders entitled to vote, whether case in person or by proxy. **In the absence of contrary instructions, the**

persons named in the form of proxy intend to vote the Common Shares represented thereby FOR the PRSU Plan Resolutions.

The text of the PRSU Plan Resolutions is as follows:

**“BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:**

1. the adoption of the PRSU Plan as described in the management information circular of the Corporation dated May 15, 2020 (“Circular”), is hereby approved, ratified and confirmed;
2. the Corporation shall have the ability to continue granting benefits under the PRSU Plan until June 24, 2023, which is three years from the date of the meeting at which approval of the shareholders of the Corporation is being sought;
3. the issuance of Common Shares pursuant to all prior issuances of PSUs and RSUs, as described in the Circular and subject to the PRSU Plan, is hereby approved, ratified and confirmed;
4. any director or officer of the Corporation is hereby authorized and directed, for and on behalf of the Corporation, to do all things and execute and deliver all such agreements, documents and instruments necessary or desirable in connection with the foregoing; and
5. all prior acts and deeds of any of one director or officer of the Corporation taken to carry out the intent and accomplish the purposes of the PRSU Plan Resolutions are hereby approved, adopted, ratified and confirmed in all respects as the respective acts and deeds of the Corporation.”

The Board recommends that shareholders vote in favour of the PRSU Plan Resolutions. Unless a shareholder directs that his or her Common Shares are to be voted against this resolution, the persons named in the enclosed form of proxy intend to vote FOR the PRSU Plan Resolutions.

## STATEMENT OF EXECUTIVE COMPENSATION

Unless otherwise stated, “dollars”, “CA \$” or “\$” means Canadian dollars.

### COMPENSATION DISCUSSION AND ANALYSIS

#### Named Executive Officers

The named executive officers (“NEOs”), of the Corporation for the year ended December 31, 2019 include our CEO, CFO and the next three highest-paid executive officers, along with Stephen Roman, who served as interim President & CEO until November 4, 2019. The NEOs are as follows:

<b>Executive</b>	<b>Position</b>
<b>Samuel T. Coetzer<sup>(1)</sup></b>	President & CEO
<b>Stephen G. Roman<sup>(2)</sup></b>	Former President & CEO
<b>Rein A. Lehari<sup>(3)</sup></b>	Former CFO
<b>Dr. Martin Raffield<sup>(4)</sup></b>	EVP & COO
<b>Timothy N. Campbell</b>	EVP & Secretary
<b>Shawn A. Howarth</b>	VP Corporate Development

**Notes:**

<sup>(1)</sup> Mr. Coetzer was appointed as President & CEO effective November 4, 2019.

<sup>(2)</sup> Mr. Roman resigned as President & CEO on August 28, 2019, and acted as interim President & CEO until November 4, 2019.

<sup>(3)</sup> Mr. Lehari resigned as CFO effective March 2, 2020.

<sup>(4)</sup> Dr. Raffield was appointed as EVP and COO effective November 4, 2019.

## **Compensation Principles**

The philosophy of the Board is to determine compensation for the Corporation's executive officers relative to the performance of the Corporation in executing on its objectives. The Board's NC&G Committee reviews and recommends to the Board the compensation philosophy, strategy and principles, and program design, as well as oversees the administration of executive compensation plans, policies and programs. For further details on the NC&G Committee, please see the section of this Circular below entitled "Committees of the Board - NC&G Committee".

The NC&G Committee's assessment of corporate performance is based on a number of qualitative and quantitative factors including execution of on-going projects and transactions, safety, operational performance and progress on key growth initiatives. For the most recently completed fiscal year ended December 31, 2019, the Committee determined the overall corporate performance rating to be below target. Stock options issued in January 2019 were issued in recognition of performance during 2018. Other stock options issued in 2019 were in connection with the acquisition of mineral exploration data and the hiring of Mr. Coetzer and Dr. Raffield. NEOs do not automatically receive any particular award based on the Committee's determination of the overall performance of the Corporation, but rather the determination establishes the background for the Committee's subsequent review of the NEOs' individual performance. The Committee's decisions with respect to Total Direct Compensation (as defined herein) for NEOs for 2019 are noted below in the section "Elements of Executive Compensation". For a complete understanding of the executive compensation program, this compensation discussion and analysis should be read in conjunction with the "Compensation Summary Table" in the section below entitled "Compensation Paid to Named Executive Officers in 2019" and other executive compensation-related disclosure included in this Circular.

## **Objectives of the Compensation Program**

The objectives of the Corporation's executive compensation program are:

- to reward individual contributions in light of overall business results;
- to be competitive with the companies with whom the Corporation competes for talent;
- to align the interests of the executives with the interests of the shareholders; and
- to attract and retain executives who can help the Corporation achieve its objectives.

## **Elements of Executive Compensation**

Total direct compensation ("Total Direct Compensation") represents the combined value of fixed compensation and performance-based variable incentive compensation, consisting of base salary, short-term incentive compensation in the form of an annual cash bonus, and long-term incentive compensation in the form of Options and subject to shareholder approval at this Meeting and the requisite TSX approvals, RSUs and PSUs .

The allocation of Total Direct Compensation value to these different compensation elements is not based on a formula, but rather is intended to reflect the Board's discretionary assessment of an executive officer's past contribution and ability to contribute to future short and long-term business results.

### *Base Salary*

The base salary of each NEO is reviewed annually and is the fixed portion of each NEO's Total Direct Compensation and is designed to provide income certainty and to attract and retain executives.

### *Short-term Incentives*

The annual cash bonus is a short-term incentive that is intended to reward each executive officer for their yearly individual contribution and performance of personal objectives in the context of overall annual corporate performance. The annual cash bonus is designed to motivate executives annually to achieve personal business objectives, to be accountable for their relative contribution to the Corporation's performance, as well as to attract and retain executives. Further details are set out below under the table entitled "Compensation Summary Table".

The Board considered and determined that the Corporation would not reward any annual cash bonuses for the fiscal year ended December 31, 2019 based on an overall assessment of the business and the gold mining industry.

### *Long-term Incentives*

The long-term incentive program provides the NEOs with an opportunity to receive variable compensation contingent on the Corporation's long-term performance.

This incentive arrangement is designed to motivate executives to achieve longer-term sustainable business results, align their interests with those of the shareholders and to attract and retain executives. Participants benefit only if the market value of the Common Shares at the time of a stock option exercise is greater than the exercise price of the stock options at the time of the relevant grant. The Corporation currently achieves these objectives by using Options. On May 15, 2020, the Board adopted a PRSU Plan. The implementation of the PRSU Plan remains subject to shareholder approval at this Meeting and the requisite TSX approvals. The PRSU Plan is described in further detail above in the section entitled "Business to be Transacted at the Meeting – Approval of Performance and Restricted Share Unit Plan". The Corporation believes the use of a combination of Options, RSUs and PSUs will further align the interests of executives and shareholders and reward achievement of sustained long-term performance relative to peers.

### *Other Compensation*

Executive officers may receive other benefits that the Corporation believes are reasonable and consistent with its overall executive compensation program. These benefits will be based on competitive market practices and support the attraction and retention of executive officers.

## **Determination of Compensation**

### **The Role of the Board**

The Board approves, or recommends for approval, all compensation to be awarded to the NEOs. The Board directs management to gather information on its behalf and provide initial analysis and commentary. The Board reviews this material along with other information in its deliberations before considering or rendering decisions.

One of the primary purposes of the NC&G Committee is to assist the Board in fulfilling its oversight responsibilities for executive compensation. Together with the Board, the NC&G Committee is committed to getting the Corporation's approach to human resources matters and compensation right, both for shareholders and for the long-term success of the Corporation.

To support the decision-making process, the NC&G Committee receives input from management and independent advice from external advisors. The NC&G Committee considers the data provided by and advice of their independent consultant, as well as many other factors. Ultimately, all decisions and recommendations to the Board are the NC&G Committee's own.

The NC&G Committee reviews the performance goals for the CEO, assesses the CEO's performance, and makes compensation recommendations for the CEO to the independent members of the Board for approval. With respect to the other executive officers, the CEO's assessment of their performance is taken into account when making compensation decisions. The NC&G Committee reviews and approves the compensation structure and evaluation process for these other executives.

Meridian Compensation Partners ("Meridian") has been engaged by the Corporation as their independent consultant since December 2019. Meridian assisted the NC&G Committee with the development of the DSU Plan and PRSU Plan, and will be providing independent consulting advice in 2020 in connection with:

- conducting a competitive compensation review of executive positions;
- evaluating the appropriateness of peer companies used in the Corporation's compensation programs and the PRSU Plan;
- conducting an assessment of the risks inherent in the Corporation's compensation programs;
- reporting on executive compensation best practices and evolving corporate governance trends; and
- conducting research, preparing studies and providing advice on matters as assigned by the Corporation's NC&G Committee.

The following represents the fees billed by Meridian in 2019 for services provided to the NC&G Committee relating to the development of the DSU Plan and PRSU Plan documents, which are attached to this Circular as Appendix B and Appendix C, respectively:

<b>Billed in 2019</b>	
<b>Executive Compensation Related Fees</b>	\$6,625
<b>All Other Fees</b>	\$0
<b>Total</b>	<b>\$6,625</b>

The Board considers all recommendations of the NC&G Committee's and conducts a comprehensive assessment of the overall business performance of the Corporation, including corporate performance against objectives (both quantitative and qualitative), business circumstances and, where appropriate, relative performance against peers, which provides the context for individual executive officer evaluations for all direct compensation awards and management fees. The Board also exercises its discretion and uses sound judgment in making compensation determinations. For this reason, the Board does not measure performance using any pre-set formulas in determining compensation awards for NEOs. The Board has full discretion to adopt or alter management recommendations or to consult its own external advisors.

### **The Role of Management**

Management has direct involvement in and knowledge of the business goals, strategies, experiences and performance of the Corporation. As a result, management plays an important role in the compensation decision-making process. The Board engages in active discussions with the CEO concerning the determination of performance objectives, including individual goals and initiatives for NEOs, and whether, and to what extent, criteria for the previous year have been achieved for those individuals. The CEO may also provide a self-assessment of his own individual performance objectives and/or results achieved, if requested by the Board.

The CEO makes recommendations to the Board regarding the amount and type of compensation awards for other members of executive management. The CEO does not engage in discussions with the Board regarding his own Total Direct Compensation.

### *Corporate Performance*

The Board approves annual corporate objectives, which include financial performance, strategic direction, plan implementation, financial controls and other facets of the Corporation's development, in line with the Corporation's key longer-term strategies for growth and value creation. These quantitative and qualitative objectives are utilized by the Board as a reference when making compensation decisions.

At the end of each year, the Board reviews the results achieved and discusses them with management. For the purposes of Total Direct Compensation deliberations, the Board then determines an overall rating for actual corporate performance relative to an expected level of performance. This overall corporate performance rating provides general context for the Board's review of individual performance by the NEOs.

### *Individual Performance*

The Board approves annual individual performance objectives, which include financial performance, strategic direction, plan implementation, financial controls and other facets of the Corporation's development, for the NEOs that are intended to align with the corporate objectives and reflect key performance areas for each executive relative to his or her specific role. As with the corporate objectives, individual executive officer's performance objectives may include a combination of quantitative and qualitative measures with no pre-determined weightings.

The Board, in consultation with the CEO, review the achievements and overall contribution of each individual executive officer who reports to the CEO. The Board has in-camera discussions to complete an independent assessment of the performance of the CEO. The Board then determines an overall individual performance rating for each individual executive officer and considers this rating in determining Total Direct Compensation.

### *Internal Equity and Retention Value*

Executive officer compensation relative to other executives (“**internal equity**”) is generally considered in establishing compensation levels. The difference between one executive officer’s compensation and that of the other NEOs reflects, in part, the difference in their relative responsibilities. The CEO’s responsibility for the management and oversight of the enterprise is greater than each of the executive officers’ respective business areas. As a result, the compensation level for the CEO is higher than the other NEOs.

The Board also considers the retentive potential of its compensation decisions. Retention of the NEOs is critical to business continuity and succession planning.

### *Previously Awarded Compensation*

The Board approves or recommends compensation awards which are not contingent on the number, term or current value of other outstanding compensation previously awarded to the individual. The Board believes that reducing or limiting current Option, PSU or RSU grants or other forms of compensation because of prior gains realized by an executive officer would unfairly penalize the officer and reduce the motivation for continued high achievement. Similarly, the Board does not purposely increase long-term incentive award values in a given year to offset less-than-expected returns from previous grants.

During the annual Total Direct Compensation deliberations, the Board is provided with summaries of the history of each executive officer’s previously awarded Total Direct Compensation. These summaries help the Board to track changes in an executive officer’s Total Direct Compensation from year to year and to remain aware of the historical compensation for each individual.

### **Compensation Risk**

The Corporation has not adopted a formal policy on compensation risk management. The Board has considered potential risks associated with the Corporation’s compensation policies and found the policies to be properly constituted and sufficiently flexible in order to allow specific amendments to certain compensation packages.

The Board believes that the executive compensation program of the Corporation should not raise its overall risk profile. Accordingly, the Corporation’s executive compensation programs include safeguards designed to mitigate compensation risks. The following measures impose appropriate limits to avoid excessive or inappropriate risk taking or payments:

- discretionary bonus payments are recommended to the Board by management and the NC&G Committee based on annual performance reviews;
- incentive plans of terms of 5 years discourage excessive risk-taking to achieve short-term goals;
- the PSUs and RSUs granted under the PRSU Plan will be subject to clawback and recapture, in certain circumstances; and
- implementation of trading black-outs limit the ability of senior officers to trade in securities of the Corporation.

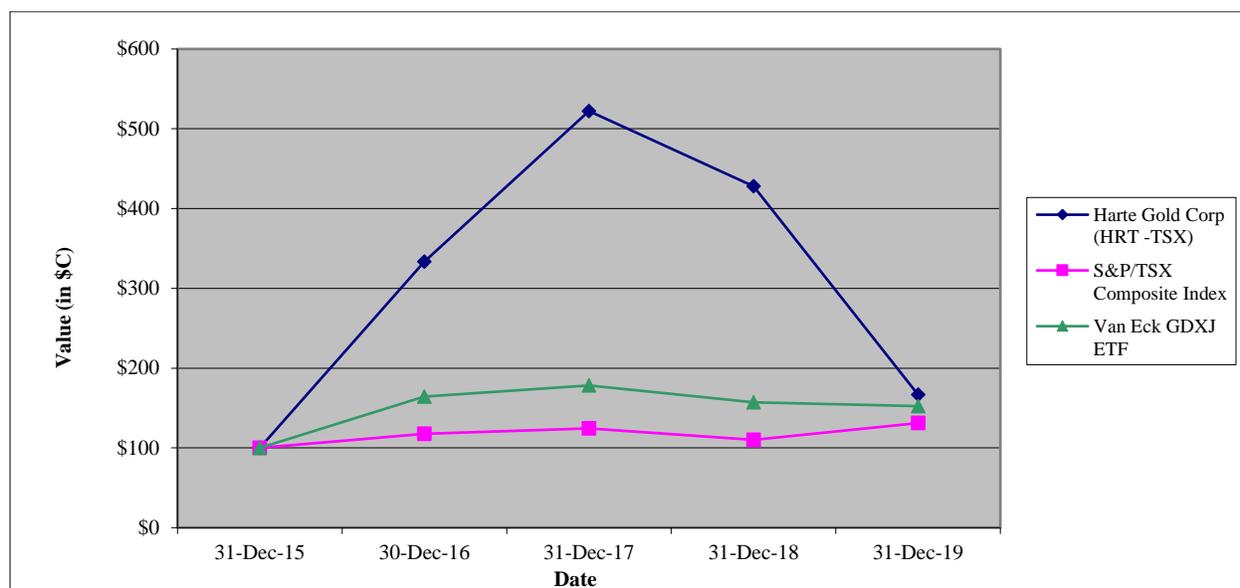
Inappropriate and excessive risks by executives are also mitigated by regular meetings of the Board, at which, activity by the executives must be approved by the Board if such activity is outside previously Board-approved actions and/or as set out in a Board-approved budget. Given the current composition of the Corporation’s executive management team, the Board and the NC&G Committee are able to closely monitor and consider any risks which may be associated with the Corporation’s compensation practices. Risks, if any, may be identified and mitigated through regular Board meetings during which financial and other information of the Corporation are reviewed, including executive compensation. NEOs are not permitted to purchase financial or hedging instruments that are designed to hedge or offset a decrease in the market value of equity securities granted to the NEO by the Corporation.

### **Performance Graph**

The following graph compares the yearly change in the cumulative total shareholder return, assuming an initial investment of \$100 in Common Shares on December 31, 2015 against the cumulative total shareholder return of the S&P/TSX Composite Index and the Van Eck GDXJ ETF Index, assuming the reinvestment of all dividends, assuming

the reinvestment of all dividends, for the period during which the Corporation has been listed on the TSX. The Common Share performance as set out in the performance graph does not necessarily indicate future price performance.

(C\$)	31-Dec-15	30-Dec-16	31-Dec-17	31-Dec-18	31-Dec-19
Harte Gold Corp. (HRT -TSX)	\$100.00	\$333.33	\$522.22	\$427.78	\$166.67
S&P/TSX Composite Index	\$100.00	\$117.51	\$124.59	\$110.09	\$131.15
Van Eck GDXJ ETF	\$100.00	\$164.24	\$178.29	\$157.31	\$152.42



As noted above, the Board considers a number of factors and performance elements when determining compensation for the NEOs. Although the Corporation's total shareholder return is one performance measure that is reviewed, it is not the only consideration in executive compensation deliberations. As a result, a direct correlation between the total shareholder return over a given period and executive compensation levels is not anticipated.

Unless otherwise stated, "dollars", "CA \$" or "\$" means Canadian dollars.

## COMPENSATION PAID TO NAMED EXECUTIVE OFFICERS IN 2019

### Summary Compensation Table

For the fiscal year ended December 31, 2019 the Board considered and approved compensation for the NEOs in the amounts shown in the table below. The following table and the related footnotes present information about the compensation for each NEO, along with any other compensation awarded to each NEO, for services rendered in all capacities to the Corporation for the three most recently completed financial years ended December 31, 2019, December 31, 2018 and December 31, 2017.

