



**ANACONDA MINING INC.**

**NOTICE OF MEETING**

**AND**

**MANAGEMENT INFORMATION CIRCULAR**

**WITH RESPECT TO**

**THE ANNUAL AND SPECIAL GENERAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON MAY 15, 2019**

Dated April 3, 2019

**ANACONDA MINING INC.**

**NOTICE OF ANNUAL AND SPECIAL GENERAL MEETING  
OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN** that the annual and special meeting (the “**Meeting**”) of the shareholders of Anaconda Mining Inc. (the “**Corporation**”) will be held on May 15, 2019, at the offices of the Corporation, 150 York Street, Suite 410, Toronto, Ontario, at 10:00 a.m. (Eastern time) for the following purposes:

1. to receive the audited consolidated financial statements of the Corporation for the financial year ended December 31, 2018, together with the auditors’ report thereon;
2. to elect the directors of the Corporation for the ensuing year;
3. to appoint PricewaterhouseCoopers LLP as the auditors of the Corporation for the ensuing year and to authorize the directors of the Corporation to fix the remuneration to be paid to the auditors; and
4. to ratify, confirm and approve the new Share Unit Plan of the Company, as more particularly described in the accompanying management information circular; and
5. to ratify, confirm and approve the grant of Share Units to certain directors, officers, technical advisors, and management of the Company under the Share Unit Plan, as more particularly set out in the accompanying management information circular.
6. to transact such other business as may properly come before the Meeting or any adjournment thereof.

Accompanying this notice of meeting (“**Notice of Meeting**”) are the management information circular and a form of proxy, which includes a request form for use by shareholders who wish to receive annual financial statements of the Corporation.

If you are a registered shareholder of the Corporation and unable to attend the Meeting in person, please exercise your right to vote by: (a) completing, dating, signing and returning the form of proxy in the enclosed proxy return envelope to TSX Trust Company, 100 Adelaide Street West, Suite 301, Toronto, Ontario, Canada, M5H 4H1 or (b) logging on to [www.voteproxyonline.com](http://www.voteproxyonline.com) and entering your control number as instructed on the login page. A completed proxy must be received at TSX Trust Company no later than 10:00 a.m. (Toronto time) on May 13, 2019 or at least 48 hours (excluding Saturdays, Sundays and holidays) preceding any adjournment of the Meeting. Late proxies may be accepted or rejected by the Chairman of the Meeting in his discretion, and the Chairman is under no obligation to accept or reject any particular late proxies.

If you are a non-registered shareholder of the Corporation and received this Notice of Meeting and accompanying materials through a broker, a financial institution, a participant, a trustee or administrator of a self-administered retirement savings plan, retirement income fund, education savings plan or other similar self-administered savings or investment plan registered under the *Income Tax Act* (Canada), or a nominee of any of the foregoing that holds your securities on your behalf (an “**intermediary**”), please complete and return the materials in accordance with the instructions provided to you by your intermediary.

**BY ORDER OF THE BOARD**

*“Jonathan Fitzgerald”*

Jonathan Fitzgerald

Chairman of the Board of Directors

Toronto, Ontario

April 3, 2019

**ANACONDA MINING INC.**

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**MANAGEMENT INFORMATION CIRCULAR**

April 3, 2019

**GENERAL PROXY INFORMATION**

**SOLICITATION OF PROXIES**

**This management information circular (the “Circular”) is furnished in connection with the solicitation by management of Anaconda Mining Inc. (the “Corporation”) of proxies to be used at the annual and special meeting (the “Meeting”) of the shareholders of the Corporation to be held on May 15, 2019 at the offices of the Corporation, 150 York Street, Suite 410, Toronto, Ontario at 10:00 a.m. (Eastern time) for the purposes set forth in the notice of the Meeting that accompanies this Circular (the “Notice of Meeting”).** It is expected that the solicitation will be made primarily by mail, using notice and access, but proxies may also be solicited personally by directors, officers or regular employees of the Corporation. Such persons will not receive any extra compensation for such activities. The Corporation may also retain, and pay a fee to, one or more proxy solicitation firms to solicit proxies from the shareholders of the Corporation in favour of the matters set forth in the Notice of Meeting. The Corporation may pay brokers or other persons holding common shares of the Corporation in their own names, or in the names of nominees, for their reasonable expenses for sending proxies and the Circular to beneficial owners of common shares and obtaining proxies therefor. **The solicitation of proxies by this Circular is being made by the management of the Corporation.** The total cost of the solicitation will be borne directly by the Corporation.

**Mailing of Circular**

The Circular will be mailed on or before April 12, 2019 to each of the shareholders of record on March 29, 2019 who have previously requested paper copies of the meeting materials. All other shareholders will only receive a notice with information on how to view the meeting materials electronically. See “Notice and Access” below. The Corporation will pay for the distribution of the meeting materials by clearing agencies and intermediaries to objecting beneficial shareholders.

**Notice and Access**

The Corporation is delivering the meeting materials by providing the shareholders with a notice and posting the materials on SEDAR, and under “Annual General Meeting” on the Corporation’s “Investor” page at [www.anacondamining.com](http://www.anacondamining.com), and at <https://docs.tsxtrust.com/2010>. The materials will be available on the website starting on or before April 12, 2019 and will remain available on the website for one full year. The meeting materials can also be accessed with the Corporation’s public filings on [www.sedar.com](http://www.sedar.com). The Corporation will mail paper copies of the meeting materials to any shareholder who previously requested paper copies. Shareholders who received the notice only and would like a paper copy of the full materials may send the Corporation a request as set out below.

**Additional Documents**

The Corporation files an annual information form with the Canadian securities regulators. In addition, the Corporation’s financial information is provided in its audited annual consolidated financial statements and management’s discussion and analysis (“**MD&A**”) for the financial year ended December 31, 2018. The Corporation will provide shareholders with, free of charge, a copy of the Corporation’s annual audited consolidated financial statements and MD&A, its annual information form and/or the Circular on request. Please submit requests by mail to:

150 York Street  
Suite 410  
Toronto, ON, M5H 3S5  
Attention: Robert Dufour, Chief Financial Officer

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Shareholders can also get copies of documents required to be filed by the Corporation in Canada, as well as additional information about the Corporation, by (1) accessing its public filings on SEDAR at [www.sedar.com](http://www.sedar.com) or (2) going to the Corporation's "Investor" page at [www.anacondamining.com](http://www.anacondamining.com). Shareholders wishing to receive physical copies of the meeting materials will need to ensure their request is received by May 6, 2019.

#### Appointment and Revocation of Proxies

The persons named in the form of proxy accompanying this Circular are directors and/or officers of the Corporation. **A shareholder of the Corporation has the right to appoint a person other than the persons specified in such form of proxy (who need not be a shareholder of the Corporation) to attend and act on behalf of such shareholder at the Meeting.** Such right may be exercised by striking out the names of the persons specified in the form of proxy, inserting the name of the person to be appointed in the blank space provided in the form of proxy, signing the form of proxy, and returning it in the manner set forth in the form of proxy.

A shareholder who has given a proxy may revoke it by:

- (a) depositing an instrument in writing, including another completed form of proxy, executed by such shareholder or shareholder's attorney authorized in writing or by electronic signature, either:
  - (i) at the registered office of the Corporation at any time up to 5:00 p.m. (Eastern time) on the last business day preceding the date of the Meeting or any adjournment thereof or
  - (ii) with the Chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment thereof;
- (b) transmitting, by telephonic or electronic means, a revocation that complies with (i) or (ii) above and that is signed by electronic signature, provided that the means of electronic signature permits a reliable determination that the document was created or communicated by or on behalf of the shareholder or the attorney, as the case may be; or
- (c) any other manner provided by law.

#### Exercise of Discretion

The persons named in the enclosed form of proxy will vote (or withhold from voting) the shares in respect of which they are appointed by proxy on any ballot that may be called for in accordance with the instructions contained therein. If the shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly. **In the absence of such specifications, such shares will be voted FOR on each of the matters referred to herein.**

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments to or variations of matters identified in the Notice of Meeting and with respect to other matters, if any, which may properly come before the Meeting or any adjournment thereof. At the date of this Circular, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters that are not now known to management should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxy.

#### Advice to Beneficial Holders of Common Shares

**The information set forth in this section is of significant importance to many holders of common shares, as a substantial number of shareholders do not hold shares in their own name.** Shareholders who do not hold their common shares in their own name (referred to herein as "**Beneficial Shareholders**") should note that only proxies deposited by shareholders whose names appear on the records of the Corporation as the registered holders of common shares can be recognized and acted upon at the Meeting. If common shares are listed in an account statement provided

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to a shareholder by a broker, then, in almost all cases, those common shares will not be registered in the shareholder's name on the records of the Corporation. Such shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. More particularly, a person is a Beneficial Shareholder in respect of common shares, which are held on behalf of that person but which are registered either: (a) in the name of an intermediary that the Beneficial Shareholder deals with in respect of the common shares (intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs, TFSA's and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited ("CDS")), of which the intermediary is a participant. In Canada, the vast majority of such shares are registered under the name of CDS, which acts as nominee for many Canadian brokerage firms. Common shares held by brokers or their nominees can only be voted upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers and their nominees are prohibited from voting shares held for Beneficial Shareholders. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their common shares are communicated to the appropriate person or that the common shares are duly registered in their name.**

Applicable Canadian securities regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their common shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is identical to the form of proxy provided to registered shareholders. However, its purpose is limited to instructing the registered shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder.