NEO Name and Principal Position	Fiscal Year	Salary (\$)	Share-based Awards (\$) <sup>(1)</sup>	Option-based Awards (\$) <sup>(2)</sup>	Non-Equity Incentive Plan Compensation		Pension Value (\$) <sup>(3)</sup>	All Other Compensation (\$)	Total Compensation (\$)
Samuel T. Coetzer <sup>(4)</sup> President & CEO	2019	79,000	312,500	252,000	-	-	-	615	644,115
	2018	-	-	-	-	-	-	-	-
	2017	-	-	-	-	-	-	-	-
Stephen G. Roman <sup>(5)</sup> Former Chairman, President & CEO	2019	-	-	1,081,500	-	350,000	-	1,200,000	2,631,500
	2018	-	-	1,350,000	-	-	-	425,000	1,775,000
	2017	-	-	-	-	-	-	400,000	400,000
Rein A. Lehari <sup>(6)</sup> Former CFO	2019	-	-	405,500	-	200,000	-	180,000	785,500
	2018	-	-	375,000	-	-	-	255,000	630,000
	2017	-	-	-	-	-	-	235,000	235,000
Dr. Martin Raffield <sup>(4)</sup> EVP & COO	2019	63,500	250,000	201,500	-	-	-	-	425,000
	2018	-	-	-	-	-	-	-	-
	2017	-	-	-	-	-	-	-	-
Timothy N. Campbell EVP & Secretary	2019	-	-	405,500	-	200,000	-	216,000	821,500
	2018	-	-	450,000	-	-	-	291,000	741,000
	2017	-	-	-	-	-	-	271,000	271,000
Shawn A. Howarth VP Corporate Development	2019	150,000	-	135,000	-	100,000	-	6,950	391,950
	2018	150,000	-	75,000	-	-	-	-	225,000
	2017	100,000	-	364,500	-	-	-	-	464,500

**Notes:**

- (1) Subject to shareholder approval at this Meeting and the requisite TSX approvals, the Corporation will implement a PRSU Plan.
- (2) The amount reported is the fair value of the stock options granted. The fair value of stock options granted was estimated on the date of grant using the Black-Scholes option pricing model, assumptions as described in Note 12 to the Corporation's financial statements for the year ended December 31, 2019.
- (3) The Corporation does not have a pension plan.
- (4) Mr. Coetzer and Dr. Raffield were appointed as President & CEO and EVP & COO, respectively, effective November 4, 2019.
- (5) Mr. Roman resigned as President & CEO on August 28, 2019, and acted as interim President & CEO until November 4, 2019. Upon resignation, Mr. Roman's consulting contract entitled him to a lump sum payment equal to \$900,000. This amount is included under all other compensation and is payable monthly for a period of 36 months.
- (6) Mr. Lehari resigned as CFO effective March 2, 2020 and received a lump sum payment of \$360,000.

## Incentive Plan Awards

### Outstanding Option-Based Awards and Share-Based Awards

The following table sets out all incentive plan awards for each NEO outstanding as at December 31, 2019.

NEO Name and Principal Position	Option-based Awards				Share-based Awards <sup>(1)</sup>		
	Number of securities underlying unexercised options (#) <sup>(2)</sup>	Option Exercise Price (\$) <sup>(3)</sup>	Option Expiration Date	Value of unexercised in-the-money options (\$) <sup>(4)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of share-based awards not paid out or distributed (\$)
Samuel T. Coetzer <sup>(5)</sup> President & CEO	3,241,447	\$0.12	Nov 4, 2024	97,000	2,083,333	312,500	-
Stephen G. Roman <sup>(6)</sup> Former Chairman, President & CEO	4,000,000	0.40	Jan 18, 2024	-	-	-	-
	4,500,000	0.45	Mar 29, 2023	-	-	-	-
	3,000,000	0.35	Dec 14, 2021	-	-	-	-
	3,500,000	0.10	Oct 14, 2020	175,000	-	-	-
Rein A. Lehari <sup>(7)</sup> Former CFO	1,500,000	0.40	Jan 18, 2024	-	-	-	-
	1,250,000	0.45	Mar 29, 2023	-	-	-	-
	1,500,000	0.35	Dec 14, 2021	-	-	-	-
	1,400,000	0.10	Oct 14, 2020	70,000	-	-	-
Dr. Martin Raffield <sup>(5)</sup> EVP & COO	2,083,333	\$0.12	Nov 4, 2024	78,000	1,666,667	250,000	-

<b>Timothy N. Campbell</b> EVP & Secretary	1,500,000 1,500,000 1,500,000 2,000,000	0.40 0.45 0.35 0.10	Jan 18, 2024 Mar 29, 2023 Dec 14, 2021 Oct 14, 2020	- - - 100,000	- - - -	- - - -	- - - -
<b>Shawn A. Howarth</b> VP Corporate Development	500,000 250,000 750,000	0.40 0.45 0.70	Jan 18, 2024 Mar 29, 2023 May 1, 2022	- - -	- - -	- - -	- - -

**Notes:**

- (1) Subject to shareholder approval at this Meeting and the requisite TSX approvals, the Corporation will implement a PRSU Plan.
- (2) The securities underlying the stock options of the Corporation are Common Shares. The issuer of the stock options is the Corporation. For further details concerning the terms of the Option Plan and options granted thereunder, reference is made to the section below entitled "Securities Authorized for Issuance under Equity Compensation Plans".
- (3) The exercise price of an option granted under the Option Plan is generally the closing sale price of the Common Shares on the TSX on the trading day immediately preceding the date of grant.
- (4) The value of unexercised in-the-money options is calculated as the difference between the closing price of the Corporation's Common Shares on the TSX on December 31, 2019 of \$0.15 and the underlying option exercise price, multiplied by the number of options outstanding. This value has not been, and may never be, realized by the NEO. The actual gains, if any, on exercise will depend on the value of the Common Shares on the TSX on the date of the option exercise.
- (5) Mr. Coetzer and Dr. Raffield were appointed as President & CEO and EVP & COO, respectively, effective November 4, 2019.
- (6) Mr. Roman resigned as President & CEO on August 28, 2019, and acted as interim President & CEO until November 4, 2019.
- (7) Mr. Lehari resigned as CFO effective March 2, 2020.

### Value Vested or Earned During the Year

The following table sets out incentive plan awards which have vested or been earned during the year ended December 31, 2019.

NEO Name and Principal Position	Option-based awards - Value vested during the year (\$) <sup>(1)</sup>	Share-based awards - Value vested during the year (\$) <sup>(2)</sup>	Non-equity incentive plan compensation - Value earned during the year (\$)
<b>Samuel T. Coetzer</b> <sup>(3)</sup> President & CEO	-	-	-
<b>Stephen G. Roman</b> <sup>(4)</sup> Former Chairman, President & CEO	-	-	-
<b>Rein A. Lehari</b> <sup>(5)</sup> Former CFO	-	-	-
<b>Dr. Martin Raffield</b> <sup>(3)</sup> EVP & COO	-	-	-
<b>Timothy N. Campbell</b> EVP & Secretary	-	-	-
<b>Shawn A. Howarth</b> VP Corporate Development	-	-	-

**Notes:**

- (1) Represents the aggregate dollar value that would have been realized in 2019 if Options had been exercised on the applicable vesting date. The value was determined by calculating the difference between the closing price on the TSX, in Canadian dollars, of the Company Shares underlying the options on the vesting date and the exercise price of the options multiplied by the number of Options vested.
- (2) Disclose the aggregate dollar value realized upon vesting of share-based awards. Compute the dollar value realized by multiplying the number of shares or units by the market value of the underlying shares on the vesting date. For any amount realized upon vesting for which receipt has been deferred, include a footnote that states the amount and the terms of the deferral.
- (3) Mr. Coetzer and Dr. Raffield were appointed as President & CEO and EVP & COO, respectively, effective November 4, 2019.
- (4) Mr. Roman resigned as President & CEO on August 28, 2019, and acted as interim President & CEO until November 4, 2019.
- (5) Mr. Lehari resigned as CFO effective March 2, 2020.

Any options held by a NEO that vested during the year had an exercise price higher than the market price at the time of vesting and therefore no dollar amount would have been realized if the options had been exercised on the date of vesting.

### Pension Plan Benefits

The Corporation does not have any pension plans that provide for payments or benefits at, following, or in connection with retirement or provide for retirement or deferred compensation plans.

## EMPLOYMENT CONTACTS, TERMINATION AND CHANGE OF CONTROL

The following is a description of the incremental termination and change of control benefits provided to each of the NEOs pursuant to the terms their respective consulting or employment agreements with the Corporation.

### ***Samuel T. Coetzer – President & CEO***

The services of Mr. Coetzer are provided under an employment agreement dated November 4, 2019. The contract specifies that if Mr. Coetzer's employment is terminated by the Corporation without cause, Mr. Coetzer is entitled to a lump sum payment equal to all accrued salary, any benefits then due and payable under any plans of the Corporation in which Mr. Coetzer is a participant (in accordance with the provisions of the applicable plan), accrued vacation pay, and reimbursement of any appropriate business expenses incurred by Mr. Coetzer (collectively, "Accrued Compensation"), plus severance compensation in an amount equal to 2.0 times the sum of (i) Mr. Coetzer's then current base salary, (ii) the average of his target bonus for the current year and the bonus he was paid for the previous year, and (iii) the amount paid by the Corporation for welfare benefits on behalf of Mr. Coetzer for the most recent year. If after the first anniversary of Mr. Coetzer's employment, the Corporation terminates his employment without cause, all stock options granted to Mr. Coetzer under the Option Plan shall become immediately exercisable for a period of 12 months from the date of termination.

If the Corporation terminates Mr. Coetzer's employment without cause within 12 months following a change in control of the Corporation, Mr. Coetzer is entitled to a lump sum payment of the Accrued Compensation and severance compensation in an amount equal to (a) 2.0 times (i) Mr. Coetzer's base salary for calendar year termination became effective, (ii) the average of his target bonus for the current year and the bonus he was paid for the previous year, and (iii) the amount paid by the Corporation for welfare benefits on behalf of Mr. Coetzer for the most recent year, plus (b) a portion of Mr. Coetzer's target bonus for the current calendar year which is pro rata to the portion of such year prior to the termination. All stock options granted to Mr. Coetzer under the Option Plan shall become immediately exercisable and vested and shall remain exercisable for a period of 12 months from the date of termination.

Mr. Coetzer's employment agreement includes a 2-year non-competition provision and a 2-year non-solicitation provision. If Mr. Coetzer's employment had been terminated without cause on December 31, 2019, Mr. Coetzer would be entitled to: (i) \$2,013,514 attributable to severance; and (ii) an amount equal to his Accrued Compensation.

Mr. Coetzer may terminate his employment with the Corporation at any time by providing at least 3 months' prior written notice (which notice may be waived) and he will be entitled only to any outstanding base salary and accrued unpaid vacation pay due to the effective date of his resignation, as well as any outstanding benefits then due and payable under any of the Corporation's compensation plans.

### ***Dr. Martin Raffield – EVP & COO***

The services of Dr. Raffield are provided under an employment agreement dated November 4, 2019. The contract specifies that if Dr. Raffield's employment is terminated by the Corporation without cause, Dr. Raffield is entitled to a lump sum payment of the Accrued Compensation plus severance compensation in an amount equal to 1.5 times the sum of (i) Dr. Raffield's then current base salary, (ii) the average of his target bonus for the current year and the bonus he was paid for the previous year, and (iii) continuation of benefits for the duration of the statutory notice period, and also a lump sum equal to the amount paid by the Corporation for welfare benefits on behalf of Dr. Raffield for the most recent year. If after the first anniversary of Dr. Raffield's employment, the Corporation terminates his employment without cause, all stock options granted to Dr. Raffield under the Option Plan shall become immediately exercisable for a period of 12 months from the date of termination.

If the Corporation terminates Dr. Raffield's employment without cause within 12 months following a change in control of the Corporation, Dr. Raffield is entitled to a lump sum payment of the Accrued Compensation and severance payment equal to 1.5 times the sum of (i) Dr. Raffield's then current base salary, (ii) the average of his target bonus for the current year and the bonus he was paid for the previous year, and (iii) the amount paid by the Corporation for welfare benefits on behalf of Dr. Raffield for the most recent year. All Options granted to Dr. Raffield under the Option Plan shall become immediately exercisable and vested and shall remain exercisable for a period of 12 months from the date of termination.

Dr. Raffield's employment agreement includes an 18-month non-competition provision and an 18-month non-solicitation provision. If Dr. Raffield's employment had been terminated without cause on December 31, 2019, he would be entitled to: (i) \$1,206,757 attributable to severance; and (ii) an amount equal to his Accrued Compensation.

Dr. Raffield may terminate his employment with the Corporation at any time by providing at least 3 months' prior written notice (which notice may be waived) and he will be entitled only to any outstanding base salary and accrued unpaid vacation pay due to the effective date of his resignation, as well as any outstanding benefits then due and payable under any of the Corporation's compensation plans.

***Timothy N. Campbell – EVP & Secretary***

The services of Mr. Campbell are provided under a consulting agreement dated January 1, 2016. The contract specifies that on a change of control of the Corporation, Mr. Campbell has the option of terminating his consulting arrangement anytime within one year from the change of control (July 4, 2019), and upon such termination, is entitled to a lump sum cash payment equal to two year's base salary. If, within two years following a change of control of the Corporation, Mr. Campbell is terminated by the Corporation for any reason other than for cause, Mr. Campbell will have the right to demand from the Corporation a lump sum cash payment equal to two year's base salary.

In the event of a change of control, if Mr. Campbell is no longer under contract with the Corporation, Mr. Campbell has the right to receive payment of any in-the-money value of all options held or may elect to hold any such options until the expiry date applicable thereto. A change of control is defined as a change in effective control of the Corporation, the acquisition of 20% of the voting rights of the Corporation, the exercise of voting powers so as to cause or result in the election of less than a majority of the nominees of management of the Corporation to the Board, the disposition of 50% or more of the Corporation's assets or any business combination or transaction resulting in a change in control of the Corporation. No termination payments are payable to Mr. Campbell in the event his employment terminated for cause or as a result of death or permanent disablement, or in the event he is terminated or resigns for any reason except upon a change of control as disclosed above.

If Mr. Campbell had elected to terminate his employment or been terminated without cause on December 31, 2019, Mr. Campbell would be entitled to a termination payment of \$432,000 broken down as follows: (i) \$432,000 attributable to severance; and (ii) 6,500,000 Options that will be satisfied as to any in the money amounts and/or run until the original term to expiry.

***Shawn A. Howarth – VP Corporate Development***

The services of Mr. Howarth are provided under an employment agreement dated April 5, 2017. The agreement specifies in the event of a change of control of the Corporation during the first 3 years of Mr. Howarth's full-time employment, which commenced August 1, 2017. Mr. Howarth is entitled to a termination payment equal to his base salary. If a change of control occurs during years 3-5 of Mr. Howarth's full-time employment, he is entitled to a termination payment equal to 1.5 times his base salary, and this payment increases to two times his base salary for changes of control occurring thereafter.

***Stephen G. Roman – Former President & CEO***

Mr. Roman resigned as President & CEO of the Corporation on August 28, 2019, and acted in the capacity of interim President & CEO until November 4, 2019, as a result, Mr. Roman's consulting contract entitled him to a lump sum payment equal to \$900,000, which is payable in monthly installments over the course of 36 months.

***Rein A. Lehari - Former CFO***

Mr. Lehari stepped down from his role as CFO of the Corporation, effective March 2, 2020, as a result, Mr. Lehari's consulting contract entitled him to a lump sum payment equal to \$360,000, which amount has been paid.

**DIRECTOR COMPENSATION**

The following table sets forth information concerning the annual and long term compensation in respect of the directors of the Corporation, other than the NEOs, during the fiscal year ended December 31, 2019.

## **Director Compensation Table**

<b>Name</b>	<b>Fees Earned (\$)</b>	<b>Share-based Awards (\$)<sup>(1)</sup></b>	<b>Option-based Awards (\$)<sup>(2)</sup></b>	<b>Non-Equity Incentive Plan Compensation (\$)<sup>(3)</sup></b>	<b>Pension Value (\$)<sup>(4)</sup></b>	<b>All Other Compensation (\$)</b>	<b>Total Compensation (\$)</b>
Geoffrey Cohen	20,500	125,000	-	-	-	-	145,500
Joseph Conway	12,500	125,000	-	-	-	-	137,500
James E. Gallagher	12,500	125,000	-	-	-	-	137,500
Michael W. Scherb	18,000	125,000	54,000	-	-	-	197,000
Richard H. Sutcliffe	24,000	125,000	54,000	-	-	-	203,000
Richard M. Colterjohn <sup>(5)</sup>	-	-	54,000	-	-	-	54,000
Michael W. Cowie <sup>(6)</sup>	-	-	54,000	-	-	-	54,000
Richard R. Faucher <sup>(7)</sup>	-	-	54,000	-	-	-	54,000
Fergus P. Kerr <sup>(7)</sup>	-	-	54,000	-	-	7,500	61,500
Derek C. Rance <sup>(8)</sup>	-	-	54,000	-	-	-	54,000

### **Notes:**

- (1) Subject to shareholder approval at this Meeting and the requisite TSX approvals, the Corporation will implement a DSU Plan.
- (2) The securities underlying the stock options of the Corporation are Common Shares. The issuer of the stock options is the Corporation. For further details concerning the terms of the Option Plan and options granted thereunder, reference is made to the section below entitled "Securities Authorized for Issuance under Equity Compensation Plans". The exercise price of an option granted under the Option Plan is generally the closing sale price of the Common Shares on the TSX on the trading day immediately preceding the date of grant. The amount reported is the fair value of the stock options granted. The fair value of stock options granted was estimated on the date of grant using the Black-Scholes option pricing model, assumptions as described in Note 12 to the Corporation's financial statements for the fiscal year ended December 31, 2019.
- (3) The Corporation does not have a non-equity incentive plan for directors.
- (4) The Corporation does not have a pension plan.
- (5) Mr. Colterjohn resigned from the Board effective March 30, 2019.
- (6) Mr. Cowie resigned from the Board effective July 4, 2019.
- (7) Mr. Kerr and Mr. Faucher resigned from the Board effective November 4, 2019 and October 15, 2019 respectively.
- (8) Mr. Rance's term on the Board ended effective July 4, 2019.

## **Material Factors Necessary to Understand Director Compensation**

There are no standard or other arrangements under which directors of the Corporation were compensated by the Corporation and its subsidiaries during the most recently completed financial year for their services in their capacity as directors or for services as consultants or experts. Reference is made to the section of this Circular below entitled "Securities Authorized for Issuance under Equity Compensation Plans" for details of incentive stock options granted to directors since the previous meeting of shareholders of the Corporation.

The Board reviews and approves changes to the Corporation's director compensation arrangements from time to time to ensure they remain competitive in light of the time commitments required from directors and align directors' interests with those of the Corporation's shareholders. Directors are also eligible to participate in the Option Plan and are awarded stock options under the Option Plan from time to time as compensation for their services as directors. For further details concerning the terms of the Option Plan, please see the section of this Circular below entitled "Securities Authorized for Issuance under Equity Compensation Plan - Option Plan".

On May 15, 2020, the Board adopted a DSU Plan for non-executive directors to receive a portion of their director's compensation as DSUs. The implementation of the DSU Plan remains subject to shareholder approval at this Meeting and the requisite TSX approvals. As DSUs are received as compensation for services in lieu of cash remuneration, they represent an investment by directors in the Corporation in Common Share ownership. Directors may elect to receive all or a portion of their director's compensation (as specified by the Board from time to time) in DSUs. The Corporation believes that this plan aligns the interest of these directors with those of the shareholders. Directors who are officers of the Corporation do not receive DSUs for serving as directors. For a summary of the DSU Plan, please see the section of this Circular above entitled "Business to be Transacted at the Meeting – Approval of DSU Plan". The full text of the DSU Plan is set out in Appendix B to this Circular.

During the fiscal year ended December 31, 2019 the directors (excluding NEOs who are directors and are not entitled to any additional compensation for their service as directors) received the compensation set out in this Circular. The directors are not entitled to any compensation under any annual or long-term non-equity incentive plans.

## Director Option-based Awards

### Outstanding Option-based Awards and Share-based Awards as at December 31, 2019

Name	Option-based Awards				Share-based Awards <sup>(2)</sup>	
	Number of securities underlying unexercised options (#) <sup>(1)</sup>	Option Exercise Price (\$) <sup>(3)</sup>	Option Expiration Date	Value of unexercised in-the-money Options (\$) <sup>(4)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Samuel T. Coetzer <sup>(5)</sup>	3,241,447	0.12	Nov 12, 2024	97,000	2,083,333	312,500
Geoffrey Cohen	-	-	-	-	833,333	125,000
Joseph F. Conway	-	-	-	-	833,333	125,000
James E. Gallagher	-	-	-	-	833,333	125,000
Stephen G. Roman <sup>(6)</sup>	4,000,000 4,500,000 3,000,000 3,500,000	0.40 0.45 0.35 0.10	Jan 18, 2024 Mar 29, 2023 Dec 14, 2021 Oct 14, 2020	- - - 175,000	833,333 - - -	125,000 - - -
Michael W. Scherb	200,000 500,000	0.40 0.45	Jan 18, 2024 Mar 29, 2023	- -	833,333 -	125,000 -
Richard H. Sutcliffe	200,000 500,000 500,000 300,000	0.40 0.45 0.35 0.10	Jan 18, 2024 Mar 29, 2023 Dec 14, 2021 Oct 14, 2020	- - - 15,000	833,333 - - -	125,000 - - -
Richard R. Faucher <sup>(7)</sup>	200,000 500,000 500,000 350,000	0.40 0.45 0.35 0.175	Jan 18, 2024 Mar 29, 2023 Dec 14, 2021 Mar 22, 2021	- - - -	- - - -	- - - -
Fergus P. Kerr <sup>(7)</sup>	200,000 500,000 100,000	0.40 0.45 0.10	Jan 18, 2024 Mar 29, 2023 Nov 10, 2020	- - 5,000	- - -	- - -

**Notes:**

- (1) The securities underlying the stock options of the Corporation are Common Shares. For further details concerning the terms of the Option Plan and options granted thereunder, reference is made to the section below entitled "Securities Authorized for Issuance under Equity Compensation Plans".
- (2) Subject to shareholder approval at this Meeting and the requisite TSX approvals, the Corporation will implement a DSU Plan and PRSU Plan. The exercise price of the DSUs and RSUs is \$0.12.
- (3) The exercise price of an option granted under the Option Plan is generally the closing sale price of the Common Shares on the TSX on the trading day immediately preceding the date of grant.
- (4) The value of unexercised in-the-money options is calculated as the difference between the closing price of the Corporation's Common Shares on the TSX on December 31, 2019 of \$0.15 and the underlying option exercise price, multiplied by the number of options outstanding. This value has not been, and may never be, realized by the Director. The actual gains, if any, on exercise will depend on the value of the Common Shares on the TSX the date of the option exercise.
- (5) Mr. Coetzer was appointed to serve on the Board effective November 4, 2019.
- (6) Mr. Roman resigned as President & CEO on August 28, 2019, and acted as interim President & CEO until November 4, 2019.
- (7) Mr. Kerr and Mr. Faucher resigned from the Board effective November 4, 2019 and October 15, 2019 respectively.

## Incentive Plan Awards - Value Vested or Earned During the Year Ended December 31, 2019

Name	Option-based awards - Value vested during the year (\$)	Share-based awards - Value vested during the year <sup>(1)</sup> (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
Samuel T. Coetzer <sup>(2)</sup>	-	-	-
Geoffrey Cohen	-	125,000	-
Joseph F. Conway	-	125,000	-
James E. Gallagher	-	125,000	-
Stephen G. Roman <sup>(3)</sup>	-	125,000	-
Michael W. Scherb	54,000	125,000	-
Richard H. Sutcliffe	54,000	125,000	-
Richard R. Faucher <sup>(4)</sup>	54,000	-	-
Fergus P. Kerr <sup>(4)</sup>	54,000	-	-
Derek C. Rance <sup>(5)</sup>	54,000	-	-
Richard M. Colterjohn <sup>(6)</sup>	54,000	-	-
Michael W. Cowie <sup>(7)</sup>	54,000	-	-

**Notes:**

- (1) Subject to shareholder approval at this Meeting and the requisite TSX approvals, the Corporation will implement a DSU Plan and PRSU Plan.  
(2) Mr. Coetzer was appointed to serve on the Board effective November 4, 2019.  
(3) Mr. Roman resigned as President & CEO on August 28, 2019, and acted as interim President & CEO until November 4, 2019.  
(4) Mr. Kerr and Mr. Faucher resigned from the Board effective November 4, 2019 and October 15, 2019 respectively.  
(5) Mr. Rance resigned from the Board effective July 4, 2019.  
(6) Mr. Colterjohn resigned from the Board effective March 30, 2019.  
(7) Mr. Cowie resigned from the Board effective July 4, 2019.

The Board considers option grants to directors at the time a director joins the Board and from time to time thereafter.

## DIRECTORS AND OFFICERS' INSURANCE AND INDEMNIFICATION

The Corporation maintains directors' and officers' liability insurance. In accordance with the provisions of the Business Corporations Act (Ontario) ("OBCA"), the Corporations' by-laws provide that the Corporation may purchase and maintain such insurance for the benefit of its directors and officers as the Board may from time to time determine.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Subject to shareholder approval at this Meeting and the requisite TSX approvals, the Corporation will implement a DSU Plan and PRSU Plan. Currently the only equity compensation plan which the Corporation has in place is the Option Plan, which is described in detail in the subsection below entitled "Option Plan". The following table sets out equity compensation plan information as at December 31, 2019.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the first column) <sup>(2)</sup>
Equity compensation plans approved by shareholders	53,774,605	\$0.32	5,171,118
Equity compensation plans not approved by shareholders <sup>(1)</sup>	8,750,000 <sup>(2)</sup>	\$0.12	-
<b>Total</b>	<b>62,524,605</b>		<b>5,171,118</b>

**Notes:**

- (1) Subject to shareholder approval at this Meeting and the requisite TSX approvals, the Corporation will implement a DSU Plan and PRSU Plan.

<sup>(2)</sup> In the event shareholders of the Corporation do not approve the Appian Warrant Resolution at this Meeting, 3,950,000 Appian Settlement Warrants will be deducted from the aggregate number of securities remaining available for future issuance.

### **Option Plan**

On November 28, 2003 the shareholders of the Corporation approved the Option Plan, which is a rolling stock option plan. The purpose of the Option Plan is to advance the interests of the Corporation by encouraging the Participants to acquire Common Shares, thereby (a) increasing the proprietary interests of such persons in the Corporation, (b) aligning the interests of such person with the interests of the Corporation's shareholders generally, (c) encouraging such persons to remain associated with the Corporation and, (d) furnishing such persons with an additional incentive in their efforts on behalf the Corporation.

The Option Plan is subject to the approval of shareholders every three years and was last approved at the Meeting of shareholders of the Corporation held June 27, 2017. Shareholders will vote on a renewal of the plan at the Meeting. Thereafter, notice of Options granted under the Option Plan must be given to the TSX. Any amendments to the Option Plan must also be approved by the TSX and, if necessary, by the shareholders of the Corporation prior to becoming effective.

According to the provisions of the Option Plan, the Board is authorized to provide for the granting, exercise and method of exercise of options, all on such terms as it shall determine including the delegation of the administration and operation of the Option Plan, in whole or in part, to a committee of the Board, subject to the terms of the Option Plan and applicable stock exchange rules. Under the Option Plan, the aggregate number of shares reserved for issuance may not exceed 10% of the total number of issued and outstanding Common Shares at the time of any option grant. As of the date of hereof, an aggregate of 49,724,605 options (representing approximately 5.88% of the issued and outstanding Common Shares) have been granted under the Option Plan (on a rolling basis).

Accordingly, as of the date of this Circular, 49,724,605 Common Shares (representing approximately 5.88% of the issued and outstanding Common Shares) are currently reserved for issuance pursuant to options granted under the Option Plan and the Corporation may grant an additional 34,896,118 options under the Option Plan, calculated based on 10% of the number of Common Shares issued and outstanding as of the date of this Circular.

The following is a summary of the principal terms of the Option Plan.

<b>DESCRIPTION OF OPTION PLAN</b>	
<b>Eligible Participants</b>	<ul style="list-style-type: none"> <li>The Board has authority to grant such number of options to bona fide officers, directors, employees, consultants and service providers of the Corporation as it may determine, subject to specific provisions of the Option Plan.</li> <li>The Board's authority includes setting the time or times options are issued, the price or prices at which options shall be granted, the time or times at which such options are exercisable, and any conditions or restrictions on the exercise of options.</li> </ul>
<b>Shares Issuable</b>	The aggregate number of shares that may be issued pursuant to the Option Plan will not exceed 10% of the number of issued shares of the Corporation at the time of grant.
<b>Insider Participation Limits</b>	<ul style="list-style-type: none"> <li>The number of securities issuable to insiders, at any time, under all security-based compensation arrangements, cannot exceed 10% of issued and outstanding securities.</li> <li>The number of securities issued to insiders, within any one-year period, under all security-based compensation arrangements, cannot exceed 10% of issued and outstanding securities.</li> </ul>
<b>Exercise Price</b>	<ul style="list-style-type: none"> <li>The exercise price for each option shall be determined by the Board at the time of grant but shall in no circumstances be less than the closing price of the Common Shares of the Corporation on the TSX on the last business day prior to the date on which the options are granted, or such other price as may be agreed to by the Corporation and accepted by the TSX.</li> <li>Should the Corporation wish to reduce the exercise price of any options held by insiders of the Corporation at the time of the proposed reduction, specific shareholder approval will be required prior to the exercise of any such options at the reduced exercise price.</li> </ul>
<b>Length, Term &amp; Vesting of Grant</b>	<ul style="list-style-type: none"> <li>The Board shall set the term of the options granted under the Option Plan, which shall not exceed ten (10) years from the date such options were granted.</li> <li>Subject to all applicable laws, the Board may attach other terms and conditions to the grant of a particular option, such terms and conditions to be referred to in the option agreement at the time of the grant.</li> </ul>

	<ul style="list-style-type: none"> <li>Upon becoming entitled to exercise an option in accordance with the terms of the option agreement, the optionee shall be entitled to exercise the option to purchase such Common Shares at any time prior to the expiration or other termination of the agreement or the option rights granted thereunder in accordance with such agreement.</li> </ul>
<b>Exercise &amp; Payment</b>	<ul style="list-style-type: none"> <li>Options granted under the Option Plan may be exercised by notifying the Corporation of the number of Common Shares in respect of which such option is being exercised and providing payment (by cash or certified cheque payable to the Corporation) of the entire exercise price.</li> <li>Upon any such exercise of an option, the Corporation shall cause the transfer agent and registrar of shares of the Corporation to promptly deliver to such optionee (or the legal representative of an optionee, as the case may be) a share certificate representing the number of Common Shares specified in the notice.</li> </ul>
<b>Circumstances Involving Cessation of Entitlement to Participate in Option Plan</b>	
<b>Termination for Cause</b>	All unexercised option rights of that optionee under the Option Plan shall immediately become terminated and shall lapse.
<b>Termination Other Than for Cause</b>	<ul style="list-style-type: none"> <li>An optionee shall have the right for a period of 90 days (or until the normal expiry date of the option rights of such optionee if earlier) from the date of termination to exercise the option under the Option Plan with respect to all Common Shares of such optionee to the extent they were exercisable on the date of termination.</li> <li>Upon the expiration of such 90-day period all unexercised option rights of that optionee shall immediately become terminated and shall lapse.</li> </ul>
<b>Deceased Optionee</b>	<ul style="list-style-type: none"> <li>In the event of the death of any optionee, the legal representatives of the deceased optionee shall have the right for a period of one year (or until the normal expiry date of the option rights of such optionee if earlier) from the date of death to exercise the deceased optionee's option with respect to all of the Common Shares of the deceased optionee to the extent they were exercisable on the date of death.</li> <li>Upon the expiration of such period, all unexercised option rights of the deceased optionee shall immediately become terminated and shall lapse.</li> </ul>
<b>OTHER ELEMENTS OF OPTION PLAN</b>	
<b>Assignability</b>	An option granted under the Option Plan shall not be transferable or assignable other than (i) by will or other testamentary instrument or the laws of succession and may be exercisable during the lifetime of the optionee only by such optionee, (ii) to a corporation wholly-owned by an optionee or certain trusts, of which the optionee is the sole beneficiary, or (iii) to an individual providing services to the Corporation on behalf of the optionee, where the optionee is a holding entity of such individual.
<b>Third Party Offer / Alterations in Shares</b>	<ul style="list-style-type: none"> <li>If an offer by a third party to purchase all the Common Shares of the Corporation is made while an option granted under the Option Plan remains unexercised, the Corporation may, on written notice to each optionee, require the acceleration of the time for the exercise of the option rights granted under the Option Plan and of the time for the fulfillment of any conditions or restrictions on such exercise.</li> <li>In the event of change in the share structure of the Corporation, the Option Plan includes adjustment provisions.</li> </ul>
<b>Withholding Obligations</b>	The Option Plan included withholding obligations.
<b>Amendment / Discontinuance</b>	The Board may amend or revise the terms of the Option Plan or may discontinue the Option Plan at any time, provided that no such action may in any manner adversely affect the rights under any options earlier granted to an optionee under the Option Plan without the consent of that optionee. The Board has the authority to make certain amendments to the Option Plan without requiring the approval of shareholders, including but not limited to the following: (i) amendments of a "housekeeping" nature; (ii) a change to the vesting provisions of options granted pursuant to the Option Plan; and (iii) a change to the termination provisions of Options granted under the Option Plan which does not entail an extension beyond the original expiry date. However, shareholder approval will be required in each of the following amendments: (i) a reduction in the exercise price or purchase price under the Option Plan benefiting an insider of the Corporation; (ii) an extension of the term under the Option Plan benefiting an insider of the Corporation; (iii) any amendment to remove or exceed the insider participation limit; (iv) an increase in the maximum number of Common Shares issuable, either as a fixed number or a fixed percentage of the Corporation's outstanding capital represented by such Common Shares; and (v) amendments to an amending provision within the Option Plan.

The above summary is qualified in its entirety by the full text of the Option Plan, which can be found under our profile on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Security Based Award Burn Rate for the Last Three Years**

Pursuant to TSX rules, the Corporation is required to calculate and disclose the annual “burn rate” of its Options and any other security-based awards for the three most recently completed financial years. The annual burn rate is equal to the number of Options and any other security-based awards granted in the applicable year, divided by the weighted average number of Common Shares outstanding in that year, expressed as a percentage. The Corporation’s average burn rate over the last three financial years is 2.19%.

<b>Financial Year End</b>	<b>Burn Rate (%)</b>
December 26, 2017	0.54%
December 31, 2018	2.96%
December 31, 2019	3.06%

## **MANAGEMENT CONTRACTS**

During the most recently completed financial year, no management functions of the Corporation were to any substantial degree performed by a person or company other than the directors or executive officers (or private companies controlled by them, either directly or indirectly) of the Corporation.

## **INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS**

None of the directors or senior officers of the Corporation and no associates or affiliates of any of them, nor any proposed nominee as a director of the Corporation, is or has been indebted to the Corporation or its subsidiaries at any time since the beginning of the Corporation’s last completed financial year.

## **STATEMENT OF CORPORATE GOVERNANCE PRACTICES**

### **CORPORATE GOVERNANCE**

The Canadian Securities Administrators in National Instrument 58-101 – Disclosure of Corporate Governance Practices (“**NI 58-101**”) have adopted guidelines for effective corporate governance which address the constitution and independence of Boards, the functions to be performed by Boards and their committees and the recruitment, effectiveness and education of Board members. A description of the Corporation’s corporate governance practices is set out below, and in the Board Mandate at Appendix A of this Circular, including a discussion of the principal matters relating to corporate governance practices discussed in NI 58-101.

The Board does not feel it is necessary to assess the effectiveness of individual Board members. Each Board member has considerable experience to meet the needs of the Corporation. On an annual basis, however, the Board assesses the contributions of each of the individual directors, and of the Board as a whole, in order to determine whether each is functioning effectively.

The Board believes it is important to follow appropriate governance practices in carrying out its responsibilities with respect to the development and administration of executive compensation and benefit programs. Governance practices followed by the Board include holding in-camera sessions without management present and when necessary, obtaining advice from external consultants.

### **BOARD OF DIRECTORS**

The Board’s mandate provides that the Board is responsible for the stewardship of the Corporation and the oversight of management and the activities of the Corporation. The Board’s principle duties include hiring senior management and supervising oversight and approval of the Corporation’s business strategy and strategic planning process, and oversight and approval as appropriate of the Corporation’s policies, procedures and systems for implementing strategy

and managing risk. For further details on the Board's responsibilities, please refer to the Board's written mandate as adopted by the Corporation at "Appendix A – Board Mandate" below.

The Board exercises independent supervision over the Corporation's management through frequent meetings of the Board; Geoffrey Cohen, Joseph Conway, James E. Gallagher and Richard Sutcliffe are independent directors as such term is defined by NI 58-101. None of the independent directors has a direct or indirect material relationship with the Corporation, including any business or other relationship, which could reasonably be expected to interfere with the director's ability to act with a view to the best interest of the Corporation or which could reasonably be expected to interfere with the exercise of the director's independent judgment.

The Chair of the Board is Mr. Conway, an independent director who has served on the Board since October 15, 2019. The primary responsibility of the Chair of the Board is to oversee the operations and affairs of the Board and provide leadership to the Board to enhance its effectiveness. The Board has ultimate responsibility for the supervision of management of the Corporation. Critical to fulfilling this responsibility is the relationship between the Board, management, shareholders and other stakeholders. The Chair, as the presiding member of the Board, oversees these relationships and ensures they are effective, efficient and further the best interests of the Corporation. Mr. Coetzer is a member of management and is therefore not considered independent. Independent members of the Board meet separately from non-independent directors on an as needed basis.