In Canada, the majority of brokers now delegate responsibility for obtaining instructions from Beneficial Shareholders to Broadridge Investor Communication Solutions ("**Broadridge**"). Broadridge typically supplies a special sticker to be attached to the proxy forms and asks Beneficial Shareholders to return the completed proxy forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder receiving such a proxy from Broadridge cannot use that proxy to vote shares directly at the Meeting. The proxy must be returned to Broadridge in advance of the Meeting in order to instruct Broadridge how to vote the shares.**

These securityholder materials are being sent to both registered and non-registered owners of common shares. The Corporation is sending proxy materials directly to non-objecting Beneficial Shareholders under National Instrument 54-101 of the Canadian Securities Administrators ("**NI 54-101**"). Management of the Corporation does not intend to pay for intermediaries to forward their proxy materials to objecting Beneficial Shareholders. In the case of an objecting Beneficial Shareholder, the objecting Beneficial Shareholder will not receive the materials unless that Beneficial Shareholder's intermediary assumes the cost of delivery. If you are a Beneficial Shareholder, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of common shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the common shares on your behalf. By choosing to send these materials to you directly, the Corporation (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

#### **Record Date**

The directors have fixed March 29, 2019, as the record date for the determination of shareholders entitled to receive notice of the Meeting. Only shareholders of record on such record date are entitled to vote at the Meeting.

#### **Interests of Certain Persons in Matters to be Acted Upon**

No (a) director or executive officer of the Corporation who has held such position at any time since January 1, 2018; (b) proposed nominee for election as a director of the Corporation; or (c) associate or affiliate of a person in (a) or (b), has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to

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be acted upon at the Meeting, other than the election of directors, the Share Unit Plan Resolution (as defined below) and the Share Unit Plan Grant Resolution (as defined below) (See “Business of the Meeting”).

#### **Voting Securities and Principal Holders Thereof**

As of the date of this Circular, there were 118,794,118 common shares of the Corporation issued and outstanding. Each common share has the right to one vote on each matter at the Meeting.

To the knowledge of the directors and officers of the Corporation and through a verification of SEDI filings as at the date of this Circular, no person beneficially owns, or controls or directs, directly or indirectly, 10% or more of the issued and outstanding common shares of the Corporation.

### **BUSINESS OF THE MEETING**

#### **Receiving the Audited Consolidated Financial Statements**

The Corporation’s audited consolidated financial statements, including the auditor’s report thereon, for the financial year ended December 31, 2018 will be placed before the Meeting. The audited consolidated financial statements are available on the Corporation’s website at [www.anacondamining.com](http://www.anacondamining.com) and on SEDAR at [www.sedar.com](http://www.sedar.com) under the Corporation’s profile. Upon request, the Corporation will promptly provide a copy of any such document free of charge to a shareholder of the Corporation.

#### **Election of Directors**

The articles of the Corporation provide that the Corporation is authorized to have between a minimum of three and a maximum of nine directors. The directors are authorized to determine the number of directors from time to time and the number of directors to be elected at the annual meeting of shareholders. The board of directors of the Corporation (the “**Board**”) currently consists of seven (7) directors. At the Meeting, the shareholders of the Corporation will be asked to elect seven (7) directors for the ensuing year.

It is proposed that the persons whose names are set forth below be elected to the Board. All directors elected at the Meeting will hold office until the next annual meeting of shareholders of the Corporation or until their successors are elected or appointed.

The persons named in the enclosed form of proxy intend to cast the votes to which the shares represented by such proxy are entitled **FOR** the election of the nominees whose names are set forth below, unless the shareholder who has given such proxy has directed that the shares be withheld from voting in the election of directors.

The Board has adopted a majority voting policy to promote enhanced director accountability. Each shareholder is entitled to cast their votes for, or withhold their votes from, the election of each director. If the number of shares “withheld” for any nominee exceeds the number of shares voted “for” the nominee, then, notwithstanding that such director was duly elected as a matter of corporate law, he or she shall tender his or her written resignation to the Board, such resignation to be effective upon acceptance by the Board. The Board shall refer the resignation to the Corporate Governance Committee for consideration. The Corporate Governance Committee will consider such offer of resignation and the director’s suitability to continue to serve as a Board member after considering, among other things, the stated reasons, if any, why certain shareholders “withheld” votes for the director, the qualifications of the director, such director’s contribution to the Corporation and the Corporation’s governance guidelines and any regulatory guidelines. The Board shall consider the recommendation from the Corporate Governance Committee and consider such additional information and factors that the Board considers to be relevant.

The following table and notes thereto state the names of all the persons proposed to be nominated for election as directors of the Corporation, all of the positions and offices with the Corporation now held by them, their present principal occupations or employment for the last five (5) years and the number of common shares of the Corporation

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beneficially owned, directly or indirectly, or over which control or direction is exercised, by each of them as of the date of this Circular. The information as to shares beneficially owned has been furnished to the Board by the respective nominees.

These nominees have consented to being named in this Circular and to serving if elected. The Corporation's management does not contemplate that any of the nominees will be unable or unwilling to serve as a director, but if that should occur for any reason prior to the Meeting, the common shares represented by properly submitted proxies given in favour of such nominee(s) may be voted by the persons whose names are printed in the form of proxy, at their discretion, in favour of another nominee.

The Corporation's by-laws include an advance notice requirement for nominations of directors by shareholders in certain circumstances. As at the date hereof, the Corporation has not received notice of any director nominations in connection with the Meeting within the time periods prescribed by the by-laws. Assuming no nominations are received by April 16, 2019, the only persons eligible to be nominated for election to the Board are the below nominees.

<b>Name, Province or State and Country of Residence</b>	<b>Position(s) held with Corporation</b>	<b>Principal Occupation, Business or Employment</b>	<b>Year became a Director</b>	<b>Number of Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly<sup>(1)</sup></b>
Dustin Angelo Ontario, Canada <sup>(2)</sup>	Director and President	President of the Corporation	2009	780,255 <sup>(3)</sup>
Kevin Bullock Ontario, Canada <sup>(2)</sup>	Director and Chief Executive Officer	Chief Executive Officer of the Corporation	2019	Nil
Michael Byron Ontario, Canada	Director	President and Chief Executive Officer of Nighthawk Gold Corp.	2012	Nil
Jonathan Fitzgerald Ontario, Canada	Director and Non-Executive Chairman	President of Stope Capital Advisors	2017	127,500
Lewis Lawrick Ontario, Canada	Director	President & Chief Executive Officer of Magna Terra Minerals Inc (formerly Brionor Resources Inc.) and Managing Director of Thorsen-Fordyce Merchant Capital Inc. (private investment company)	2007	2,088,156 <sup>(4)</sup>
Jacques Levesque Quebec, Canada	Director	Chief Financial Officer of Pershimex Resources Corporation	2017	4,750,837
Maruf Raza Ontario, Canada	Director	Partner, MNP LLP and former Partner, Collins Barrow Toronto LLP (chartered accountancy firm)	2012	Nil

**Notes:**

- (1) The information as to the number of common shares beneficially owned, or controlled or directed, directly or indirectly, by the proposed directors, not being within the knowledge of the Corporation, has been furnished by such directors.
- (2) On April 1, 2019, Mr. Bullock was appointed as Chief Executive Officer and a director of the Corporation, replacing Mr. Angelo as Chief Executive Officer. Mr. Angelo retained the role of President of the Corporation.
- (3) 21,250 of these common shares are owned by Mr. Angelo's spouse.
- (4) Mr. Lawrick beneficially holds 1,643,226 common shares, through Thorsen-Fordyce Merchant Capital Inc., a private company controlled by Mr. Lawrick, 2,375 common shares through VLL Investments Inc., a private company controlled by Mr. Lawrick, and 442,555 common shares are held personally.

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Each of the foregoing individuals has been engaged in the principal occupation set forth above opposite his name during the past five years or in a similar capacity with a predecessor organization, except for:

- Mr. Bullock acted as Chief Executive Officer of Mako Mining Inc. (previously Golden Reign Resources) from January 2016 until March 2019. Previously, Mr. Bullock was Corporate Development Advisor of B2Gold Corp. until the end of 2014. Mr. Bullock was President & Chief Executive Officer of Volta Resources Inc. from its inception in 2002 until the end of 2013.
- Mr. Byron acted as, and Co-founder, Director and VP Exploration of Falco Resources Ltd. (April 2010 to May 2015).
- Mr. Levesque was Chief Financial Officer of Orex Exploration Inc. prior to its acquisition by Anaconda Mining in May 2017.
- Mr. Levesque acted as Chief Financial Officer of Radisson Mining Resources Inc. (September 2017 to September 2018).

As at the date of this Circular, the directors and executive officers of the Corporation as a group, beneficially owned, or controlled or directed, directly or indirectly, 8,393,469 common shares of the Corporation, being approximately 7.1% of the issued and outstanding common shares. The information as to the number of common shares beneficially owned, directly or indirectly, or over which control or direction is exercised, by the directors and executive officers, but which are not registered in their names and not being within the knowledge of the Corporation, has been furnished by such directors and officers.