Name of Director	Directorships with other Reporting Issuer(s) <sup>(1)</sup>	Attendance at Board Meetings <sup>(12)</sup>	Attendance at Audit Committee Meetings <sup>(12)</sup>	Attendance at NC&G Committee Meetings <sup>(12)</sup>	Attendance at HSET Committee Meetings <sup>(12)</sup>
Samuel T. Coetzer <sup>(2)</sup>	None	3/3	-	-	-
Geoffrey Cohen <sup>(3)</sup>	None	20/27	1/1	6/6	1/1
Joseph F. Conway <sup>(4)</sup>	None	3/3	1/1	3/3	-
James E. Gallagher <sup>(5)</sup>	None	3/3	-	-	1/1
Stephen G. Roman <sup>(6)</sup>	Global Atomic Corporation	27/27	-	-	-
Michael W. Scherb	None	15/27	-	6/6	-
Richard H. Sutcliffe	Inventus Mining Corp.	27/27	2/2	7/7	232
Richard M. Colterjohn <sup>(7)</sup>	Mag Silver Corp., Roxgold Corp.	5/5	-	1/1	-
Michael P. Cowie <sup>(8)</sup>	None	11/12	2/2	-	-
Richard R. Faucher <sup>(9)</sup>	Robex Resources Inc., Global Atomic Corporation	23/27	3/4	4/4	-
Fergus P. Kerr <sup>(10)</sup>	None	19/27	-	2/5	2/2
Derek C. Rance <sup>(11)</sup>	Global Atomic Corporation	10/27	2/4	-	2/2

**Notes:**

- (1) Information as to directorships with other reporting issuers was provided by the directors.
- (2) Mr. Coetzer was appointed to the Board November 4, 2019.
- (3) Mr. Cohen was appointed to the Board April 2, 2019.
- (4) Mr. Conway was appointed to the Board October 15, 2019.
- (5) Mr. Gallagher was appointed to the Board October 15, 2019.
- (6) Mr. Roman resigned as President & CEO on August 28, 2019, and acted as interim President & CEO until November 4, 2019.
- (7) Mr. Colterjohn resigned from the Board effective March 30, 2019.
- (8) Mr. Cowie resigned from the Board effective July 4, 2019.
- (9) Mr. Faucher resigned from the Board effective October 15, 2019.
- (10) Mr. Kerr resigned from the Board effective November 4, 2019.
- (11) Mr. Rance resigned from the Board effective July 4, 2019.
- (12) The attendance at Board, Audit Committee, NC&G Committee and HSET Committee Meetings refers to the number of such meetings that were held and attended during the time each applicable director served on the Board or was a member of such Committee.

## COMMITTEES OF THE BOARD

The Board has three standing committees:

- (a) the Audit Committee;
- (b) NC&G Committee; and
- (c) Health, Safety, Environment and Technical Committee.

### **The Audit Committee**

The Audit Committee has responsibility for oversight of the Corporation's accounting and financial reporting processes and the reviews and audits of the Corporation's financial statements. At these meetings, the committee met with senior members of the Corporation's financial management team as well as the Corporation's external auditor. Additionally, the committee had multiple private sessions with the CEO, CFO, and senior members of management (among others). The Audit Committee is governed by an Audit Committee Charter (the "Charter") which has been adopted by the Board in order to comply with National Instrument 52-110 – Audit Committees ("NI 52-110") and to define the role of the Audit Committee in the oversight of the financial reporting process of the Corporation. The Audit Committee is currently comprised of Messrs. Conway (Chair), Cohen, and Sutcliffe each of whom the Board has determined is independent and "financially literate" within the meaning of NI 52-110. The Board after considering a variety of factors relevant to the determination of independence under NI 52-110 concluded that Mr. Cohen does not have a direct or indirect material relationship with the Corporation and is independent within the meaning of NI 52-110.

Nothing in the Charter is intended to restrict the ability of the Board or the Audit Committee to alter or vary procedures in order to comply more fully with NI 52-110, as amended from time to time. The Charter and further disclosure with respect to the members and actions of the Audit Committee as required pursuant to NI 52-110 are included in Item 16 of the Corporation's Annual Information Form which can be found on the Corporation's website at [www.hartegold.com](http://www.hartegold.com) and filed on SEDAR at [www.sedar.com](http://www.sedar.com).

### **NC&G Committee**

The NC&G Committee is responsible for reviewing the performance, compensation, professional development, recruitment and succession planning of the directors and executive officers of the Corporation. One of the primary purposes of the NC&G Committee is to assist the Board in fulfilling its oversight responsibilities for executive compensation. The Board as a whole, ultimately determines compensation for the directors and officers on the advice of the NC&G Committee. The members of the NC&G Committee are Messrs. Cohen (Chair), Conway and Sutcliffe each of whom is an independent director. Further details of the skills and experience of the members of the NC&G Committee relevant to their responsibilities in executive compensation can be found in "Board Mandate – Nomination, Compensation and Governance Committee", attached hereto at Appendix A.

### **Health, Safety, Environment and Technical Committee**

Formerly the Safety, Health and Environment Committee, the HSET Committee was established in November 2019 and incorporates the former Technical Committee, which was a committee of Harte Gold management and representatives of Appian. The primary responsibility of the HSET Committee is to monitor compliance with laws and regulations, provide advice and assistance to the management of the Corporation, and to assist the Board in its oversight of safety, health and environment matters.

Specific responsibilities of the HSET Committee include:

- Review management's safety and health management plan and environmental management plan and monitor compliance with these plans;
- Provide oversight in the development of safety, health and environment management plans;
- Review reports from management on operational performance in safety and health;
- Monitor compliance with regulatory requirements;
- Review management's audit plans for the safety and health program;
- Review management's plans for audits on environmental management;
- Review safety, health and environment audit results;
- Make periodic visits to the operations to observe compliance with and practices in implementing the Corporation's safety, health and environment policies;

- Annually review the adequacy of the HSET Committee charter and make appropriate revisions for the approval of the Board; and
- Foster a corporate culture that establishes the highest standards of occupational health and safety and minimizes our impact on the environment.

The HSET Committee is currently comprised of Messrs. Gallagher (Chair), Cohen, and Sutcliffe.

### **Fees and Retainers**

The chairs of each committee are paid \$5,000 for their services and each board member is entitled to reimbursement for reasonable out-of-pocket expenses for in person attending Board or committee meetings.

## INTERESTS OF DIRECTORS AND OFFICERS IN MATTERS TO BE ACTED UPON

Except as disclosed in this Circular, no director or executive officer of the Corporation, nor any proposed nominee for election as a director of the Corporation, or any associate or affiliate of any one of them, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting.

## INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed herein, no director, executive officer, shareholder beneficially owning (directly or indirectly) or exercising control or direction over more than 10% of the Common Shares, or proposed nominee for election as a director of the Corporation, and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the beginning of the Corporation's last completed fiscal year or in any proposed transaction which, in either such case, has materially affected or will materially affect the Corporation.

## ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information is included in the Corporation's audited Financial Statements for the fiscal year ended December 31, 2019 and the related Management's Discussion and Analysis and is available on SEDAR at [www.sedar.com](http://www.sedar.com) or by contacting the Corporation as shown in the Notice of Annual and Special Meeting of Shareholders.

## BOARD APPROVAL OF CIRCULAR

The contents of this Circular and the sending thereof have been approved by the directors of the Corporation.

**DATED:** May 15, 2020

Yours sincerely,

(signed) *"Joseph Conway"*

Joseph Conway  
Chair of the Board

(signed) *"Sam Coetzer"*

Sam Coetzer  
President & Chief Executive Officer

## **APPENDIX A - BOARD MANDATE**

### **HARTE GOLD**

#### **Board Mandate**

The Board is responsible for hiring senior management and supervising and overseeing the management of the business of the Corporation. Below is a copy of the text of the Board's written mandate as adopted by the Corporation.

#### **I. Purpose**

The Board Mandate is established to provide a framework within which the Board assumes responsibility for the stewardship of the Corporation.

#### **II. Responsibilities**

The Board is responsible for the following matters (either itself, or through duly appointed and constituted committees of the Board in accordance with applicable laws):

1. The Board contributes to the development of strategic direction by approving, at least annually, a strategic plan developed and proposed by management. The plan will take into account the business opportunities and business risks of the Corporation. The Board reviews with management from time to time the strategic planning environment, the emergence of new opportunities, trends and risks and the implications of these developments for the strategic direction of the Corporation. The Board reviews and approves the Corporation's financial objectives, plans and actions, including significant capital allocations and expenditures.
2. The Board monitors corporate performance against the strategic and business plans, including assessing operating results to evaluate whether the business is being properly managed.
3. The Board identifies the principal business risks of the Corporation and ensures that there are appropriate systems put in place to manage these risks.
4. The Board monitors and ensures the integrity of the internal controls and procedures (including adequate management information systems) within the Corporation and its financial reporting procedures of the Corporation.
5. The Board is responsible for ensuring appropriate standards of corporate conduct including adopting a corporate code of ethics for all employees and senior management, and monitoring compliance with such code. Only the full Board may grant waivers of the corporate code of ethics which would be to the benefit of directors and/or executive officers.
6. The Board, directly and indirectly through the Audit Committee, is responsible for the review and approval of quarterly and annual financial statements, management's discussion and analysis related to such financial statements, and budgets and forecasts.
7. The Board is responsible for establishing and reviewing from time to time a dividend policy for the Corporation.
8. The Board, directly and indirectly through the NC&G Committee, is responsible for reviewing the compensation of members of the senior management team to ensure that they are competitive within the industry and that the form of compensation aligns the interest of each such individual with those of the Corporation.
9. The Board reviews and approves material transactions not in the ordinary course of business.
10. The Board ensures that there is in place appropriate succession planning, including the appointment, training and monitoring of senior management and members of the Board.
11. The Board is responsible for assessing its own effectiveness in fulfilling its mandate and evaluating the relevant relationships of each independent director.

12. The Board develops and approves a policy to include a framework for investor relations and public disclosure policy.
13. The Board is responsible for satisfying itself as to the integrity of the CEO and other senior officers and that the CEO and other senior officers create a culture of integrity throughout the organization. The Board is responsible for developing and approving goals and objectives which the CEO is responsible for meeting.
14. The Board is responsible for developing the Corporation's approach to corporate governance principles and guidelines that are specifically applicable to the Corporation.
15. The Board is responsible for performing such other functions as prescribed by law or assigned to the Board in the Corporation's governing documents.
16. Set forth below are procedures relating to the Board's operations:

**(a) Size of Board and Selection Process**

The directors of the Corporation are elected each year by the shareholders at the annual meeting of shareholders. The NC&G Compensation Committee recommend to the full Board the nominees for election to the Board. The Board then proposes a slate of nominees to the shareholders for election based upon the following considerations:

- (i) the competencies and skills which the Board as a whole should possess;
- (ii) the competencies and skills which each existing director should possess; and
- (iii) the appropriate size of the Board to facilitate effective decision-making.

Any shareholder may propose a nominee for election to the Board either by means of a shareholder proposal upon compliance with the requirements prescribed by the OBCA or at the annual meeting. The Board also recommends the number of directors on the Board to shareholders for approval, subject to compliance with the OBCA. Between annual meetings, the Board may appoint directors to serve until the next annual meeting.

**(b) Qualifications**

Directors should have the highest personal and professional ethics and values and be committed to advancing the best interests of the Corporation. They should possess skills and competencies in areas that are relevant to the Corporation's activities. As a TSX listed Corporation, the majority of the directors will be "independent" directors within the meaning of National Instrument 58-101 – *Disclosure of Corporate Governance Practices*, of the Canadian Securities Administrators.

**(c) Director Orientation and Continuing Education**

The NC&G Committee is responsible for providing a comprehensive orientation and education program for new directors which fully sets out:

- (i) the role of the Board and its committees;
- (ii) the nature and operation of the business of the Corporation; and
- (iii) the contribution which individual directors are expected to make to the Board in terms of time and resource commitments.

#### **(d) Meetings**

The Board has at least five scheduled meetings a year. Additionally, the Board meets as required for specific purposes.

#### ***Orientation and Continuing Education***

Each director brings a different skill set and professional background, and against this background, the Board is able to determine what orientation to the nature and operations of the Corporation's business will be necessary and relevant to each new director. The Corporation will provide continuing education for its directors as such need arises and encourages open discussion at all meetings which format encourages learning by the directors.

#### ***Ethical Business Conduct***

The Board adopted a written code of business conduct and ethics effective March 27, 2013 and has established a whistle blower policy, which outlines the complaint procedure for concerns about any aspect of the Corporation's activities and operations; details of the whistle blower policy are described in the Audit Committee Charter included in Item 16 of the Corporation's Annual Information Form dated March 25, 2020 which is on the Corporation's website at [www.hartegold.com](http://www.hartegold.com) and filed on SEDAR at [www.sedar.com](http://www.sedar.com). In addition, as some of the directors of the Corporation also serve as directors and officers of other companies engaged in similar business activities, the directors must comply with conflict of interest provisions under the OBCA and relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Any interested director is required to declare the nature and extent of his or her interest and is not entitled to vote at meetings of directors where such a conflict arises.

#### ***Position Descriptions***

The Board has developed written position descriptions for the Chairman of the Board, the Chairs of its committees and the CEO.

#### ***Orientation and Continuing Education***

Each director brings a different skill set and professional background, the Board is able to determine what orientation to the nature and operations of the Corporation's business will be necessary and relevant to each new director. The Corporation will provide continuing education for directors as such need arises and encourages open discussion at all meetings which format encourages learning by the directors.

#### ***Nomination of Directors***

Candidates for the Board are initially assessed by the NC&G Committee and recommended for approval by the Board. The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, the composition required to carry out the Board's duties effectively and maintain a diversity of views and experience. For as long as Appian holds a minimum 7.5% interest in the Corporation, the number of directors on the Board shall not exceed seven (7) individuals of whom Appian will have the right to nominate two (2) Board nominees.

#### ***Compensation***

Historically, members of the Board have not been compensated for acting as directors, save for meeting fees which were introduced in the latter half of 2019 and the grant of incentive stock options pursuant to the Corporation's stock option plan and the policies of the TSX. In November 2019, the Board authorized the transition to compensation based on the issuance of Deferred Share Units. Management has historically presented the Board or the NC&G Committee its suggested option grants for both management and the Board which suggestions are reviewed by the Board or, reviewed by the Committee and if in agreement, recommended to the Board for approval. The NC&G Committee has assumed this role since January 2019.

#### ***Women on the Board and in Executive Offices***

The Corporation has not adopted a written policy specifically relating to the identification and nomination of women directors nor does the Board or the NC&G Committee consider the level of representation of women on the Board or

in executive positions when nominating candidates for election to the Board or when making executive officer appointments. Instead, the Board and the NC&G Committee evaluates potential nominees to the Board by reviewing the qualifications of the nominee, irrespective of gender, the composition of the Board and anticipated skills required to round out the capabilities of the Board. Similarly, the Board assesses candidates for executive positions with the Corporation based on experience, skill and merit. The Corporation values diversity, including, without limitation, diversity of experience, perspective, education, race and gender. The Board has not set specific targets as to the number of women Board members it will maintain or the number of women executive positions it will maintain given the relatively small number of directors. As at the date of this Circular, no women are members of the Board.

### ***Term Limits***

The Corporation has not adopted a written policy regarding Director Term Limits. The Board ensures there is in place appropriate succession planning, including the appointment, training and monitoring of senior management and members of the Board.

### ***Nominating, Compensation & Governance Committee***

The NC&G Committee was first established on June 21, 2011 following the annual and special meeting of shareholders of the Corporation held June 21, 2011 and pursuant to the listing of the Corporation's Common Shares on the TSX. The NC&G Committee performed its duties and responsibilities in determining compensation levels for the year ended December 31, 2019.

The NC&G Committee assists the Board in fulfilling its obligations relating to human resource and compensation matters of the Corporation and its subsidiaries and to establish a plan for the continuity and development of senior management. The current members of the Nominating, Governance & Compensation Committee are Messrs. Cohen, Conway and Sutcliffe.

Further information regarding the NC&G Committee's responsibilities, powers and operation are set out above under the section entitled "Statement of Executive Compensation". The Corporation believes each of the NC&G Committee members possess the skills and experience to enable the member to make decisions on the suitability of compensation and governance policies and practices of the Corporation as set out below.

#### **Mr. Cohen**

Mr. Cohen is the senior adviser to Appian in North America; a mining investment fund based in London, UK. Prior to joining Appian, Mr. Cohen was managing director and head of North American mining investment banking at JPMorgan. During this period, he originated and executed merger and acquisition, debt and equity transactions valued at over US\$40 billion. Prior to joining JPMorgan in 2010, Mr. Cohen worked in the M&A groups of both global and domestic Canadian investment banks, where he focused on the natural resources sector. Mr. Cohen holds a B.Sc. in engineering from Queen's University and an MBA from the Ivey School of Business at the University of Western Ontario.

#### **Mr. Conway**

Mr. Conway has over 30 years of mining and financial industry experience. During his executive leadership, he has been intimately involved in strategic development including mergers and acquisitions, corporate restructurings and accessing the capital markets for approximately \$1.2 billion in debt and equity. Mr. Conway was Chief Executive Officer and Executive Vice Chairman of Primero Mining prior to its acquisition by First Majestic Silver Corp in 2018. Mr. Conway was the President and Chief Executive Officer of IAMGOLD Corporation growing the company and its affiliates from a \$50 million joint venture company to a \$6 billion leading intermediate gold producer. Mr. Conway has a B.Sc. from Memorial University of Newfoundland and an MBA from Dalhousie University.

#### **Mr. Sutcliffe**

Dr. Sutcliffe has over 30 years of mining experience and is currently President of Pavey Ark Minerals Inc., a private mineral project generator. Previously Dr. Sutcliffe was President and CEO of Ursa Major Minerals Inc., a TSX listed mining company that developed and operated the Shakespeare Nickel Mine in the Sudbury, Ontario area and then Chairman of Patricia Mining Corp., a TSXV listed company that developed and operated the Island Gold Mine, outside Dubreuilville, Ontario, through a joint venture with Richmond Mines Inc. Dr. Sutcliffe is a Professional Geoscientist who

holds a B.Sc. and M.Sc. in Geology from the University of Toronto and a Ph.D in Geology from the University of Western Ontario.

***Other Board Committees***

In addition to the Audit Committee and the NC&G Committee, the Board has established a Health, Safety, Environment and Technology Committee (“HSET Committee”). The current members of the HSET Committee are Messrs. Cohen, Gallagher and Sutcliffe.

***Assessments***

The Board does not currently have a formal process for assessing the effectiveness of the Board or its individual directors.

## **APPENDIX B - DEFERRED SHARE UNIT PLAN**

See attached.

**HARTE GOLD CORP.  
DEFERRED SHARE UNIT PLAN**

**Section 1. Interpretation and Administrative Provisions**

**1.1 Purpose**

The purposes of the Plan are to: (i) align the interests of non-executive directors of the Corporation with the long term interests of shareholders; and (ii) allow the Corporation to attract and retain high quality non-executive directors.