The committees of the Board are constituted as follows:

<b>Corporate Governance</b>	<b>Audit</b>	<b>Compensation</b>	<b>Safety, Health and Sustainability</b>
Jonathan Fitzgerald (Chair) Michael Byron Lewis Lawrick	Maruf Raza (Chair) Lewis Lawrick Michael Byron	Lewis Lawrick (Chair) Michael Byron Maruf Raza	<i>Vacant</i> (Chair) <sup>(1)</sup> Jacques Levesque Dustin Angelo Gordana Slepcev (COO)

(1) The previous Chair of the Safety, Health and Sustainability Committee, Mr. Kevin Bullock, resigned on March 31, 2018. The Board of Directors is currently reviewing the composition of the Board and constitution of its Committees.

**Corporate Cease Trade Orders**

To the Corporation’s knowledge, no proposed director of the Corporation is, as of the date hereof, or has been within ten years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Corporation) that:

- (a) 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 in effect for a period of more than 30 consecutive days and that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to 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 in effect for a period of more than 30 consecutive days and that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.



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#### **Bankruptcies and Other Proceedings**

To the Corporation's knowledge, no proposed director of the Corporation:

- (a) is, as of the date hereof, or has been within the ten years before the date hereof, 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
- (b) has, within the ten years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

#### **Penalties or Sanctions**

To the Corporation's knowledge, no proposed director of the Corporation has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

#### **Appointment of Auditors**

The auditors of the Corporation are PricewaterhouseCoopers LLP, who were first appointed as auditors of the Corporation by the Board on June 26, 2017. It is proposed that PricewaterhouseCoopers LLP be re-appointed as the auditors of the Corporation at the Meeting to hold office until the next annual meeting of shareholders or until their successor is appointed.

Unless the shareholder has specified in the accompanying form of proxy that the shares represented by such proxy are to be withheld from voting in the appointment of auditors, the persons named in the accompanying form of proxy will vote **FOR** the appointment of PricewaterhouseCoopers LLP as auditors of the Corporation to hold office until the next annual meeting of shareholders and to authorize the directors to fix the remuneration of the auditors.

Disclosure of fees received by PricewaterhouseCoopers LLP from the Corporation for the financial years ended December 31, 2018 and December 31, 2017 is set out under the heading "Audit Committee Information – External Auditor Service Fees (By Category)" in the annual information form of the Corporation dated February 26, 2019, which is available on SEDAR at [www.sedar.com](http://www.sedar.com) under the Corporation's profile.

#### **Approval of New Share Unit Plan and Approval of Grants Under the Share Unit Plan**

To better align the long-term incentive plans of directors, officers, and employees with the Corporation's shareholders, and to align with trends in long-term compensation programs, the Board of Directors has approved the adoption a Share Unit Plan, subject to approval of the shareholders of the Corporation at the Meeting. The Share Unit Plan is a "rolling evergreen" plan and provides that the number of common shares of the Company available for issuance from treasury under the Share Plan, in aggregate with the existing Stock Option Plan of the Corporation, but excluding the Ores Stock Option Plan, shall not exceed 10% of the issued and outstanding common shares of the Corporation at the time of grant.

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At the Meeting or any adjournment or postponement thereof, shareholders will be asked to pass a resolution to ratify, confirm and approve the Share Unit Plan (the “Share Unit Plan Resolution”).

The TSX has conditionally approved the Share Unit Plan, subject to the receipt by the Corporation of, among other things, evidence of shareholder approval.

In the event that shareholders approve the Share Unit Plan Resolution, the maximum number of Common Shares available at all times for issuance pursuant to the Share Unit Plan or any other security-based compensation arrangement (pre-existing or otherwise, but excluding the Orex Stock Option Plan) shall not exceed 10% of the issued and outstanding Common Shares.

As of the date of this Circular, 10% of the issued and outstanding Common Shares is equal to 11,879,412. After deducting 8,197,750 Common Shares which are reserved for issuance pursuant to outstanding Options pursuant to the Corporation’s Stock Option Plan and the prior grants of Share Units (as further described below), there would be up to 3,681,662 Common Shares available for future issuance pursuant to grants of Options and/or Share Units, representing 3.1% of the issued and outstanding Common Shares, assuming no Options or Share Units are exercised, settled, cancelled or terminated.

**Share Unit Plan**

The following is a summary of the key terms of the Share Unit Plan, which summary is qualified in its entirety by the full terms of the Share Unit Plan attached as Schedule “B” to this Circular. The purpose of the Share Unit Plan is to assist the Corporation in attracting, incentivizing and retaining those key directors, officers, employees and consultants who are considered by the Board to be key to the growth and success of Corporation, and to align the interests of the key directors, officers, employees and consultants with those of the shareholders through longer term equity ownership in Corporation.

The Share Unit Plan provides for the issuance of share units of the Corporation (“Share Units”) to employees, directors and officers of the Corporation and any of its subsidiaries and affiliates, consultants, and management company employees and, except in relation to a consultant company, includes a company that is wholly-owned by such persons.

The Share Unit Plan provides that Share Units may be granted by the Board or any committee designated by the Board to administer the Share Unit Plan. Share Units are units created by means of an entry on the books of corporation representing the right to receive one Common Share (subject to adjustments) issued from treasury per Share Unit. All grants of Share Units must be evidenced by a confirmation Share Unit grant letter issued to the Share Unit holder by the Corporation and agreed to by the Share Unit holder.

The maximum number of Common Shares available for issuance under the Share Unit Plan or any other security-based compensation arrangement (pre-existing or otherwise, but excluding the Orex Stock Option Plan) shall not exceed 10% of the Common Shares (including any underlying outstanding Share Units). Any increase in the issued and outstanding Common Shares will result in an increase in the number of Share Units issuable under the Share Unit Plan.

Any issuance of Common Shares from treasury, including issuances of Common Shares in respect of which Share Units are settled, expired or cancelled, shall automatically replenish the number of Share Units issuable under the Share Unit Plan.

The number of Share Units granted and any applicable vesting conditions are determined in the discretion of the Board or a committee designated by the Board, with the number of Share Units granted being determined by the Board or committee on the grant date. In granting Share Units, the Board or the committee may include any other terms, conditions and/or vesting criteria which are not inconsistent with the Share Unit Plan. Share Units are settled by way of the issuance of Common Shares from treasury as soon as practicable following the vesting date which is considered the maturity date as determined by the Board or the committee in accordance with the terms of the Share Unit Plan. Individuals granted Share Units who are Canadian residents or as otherwise may be designated in the Share Unit grant

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letter (with the exception of U.S. taxpayers) are permitted to elect to defer the maturity date and issuance of all or any part of the Common Shares issuable to them, provided proper notice is provided to the Board or the committee in accordance with the terms of the Share Unit Plan. If the deferral is elected the issuance of the Common Shares will occur on the earlier of (i) the date to which the participant has elected to defer receipt of Common Shares in accordance with the Share Unit Plan; and (ii) the date of the participant's retirement, resignation, termination with cause or termination without cause or a change of control of the Corporation (the "Deferred Payment Date").

In the event that a cash dividend is paid to shareholders on the Common Shares while a Share Unit is outstanding, each participant will be credited with additional Share Units equal to the aggregate amount of any cash dividends that would have been paid to the individual if the Share Units had been Common Shares, divided by the market price of the Common Shares on the date on which dividends were paid by Corporation.

The additional Share Units will vest and be settled on the participant's maturity date or, if applicable, the Deferred Payment Date of the particular Share Unit award to which the additional Share Units relate.

No cash payment will be made to a participant if cash dividends are paid to shareholders.

The termination provisions under the Share Unit Plan are as follows subject to any determination otherwise by the Board:

- In the event of retirement, any unvested Share Units will automatically vest on the date of retirement, and the Common Shares underlying such Share Units will be issued as soon as reasonably practical thereafter;
- In the event of the death, any unvested Share Units will automatically vest on the date of death, and the Common Shares underlying all Share Units will be issued to the estate of the deceased as soon as reasonably practical thereafter;
- In the event of disability (as may be determined in accordance with the policies, if any, or general practices of Corporation or any subsidiary), any unvested Share Units will automatically vest on the date on which the participant is determined to be totally disabled, and the Common Shares underlying the Share Units will be issued as soon as reasonably practical thereafter;
- In the event of termination without cause of a Share Unit holder, (i) any unvested Share Units that are not subject to performance vesting criteria will automatically vest on the date on which the individual is terminated and the Common Shares underlying the Share Units will be issued as soon as reasonably practical thereafter, and (ii) any unvested Share Units that are subject to performance vesting criteria will vest in accordance with their normal vesting schedule, except, in either case, as may otherwise be stipulated in the applicable Share Unit grant letter or as may otherwise be determined by the Board; and
- In the event of termination with cause or resignation, all of the Share Units shall become void, and the holder shall have no entitlement and will forfeit any rights to any issuance of Common Shares under the Share Unit Plan, except as may otherwise be stipulated in the applicable Share Unit grant letter or as may otherwise be determined by the Board or the committee in its sole and absolute discretion. Share Units that have vested but that are subject to an election to set a Deferred Payment Date shall be issued forthwith following
- the termination with cause or the resignation of the Share Unit holder.

In the event of a change of control, all unvested Share Units issued and outstanding shall automatically and immediately vest on the date of such change of control.

The grant of Share Units under the Share Unit Plan is subject to a restriction such that the number of Common Shares: (i) issued to insiders of Corporation, within any one-year period, and (ii) issuable to insiders of Corporation, at any time, under the Share Unit Plan, or when combined with all of Corporation's other security based compensation arrangements, shall not exceed 10% of Corporation's total issued and outstanding Common Shares, respectively.

Except as permitted under the Share Unit Plan or by a will or by the laws of descent and distribution, no Share Unit and no other right or interest of a Share Unit holder (excluding, for greater certainty, Common Shares previously issued to a Share Unit holder in accordance with the Share Unit Plan) is assignable or transferable.

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The amendment provisions of the Share Unit Plan provide the Board or the committee with the power, subject to the requisite regulatory approval, to make the following amendments to the provisions of the Share Unit Plan and any Share Unit grant letter without Shareholder approval (without limitation):

- Amendments of a housekeeping nature,
- Additions or changes to any vesting provisions of a Share Unit,
- Changes to the termination provisions of a Share Unit or the Share Unit Plan, and
- Amendments to reflect changes to applicable securities or tax laws.

However, any of the following amendments require shareholder approval:

- Increasing the number of Common Shares or maximum percentage of Common Shares which may be issued pursuant to the Share Unit Plan (other than by virtue of adjustments permitted under the Share Unit Plan),
- Permitting Share Units to be transferred other than for normal estate settlement purposes,
- Removing or exceeding of the insider participation limits,
- Materially modifying the eligibility requirements for participation in the Share Unit Plan, or
- Modifying the amending provisions of the Share Unit Plan.

**Share Unit Plan Resolution**

The Share Unit Plan Resolution must be approved by at least a majority of the votes cast by shareholders present in person or represented by proxy at the Meeting or any adjournment or postponement thereof. The Board recommends that shareholders vote FOR the Share Unit Plan Resolution. The text of the Share Unit Plan Resolution to be submitted to shareholders at the Meeting is set forth below:

“BE IT RESOLVED THAT:

1. the new Share Unit Plan of the Corporation, the full text of which are set forth in Schedule “B” of the Circular, is hereby ratified, confirmed and approved;
2. the Corporation is hereby authorized and approved grant Share Units pursuant to the Share Unit Plan and until May 15, 2022, being three years from the date of the Meeting; and
3. any one director or officer of the Corporation be and is hereby authorized and directed to execute and deliver for and in the name of and on behalf of the Corporation, whether under its corporate seal or not, all such certificates, instruments, agreements, documents and notices and to do all such other acts and things as in such person’s opinion as may be necessary or desirable for the purpose of giving effect to these resolutions.”

**Proxies received in favour of management will be voted in favour of the Share Unit Plan Resolution, unless the shareholder has specified in the proxy that his, her or its Common Shares are to be voted against the Share Unit Plan Resolution.**

**Grants Under the Share Unit Plan**

The Board of Directors adopted the Share Unit Plan on December 6, 2018. Since the Share Unit Plan was adopted, the Board has granted Share Units to directors, officers and senior management of the Corporation, as detailed below, which are subject to ratification and approval by shareholders.

As part of the further alignment of directors and officers with the Corporation’s shareholders, half of the compensation of the Board of Directors will now be settled in Share Units, which will retain cash in the Corporation. Accordingly, and in accordance with the terms of the Share Unit Plan, 85,500 Share Units were granted to directors of the Corporation in January 2019 at a deemed price of \$0.25 per Share Unit. The Share Units are not eligible to vest until the Share Unit Plan has been approved by shareholders as contemplated by this Circular and such grants have been ratified by shareholders. The Board has set the vesting date for these Share Units as the date of the recipients’ retirement, resignation, or on a change of control of the Company.

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As part of its annual performance review and review of the Company's long-term incentive programs, the Corporation granted 2,355,000 Share Units in March 2019 at a deemed price of \$0.28 per Share Unit to directors, technical advisors, officers and senior management. The Share Units are not eligible to vest until the Share Unit Plan has been approved by shareholders and such grants have been ratified by shareholders, as contemplated by this Circular, at which point they will vest in three equal tranches every six months, beginning six months from the date of grant.

Upon the appointment of Kevin Bullock as Chief Executive Officer of the Corporation as announced on April 3, 2019, the Corporation granted 300,000 Share Units at a deemed price of \$0.305 per Share Unit to Mr. Bullock. The Share Units are not eligible to vest until the Share Unit Plan has been approved by shareholders and such grants have been ratified by shareholders, as contemplated by this Circular, at which point they will vest in three equal tranches every six months, beginning six months from the date of grant.

The following table summarizes Share Units granted by the Corporation as a result of the adoption of the new Share Unit Plan that are subject to shareholder ratification:

	Number of Share Units
Directors	555,500
Technical Advisors	90,000
Officers	1,480,000
Employees	615,000

If shareholders do not approve the Share Unit Plan Resolution and the below noted resolution providing for the above noted Share Unit grants (the "**Share Unit Plan Resolution**"), the above noted Shares Units will be cancelled forthwith.

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**Share Unit Plan Grant Resolution**

The Share Unit Plan Grant Resolution must be approved by at least a majority of the votes cast by shareholders present in person or represented by proxy at the Meeting or any adjournment or postponement thereof. The Board recommends that Shareholders vote **FOR** the Share Unit Plan Grant Resolution. The text of the Share Unit Plan Grant Resolution to be submitted to shareholders at the Meeting is set forth below:

**“BE IT RESOLVED THAT:**

1. the grant of an aggregate of 2,740,500 Share Units to directors, officers, employees and consultants pursuant to the new Share Unit Plan of the Corporation as further described in the Circular, is hereby ratified, confirmed and approved; and
2. any one director or officer of the Corporation be and is hereby authorized and directed to execute and deliver for and in the name of and on behalf of the Corporation, whether under its corporate seal or not, all such certificates, instruments, agreements, documents and notices and to do all such other acts and things as in such person’s opinion as may be necessary or desirable for the purpose of giving effect to these resolutions.”

**Proxies received in favour of management will be voted in favour of the Share Unit Plan Grant Resolution, unless the shareholder has specified in the proxy that his, her or its Common Shares are to be voted against the Share Unit Plan Grant Resolution.**

**Other Matters**

Management does not know of any other matters to come before the Meeting other than those referred to in the Notice of Meeting. Should any other matters properly come before the Meeting, the Common Shares represented by the proxies solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the proxies.

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STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Summary of Executive Compensation Program

The Corporation's executive compensation program is designed to provide both short-and-long-term rewards to the Corporation's executive officers that are consistent with their individual and corporate performance and their contribution to the Corporation's objectives. Executive compensation consists primarily of a combination of base salary, performance bonuses and security-based award plans, together with health, pension and insurance benefits. The Corporation has a Compensation Committee, which is described below under the heading "Statement of Corporate Governance Practices – Board Committees – Compensation Committee".

The Compensation Committee was formed on March 31, 2008 and is composed of independent directors. The members of the committee are Messrs. Lawrick (Chair), Byron and Raza. All of the members of the Compensation Committee have experience that is relevant to their responsibilities as members of the Compensation Committee. In the course of their professional life, the members of the Compensation Committee have been involved in either the establishment or monitoring of various compensation programs within the mining sector.

The Compensation Committee is responsible for assisting the Board in fulfilling its oversight responsibilities in relation to, among other things:

- the selection and retention of executive officers,
- policies, programs and procedures for compensating and incentivizing executive officers,
- oversight of the executive compensation structure and benefit plans and programs,
- review of director compensation and recommendations for adjustments to such compensation, and
- any additional matters delegated by the Board to the Compensation Committee.

Set out below are particulars of compensation paid to the Corporation's Chief Executive Officer, Chief Financial Officer, and former Chief Financial Officer (collectively, the "Named Executive Officers" or "NEOs"). During the fiscal year ended December 31, 2018, the Corporation had the following Named Executive Officers: Dustin Angelo, President and Chief Executive Officer, and Director; Robert Dufour, Chief Financial Officer and Corporate Secretary; and Gordana Slepcev, Chief Operating Officer. On April 3, 2019, Kevin Bullock was announced as Chief Executive Officer of the Corporation, replacing Dustin Angelo who retained the role of President of the Corporation.

The objective of the compensation program is to be competitive with similar companies and attract, motivate and retain talented executives who will be able to fulfill the strategic objectives of the Corporation. The elements of the Corporation's compensation program include salaries, performance bonuses and security-based awards, such as options and share units; together with health, pension and insurance benefits which are based on the specific benefit plan of the Corporation.

Salaries form the primary component of the Corporation's compensation program. The Compensation Committee and the Board of Directors undertakes periodic reviews of salary levels for the Named Executive Officers, internally and externally, including benchmarking against comparable companies within the Corporation's industry peer group (see below).