**1.2 Definitions**

For the purposes of the Plan, the following terms have the following meanings:

**“Affiliate”** means any entity that is an “affiliate” for purposes of the Canadian Securities Administrators National Instrument 45-106 - *Prospectus Exemptions*, as amended from time to time or any other entity designated by the Board to be an affiliate for the purposes of the Plan from time to time.

**“Applicable Withholdings”** means all income taxes and statutory amounts required to be withheld by a Corporation in respect of any Share Unit Amounts.

**“Award Date”** means the date that retainer compensation is paid to a Participant.

**“Board”** means the board of directors of the Corporation.

**“Canadian Participant”** means any Participant who is not a U.S. Participant and who is a Canadian resident for tax purposes.

**“Change of Control”** means the occurrence of any of the following events:

- (a) any person, entity or group of persons or entities, acting jointly or in concert, is or becomes the beneficial owner, directly or indirectly, of more than fifty percent (50%) of the then outstanding voting stock of the Corporation (excluding ANR Investments B.V.);
- (b) the shareholders of the Corporation approve a merger, arrangement, restructuring, reorganization, consolidation or amalgamation (a **“Transaction”**) of the Corporation with any other company, other than a Transaction which would result in the voting securities of the Corporation outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) at least forty percent (40%) of the combined voting power of the voting securities of the combined company or such surviving entity outstanding immediately after such merger, consolidation or amalgamation;
- (c) the shareholders approve a plan of complete liquidation of the Corporation or the sale or disposition by the Corporation of all or substantially all of its assets in one or a series of related transactions; or
- (d) the Board, by resolution duly adopted by the affirmative vote of a simple majority of the votes cast by the Board, determines that for purposes of this Plan, a Change of Control of the Corporation has occurred.

**“Code”** means the U.S. Internal Revenue Code of 1986, as amended from time to time and the Treasury Regulations promulgated thereunder.

**“Committee”** means the Compensation Committee of the Board or such other committee as the Board designates from time to time to administer this plan and in the absence of such a delegation means the Board.

**“Common Share”** means a common share of the Corporation.

**“Corporation”** means Harte Gold Corporation, and includes any successor corporation thereof, and such of its Affiliates as are designated by the Board from time to time.

**“Deferred Share Unit”** means a right granted to an Eligible Person to receive, as set out in the Plan, a Common Share or, at the election of the Participant and subject to the Corporation’s consent, the cash equivalent of a Common Share.

**“Dividend Deferred Share Unit”** has the meaning set out in Section 3.3.

**“Election Notice”** means a notice substantially in the form set out as Schedule B, as amended by the Committee from time to time.

**“Eligible Person”** means any non-executive director of the Corporation.

**“Exchange”** means the Toronto Stock Exchange and, where the context permits, any other exchange on which the Common Shares are listed from time to time.

**“Expiry Date”** means the Expiry Date set out in the Grant Agreement.

**“Fair Market Value”** means the volume weighted average trading price of a Common Share of the Corporation on the Exchange for the 5 trading days immediately preceding the applicable day (calculated as the total value of Common Shares traded over the 5 day trading period divided by the total number of Common Shares traded over the 5 trading day period). In the event that the Common Shares are not listed and posted for trading on any stock exchange, the Fair Market Value shall be determined in accordance with Section 2.3.

**“Fiscal Year”** means any fiscal year of the Corporation.

**“Grant Agreement”** means an agreement substantially in the form set out as Schedule A, as amended by the Committee from time to time.

**“Grant Date”** means the date the Board completes all requisite actions required to approve the grant of a Deferred Share Unit.

**“Insider”** means a “reporting insider” as defined in National Instrument 55-104 – *Insider Reporting Requirements and Exemptions*.

**“Participant”** means any Eligible Person to whom a Deferred Share Unit is granted.

**“Plan”** means this Harte Gold Corporation Deferred Share Unit Plan, as amended, restated or supplemented from time to time.

**“Redemption Date”** means the date elected by a Canadian Participant pursuant to Section 3.4(a) and the date elected by a U.S. Participant pursuant to Section 3.4(b).

**“Redemption Notice”** mean a notice substantially in the form set out as Schedule C, as amended by the Committee from time to time.

**“Security Based Compensation Arrangement”** means any stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism of the Corporation involving the issuance or potential issuance of Common Shares from treasury, including a share purchase from treasury which is financially assisted by the Corporation by way of a loan, guarantee or otherwise, including without limitation this Plan, but excludes any compensation or incentive mechanism of the Corporation involving the issuance or potential issuance of Common Shares in accordance with the rules of the Exchange, as applicable.

**“Separation from Service”** means, with respect to a U.S. Participant, the first date on or after the U.S. Participant’s Termination Date on which the Participant has a separation from service under Treasury Regulation Section 1.409A-1(h).

**“Share Unit Account”** means the notional account maintained for each Participant to which Deferred Share Units are credited.

**“Share Unit Amount”** has the meaning set out in Section 3.5.

**"Tax Act"** means the *Income Tax Act* (Canada) and its regulations thereunder, as amended from time to time.

**"Termination Date"** means the date a Participant ceases to be a non-executive director of the Corporation and ceases to hold any other position with the Corporation.

**"Treasury Regulations"** means the Treasury Regulations promulgated under the Code.

**"U.S. Participant"** means, any Participant who is a United States citizen or United States resident alien as defined for purposes of Code Section 7701(b)(1)(A).

**"Vested Deferred Share Unit"** has the meaning set out in Section 3.8.

**"Vesting Date"** means the date or dates designated in the Grant Agreement, or such earlier date as is provided for in the Plan or is determined by the Committee.

Where the context so requires, words importing the singular number include the plural and vice versa, and words importing the masculine gender include the feminine and neuter genders.

### **1.3 Effective Date of Plan**

The Plan shall become effective upon its adoption by the Board and receipt of required regulatory and shareholder approval. The Plan shall terminate on the date determined by the Board pursuant to Section 4.2 hereof and no Deferred Share Units may be awarded under the Plan after the date of termination, but such termination shall not affect any Deferred Share Units which became effective pursuant to the Plan prior to such termination.

### **1.4 Common Shares Reserved for Issuance**

- (a) The maximum number of Common Shares available for issuance under this Plan and all other Security Based Compensation Arrangements shall not exceed 10% of the total number of Common Shares issued and outstanding from time to time on a non-diluted basis, provided that Common Shares reserved for issuance pursuant to Deferred Share Units which are cancelled or terminated without having been redeemed will again be available for issuance under this Plan and also provided that the Common Shares underlying Deferred Share Units which are redeemed for cash will again be available for issuance under this Plan. For greater certainty, any increase in the issued and outstanding Common Shares will result in an increase in the available number of Common Shares issuable under the Plan.
- (b) Notwithstanding the foregoing, the aggregate number of Common Shares in respect of which Deferred Share Units have been granted and remain outstanding under the Plan shall not at any time, when taken together with all Security Based Compensation Arrangements then either in effect or proposed, result in:
  - (i) the number of Common Shares reserved for issuance to Insiders exceeding 10% of the issued and outstanding Common Shares;
  - (ii) the issuance to Insiders, within a one-year period, of a number of Common Shares exceeding 5% of the issued and outstanding Common Shares; or
  - (iii) the value of Deferred Share Units issued to any one person, within a one-year period, shall not exceed \$150,000, calculated without reference to Deferred Share Units received in lieu of cash retainer pursuant to Section 3.2.

For the purposes of this Section 1.4(b), the number of issued and outstanding Common Shares shall be determined on a non-diluted basis.

- (c) Notwithstanding the foregoing, the aggregate number of Common Shares in respect of which Deferred Share Units have been granted and remain outstanding under the Plan may exceed the limits specified in this Section 1.4, provided that all necessary regulatory and shareholder approvals are obtained not later than the next following annual general meeting of the shareholders and provided that no Common Shares may be issued in respect of Deferred Share Units granted prior to such approvals.

## **Section 2. Administration**

### **2.1 Administration of the Plan**

Subject to the Committee reporting to the Board on all matters relating to this Plan and obtaining approval of the Board for those matters required by the Committee's mandate, this Plan will be administered by the Committee which has the sole and absolute discretion to: (i) recommend to the Board grants of Deferred Share Units to Eligible Persons; (ii) interpret and administer the Plan; (iii) determine the terms of any Grant Agreement and any form required to be prescribed hereunder; (iv) have the power to delegate, on such terms as the Committee deems appropriate, any or all of its powers hereunder to any officer of the Corporation; (v) establish, amend and rescind any rules and regulations relating to the Plan; (vi) establish conditions to the vesting of Deferred Share Units; and (vii) make any other determinations that the Committee deems necessary or desirable for the administration of the Plan. The Committee may correct any defect or supply any omission or reconcile any inconsistency in the Plan, in the manner and to the extent the Committee deems, in its sole and absolute discretion, necessary or desirable. Any decision of the Committee with respect to the administration and interpretation of the Plan shall be conclusive and binding on the Participants.

To the extent that any Deferred Share Unit granted to a U.S. Participant is determined to constitute "nonqualified deferred compensation" within the meaning of Code Section 409A, such Deferred Share Unit shall be subject to such additional rules and requirements as specified by the Committee from time to time in order to comply with Code Section 409A. If any provision of the Plan contravenes Code Section 409A or could cause the U.S. Participant to incur any tax, interest or penalties under Code Section 409A, the Committee may, in its sole discretion and without the U.S. Participant's consent, modify such provision to (i) comply with, or avoid being subject to, Code Section 409A, or to avoid incurring taxes, interest or penalties under Code Section 409A, and otherwise (ii) maintain, to the maximum extent practicable, the original intent and economic benefit to the U.S. Participant of the applicable provision without materially increasing the cost to the Corporation or contravening Code Section 409A. However, the Corporation shall have no obligation to modify the Plan or any Deferred Share Unit and does not guarantee that Deferred Share Units will not be subject to taxes, interest and penalties under Code Section 409A.

### **2.2 Governing Law**

The Plan shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

### **2.3 Determination of Value if Common Shares Not Publicly Traded**

Should Common Shares no longer be publicly traded at the relevant time such that the Fair Market Value cannot be determined in accordance with the formula set out in the definition of that term, the Fair Market Value of a Common Share shall be determined by the Board in its sole discretion.

### **2.4 Taxes and Other Source Deductions**

The Corporation shall be authorized to deduct from any amount to be paid or credited hereunder any Applicable Withholdings in such manner as the Corporation determines, to the extent such Applicable Withholdings are not satisfied through the sale of Common Shares as provided in Section 3.5. The Committee may adopt and apply rules that in its opinion will ensure that the Corporation will be able to comply with applicable provisions of any federal, provincial, state or local law relating to the withholding of tax, including on the amount, if any, included in income of a Participant.

### **2.5 U.S. Participant**

Notwithstanding any other provision of the Plan to the contrary:

- (a) If at the time of Separation from Service the Corporation's stock is publicly traded on an established securities market or otherwise, each U.S. Participant who is a "specified employee" of the Corporation within the meaning of Section 409A(a)(2)(B)(i) of the Code and Treasury Regulation Section 1.409A-1(i), shall not receive any payment under the Plan until the first day of the seventh month following the date of such Participant's Separation from Service (or, if earlier, the date of death).

- (b) The acceleration of the time of any payment under the Plan is prohibited except as provided in Treasury Regulation Section 1.409A-3(j)(4) and administrative guidance promulgated under Section 409A of the Code.

### **Section 3. Deferred Share Units**

#### **3.1 Awards of Deferred Share Units**

The Board may grant Deferred Share Units to Eligible Persons in its sole discretion. The award of a Deferred Share Unit to an Eligible Person at any time shall neither entitle such Eligible Person to receive nor preclude such Eligible Person from receiving a subsequent grant of Deferred Share Units.

#### **3.2 Election to Defer Director Retainer**

- (a) Subject to the approval by the Board or the Committee, as applicable, an Eligible Person may elect to defer all or any portion of the retainer that would otherwise be received by the Eligible Person in cash, by electing to receive such retainer in the form of Deferred Share Units, by delivering to the Corporation an Election Notice not later than December 31 of the Fiscal Year preceeding the first date of any period in respect of which the retainer compensation would be earned. An Eligible Person who elects to defer retainer compensation by electing to receive such retainer in the form of Deferred Share Units will be awarded the number of Deferred Share Units determined by dividing the dollar amount of the director retainer compensation to be deferred by the Fair Market Value of a Common Share as at the Award Date. Elections pursuant to this Section, when made, shall be irrevocable and may not be made during a period when the Eligible Person is prohibited from trading in securities of the Corporation by the Corporation's disclosure and insider trading policy. If an election in respect of a Fiscal Year has not been or cannot be made by an Eligible Person, the election made by the Eligible Person in respect of the preceding Fiscal Year shall remain in effect.
- (b) Each grant of Deferred Share Units shall be evidenced by a Grant Agreement that sets forth the terms, conditions and limitations for each Deferred Share Unit and may include, without limitation, the vesting, conditions, settlement and terms of the Deferred Share Units and the provisions applicable in the event membership on the Board terminates, and shall contain such other terms that may be considered necessary in order that the Deferred Share Units comply with any provisions respecting Deferred Share Units in the Tax Act and other laws in force in any country or jurisdiction of which the Participant may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the Corporation.

#### **3.3 Crediting of Deferred Share Units and Dividend Deferred Share Units**

Deferred Share Units granted to a Participant shall be credited to the Participant's Share Unit Account on the Grant Date. From time to time, a Participant's Share Unit Account shall be credited with Dividend Deferred Share Units in the form of additional Deferred Share Units ("**Dividend Deferred Share Units**") in respect of outstanding Deferred Share Units on each dividend payment date in respect of which normal cash dividends are paid on Common Shares. Such Dividend Deferred Share Units shall be computed as:

- (b) the amount of the dividend declared and paid per Common Share multiplied by the number of Deferred Share Units recorded in the Participant's Share Unit Account on the date for the payment of such dividend, divided by
- (c) the Fair Market Value of a Common Share as at the dividend payment date.

#### **3.4 Redemption Date Notice**

Participants shall elect a Redemption Date for Deferred Share Units as follows:

- (a) Canadian Participants may elect at any time to redeem Vested Deferred Share Units on any date or dates during the period commencing on the date following the Termination Date and ending on or before the Expiry Date (the "**Redemption Date**"); and

- (b) U.S. Participants shall elect to redeem Vested Deferred Share Units on a fixed date or dates during the period commencing on the date following Redemption Date provided that such election must be irrevocably made prior to the earlier of: (i) receipt by the U.S. Participant of each award of Deferred Share Units; and (ii) the first day of the taxable year of the U.S. Participant in which the period over which the award is to be earned, begins. Notwithstanding the above, with respect to U.S. Participants, Redemption Date shall mean the later of (i) the date of the U.S. Participant's Separation from Service within the meaning of Section 409A or (ii) the date that the U.S. Participant has elected. For this purpose a "fixed date" may include any permissible payment event under Section 409A of the Code, for example, Separation from Service.

Provided that if the Participant does not elect a Redemption Date in respect of an award of Deferred Share Units, the Deferred Share Units shall be redeemed on the Expiry Date.

### 3.5 Redemption of Deferred Share Units

The Corporation shall redeem the Vested Deferred Share Units elected to be redeemed by the Participant on the earlier of the elected Redemption Date, the Expiry Date and the applicable dates set out in this Section 3 ("Applicable Date"), which, subject to the redemption terms set forth in the applicable Grant Agreement, if any, shall be in the sole and absolute discretion of the Corporation:

- (i) by the issuance of one Common Shares for each whole Vested Deferred Share Unit elected to be redeemed and delivering to the Participant (A) such number of Common Shares; less (B) the number of Common Shares with a Fair Market Value equal to the Applicable Withholdings;
- (ii) the Corporation purchasing on a stock exchange or marketplace the number of Common Shares equal to one Common Share for each whole Vested Deferred Share Unit elected to be redeemed and delivering to the Participant (A) such number of Common Shares; less (B) the number of Common Shares with a Fair Market Value equal to the Applicable Withholdings;
- (iii) by paying to the Participant an amount (the "**Share Unit Amount**") equal to: (A) the number of Vested Deferred Share Units elected to be redeemed multiplied by (B) the Fair Market Value minus (C) Applicable Withholdings; or
- (iv) a combination of (i), (ii) and (iii).

In the case of a redemption under section (i) or (ii), the number of Common Shares with a Fair Market Value equal to the Applicable Withholdings may be sold on behalf of the Participant and the net proceeds of such sale remitted by the Corporation to the appropriate taxation authorities. The Common Shares shall be issued and/or the Share Unit Amount shall be paid as a lump-sum by the Corporation within ten business days of the Applicable Date.

If the Corporation redeems the Vested Deferred Share Units by delivering Common Shares purchased by the Corporation on a stock exchange or marketplace then prior to 11:00 a.m. on the Applicable Date or, where the Applicable Date is not a trading day for Common Shares on the applicable stock exchange or marketplace, on the next such trading day, the Corporation shall notify a broker or other person designated by the Participant who shall be independent from the Corporation and who has the proper permits, licenses and authorizations to purchase Common Shares through a stock exchange or marketplace (the "**Broker**"), as to:

- (i) the number of whole Common Shares to be purchased by the Broker on behalf of the Participant on the applicable stock exchange or marketplace, as of that Applicable Date, which number shall be equal to one Common Share for each whole Vested Deferred Share Unit elected to be redeemed less the number of Common Shares with a Fair Market Value equal to the Applicable Withholdings; or
- (v) the amount available to purchase Common Shares on behalf of the Participant which amount shall be equal to (A) the number of Vested Deferred Share Units elected to be redeemed multiplied by (B) the Fair Market Value minus (C) Applicable Withholdings.

As soon as practicable thereafter, the Broker shall purchase on the applicable stock exchange or marketplace the number of whole Common Shares required to be purchased by the Broker. The Corporation shall for this purpose (i) reimburse the Broker for its costs of purchasing such Common Shares, or (ii) provide to the Broker the amount necessary to purchase such Common Shares.

If the Corporation redeems the Vested Deferred Share Units by delivering Common Shares as provided for herein and an amount remains payable to the Participant such amount shall be paid in cash to the Participant. For certainty, if the Corporation would otherwise be required to deliver a fractional number of Common Shares to a Participant, such number of Common Shares to be delivered by the Corporation shall be rounded down to the nearest whole Common Share.

### **3.6 Effect of Redemption of Deferred Share Units.**

A Participant shall have no further rights respecting any Vested Deferred Share Unit which has been redeemed in accordance with the Plan.

### **3.7 Reporting of Deferred Share Units**

Statements of the Share Unit Accounts will be made available to Participants at least annually.

### **3.8 Vesting Date**

Each Deferred Share Unit shall vest (become a “**Vested Deferred Share Unit**”) on the Vesting Date, conditional on the satisfaction of any additional vesting conditions established by the Committee from time to time. Dividend Deferred Share Units shall vest at the same time and in the same proportion as the associated Deferred Share Units.