Long-term incentive compensation in the form of stock options and share units is generally granted once per year to Named Executive Officers, as well as to employees, consultants and directors. As discussed above under "Business of the Meeting", the Corporation has adopted a Share Unit Plan, subject to shareholder approval at the Meeting, to further directly align the long-term compensation of directors, officers and employees with the shareholders of the Corporation. Share ownership opportunities through the Share Unit Plan and Stock Option Plan align the interests of senior management with the interests of shareholders, and enables the Corporation to attract and retain individuals

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with requisite experience and abilities, and to reward individuals for their current and future performance. See “Securities Authorized for Issuance Under Equity Compensation Plans” for further information.

#### **Independent Review of Compensation**

The Compensation Committee and the Board and the Board of Directors undertakes periodic reviews of its compensation program, internally and externally, to assess how its program compares to industry peers, and its effectiveness in attracting and retaining quality personnel. In 2017, the Corporation retained Lane Caputo Compensation Inc. (“**Lane Caputo**”), an independent compensation consulting firm, to assist the Compensation Committee in reviewing the Company’s compensation practices for directors, officers, and senior management, and to make recommendations to improve the Company’s approach to compensation.

Specifically, Lane Caputo assisted the Compensation Committee with the following:

- Review of compensation philosophy for Anaconda, including the determination of a compensation peer group
- Benchmarking both executive and board compensation against the compensation philosophy and the peer group
- Review long-term incentive plans compared to the Company’s peer group, industry trends, and emerging proxy voting guidelines of institutional shareholders
- Compare current compensation program against best practice compensation governance guidelines

During the fiscal year ended December 31, 2017, the Company paid executive compensation consulting related fees of \$37,000.

The Board continues to review the details and recommendations of the report and continues, with the assistance of the Compensation Committee, to review its compensation program to ensure competitiveness with its peer group to attract and retain talented executives, while ensuring alignment with the Company’s shareholders.

#### **Elements of NEO Compensation**

##### ***Short-Term Incentives - Base Salary***

The base salary of executive officers is determined by contract agreement and is reviewed annually by the Board. In general, the base salary is determined by negotiation and is influenced by the levels of compensation paid to executive officers of other publicly-traded junior mining companies considered by the Compensation Committee and the Board to be in the Corporation’s peer group, taking into account market capitalization, property portfolio size, geographic location and stage of projects. The base salary for each executive officer is determined based on the person’s level of responsibility, the importance of the position to the Corporation, the amount of the individual’s time dedicated to the Corporation and the individual’s contribution to the Corporation’s performance.

##### ***Short-Term Incentives – Performance Based Cash Incentive***

At the recommendation of the Compensation Committee, and at the discretion of Board, the Board has adopted an Annual Incentive Plan, which outlines the establishment of a bonus pool for all of senior executives and mid-level managers, and the specific criteria which determine the size of the bonus pool in any given fiscal year. The Compensation Committee considers a number of performance and other criteria, as well as using its experience and judgment, in setting the amount of the bonus pool available to be distributed to executive officers and employees, in particular the Corporation’s ability to generate free cash flow, and the Corporation’s share price performance, both in absolute terms and relative to its industry peer group. The bonus pool is allocated to executives and employees based on position and the achievement of specific individual performance objectives.

The performance objectives are not fully determinative of the amount and allocation of cash bonuses. The Compensation Committee also considers managements’ recommendations for bonuses, both in respect of overall



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quantum and performance generally, as well as all other material factors and circumstances, in setting bonuses and will use its discretion in evaluating the same. The Corporation uses a Performance Review Form and other tools to track individual performance. These tools emphasise the achievement of specific performance objectives and the demonstration of the Corporation's values. Upon determining the quantum of the bonus pool for any given fiscal year, the Compensation Committee will set the Chief Executive Officer's bonus level and will seek the Chief Executive Officer's input as to bonus allocations to other executive officers and individual employees. The Board will then review and, if satisfactory, approve the Compensation Committee's recommendations for bonus awards. The Compensation Committee annually reviews its bonus policies, including in respect of the bonus performance criteria.

#### ***Long-Term Incentives – Equity Compensation Plans***

The Corporation has provided long-term incentives to Named Executive Officers by way of grants of stock options under the Stock Option Plan. In addition, as discussed above under "Business of the Meeting", the Corporation has adopted a Share Unit Plan (subject to shareholder approval at the Meeting) to further directly align the long-term compensation of the Named Executive Officers with the shareholders of the Corporation. The objective in granting stock options and share units is to encourage a direct ownership interest in the Corporation over a period of time, which acts as a financial incentive to consider the long-term interest of the Corporation and its shareholders. The Stock Option Plan and Share Unit Plan is described under the heading "Securities Authorized for Issuance Under Equity Compensation Plans". The Compensation Committee makes recommendations from time to time to the Board in respect of stock option and share unit grants, taking into consideration the number and value of outstanding stock options and share units already held by each executive officer.

#### **Compensation Risk and Hedging Policies**

The Compensation Committee has not specifically considered the implications of the risks associated with its compensation policies and practices. However, there are a number of practices in place to mitigate risk as it relates to compensation, including:

- a balanced compensation of fixed and variable pay, which incorporate both short-term and long-term incentives,
- the Board having final approval for executive and senior management short term and long-term incentive payments,
- options generally being granted with a five-year term, and generally vesting over an 18-month period,
- limiting severance payments to twice base salary and bonus, and
- normally scheduled blackout periods relating to the release of financial information and controlling the periods during which employees can exercise stock options.

As outlined in the Corporation's Securities Trading, Corporate Disclosure and Confidentiality Policy, Named Executive Officer's and directors are prohibited from hedging securities of the Corporation that they beneficially own, directly or indirectly, or exercise control or direction over, including trading in publicly-traded options, puts, calls or other derivative instruments related to the Company's securities. As the Corporation continues to grow, the Corporate Governance Committee will continue to consider and implement more sophisticated compensation and corporate governance policies, as deemed appropriate.

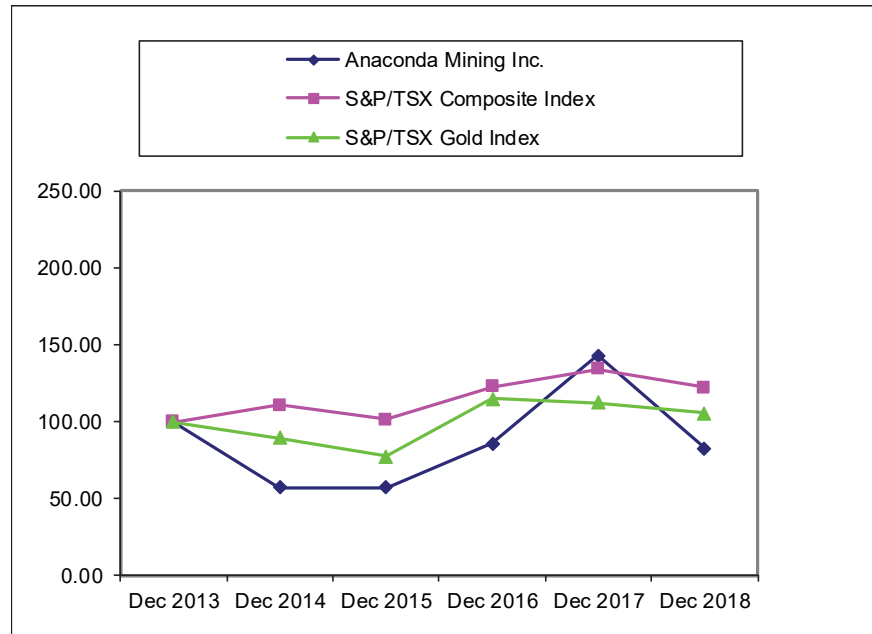
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***Performance Graph***

The common shares of the Corporation commenced trading on the TSX in April 2007. The chart below compares the percentage change in the Corporation's total shareholder return on a \$100 investment in common shares to the total return of the S&P/TSX Composite Index, the S&P/TSX Composite Index and the iSHARES S&P/TSX Global Gold Index Fund for the period commencing January 1, 2013 and ending December 31, 2018.

**Comparison of Cumulative Total Shareholder Return on a \$100 Investment in Common Shares of the Corporation and the S&P/TSX Composite Index, the S&P/TSX Gold Global Index Fund**



*Note: On January 18, 2018, the Company completed a share consolidation on the basis of four (4) existing common shares for one (1) new common share.*

During the early part of fiscal 2013, the Corporation experienced an upward trend in its share price, reflecting the improved operating performance and general stability in the overall equity markets. In the last half of fiscal 2013 the Corporation's share price declined despite strong operating performance, due to the significant drop in the selling price of gold and the decline in investor interest in resource-based stocks.

During fiscal 2014 and 2015, the Corporation's share price was primarily flat and influenced primarily by the significant decline in investor interest in resource-based stocks, especially gold companies as reflected in the S&P/TSXV Index and iSHARES S&P/TSX Global Gold Index Fund value. The 2014 performance was also influenced by a low selling price of gold.

During fiscal 2016, the Corporation's share price rose during the early part of 2016 as a result of a rebound in the general gold market and a rise in the selling price of gold.