### **3.9 Director Resigning or Not Being Re-Elected to the Board**

If a Participant resigns or is not re-elected to the Board, all the Participant’s Deferred Share Units and related Dividend Deferred Share Units shall vest immediately prior to the Participant’s Termination Date.

## **Section 4. General**

### **4.1 Capital Adjustments**

In the event of any stock dividend, stock split, combination or exchange of shares, merger, consolidation, spin-off or other distribution (other than normal cash dividends) of the Corporation’s assets to shareholders, or any other change in the capital of the Corporation affecting Common Shares, the Committee will make such proportionate adjustments, if any, as the Committee in its discretion may deem appropriate to reflect such change (for the purpose of preserving the value of the Deferred Share Units), with respect to (i) the number or kind of shares or other securities on which the Deferred Share Units and Dividend Deferred Share Units are based; and (ii) the number of Deferred Share Units and Dividend Deferred Share Units; provided, however, that no substitution or adjustment will obligate the Corporation to issue or sell fractional shares.

### **4.2 Amendment, Suspension, or Termination of Plan**

The Board may amend, suspend or terminate the Plan, or any portion thereof, at any time, subject to those provisions of applicable law (including, without limitation, the rules, regulations and policies of the Toronto Stock Exchange), if any, that require the approval of shareholders or any governmental or regulatory body.

Subject to applicable laws, the Board may from time to time, in its absolute discretion and without the approval of the shareholders of the Corporation, make the following amendments to the Plan or any Deferred Share Unit:

- (a) any amendment to the vesting provisions of the Plan and any Grant Agreement, including to accelerate, conditionally or otherwise, on such terms as it sees fit, the vesting date of a Deferred Share Unit;

- (b) any amendment to the Plan or a Deferred Share Unit as necessary to comply with applicable law or the requirements of the applicable stock exchange or any other regulatory body having authority over the Corporation, the Plan or the shareholders of the Corporation;
- (c) any amendment to the Plan and any Grant Agreement to permit the conditional redemption of any Deferred Share Unit;
- (d) any amendment of a "housekeeping" nature, including, without limitation, to clarify the meaning of an existing provision of the Plan, correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan, correct any grammatical or typographical errors or amend the definitions in the Plan regarding administration of the Plan;
- (e) any amendment respecting the administration of the Plan; and
- (f) any other amendment that does not require the approval of the shareholders of the Corporation.

Shareholder approval will be required for the following amendments:

- (a) amendments to the number of Common Shares issuable under the Plan, including an increase to a fixed maximum percentage of Common Shares, or a change from a fixed maximum percentage of Common Shares to a fixed maximum number of Common Shares;
- (b) any amendment expanding the categories of Eligible Person which would have the potential of broadening or increasing insider participation;
- (c) any amendment extending the term of a Deferred Share Unit or any rights pursuant thereto held by an insider beyond its original Expiry Date;
- (d) the addition of any other provision which results in Participants receiving Common Shares (other than by way of a redemption of Vested Deferred Share Units in accordance with the terms hereof) while no cash consideration is received by the Corporation;
- (e) amendments to this Section 4.2; and
- (f) amendments required to be approved by shareholders under applicable law (including, without limitation, the rules, regulations and policies of the Toronto Stock Exchange).

If this Plan is terminated, the provisions of this Plan and any administrative guidelines, and other rules adopted by the Board and in force at the time of this Plan, will continue in effect as long as a Deferred Share Unit or any rights pursuant thereto remain outstanding. However, notwithstanding the termination of the Plan, the Board may make any amendments to the Plan or the Deferred Share Units it would be entitled to make if the Plan were still in effect.

The Board may amend or modify any outstanding Deferred Share Unit in any manner to the extent that the Board would have had the authority to initially grant the award as so modified or amended; provided that, where such amendment or modification is materially adverse to the Participant, the consent of the Participant is required to effect such amendment or modification. Notwithstanding the foregoing, any termination of the Plan shall be such that the Plan continuously meets the requirements of paragraph 6801(d) of the regulations under the Tax Act.

#### **4.3 Non-Exclusivity**

Nothing contained herein will prevent the Board from adopting other or additional compensation arrangements for the benefit of any Participant, subject to any required regulatory or shareholder approval.

#### **4.4 Change of Control**

In the event of a Change of Control, the Board may make such provision for the protection of the rights of the Participants as the Board in its discretion considers appropriate in the circumstances, including, providing or conditionally providing for substitute rights in the continuing entity.

#### **4.5 Unfunded Plan**

Unless otherwise determined by the Board, the Plan shall remain an unfunded obligation of the Corporation, as the case may be. The Corporation's obligations hereunder shall constitute general, unsecured obligations, payable solely out of their general revenues and no Participant or permitted assigns shall have any right to any specific assets of the Corporation or any Affiliate. Neither the Corporation, any Affiliate, nor the Board or Committee shall be deemed to be a trustee of any Common Shares to be issued pursuant to the Plan. No liability or obligation of the Corporation or any Affiliate shall be deemed to be secured by any pledge of, or encumbrance on, any property of the Corporation or any Affiliate.

#### **4.6 Successors and Assigns**

The Plan shall be binding on all successors and assigns of the Corporation and each Participant, including without limitation, the legal representative of a Participant, or any receiver or trustee in bankruptcy or representative of the creditors of a Corporation or a Participant.

#### **4.7 Transferability of Awards**

Rights respecting Deferred Share Units and Dividend Deferred Share Units shall not be transferable or assignable other than by will or the laws of descent and distribution.

#### **4.8 No Special Rights**

Nothing contained in the Plan or in any Deferred Share Unit or Dividend Deferred Share Unit will confer upon any Participant any right to be nominated as a non-executive director of the Corporation or interfere in any way with the right of the Corporation at any time to accept the resignation of the Participant or not nominate the Participant for election as a non-executive director of the Corporation. Deferred Share Units and Dividend Deferred Share Units shall not be considered Common Shares nor shall they entitle any Participant to exercise voting rights or any other rights attaching to the ownership of Common Shares, nor shall any Participant be considered the owner of Common Shares by virtue of his ownership of Deferred Share Units or Dividend Deferred Share Units.

#### **4.9 Tax Consequences**

It is the responsibility of the Participant to complete and file any tax returns which may be required under Canadian, U.S. or other applicable jurisdiction's tax laws within the periods specified in those laws as a result of the Participant's participation in the Plan. The Corporation shall be held responsible for any tax consequences to a Participant as a result of the Participant's participation in the Plan.

#### **4.10 No Liability**

The Corporation shall not be liable to any Participant for any loss resulting from a decline in the market value of any Common Shares.

#### **4.11 Severability**

If any provision of the Plan is determined to be void or unenforceable in whole or in part, such determination will not affect the validity or enforcement of any other provision thereof.

**SCHEDULE A**

**HARTE GOLD CORP. DEFERRED SHARE UNIT PLAN  
GRANT AGREEMENT FOR DEFERRED SHARE UNITS**

**[Name of Director]** (the "Participant")

Pursuant to the Harte Gold Corp. Deferred Share Unit Plan effective ● (the "Plan"), and in consideration of services provided to the Corporation by the Participant, Harte Gold Corp. hereby grants to the Participant \_\_\_ Deferred Share Units under the Plan.

All capitalized terms not defined in this Grant Agreement have the meaning set out in the Plan. No cash or other compensation shall at any time be paid in respect of any Deferred Share Units or Dividend Deferred Share Units which have been forfeited or terminated under the Plan or on account of damages relating to any Deferred Share Units or Dividend Deferred Share Units which have been forfeited or terminated under the Plan.

The Vesting Date for this award is the Grant Date.

The Expiry Date of the award is December 15 of the first calendar year commencing after the Participant resigns or is not re-elected as a non-executive director of the Corporation and also has ceased to hold any other position with the Corporation.

Subject to any provisions to the contrary in an Election Notice, Harte Gold Corp. and the Participant understand and agree that the granting and redemption of these Deferred Share Units and any related Dividend Deferred Share Units are subject to the terms and conditions of the Plan, a copy of which has been provided to the Participant, all of which are incorporated into and form a part of this Grant Agreement. For greater certainty, the Participant authorizes the sale of a sufficient number of Common Shares to pay Applicable Withholdings on the redemption of any Deferred Share Units.

DATED ●.

**HARTE GOLD CORP.**

Per: \_\_\_\_\_

I agree to the terms and conditions set out herein.

\_\_\_\_\_

Name:

**SCHEDULE B**

**HARTE GOLD CORP. DEFERRED SHARE UNIT PLAN**

**ELECTION NOTICE FOR DEFERRED SHARE UNITS**

To: Harte Gold Corp.

Pursuant to the Harte Gold Corp. Deferred Share Unit Plan effective ● (the "Plan"), the undersigned hereby elects to receive

- \_\_\_\_\_ %;
- \$ \_\_\_\_\_; or
- All of the Participant's retainer excess of \$ \_\_\_\_\_

of the undersigned's director retainer in respect of the year ending December 31, ●, in the form of Deferred Share Units under the Plan. This election is irrevocable for such year's retainer.

Notwithstanding any other provision of the Plan or the Grant Agreement, the Deferred Share Units awarded pursuant to this Election Notice will vest immediately.

All capitalized terms not defined in this Election Notice have the meaning set out in the Plan. No cash or other compensation shall at any time be paid in respect of any Deferred Share Units or Dividend Deferred Share Units which have been forfeited or terminated under the Plan or on account of damages relating to any Deferred Share Units or Dividend Deferred Share Units which have been forfeited or terminated under the Plan.

Subject to any provisions to the contrary in this Election Notice, Harte Gold Corp. and the Participant understand and agree that the granting and redemption of these Deferred Share Units are subject to the terms and conditions of the Plan, a copy of which has been provided to the Participant, all of which are incorporated into and form a part of this Election Notice.

DATED \_\_\_\_\_

Name:

**SCHEDULE C  
HARTE GOLD CORP. DEFERRED SHARE UNIT PLAN**

**REDEMPTION NOTICE**

To: Harte Gold Corp.

Pursuant to Harte Gold Corp. Deferred Share Unit Plan effective ● (the "Plan"), the undersigned hereby elects to redeem \_\_\_\_\_ of the undersigned's Vested Deferred Share Units and related Dividend Deferred Share Units on \_\_\_\_\_.  
[date]

The undersigned elects to redeem \_\_\_\_\_% of the Vested Deferred Share Units and related Dividend Deferred Share Units by receiving the Share Unit Amount, subject to the consent of the Corporation.

All capitalized terms not defined in this Redemption Notice have the meaning set out in the Plan. No cash or other compensation shall at any time be paid in respect of any Deferred Share Units or Dividend Deferred Share Units which have been forfeited or terminated under the Plan or on account of damages relating to any Deferred Share Units or Dividend Deferred Share Units which have been forfeited or terminated under the Plan.

The undersigned understands and agrees that the granting and redemption of these Deferred Share Units are subject to the terms and conditions of the Plan which are incorporated into and form a part of this Redemption Notice.

DATED \_\_\_\_\_

Name:

## **APPENDIX C - PERFORMANCE AND RESTRICTED SHARE UNIT PLAN**

See attached.

**HARTE GOLD CORP.  
PERFORMANCE AND RESTRICTED SHARE UNIT PLAN**

**Section 1. Interpretation and Administrative Provisions**

**1.1 Purpose**

The purposes of this Plan are to: (i) support the achievement of the Corporation's performance objectives; (ii) ensure that interests of key persons are aligned with the long term success of the Corporation and the creation of value for its shareholders; (iii) provide compensation opportunities to attract, retain and motivate officers and employees critical to the long-term success of the Corporation; and (iv) mitigate excessive risk taking by the Corporation's key employees.

**1.2 Definitions**

For the purposes of the Plan, the following terms have the following meanings:

**"Adjustment Factor"** means the Adjustment Factor set out in the Grant Agreement for an award of Performance Share Units.

**"Affiliate"** means any entity that is an "affiliate" for purposes of the Canadian Securities Administrators National Instrument 45-106 Prospectus Exemptions, as amended from time to time or any other entity designated by the Board to be an affiliate for the purposes of the Plan from time to time.

**"Applicable Date"** has the meaning set out in Section 3.5(a).

**"Applicable Withholdings"** means all income taxes and statutory amounts required to be withheld by a Participating Company in respect of any Share Unit Amounts.

**"Award Date"** means the date that incentive compensation is paid to a Participant under the Corporation's annual incentive plan.

**"Board"** means the board of directors of the Corporation.

**"Broker"** has the meaning set out in Section 3.5(b).

**"Canadian Participant"** means any Participant who is not a U.S. Participant and who is a Canadian resident for tax purposes.

**"Cause"** has the meaning set out in the employment agreement of the Participant, if applicable, and otherwise means (1) unless resulting from disability, the Participant's material breach of any terms of the Participant's employment agreement, if such material breach has not been cured within thirty (30) days following written notice of such breach to the Participant from the Corporation setting forth with specificity the nature of the breach or, if cure cannot reasonably be effected within such 30-day period, if the Participant does not commence to cure the breach within such 30-day period and thereafter pursue such cure continuously and with due diligence until cure has been fully effected; (2) the Participant's willful dishonesty towards, fraud upon, crime against, bad faith action with respect to or deliberate or attempted injury to the Corporation, or gross misconduct or material noncompliance with the Corporation's policies and procedures which is materially injurious to the Corporation; (3) the Participant's conviction of any indictable offense pursuant to the Criminal Code of Canada (whether in connection with the Corporation's affairs or otherwise); (4) the Participant's failure to comply with any lawful directive of the Board, the failure to comply with which is stated in such directive to be grounds for termination; or (5) any other misconduct which constitutes cause pursuant to the common law.

**"Change of Control"** means the occurrence of any of the following events:

- (a) any person, entity or group of persons or entities, acting jointly or in concert, is or becomes the beneficial owner, directly or indirectly, of more than fifty percent (50%) of the then outstanding voting stock of the Corporation (excluding ANR Investments B.V.);
- (b) the shareholders of the Corporation approve a merger, arrangement, restructuring, reorganization, consolidation or amalgamation (a “**Transaction**”) of the Corporation with any other company, other than a Transaction which would result in the voting securities of the Corporation outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) at least forty percent (40%) of the combined voting power of the voting securities of the combined company or such surviving entity outstanding immediately after such merger, consolidation or amalgamation;
- (c) the shareholders approve a plan of complete liquidation of the Corporation or the sale or disposition by the Corporation of all or substantially all of its assets in one or a series of related transactions; or
- (d) the Board, by resolution duly adopted by the affirmative vote of a simple majority of the votes cast by the Board, determines that for purposes of this Plan, a Change of Control of the Corporation has occurred.

“**Code**” means the U.S. Internal Revenue Code of 1986, as amended from time to time and the Treasury Regulations promulgated thereunder.

“**Committee**” means the Compensation Committee of the Board or such other committee as the Board designates from time to time to administer this plan and in the absence of such a delegation means the Board.

“**Common Share**” means a common share of the Corporation.

“**Corporation**” means Harte Gold Corporation, and includes any successor corporation thereof, and such of its Affiliates as are designated by the Board from time to time.

“**Disability**” means the termination of the Participant’s employment at a time when the Participant is eligible for long-term disability benefits under the Corporation’s long term disability program.

“**Dividend Performance Share Unit**” has the meaning set out in Section 3.3.

“**Dividend Restricted Share Unit**” has the meaning set out in Section 3.3.

“**Dividend Share Unit**” means a Dividend Performance Share Unit or a Dividend Restricted Share Unit.

“**Effective Date**” has the meaning set out in Section 1.3.

“**Election Notice**” means a notice substantially in the form set out as Schedule C, as amended by the Committee from time to time.

“**Eligible Person**” means any employee or officer of a Participating Company and includes any such person who is on a leave of absence authorized by a Participating Company (which shall include all statutory leaves of absence).

“**Expiry Date**” means the Expiry Date set out in the Grant Agreement.

“**Exchange**” means the Toronto Stock Exchange and, where the context permits, any other exchange on which the Common Shares are listed from time to time.

“**Fair Market Value**” means the volume weighted average trading price of a Common Share of the Corporation on the Exchange for the 5 trading days immediately preceding the Applicable Date (calculated as the total value of Common Shares traded over the 5 day trading period divided by the total number of Common Shares traded over the 5 day trading period). In the event that the Common Shares are not listed and posted for trading on any stock exchange, the Fair Market Value shall be determined in accordance with Section 2.3.

**“Harte Gold Performance”** for each Performance Period means, unless otherwise determined by the Committee: (i) the Value of a Common Share on the last day of the Performance Period; minus (ii) the Value of a Common Share on the first day of the Performance Period; plus (iii) the amount of all dividends declared on a Common Share during the Performance Period; with the sum of (i), (ii) and (iii) divided by (iv) the Value of a Common Share on the first day of the Performance Period.

**“Grant Agreement”** means an agreement substantially in the form set out as Schedule A, in the case of Performance Share Units and substantially in the form set out as Schedule B, in the case of Restricted Share Units, each as amended by the Committee from time to time.

**“Grant Date”** means the date the Board completes all requisite actions required to approve the grant of a Share Unit.

**“Grant Term”** has the meaning set out in the Grant Agreement for Restricted Share Units.

**“Insider”** means a “reporting insider” as defined in National Instrument 55-104 – *Insider Reporting Requirements and Exemptions*.

**“Participant”** means any Eligible Person to whom a Share Unit is granted.

**“Participating Company”** means the Corporation, and such of its Affiliates as are designated by the Board from time to time.

**“Peer Company”** means each company in the Peer Group.

**“Peer Group”** means that group of companies determined by the Committee for a Performance Period and set out in the Grant Agreement. The Peer Group for an outstanding award of Performance Share Units may be amended by the Committee from time to time during the Performance Period, to reflect material changes to the Corporation or any member of the Peer Group.

**“Peer Group Performance”** for each Performance Period means, unless otherwise determined by the Committee, for each Peer Company: (i) the Value of a common share of the Peer Company as at the last day of the Performance Period; minus (ii) the Value of a common share of the Peer Company on the first day of the Performance Period; plus (iii) the amount of all dividends declared on a common share of the Peer Company during the Performance Period; with the sum of (i), (ii) and (iii) divided by (iv) the Value of a common share of the Peer Company on the first day of the Performance Period.

**“Performance Period”** means the three year period commencing January 1 of the calendar year in respect of which a grant of Performance Share Units is made and ending on December 31 of the second year following the year in respect of which the grant of Performance Share Units is made.

**“Performance Share Unit”** means a right granted to an Eligible Person to receive, as set out in the Plan, a Common Share or, at the election of the Participant and subject to the Corporation’s consent, the Share Unit Amount, based on the achievement of the performance criteria set out in the applicable Grant Agreement.

**“Plan”** means this 2020 Performance and Restricted Share Unit Plan, as amended, restated or supplemented from time to time.

**“Redemption Date”** means the date elected by a Canadian Participant pursuant to Section 3.4(a) or, as applicable, the date elected by a U.S. Participant pursuant to section 3.4(b).

**“Redemption Notice”** mean a notice substantially in the form set out as Schedule D, as amended by the Committee from time to time

**“Relative Performance”** for each Performance Period means, unless otherwise determined by the Committee, the percentile ranking of the Harte Gold Performance relative to the Peer Group Performance of the Peer Group.

**“Restricted Share Unit”** means a right granted to an Eligible Person to receive, as set out in the Plan, a Common Share or, at the election of the Participant and subject to the Corporation’s consent, the Share Unit Amount.

**“Retirement”** means the cessation of the employment of a Participant with the Participating Company which is deemed to be a retirement by a resolution of the Committee in its sole discretion.

**“Security Based Compensation Arrangement”** means any stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism of the Corporation involving the issuance or potential issuance of Common Shares from treasury, including a share purchase from treasury which is financially assisted by the Corporation by way of a loan, guarantee or otherwise, including without limitation this Plan, but excludes any compensation or incentive mechanism of the Corporation involving the issuance or potential issuance of Common Shares in accordance with the rules of the Exchange, as applicable.

**“Separation from Service”** means, with respect to a U.S. Participant, any event that may qualify as a separation from service under Treasury Regulation Section 1.409A-1(h). A U.S. Participant shall be deemed to have separated from service if he dies, retires, or otherwise has a termination of employment as defined under Treasury Regulation Section 1.409A-1(h).

**“Share Unit”** means a Performance Share Unit or a Restricted Share Unit.

**“Share Unit Account”** means the notional account maintained for each Participant to which Share Units are credited.

**“Share Unit Amount”** has the meaning set out in Section 3.5.

**“Termination Date”** means the date a Participant ceases to be an Eligible Person and does not include any period of statutory, contractual or reasonable notice of termination of employment or any period of salary continuance or deemed employment.

**“Treasury Regulations”** means the Treasury Regulations promulgated under the Code.

**“U.S. Participant”** means any Participant who is a United States citizen or United States resident alien as defined for purposes of Code Section 7701(b)(1)(A).

**“Value”** means the closing price of a Common Share or a common share of a Peer Company, as applicable, on the principal stock exchange on which such common share is traded on the applicable day.

**“Vested Performance Share Unit”** has the meaning set out in Section 4.2.

**“Vested Restricted Share Unit”** has the meaning set out in Section 5.1.

**“Vested Share Unit”** means a Vested Performance Share Unit or a Vested Restricted Share Unit.

**“Vesting Date”** means the date or dates set out in the Grant Agreement, or such earlier date as is provided for in the Plan or is determined by the Committee.

Where the context so requires, words importing the singular number include the plural and vice versa, and words importing the masculine gender include the feminine and neuter genders.

### **1.3 Effective Date of Plan**

The Plan shall become effective upon its adoption by the Board and receipt of required regulatory and shareholder approval, as of June 24, 2020. The Plan shall terminate on the date determined by the Board pursuant to Section 6.3

hereof and no Share Units may be awarded under the Plan after the date of termination, but such termination shall not affect any Share Units which became effective pursuant to the Plan prior to such termination.

#### **1.4 Common Shares Reserved for Issuance**

- (a) The maximum number of Common Shares available for issuance under this Plan and all other Security Based Compensation Arrangements shall not exceed 10% of the total number of Common Shares issued and outstanding from time to time on a non-diluted basis, provided that Common Shares reserved for issuance pursuant to Share Units which are cancelled or terminated without having been redeemed will again be available for issuance under this Plan and also provided that the Common Shares underlying Share Units which are redeemed for cash or through the purchase of shares on the market will be available for issuance under this Plan. For greater certainty, any increase in the issued and outstanding Common Shares will result in an increase in the available number of Common Shares issuable under the Plan.
- (b) Notwithstanding the foregoing, the aggregate number of Common Shares in respect of which Share Units have been granted and remain outstanding under the Plan shall not at any time, when taken together with all Security Based Compensation Arrangements then either in effect or proposed, result in:
  - (i) the number of Common Shares reserved for issuance to Insiders exceeding 10% of the issued and outstanding Common Shares; or
  - (ii) the issuance to Insiders, within a one-year period, of a number of Common Shares exceeding 5% of the issued and outstanding Common Shares.

For the purposes of this Section 1.4(b), the number of issued and outstanding Common Shares shall be determined on a non-diluted basis.

- (c) Notwithstanding the foregoing, the aggregate number of Common Shares in respect of which Share Units have been granted and remain outstanding under the Plan may exceed the limits specified in this Section 1.4, provided that all necessary regulatory and shareholder approvals are obtained not later than the next following annual general meeting of the shareholders and provided that no Common Shares may be issued in respect of Share Units granted prior to such approvals.

## **Section 2. Administration**

### **2.1 Administration of the Plan**

Subject to the Committee reporting to the Board on all matters relating to this Plan and obtaining approval of the Board for those matters required by the Committee's mandate, this Plan will be administered by the Committee which has the sole and absolute discretion to: (i) recommend to the Board grants of Share Units to Eligible Persons; (ii) interpret and administer the Plan; (iii) determine the terms of any Grant Agreement and any form required to be prescribed hereunder; (iv) have the power to delegate, on such terms as the Committee deems appropriate, any or all of its powers hereunder to any officer of the Corporation; (v) establish, amend and rescind any rules and regulations relating to the Plan; (vi) determine which Participating Company will grant Share Units; (vii) establish conditions to the vesting of Share Units; (viii) set, waive and amend performance targets; and (ix) make any other determinations that the Committee deems necessary or desirable for the administration of the Plan. The Committee may correct any defect or supply any omission or reconcile any inconsistency in the Plan, in the manner and to the extent the Committee deems, in its sole and absolute discretion, necessary or desirable. Any decision of the Committee with respect to the administration and interpretation of the Plan shall be conclusive and binding on the Participants.

To the extent that any Share Unit granted to a U.S. Participant is determined to constitute "nonqualified deferred compensation" within the meaning of Code Section 409A, such Share Unit shall be subject to such additional rules and requirements as specified by the Committee from time to time in order to comply with Code Section 409A. If any provision of the Plan contravenes Code Section 409A or could cause the U.S. Participant to incur any tax, interest or penalties under Code Section 409A, the Committee may, in its sole discretion and without the U.S. Participant's consent, modify such provision to (i) comply with, or avoid being subject to, Code Section 409A, or to avoid incurring taxes, interest or penalties under Code Section 409A, and otherwise (ii) maintain, to the maximum extent practicable,

the original intent and economic benefit to the U.S. Participant of the applicable provision without materially increasing the cost to the Corporation or contravening Code Section 409A. However, the Corporation shall have no obligation to modify the Plan or any Share Unit and does not guarantee that Share Units will not be subject to taxes, interest and penalties under Code Section 409A.

## **2.2 Governing Law**

The Plan shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

## **2.3 Determination of Value if Common Shares Not Publicly Traded**

Should Common Shares no longer be publicly traded at the relevant time such that the Fair Market Value cannot be determined in accordance with the formula set out in the definition of that term, the Fair Market Value of a Common Share shall be determined by the Board in its sole discretion.

## **2.4 Taxes and Other Source Deductions**

A Participating Company shall be authorized to deduct from any amount to be paid or credited hereunder any Applicable Withholdings in such manner as the Corporation determines, to the extent such Applicable Withholdings are not satisfied through the sale of Common Shares as provided in Section 3.5. The Committee may adopt and apply rules that in its opinion will ensure that the Corporation will be able to comply with applicable provisions of any federal, provincial, state or local law relating to the withholding of tax, including on the amount, if any, included in income of a Participant.

## **2.5 U.S. Participant**

Notwithstanding any other provision of the Plan to the contrary, to the extent that a Share Unit is “nonqualified deferred compensation” within the meaning of Code Section 409A:

- (a) If at the time of Separation from Service the Corporation’s stock is publicly traded on an established securities market or otherwise, each U.S. Participant who is a “specified employee” of a Participating Company within the meaning of Section 409A(a)(2)(B)(i) of the Code and Treasury Regulation Section 1.409A-1(i), shall not receive any payment with respect to the Share Unit as a result of such Separation from Service until the first day of the seventh month following the date of such Participant’s Separation from Service (or, if earlier, the date of death).
- (b) The acceleration of the time of any payment with respect to such Share Unit is prohibited except as provided in Treasury Regulation Section 1.409A-3(j)(4) and administrative guidance promulgated under Section 409A of the Code.

## **Section 3. Share Units**

### **3.1 Awards of Share Units**

The Board may grant Share Units to Eligible Persons in its sole discretion. The award of a Share Unit to an Eligible Person at any time shall neither entitle such Eligible Person to receive nor preclude such Eligible Person from receiving a subsequent grant of Share Units and shall not restrict in any way the right of any Participating Company to terminate the Eligible Person’s employment.

### **3.2 Election to Defer Annual Incentive Compensation**

Subject to the approval by the Board or the Committee, as applicable, an Eligible Person may elect to defer all or a portion of compensation to be received under the Corporation’s annual incentive plan, by electing to receive such compensation in the form of Restricted Share Units, by delivering to the Corporation an Election Notice not later than December 31 of the year preceeding the first date of any period of services over which any compensation to be received under the annual incentive plan would be earned. An Eligible Person who elects to defer incentive compensation by electing to receive such compensation in the form of Restricted Share Units will be awarded the number of Restricted Share Units determined by dividing the dollar amount of incentive compensation to be deferred by the Fair Market

Value of a Common Share as at the Award Date. Elections pursuant to this section, when made, shall be irrevocable and may not be made during a period when the Eligible Person is prohibited from trading in securities of the Corporation by the Corporation's disclosure and insider trading policy.

### 3.3 Crediting of Share Units and Dividend Share Units

Share Units granted to a Participant shall be credited to the Participant's Share Unit Account on the Grant Date. Each grant of Share Units must be confirmed by a Grant Agreement that may be acknowledged electronically by the Participant. From time to time, a Participant's Share Unit Account shall be credited with Dividend Share Units in the form of additional Performance Share Units ("Dividend Performance Share Units") in respect of outstanding Performance Share Units or additional Restricted Share Units ("Dividend Restricted Share Units") in respect of outstanding Restricted Share Units on each dividend payment date in respect of which normal cash dividends are paid on Common Shares. Such Dividend Share Units shall be computed as:

- (a) the amount of the dividend declared and paid per Common Share multiplied by the number of Performance Share Units and Restricted Share Units, as applicable, recorded in the Participant's Share Unit Account on the date for the payment of such dividend, divided by
- (b) the Fair Market Value of a Common Share as at the dividend payment date.

### 3.4 Redemption Date Notice

Participants shall elect a Redemption Date for Share Units as follows:

- (a) Canadian Participants may elect at any time to redeem Vested Share Units on any date or dates after the date the Share Units become Vested Share Units and on or before the Expiry Date (the "**Redemption Date**"); and
- (b) U.S. Participants may elect to redeem Vested Share Units on a fixed date or dates after the date the Share Units become Vested Share Units and on or before the Expiry Date provided that such election must be irrevocably made prior to the earlier of: (i) receipt by the U.S. Participant of each award of Share Units; and (ii) the first day of the taxable year of the U.S. Participant in which the Performance Period, or other period over which the awards is to be earned and vests, begins. In such event, the Redemption Date shall be the later of (A) the date on which the Share Units became Vested Share Units, and (B) the earlier of (i) the Redemption Date selected the U.S. Participant in accordance with the preceding sentence, (ii) the date of the U.S. Participant's Separation From Service, or (iii) a Change of Control (if also a change of control for purposes of Section 409A of the Code). In the event the U.S. Participant does not make an election to defer redemption of the Vested Share Units to a date after the date on which the Share Units become Vested Share Units, then the Vested Share Units shall be redeemed within thirty (30) days of the date on which they became Vested Share Units;

provided that the Participant will continue to meet any share ownership requirements applicable to the Participant following the redemption or will hold the Common Shares received on the redemption to meet any applicable share ownership requirements, and provided also that if the Participant (other than a U.S. Participant) does not elect a Redemption Date in respect of an award of Share Units, the Share Units shall be redeemed on the Expiry Date.

### 3.5 Redemption of Share Units

1. The Corporation shall redeem the Vested Share Units elected to be redeemed by the Participant on the earlier of the elected Redemption Date, the Expiry Date and the applicable dates set out in Section 4 (in the case of Performance Share Units) and Section 5 (in the case of Restricted Share Units) (each, an "**Applicable Date**"), which, subject to the redemption terms set forth in the applicable Grant Agreement, if any, shall be in the sole and absolute discretion of the Corporation by:
  - (i) issuing to the Participant the number of Common Shares equal to one Common Share for each whole Vested Share Unit elected to be redeemed and delivering to the Participant (A) such number of Common Shares; less (B) the number of Common Shares with a Fair Market Value equal to the Applicable Withholdings;

- (ii) purchasing on a stock exchange or marketplace the number of Common Shares equal to one Common Share for each whole Vested Share Unit elected to be redeemed and delivering to the Participant (A) such number of Common Shares; less (B) the number of Common Shares with a Fair Market Value equal to the Applicable Withholdings;
- (iii) paying to the Participant an amount (the “**Share Unit Amount**”) equal to: (A) the number of Vested Share Units elected to be redeemed multiplied by (B) the Fair Market Value minus (C) Applicable Withholdings; or
- (iv) a combination of (i), (ii) and (iii).

In the case of a redemption under section (i) or (ii), the number of Common Shares with a Fair Market Value equal to the Applicable Withholdings shall be sold on behalf of the Participant and the net proceeds of such sale remitted by the Corporation to the appropriate taxation authorities. The Common Shares shall be issued and/or the Share Unit Amount shall be paid as a lump-sum by the Corporation within ten business days of the Applicable Date.

2. If the Corporation redeems the Vested Share Units by delivering Common Shares purchased by the Corporation on a stock exchange or marketplace then prior to 11:00 a.m. on the Applicable Date or, where the Applicable Date is not a trading day for Common Shares on the applicable stock exchange or marketplace, on the next such trading day, the Corporation shall notify a broker or other person designated by the Participant who shall be independent from the Corporation and who has the proper permits, licenses and authorizations to purchase Common Shares through a stock exchange or marketplace (the “Broker”), as to:
  - (i) the number of whole Common Shares to be purchased by the Broker on behalf of the Participant on the applicable stock exchange or marketplace, as of that Applicable Date, which number shall be equal to one Common Share for each whole Vested Share Unit elected to be redeemed less the number of Common Shares with a Fair Market Value equal to the Applicable Withholdings; or
  - (ii) the amount available to purchase Common Shares on behalf of the Participant which amount shall be equal to (A) the number of Vested Share Units elected to be redeemed multiplied by (B) the Fair Market Value minus (C) Applicable Withholdings.

As soon as practicable thereafter, the Broker shall purchase on the applicable stock exchange or marketplace the number of whole Common Shares required to be purchased by the Broker. The Corporation shall for this purpose (i) reimburse the Broker for its costs of purchasing such Common Shares, or (ii) provide to the Broker the amount necessary to purchase such Common Shares.

3. If the Corporation redeems the Vested Share Units by delivering Common Shares as provided for herein and an amount remains payable to the Participant such amount shall be paid in cash to the Participant. For certainty, if the Corporation would otherwise be required to deliver a fractional number of Common Shares to a Participant, such number of Common Shares to be delivered by the Corporation shall be rounded down to the nearest whole Common Share.

### **3.6 Effect of Redemption of Share Units.**

A Participant shall have no further rights respecting any Vested Share Unit which has been redeemed in accordance with the Plan.

### **3.7 Reporting of Share Units**

Statements of the Share Unit Accounts will be made available to Participants at least annually.

## **Section 4. Performance Share Units**

### **4.1 Date of Crediting and Vesting Date**

The Performance Share Units shall be credited to the Share Unit Account of a Participant as of the date specified by the Committee. The Performance Share Units shall vest on the Vesting Date, conditional on the satisfaction of any

additional vesting conditions established by the Committee from time to time. Dividend Performance Share Units shall vest at the same time and in the same proportion as the associated Performance Share Units.

#### **4.2 Performance Vesting.**

The number of Performance Share Units which vest on a Vesting Date (each, a “**Vested Performance Share Unit**”) is the number of Performance Share Units and Dividend Performance Share Units scheduled to vest on such Vesting Date multiplied by the Adjustment Factor.

#### **4.3 Resignation and Termination for Cause**

If the employment of a Participant is terminated due to resignation by the Participant or by the Corporation for Cause, the Participant shall forfeit all rights, title and interest with respect to Performance Share Units and the related Dividend Performance Share Units which are not Vested Performance Share Units at the Participant’s Termination Date. If the employment of a Participant is terminated due to resignation by the Participant, all Vested Performance Share Units and related Dividend Performance Share Units will be redeemed as of the Participant’s Termination Date (or for a US Participant, the Participant’s Separation from Service). If the employment of a Participant is terminated by the Corporation for Cause, the Participant shall forfeit all rights, title and interest with respect to Vested Performance Share Units and related Dividend Performance Share Units.

#### **4.4 Termination Without Cause**

If the employment of a Participant is terminated by the Corporation without Cause, a pro-rata portion of the Participant’s unvested Performance Share Units and related Dividend Performance Share Units shall vest based on the number of complete months from the first day of the Performance Period to the Termination Date divided by the number of months in the Performance Period and using the Adjustment Factor for the Performance Period. The Participant shall forfeit all rights, title and interest with respect to Performance Share Units and Dividend Performance Share Units which are not Vested Performance Share Units.

#### **4.5 Death or Disability of Participant**

If the employment of a Participant is terminated by the death or Disability of the Participant, all of the Participant’s Performance Share Units and related Dividend Performance Share Units shall vest immediately prior to the date of the Participant’s death or Disability using an Adjustment Factor of 100%. The Participant’s Vested Performance Share Units shall be redeemed as of the date of death or Disability (or for a US Participant, the Participant’s Separation from Service).

#### **4.6 Retirement of a Participant**

If the employment of a Participant is terminated by the Retirement of the Participant, all of the Participant’s Performance Share Units and related Dividend Performance Share Units shall continue to vest in the ordinary course. The Vested Performance Share Units shall be redeemed as at the Vesting Date.

#### **4.7 Termination following a Change of Control**

Notwithstanding anything in this Section to the contrary, if the employment of a Participant is terminated by the Corporation without Cause or if the Participant resigns in circumstances constituting constructive termination, in each case, within twelve months following a Change of Control, all of the Participant’s Performance Share Units and related Dividend Performance Share Units shall vest immediately prior to the Participant’s Termination Date using an Adjustment Factor of 100%. The Vested Performance Share Units and shall be redeemed as at the Termination Date (or for a US Participant, the Participant’s Separation from Service).