During the 2017 calendar year, the Corporation's share price achieved an upward trend, which can be attributed to continued performance at the Point Rousse Project and the acquisition of the Goldboro Gold Project, a high-grade mineral resource in Nova Scotia, Canada. After a successful financing in October 2017, the Company commenced drilling at both of its key projects and reported strong results from those drill programs. With a larger resource base,

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increasing growth profile, and robust stock price, the Corporation benefited from a stronger market profile which enabled it to outperform the S&P/TSX Gold Index at the end of the year.

During fiscal 2018, the Corporation's share price began the year strong due to ongoing operational performance and development at the Goldboro Gold Project, however maintained a downward trend for the remainder of the year. This was consistent with most companies in the Corporation's peer group, on the backdrop of a declining gold price and significantly lower investor interest in the resource sector, as investor focus turned towards cryptocurrency and cannabis-based companies.

While the Company is committed to increasing shareholder value, the Compensation Committee and Board do not emphasize share price in the short term when making compensation determinations. As a junior gold mining, development and exploration company, the Corporation is focused on building long-term value for shareholders by maximizing the potential of its Point Rousse Project, expanding its Goldboro Gold Project, and progressing towards development, and through the acquisition and development of other mineral properties. Compensation is paid to its executive officers for furthering these objectives.

**Named Executive Officers' Summary Compensation Table**

The following table (presented in accordance with *Form 51-102F6 – Statement of Executive Compensation* (“**Form 51-102F6**”) under National Instrument 51-102 – *Continuous Disclosure Obligations*) sets forth all direct and indirect compensation for, or in connection with, services provided to the Corporation and its subsidiaries for the year ended December 31, 2018, the seven-month financial year ended December 31, 2017, and the year ended May 31, 2017, in respect of each of the Named Executive Officers.

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$) <sup>(2)</sup>	Non-equity incentive plan compensation (\$)		Pension value (\$) <sup>(4)</sup>	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans <sup>(3)</sup> (\$)	Long-term incentive plans (\$)			
Dustin Angelo, President and Chief Executive Officer <sup>(7)</sup>	2018	300,000	N/A	90,275	44,000	Nil	6,000	Nil	440,275
	2017 <sup>(1)</sup>	173,077	N/A	24,600	35,000	Nil	4,149	Nil	236,826
	2017 <sup>(1)</sup>	300,000	N/A	Nil	68,750	Nil	5,891	Nil	375,641
Robert J. Dufour, Chief Financial Officer and Corporate Secretary <sup>(5)</sup>	2018	225,000	N/A	54,165	33,000	Nil	4,940	Nil	317,105
	2017 <sup>(1)</sup>	129,800	N/A	Nil	22,000	Nil	2,596	Nil	154,396
	2017 <sup>(1)</sup>	3,462	N/A	26,150	Nil	Nil	104	Nil	29,716
Gordana Slepcev, Chief Operating Officer <sup>(6)</sup>	2018	200,000	N/A	54,165	30,400	Nil	4,440	Nil	289,005
	2017 <sup>(1)</sup>	113,385	N/A	19,680	22,000	Nil	2,556	Nil	157,621

**Notes:**

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- (1) In 2017, the Corporation changed its financial year-end to December 31, from May 31. Consequently, the information reported in the table for the most recent period reflects results for the seven-month fiscal year from June 1, 2017 to December 31, 2017.
- (2) The fair values of the options granted have been estimated using the Black-Scholes option-pricing model and do not represent the actual amounts received by the NEOs. The actual amount received will be determined by the market value of the shares on the date that the option is exercised. Assumptions used in the pricing model are as follows: average risk-free interest rate of (2017 – 1.15% and 0.97%, 2016 – 0.75%); expected life 5 years; expected volatility of (2017– 101%, 2016 – 101%); and expected dividends – nil.
- (3) All awards granted under the non-equity annual incentive plan represent performance bonuses and were paid in the fiscal year following the year in which they were earned.
- (4) Pension value relates to contributions made by the Corporation on behalf of the NEOs to their registered retirement savings plan.
- (5) On April 18, 2017, the Corporation announced the appointment of Robert Dufour as Chief Financial Officer of the Corporation effective May 23, 2017.
- (6) On May 24, 2017, the Corporation announced the appointment of Gordana Slepcev as Chief Operating Officer of the Corporation effective May 23, 2017.
- (7) On April 1, 2019, Mr. Bullock was appointed as Chief Executive Officer and a director of the Corporation, replacing Mr. Angelo as Chief Executive Officer. Mr. Angelo retained the role of President of the Corporation.

**Incentive Plan Awards - Outstanding Share-Based Awards and Option-Based Awards**

The following table (presented in accordance with Form 51-102F6) sets forth for each NEO all awards outstanding at the end of the most recently completed financial year ended December 31, 2018, including awards granted, but not necessarily vested, before the most recently completed financial year.

Name	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>
Dustin Angelo, President and Chief Executive Officer <sup>(4)</sup>	100,000	0.32	June 10, 2019	Nil
	125,000	0.20	June 1, 2020	3,125
	500,000	0.24	February 22, 2021	Nil
	250,000	0.24	May 26, 2021	Nil
	125,000	0.24	June 21, 2022	Nil
	250,000	0.46	January 19, 2023	Nil
Robert J. Dufour, Chief Financial Officer and Corporate Secretary <sup>(2)</sup>	125,000	0.28	May 23, 2022	Nil
	150,000	0.46	January 19, 2023	Nil
Gordana Slepcev, Chief Operating Officer <sup>(3)</sup>	75,000	0.32	June 10, 2019	Nil
	50,000	0.20	June 1, 2020	1,250
	125,000	0.24	May 26, 2021	Nil
	100,000	0.24	June 21, 2022	Nil
	150,000	0.46	January 19, 2023	Nil

**Notes:**

- (1) Based on the December 31, 2018 common share closing price of \$0.225 less the price of the option, times the number of options in that tranche.
- (2) On April 18, 2017, the Corporation announced the appointment of Robert Dufour as Chief Financial Officer of the Corporation effective May 23, 2017.
- (3) On May 24, 2017, the Corporation announced the appointment of Gordana Slepcev as Chief Operating Officer of the Corporation effective May 23, 2017. Ms. Slepcev held previous roles in Technical Services within the Corporation prior to her appointment as Chief Operating Officer.
- (4) On April 1, 2019, Mr. Bullock was appointed as Chief Executive Officer and a director of the Corporation, replacing Mr. Angelo as Chief Executive Officer. Mr. Angelo retained the role of President of the Corporation.

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Name	Share-based Awards		
	Number of shares or units of shares that have not vested (#) <sup>(3)</sup>	Market or payout value of share-based awards that have not vested (\$) <sup>(3)</sup>	Market or payout value of vested share-based awards not paid out or distributed (\$) <sup>(3)</sup>
Dustin Angelo, President and Chief Executive Officer <sup>(4)</sup>	Nil	N/A	N/A
Robert J. Dufour, Chief Financial Officer and Corporate Secretary <sup>(1)</sup>	Nil	N/A	N/A
Gordana Slepcev, Chief Operating Officer <sup>(2)</sup>	Nil	N/A	N/A

**Notes:**

- (1) On April 18, 2017, the Corporation announced the appointment of Robert Dufour as Chief Financial Officer of the Corporation effective May 23, 2017.
- (2) On May 24, 2017, the Corporation announced the appointment of Gordana Slepcev as Chief Operating Officer of the Corporation effective May 23, 2017.
- (3) In December 2018, the Board adopted a Share Unit Plan, which is subject to approval and ratification by the shareholders of the Corporation at the meeting (see details above under “Business of the Meeting”). In March 2019, the Board granted 1,150,000 Share Units to the Named Executive Officers, which are also subject to approval and ratification by the shareholders of the Corporation at the meeting (see details above under “Business of the Meeting”).
- (4) On April 1, 2019, Mr. Bullock was appointed as Chief Executive Officer and a director of the Corporation, replacing Mr. Angelo as Chief Executive Officer. Mr. Angelo retained the role of President of the Corporation.

**Incentive Plan Awards – Value Vested or Earned During the Year**

The following table (presented in accordance with Form 51-102F6) sets forth details of the value vested or earned during the most recently completed financial year ended December 31, 2018.

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation value earned during the year (\$) <sup>(1)</sup>
Dustin Angelo, President and Chief Executive Officer <sup>(4)</sup>	86,845	N/A	44,000
Robert J. Dufour, Chief Financial Officer and Corporate Secretary <sup>(2)</sup>	51,702	N/A	33,000
Gordana Slepcev, Chief Operating Officer <sup>(3)</sup>	53,949	N/A	30,400

**Notes:**

- (1) Comprised of cash bonus awarded at the discretion of the Compensation Committee, forming part of the total compensation for the financial year for the Named Executive Officers in question.
- (2) On April 18, 2017, the Corporation announced the appointment of Robert Dufour as Chief Financial Officer of the Corporation effective May 23, 2017.
- (3) On May 24, 2017, the Corporation announced the appointment of Gordana Slepcev as Chief Operating Officer of the Corporation effective May 23, 2017.
- (4) On April 1, 2019, Mr. Bullock was appointed as Chief Executive Officer and a director of the Corporation, replacing Mr. Angelo as Chief Executive Officer. Mr. Angelo retained the role of President of the Corporation.