### **Section 5. Restricted Share Units**

#### **5.1 Vesting Date**

Each Restricted Share Unit shall vest (become a “**Vested Restricted Share Unit**”) on the Vesting Date, conditional on the satisfaction of any additional vesting conditions established by the Committee from time to time. Dividend Restricted Share Units shall vest at the same time and in the same proportion as the associated Restricted Share Units.

## **5.2 Resignation and Termination for Cause**

If the employment of a Participant is terminated due to resignation by the Participant or by the Corporation for Cause, the Participant shall forfeit all rights, title and interest with respect to Restricted Share Units and Dividend Restricted Share Units which are not Vested Restricted Share Units. Notwithstanding the foregoing, all Restricted Share Units which were awarded pursuant to Section 3.2 shall be deemed to be Vested Restricted Share Units on the Participant's Termination Date, regardless of the reason for cessation of employment. If the employment of a Participant is terminated due to resignation by the Participant, all Vested Restricted Share Units will be redeemed as of the Participant's Termination Date (or for a US Participant, the Participant's Separation from Service). If the employment of a Participant is terminated by the Corporation for Cause, the Participant shall forfeit all rights, title and interest with respect to Vested Restricted Share Units and related Dividend Restricted Share Units.

## **5.3 Termination Without Cause**

If the employment of a Participant is terminated by the Corporation without Cause, a pro-rata portion of the Participant's unvested Restricted Share Units and related Dividend Restricted Share Units shall vest immediately prior to the Participant's Termination Date, based on the number of months from the first day of the Grant Term to the Termination Date divided by the number of months in the Grant Term. The Vested Restricted Share Units shall be redeemed as at the Vesting Date. The Participant shall forfeit all rights, title and interest with respect to Restricted Share Units and Dividend Restricted Share Units which are not Vested Restricted Share Units at the Participant's Termination Date. Notwithstanding the foregoing, all Restricted Share Units which were awarded pursuant to Section 3.2 shall be deemed to be Vested Restricted Share Units on the Participant's Termination Date, regardless of the reason for cessation of employment. The Participant's Vested Restricted Share Units shall be redeemed as of the Participant's Termination Date (or for a US Participant, the Participant's Separation from Service).

## **5.4 Death or Disability of Participant**

If the employment of a Participant is terminated by the death or Disability of the Participant, all of the Participant's Restricted Share Units and related Dividend Restricted Share Units shall vest immediately prior to the date of the Participant's death or Disability and shall be redeemed as of the date of death or Disability (or for a US Participant, the Participant's Separation from Service).

## **5.5 Retirement of a Participant**

If the employment of a Participant is terminated by the Retirement of the Participant, all of the Participant's Restricted Share Units and related Dividend Restricted Share Units shall be deemed to be Vested Restricted Share Units on the Participant's Termination Date. The Vested Restricted Share Units shall be redeemed as of the Vesting Date (or for a US Participant, the Participant's Separation from Service).

## **5.6 Termination Following a Change of Control**

Notwithstanding anything in this Section to the contrary, if the employment of a Participant is terminated by the Corporation without Cause or if the Participant resigns in circumstances constituting constructive termination, in each case, within twelve months following a Change of Control, all of the Participant's Restricted Share Units and related Dividend Restricted Share Units shall vest immediately prior to the Participant's Termination Date and shall be redeemed as at the Termination Date (or for a US Participant, the Participant's Separation from Service).

For the avoidance of doubt, no period of notice or payment in lieu of notice that follows the Participant's Termination Date in Sections 4 and 5, shall be deemed to extend the Participant's period of employment for the purpose of determining his rights or entitlements under the Plan. The Participant shall have no entitlement to damages or other compensation arising from or related to not receiving any awards which would have vested or accrued to the Participant after the date of cessation of employment or if working notice of termination had been given. However, nothing herein is intended to limit any statutory entitlements or termination and such statutory entitlements shall, if required, apply despite this language to the contrary.

## **Section 6. General**

### **6.1 Capital Adjustments**

In the event of any stock dividend, stock split, combination or exchange of shares, merger, consolidation, spin-off or other distribution (other than normal cash dividends) of the Corporation's assets to shareholders, or any other change in the capital of the Corporation affecting Common Shares, the Committee will make such proportionate adjustments, if any, as the Committee in its discretion may deem appropriate to reflect such change (for the purpose of preserving the value of the Share Units), with respect to (i) the number or kind of shares or other securities on which the Share Units and Dividend Share Units are based; and (ii) the number of Share Units and Dividend Share Units; provided, however, that no substitution or adjustment will obligate the Corporation to issue or sell fractional shares.

### **6.2 Clawback of Share Units**

In the Board's sole discretion, all Share Units granted under the Plan are subject to clawback and recapture, to the extent permitted by law, if:

- (a) such amounts were based on the achievement of financial results that were subsequently materially revised (e.g. due to the restatement of the Corporation's financial statements);
- (b) the Participant engaged in grossly negligent or intentional misconduct that caused or substantially caused the need for the material revision; and
- (c) fewer Share Units would have been granted or vested had the financial results been accurate.

### **6.3 Amendment, Suspension, or Termination of Plan**

1. No new awards may be made under the Plan after the 10<sup>th</sup> anniversary of the Effective Date. The Committee may amend, suspend or terminate the Plan, or any portion thereof, at any time, subject to those provisions of applicable law (including, without limitation, the rules, regulations and policies of the Toronto Stock Exchange), if any, that require the approval of shareholders or any governmental or regulatory body.
2. Subject to applicable laws, the Board may from time to time, in its absolute discretion and without the approval of the shareholders of the Corporation, make the following amendments to the Plan or any Share Unit:
  - (i) any amendment to the vesting provisions of the Plan and any Grant Agreement, including to accelerate, conditionally or otherwise, on such terms as it sees fit, the vesting date of a Share Unit;
  - (ii) any amendment to the Plan or a Share Unit as necessary to comply with applicable law or the requirements of the applicable stock exchange or any other regulatory body having authority over the Corporation, the Plan or the shareholders of the Corporation;
  - (iii) any amendment to the Plan and any Grant Agreement to permit the conditional redemption of any Share Unit;
  - (iv) any amendment of a "housekeeping" nature, including, without limitation, to clarify the meaning of an existing provision of the Plan, correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan, correct any grammatical or typographical errors or amend the definitions in the Plan regarding administration of the Plan;
  - (v) any amendment respecting the administration of the Plan; and
  - (vi) any other amendment that does not require the approval of the shareholders of the Corporation including, for greater certainty, an amendment in connection with a Change of Control to assist the Participants to tender the underlying Common Shares to, or participate in, the actual or potential event or to obtain the advantage of holding the underlying Common Shares during such event; and to terminate, following the successful completion of such

event, on such terms as it sees fit, the Share Units not redeemed prior to the successful completion of such event.

3. Shareholder approval will be required for the following amendments:
  - (i) any amendment to increase the number of Common Shares issuable under the Plan or change the Plan from a fixed maximum percentage of Common Shares issuable to a fixed maximum number of Common Shares issuable;
  - (ii) any amendment expanding the categories of Eligible Person which would have the potential of broadening or increasing insider participation;
  - (iii) any amendment extending the term of a Share Unit or any rights pursuant thereto held by an insider beyond its original expiry date;
  - (iv) the addition of any other provision which results in participants receiving Common Shares, while no cash consideration is received by the Corporation;
  - (v) amendments to this Section; and
  - (vi) amendments required to be approved by shareholders under applicable law (including, without limitation, the rules, regulations and policies of the Toronto Stock Exchange).
4. If this Plan is terminated, the provisions of this Plan and any administrative guidelines, and other rules adopted by the Board and in force at the time of this Plan, will continue in effect as long as a Share Unit or any rights pursuant thereto remain outstanding. However, notwithstanding the termination of the Plan, the Board may make any amendments to the Plan or the Share Units it would be entitled to make if the Plan were still in effect.
5. The Board may amend or modify any outstanding Share Unit in any manner to the extent that the Board would have had the authority to initially grant the award as so modified or amended; provided that, where such amendment or modification is materially adverse to the holder, the consent of the holder is required to effect such amendment or modification.

#### **6.4 Non-Exclusivity**

Nothing contained herein will prevent the Board from adopting other or additional compensation arrangements for the benefit of any Participant, subject to any required regulatory or shareholder approval.

#### **6.5 Unfunded Plan**

Unless otherwise determined by the Board, the Plan shall remain an unfunded obligation of the Corporation, as the case may be. The Corporation's obligations hereunder shall constitute general, unsecured obligations, payable solely out of their general revenues and no Participant or permitted assigns shall have any right to any specific assets of the Corporation or any Affiliate. Neither the Corporation, any Affiliate, nor the Board or Committee shall be deemed to be a trustee of any Common Shares to be issued pursuant to the Plan. No liability or obligation of the Corporation or any Affiliate shall be deemed to be secured by any pledge of, or encumbrance on, any property of the Corporation or any Affiliate.

#### **6.6 Successors and Assigns**

The Plan shall be binding on all successors and assigns of the Participating Companies and each Participant, including without limitation, the legal representative of a Participant, or any receiver or trustee in bankruptcy or representative of the creditors of a Participating Company or a Participant.

#### **6.7 Transferability of Awards**

Rights respecting Share Units and Dividend Share Units shall not be transferable or assignable other than by will or the laws of descent and distribution.

## **6.8 Effect of Change of Control**

Notwithstanding any other provision of this Plan, in the event of a Change of Control, any surviving, successor or acquiring entity shall assume any outstanding Share Units and Dividend Share Units or shall substitute similar share units for the outstanding Share Units and Dividend Share Units. If the surviving, successor or acquiring entity does not assume the outstanding Share Units and Dividend Share Units or substitute similar share units for the outstanding Share Units and Dividend Share Units, or if the Committee otherwise determines in its sole discretion, the Corporation shall give written notice to all Participants advising that the Plan shall be terminated effective immediately prior to the Change of Control and all Restricted Share Units and Dividend Restricted Units shall be deemed to be Vested Restricted Share Units and a specified number of outstanding Performance Share Units and Dividend Performance Share Units shall be deemed to be Vested Performance Share Units and shall be redeemed as of the termination date of the Plan. The number of Performance Share Units and Dividend Performance Share Units which are deemed to be Vested Performance Share Units shall be determined in the Committee's discretion using an Adjustment Factor of not less than 100% and not more than 200%. Solely for purposes of this Section 6.7, with respect to an outstanding Share Unit that is considered a deferral of compensation under Code Section 409A and Treas. Reg. Section 1.409A-1(b), the term Change of Control shall have the meaning ascribed to the term "change in control event" under Treas. Reg. Section 1.409A-3(i)(5).

## **6.9 No Special Rights**

Nothing contained in the Plan or in any Share Unit or Dividend Share Unit will confer upon any Participant any right to the continuation of the Participant's employment by a Participating Company or interfere in any way with the right of any Participating Company at any time to terminate that employment or to increase or decrease the compensation of the Participant. Share Units and Dividend Share Units shall not be considered Common Shares nor shall they entitle any Participant to exercise voting rights or any other rights attaching to the ownership of Common Shares, nor shall any Participant be considered the owner of Common Shares by virtue of his or her ownership of Share Units or Dividend Share Units.

## **6.10 Other Employee Benefits**

The amount of any compensation deemed to be received by a Participant as a result of the redemption of any Share Unit will not constitute compensation with respect to which any other employee benefits of that Participant are determined, including, without limitation, benefits under any bonus, pension, profit-sharing, insurance or salary continuation plan, except as otherwise specifically determined by the Committee.

## **6.11 Tax Consequences**

It is the responsibility of the Participant to complete and file any tax returns which may be required under Canadian, U.S. or other applicable jurisdiction's tax laws within the periods specified in those laws as a result of the Participant's participation in the Plan. No Participating Company shall be held responsible for any tax consequences to a Participant as a result of the Participant's participation in the Plan.

## **6.12 No Liability**

No Participating Company shall be liable to any Participant for any loss resulting from a decline in the market value of any Common Shares.

## **6.13 Necessary Approvals**

The obligation of the Corporation to issue and to deliver any Common Shares in accordance with this Plan is subject to any necessary or desirable approval of any regulatory authority having jurisdiction over the securities of the Corporation. Notwithstanding any provision of this Plan, no Share Units shall be redeemed for Common Shares if such redemption would constitute a violation by the Participant or the Corporation of any provision of any law or regulation.

## **6.14 Severability**

If any provision of the Plan is determined to be void or unenforceable in whole or in part, such determination will not affect the validity or enforcement of any other provision thereof.



**SCHEDULE A  
GRANT AGREEMENT FOR PERFORMANCE SHARE UNITS**

**[Name of Employee]** (the "Participant")

Pursuant to the Harte Gold Corp. 2020 Performance and Restricted Share Unit Plan effective ●, (the "Plan") and in consideration of services provided to any Participating Company by the Participant, Harte Gold Corp. hereby grants to the Participant \_\_\_ Performance Share Units under the Plan.

All capitalized terms not defined in this Grant Agreement have the meaning set out in the Plan. No cash or other compensation shall at any time be paid in respect of any Share Units or Dividend Share Units which have been forfeited or terminated under the Plan or on account of damages relating to any Share Units or Dividend Share Units which have been forfeited or terminated under the Plan.

The Adjustment Factor for the Performance Share Units is determined as follows:

Relative Performance	Adjustment Factor
Less than the 35 <sup>th</sup> percentile	0
35 <sup>th</sup> percentile	50%
50 <sup>th</sup> percentile	100%
75 <sup>th</sup> percentile	150%
90 <sup>th</sup> percentile or greater	200%

The Adjustment Factor for performance between the numbers set out above is interpolated on a straight line basis.

The Vesting Date for this award is December 31, 20[●]. The Performance Period for the award is January 1, 20[●] to December 31, 20[●]. The Expiry Date of the award is December 31, 20[●].

The Peer Group for this award are:

[●]

Harte Gold Corp. and the Participant understand and agree that the granting and redemption of these Performance Share Units and any related Dividend Performance Share Units are subject to the terms and conditions of the Plan, a copy of which has been provided to the Participant all of which are incorporated into and form a part of this Grant Agreement. For greater certainty, the Participant authorizes the sale of a sufficient number of Common Shares to pay Applicable Withholdings on the redemption of any Performance Share Units.

DATED ●.

**Harte Gold Corp.**

Per: \_\_\_\_\_

I agree to the terms and conditions set out herein and confirm and acknowledge that I have not been induced to enter into this agreement or acquire any Performance Share Units by expectation of employment or continued employment with any Participating Company.

\_\_\_\_\_  
Name:

**SCHEDULE B  
GRANT AGREEMENT FOR RESTRICTED SHARE UNITS**

**[Name of Employee]** (the "Participant")

Pursuant to the Harte Gold Corp. 2020 Performance and Restricted Share Unit Plan effective ● (the "Plan"), and in consideration of services provided to any Participating Company by the Participant Harte Gold Corp. hereby grants to the Participant \_\_\_ Restricted Share Units under the Plan.

All capitalized terms not defined in this Grant Agreement have the meaning set out in the Plan. No cash or other compensation shall at any time be paid in respect of any Share Units or Dividend Share Units which have been forfeited or terminated under the Plan or on account of damages relating to any Share Units or Dividend Share Units which have been forfeited or terminated under the Plan.

The Vesting Date for this award is December 31, 20[●]. The Expiry Date of the award is December 31, 20[●]. The Grant Term for this award is January 1, 20[●], to December 31, 20[●]. Subject to any provisions to the contrary in an Election Notice, Harte Gold Corp. and the Participant understand and agree that the granting and redemption of these Restricted Share Units and any related Dividend Restricted Share Units are subject to the terms and conditions of the Plan, a copy of which has been provided to the Participant, all of which are incorporated into and form a part of this Grant Agreement. For greater certainty, the Participant authorizes the sale of a sufficient number of Common Shares to pay Applicable Withholdings on the redemption of any Restricted Share Units.

DATED ●.

**Harte Gold Corp.**

Per: \_\_\_\_\_

I agree to the terms and conditions set out herein and confirm and acknowledge that I have not been induced to enter into this agreement or acquire any Restricted Share Units by expectation of employment or continued employment with any Participating Company.

\_\_\_\_\_  
Name:

**SCHEDULE C  
ELECTION NOTICE FOR RESTRICTED SHARE UNITS**

To: Harte Gold Corp.

Pursuant to the Harte Gold Corp. 2020 Performance and Restricted Share Unit Plan effective ● (the "Plan"), the undersigned hereby elects to receive

- \_\_\_\_\_%;
- \$ \_\_\_\_\_; or
- All of the Participant's incentive award in excess of \$ \_\_\_\_\_

of the undersigned's annual incentive award in respect of the year ending December 31, 20[●], in the form of Restricted Share Units under the Plan. This election is irrevocable for such annual incentive award.

Notwithstanding any other provision of the Plan or the Grant Agreement, the Restricted Share Units awarded pursuant to this Election Notice will vest immediately.

Notwithstanding any other provision of the Plan or the Grant Agreement, the Restricted Share Units awarded pursuant to this Election Notice will become Vested Restricted Share Units on the earlier of December 31, 20[●] and the date of cessation of the Participant's employment.

All capitalized terms not defined in this Election Notice have the meaning set out in the Plan. No cash or other compensation shall at any time be paid in respect of any Share Units or Dividend Share Units which have been forfeited or terminated under the Plan or on account of damages relating to any Share Units or Dividend Share Units which have been forfeited or terminated under the Plan.

Subject to any provisions to the contrary in this Election Notice, Harte Gold Corp. and the Participant understand and agree that the granting and redemption of these Restricted Share Units are subject to the terms and conditions of the Plan, a copy of which has been provided to the Participant, all of which are incorporated into and form a part of this Election Notice.

DATED \_\_\_\_\_  
Name:

**SCHEDULE D  
REDEMPTION NOTICE**

To: Harte Gold Corp.

Pursuant to the Harte Gold Corp. 2020 Performance and Restricted Share Unit Plan effective ● (the "Plan"), the undersigned hereby elects to redeem:

- \_\_\_\_\_ of the undersigned's Vested Performance Share Units and related Dividend Performance Share Units; and
- \_\_\_\_\_ of the undersigned's Vested Restricted Share Units and related Dividend Performance Share Units

on \_\_\_\_\_.

[date]

The undersigned elects to redeem:

- \_\_\_\_\_% of the Vested Restricted Share Units and related Dividend Restricted Share Units by receiving the Share Unit Amount, subject to the consent of the Corporation.

All capitalized terms not defined in this Redemption Notice have the meaning set out in the Plan. No cash or other compensation shall at any time be paid in respect of any Share Units or Dividend Share Units which have been forfeited or terminated under the Plan or on account of damages relating to any Share Units or Dividend Share Units which have been forfeited or terminated under the Plan.

The undersigned understands and agrees that the granting and redemption of these Restricted Share Units are subject to the terms and conditions of the Plan which are incorporated into and form a part of this Redemption Notice.

DATED \_\_\_\_\_  
Name: \_\_\_\_\_