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**Pension Value – Value Vested or Earned During the Year**

The following table (presented in accordance with Form 51-102F6) sets forth for each NEO the payments or benefits, following or in connection with retirement, excluding defined benefit plans for the most recently completed financial year.

Name	Accumulated value at start of year (\$)	Compensatory (\$)	Accumulated value at year end (\$)
Dustin Angelo, President and Chief Executive Officer <sup>(3)</sup>	24,540	6,000	30,540
Robert J. Dufour, Chief Financial Officer and Corporate Secretary <sup>(1)</sup>	2,700	4,940	7,640
Gordana Slepcev, Chief Operating Officer <sup>(2)</sup>	14,136	4,440	18,576

**Note:**

- (1) On April 18, 2017, the Corporation announced the appointment of Robert Dufour as Chief Financial Officer of the Corporation effective May 23, 2017.
- (2) On May 24, 2017, the Corporation announced the appointment of Gordana Slepcev as Chief Operating Officer of the Corporation effective May 23, 2017. Ms. Slepcev held previous roles in Technical Services within the Corporation prior to her appointment as Chief Operating Officer.
- (3) On April 1, 2019, Mr. Bullock was appointed as Chief Executive Officer and a director of the Corporation, replacing Mr. Angelo as Chief Executive Officer. Mr. Angelo retained the role of President of the Corporation.

On June 1, 2013, the Corporation established a voluntary group retirement plan which included a registered retirement savings plan (“RRSP”) eligible to all employees. Under the plan, the Corporation matches employee RRSP contributions up to a maximum of 2% of employee cash earnings paid by the Corporation, which include base pay and cash bonus payment but exclude stock option grants and taxable benefits. All contributions by the Corporation vest immediately in the employee’s RRSP and are subject to certain withdrawal restrictions. Contributions are invested by default in the Trustee’s Retirement Date Funds which adjusts the investment mix of the contributions based on the employees’ estimated date of retirement. The Corporation’s normal retirement age is 65 years.

**Employment Agreements, Termination and Change of Control Benefits**

***Dustin Angelo***

The Corporation entered into an executive employment agreement with Mr. Angelo effective as of September 21, 2010 for an indefinite term until terminated in accordance with the agreement. It provided for an annual base salary of \$180,000 subject to an annual review (but will not be subject to decrease, and any increase is to be approved by the Board) and benefits such as vacation, health and insurance, directors’ and officers’ liability insurance and reimbursement of expenses. Subject to approval and grant by the Board (or any committee thereof), Mr. Angelo is entitled to participate in the Stock Option Plan. On June 26, 2012, the Corporation entered into a new employment agreement with Mr. Angelo. It provides for an annual base salary of \$240,000 subject to an annual review and benefits, such as vacation, health and insurance, directors’ and officers’ liability insurance and reimbursement of expenses. As of June 1, 2016, the Corporation revised Mr. Angelo’s base salary to \$300,000, subject to annual review. Additional compensation (bonus payments and employee stock option grants) (“**Additional Compensation**”) is awarded at the discretion of the Board. If Mr. Angelo wishes to resign, he is required to provide at least three months’ prior written notice, unless waived by the Corporation (in which case the Corporation will pay Mr. Angelo the compensation

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required to be paid in lieu of the period of notice). The Corporation may at any time, without notice or payment in lieu thereof or termination or severance pay of any kind, terminate Mr. Angelo's employment for cause. In addition, the Corporation may, at any time and for any reason, terminate Mr. Angelo's employment without cause by paying a lump sum payment equal to two year's base salary (at the then-current salary) plus an amount equal to the average of the cash portion of the Additional Compensation paid or accrued in the twelve month period ending on the date of the termination and the preceding twelve month period, multiplied by two, plus two times the then-annual premium payable by the Corporation in respect of the benefits provided at the time of termination, and is required to pay Mr. Angelo's legal and professional fees up to \$10,000 in seeking to obtain or enforce the benefits. In addition, any stock options issued pursuant to the Stock Option Plan which are outstanding as of the date of the termination of employment and which would have vested within 36 months of such date shall vest immediately on the date of the termination.

Mr. Angelo's employment agreement also provides that in the event of a sale of substantially all the assets or other transaction, merger, combination or similar transaction or event that results in a "change of control" or "change of ownership" of the Corporation's business which in turn results in Mr. Angelo's employment with the Corporation being terminated, he ceases to be a director of the Corporation or there is a newly appointed management team, Mr. Angelo will be entitled to the termination pay and other benefits provided for in case of termination without cause described above.

Mr. Angelo has agreed to hold, safeguard and maintain all confidential information relating to the Corporation and/or any of its affiliates and their respective businesses and affairs gained by Mr. Angelo in any manner or from any source during or through the course of his employment as strictly confidential. Mr. Angelo agreed not to disclose or use for his benefit or purposes (or for the benefit or purposes of any person or entity) any such confidential information except as may be reasonably necessary in the performance of his duties and in the best interests of the Corporation or as otherwise may be authorized expressly in writing by the Corporation. Such obligations survive the termination of Mr. Angelo's employment for any reason whatsoever and remain in full force and effect in perpetuity.

***Robert J. Dufour***

The Corporation entered into an executive employment agreement with Mr. Dufour effective as of May 23, 2017 for an indefinite term until terminated in accordance with the agreement. It provided for an annual base salary of \$225,000 subject to an annual review (but will not be subject to decrease, and any increase is to be approved by the Board) and benefits such as vacation, health and insurance, directors' and officers' liability insurance and reimbursement of expenses. Subject to approval and grant by the Board (or any committee thereof), Mr. Dufour is entitled to participate in the Stock Option Plan. Additional Compensation is awarded at the discretion of the Board. If Mr. Dufour wishes to resign, he is required to provide at least three months' prior written notice, unless waived by the Corporation (in which case the Corporation will pay Mr. Dufour the compensation required to be paid in lieu of the period of notice). The Corporation may at any time, without notice or payment in lieu thereof or termination or severance pay of any kind, terminate Mr. Dufour's employment for cause. In addition, the Corporation may, at any time and for any reason, terminate Mr. Dufour's employment without cause by paying a lump sum payment equal to six (6) months base salary, plus an additional month's base salary for every year of service, up to a maximum of twelve (12) months base salary.

Mr. Dufour's employment agreement also provides that in the event of a sale of substantially all the assets or other transaction, merger, combination or similar transaction or event that results in a "change of control" or "change of ownership" of the Corporation's business which in turn results in Mr. Dufour's employment with the Corporation being terminated, Mr. Dufour will be entitled to a lump sum payment equal to twelve (12) months base salary

Mr. Dufour has agreed to hold, safeguard and maintain all confidential information relating to the Corporation and/or any of its affiliates and their respective businesses and affairs gained by Mr. Dufour in any manner or from any source during or through the course of his employment as strictly confidential. Mr. Dufour agreed not to disclose or use for his benefit or purposes (or for the benefit or purposes of any person or entity) any such confidential information except as may be reasonably necessary in the performance of his duties and in the best interests of the Corporation or as otherwise may be authorized expressly in writing by the Corporation. Such obligations survive the termination of Mr. Dufour's employment for any reason whatsoever and remain in full force and effect in perpetuity.

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***Gordana Slepcev***

The Corporation entered into an executive employment agreement with Ms. Slepcev effective as of May 23, 2017 for an indefinite term until terminated in accordance with the agreement. It provided for an annual base salary of \$200,000 subject to an annual review (but will not be subject to decrease, and any increase is to be approved by the Board) and benefits such as vacation, health and insurance, directors' and officers' liability insurance and reimbursement of expenses. Subject to approval and grant by the Board (or any committee thereof), Ms. Slepcev is entitled to participate in the Stock Option Plan. Additional Compensation is awarded at the discretion of the Board. If Ms. Slepcev wishes to resign, she is required to provide at least three months' prior written notice, unless waived by the Corporation (in which case the Corporation will pay Ms. Slepcev the compensation required to be paid in lieu of the period of notice). The Corporation may at any time, without notice or payment in lieu thereof or termination or severance pay of any kind, terminate Ms. Slepcev's employment for cause. In addition, the Corporation may, at any time and for any reason, terminate Ms. Slepcev's employment without cause by paying a lump sum payment equal to six (6) months base salary, plus an additional month's base salary for every year of service, up to a maximum of twelve (12) months base salary. For the purposes of the terminations provisions in her agreement, the Corporation recognizes Ms. Slepcev's prior service with the Corporation since August 12, 2013.

Ms. Slepcev's employment agreement also provides that in the event of a sale of substantially all the assets or other transaction, merger, combination or similar transaction or event that results in a "change of control" or "change of ownership" of the Corporation's business which in turn results in Ms. Slepcev's employment with the Corporation being terminated, Ms. Slepcev will be entitled to a lump sum payment equal to twelve (12) months base salary

Ms. Slepcev has agreed to hold, safeguard and maintain all confidential information relating to the Corporation and/or any of its affiliates and their respective businesses and affairs gained by Ms. Slepcev in any manner or from any source during or through the course of her employment as strictly confidential. Ms. Slepcev agreed not to disclose or use for her benefit or purposes (or for the benefit or purposes of any person or entity) any such confidential information except as may be reasonably necessary in the performance of her duties and in the best interests of the Corporation or as otherwise may be authorized expressly in writing by the Corporation. Such obligations survive the termination of Ms. Slepcev's employment for any reason whatsoever and remain in full force and effect in perpetuity.

***Payments on a "Change of Control"***

The employment agreements between the Corporation and each NEO contain payment provisions relating to a "change of control" of the Corporation as more fully described above. The change of control payment provisions were included in each NEO's employment agreement in order to attract and retain the most highly qualified individuals to act as an NEO of the Corporation. A change of control alone does not trigger the payment provisions, but rather the payments are payable if the change of control occurs and the NEO's employment is terminated by the Corporation within 90 days of the change in control, or a new management team is appointed as a result of such a change of control. The change of control payment provisions were designed to protect the NEO financially in the event of a loss of employment following a change of control.

***Estimated Incremental Payments on Termination Without Cause***

The following table provides details regarding the estimated incremental payments from the Corporation to each of the Named Executive Officers (with the exception of Mr. Farr who is no longer a NEO) on a termination of employment without cause, assuming termination occurred on December 31, 2018.

<b>Termination Without Cause</b>				
	<b>Base Salary (\$)</b>	<b>Annual Incentive<sup>(1)</sup> (\$)</b>	<b>Options<sup>(2)</sup> (\$)</b>	<b>Total (\$)</b>
Dustin Angelo <sup>(3)</sup>	600,000	88,000	3,125	691,125
Robert J. Dufour	131,250	Nil	Nil	131,250
Gordana Slepcev	183,333	Nil	Nil	183,333



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**Notes:**

- (1) An amount equal to the average of the cash portion of the Additional Compensation paid or accrued in the twelve-month period ending on the date of the termination of and the preceding twelve month period, multiplied by two.
- (2) This amount reflects the aggregate dollar value that would have been realized if the options which vested on December 31, 2018 due to a termination of employment, were exercised on December 31, 2018. The value is calculated as the difference between the closing price of the common shares on the TSX on December 31, 2018 and the exercise price of the options.
- (3) On April 1, 2019, Mr. Bullock was appointed as Chief Executive Officer and a director of the Corporation, replacing Mr. Angelo as Chief Executive Officer. Mr. Angelo retained the role of President of the Corporation.

***Estimated Incremental Payments on Termination Following a Change in Control***

The following table provides details regarding the estimated incremental payments from the Corporation to each of the Named Executive Officers (with the exception of Mr. Farr who is no longer a NEO) on a termination of employment following a change in control, assuming termination occurred on December 31, 2018.

<b>Termination Following a Change in Control</b>				
	<b>Base Salary</b>	<b>Annual Incentive<sup>(1)</sup></b>	<b>Options<sup>(2)</sup></b>	<b>Total</b>
	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>
Dustin Angelo <sup>(3)</sup>	600,000	88,000	3,125	691,125
Robert J. Dufour	225,000	Nil	Nil	225,000
Gordana Slepcev	200,000	Nil	1,250	201,250

**Notes:**

- (1) An amount equal to the average of the cash portion of the Additional Compensation paid or accrued in the twelve-month period ending on the date of the termination of and the preceding twelve-month period, multiplied by two.
- (2) This amount reflects the aggregate dollar value that would have been realized if the options which vested on December 31, 2018 due to a termination of employment, were exercised on December 31, 2018. The value is calculated as the difference between the closing price of the common shares on the TSX on December 31, 2018 and the exercise price of the option.
- (3) On April 1, 2019, Mr. Bullock was appointed as Chief Executive Officer and a director of the Corporation, replacing Mr. Angelo as Chief Executive Officer. Mr. Angelo retained the role of President of the Corporation.

**Director Compensation**

***Director Compensation Table***

The following table (presented in accordance with Form 51-102F6) sets forth all amounts of compensation provided to the directors (other than Mr. Angelo) for the Corporation's most recently completed financial year ended December 31, 2018.

<b>Name</b>	<b>Fees earned (\$)</b>	<b>Share-based awards (\$)</b>	<b>Option-based awards (\$)</b>	<b>Non-equity incentive plan compensation (\$)</b>	<b>Pension value (\$)</b>	<b>All other compensation (\$)</b>	<b>Total (\$)</b>
Kevin Bullock <sup>(1)</sup>	6,500	N/A	15,798	N/A	N/A	Nil	22,298
Michael Byron	22,500	N/A	15,798	N/A	N/A	Nil	38,298
Jonathan Fitzgerald	49,500	N/A	27,083	N/A	N/A	Nil	76,583
Lewis Lawrick	28,250	N/A	22,569	N/A	N/A	Nil	50,819
Jacques Levesque	19,500	N/A	13,541	N/A	N/A	Nil	33,041
Maruf Raza	42,500	N/A	18,055	N/A	N/A	Nil	60,555

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(1) As of March 31, 2018, Kevin Bullock resigned from the Board of Directors. On April 1, 2019, Mr. Bullock was appointed as Chief Executive Officer and a director of the Corporation.

In April 2008, the Board adopted a compensation policy for non-executive directors effective as of January 1, 2008. Pursuant to the policy, for the year ended December 31, 2018, each director is entitled to an annual retainer of \$15,000, plus \$750 for each Board and committee meeting attended. The Chairman of the Board is entitled to an annual retainer of \$25,000. The Chairs of the Audit Committee, the Compensation Committee, the Safety Committee and the Corporate Governance Committee are entitled to annual retainers of \$20,000, \$5,000, \$5,000 and \$5,000 each, respectively.

The committees of the Board were constituted as follows for the financial year ended December 31, 2018:

<b>Corporate Governance</b>	<b>Audit</b>	<b>Compensation</b>	<b>Safety</b>
Jonathan Fitzgerald (Chair) Michael Byron Lewis Lawrick	Maruf Raza (Chair) Lewis Lawrick Michael Byron	Lewis Lawrick (Chair) Michael Byron Maruf Raza	<i>Vacant</i> (Chair) Dustin Angelo Jacques Levesque Gordana Slepcev (COO)

Mr. Fitzgerald earned the following fees during the year ended December 31, 2018: \$15,000 for serving on the Board; \$25,000 for serving as Chairman of the Board; \$5,000 for serving as chair of the Corporate Governance Committee; and \$4,500 for attending six Board meetings.

Mr. Bullock earned the following fees during the year ended December 31, 2018: \$3,750 for serving on the Board; \$1,250 for serving as the chair of the Safety Committee; and \$1,500 for attending one Board meeting and one Audit Committee meeting.

Mr. Byron earned the following fees during the year ended December 31, 2018: \$15,000 for serving on the Board; and \$7,500 for attending five Board meetings, four Audit Committee meetings, and one Compensation Committee meeting.

Mr. Lawrick earned the following fees during the year ended December 31, 2018: \$15,000 for serving on the Board; \$5,000 for serving as the chair of the Compensation Committee; and \$8,250 for attending six Board meetings, four Audit Committee meetings, and one Compensation Committee meeting.

Mr. Levesque earned the following fees during the year ended December 31, 2018: \$15,000 for serving on the Board and \$4,500 for attending six Board meetings.

Mr. Raza earned the following fees during the year ended December 31, 2017: \$15,000 for serving on the Board; \$20,000 for serving as Chair of the Audit Committee; and \$7,500 for attending five Board meetings, four Audit Committee meetings, and one Compensation Committee meeting.

***Incentive Plan Awards for Directors***

The directors of the Corporation are eligible to receive stock options and share units under the Corporation’s Stock Option Plan and Share Unit Plan described below under the heading “Securities Authorized for Issuance Under Equity Compensation Plans”. The Share Unit Plan, and Share Unit grants under the Plan, are subject to approval and ratification at the Meeting.

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***Outstanding Share-Based Awards and Option-Based Awards***

The following table (presented in accordance with Form 51-102F6) sets forth for each director that is not an NEO all awards outstanding at the end of the most recently completed financial year ended December 31, 2018, including awards granted before the most recently completed financial year.

Name	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>
Michael Byron	31,250	0.32	June 10, 2019	Nil
	37,500	0.20	June 1, 2020	844
	25,000	0.24	May 26, 2021	Nil
	25,000	0.24	June 21, 2022	Nil
	43,750	0.46	January 19, 2023	Nil
Jonathan Fitzgerald	425,000	0.24	December 15, 2021	Nil
	125,000	0.24	June 21, 2022	Nil
	75,000	0.46	January 19, 2023	Nil
Lewis Lawrick	43,750	0.32	June 10, 2019	Nil
	37,500	0.20	June 1, 2020	844
	125,000	0.24	February 22, 2021	Nil
	25,000	0.24	May 26, 2021	Nil
	37,500	0.24	June 21, 2022	Nil
	62,500	0.46	January 19, 2023	Nil
Jacques Levesque	1,062,500	0.24	April 6, 2021	Nil
	62,500	0.24	June 21, 2022	Nil
	37,500	0.46	January 19, 2023	Nil
Maruf Raza	43,750	0.32	June 10, 2019	Nil
	37,500	0.20	June 1, 2020	844
	25,000	0.24	May 26, 2021	Nil
	37,500	0.24	June 21, 2022	Nil
	50,000	0.46	January 19, 2023	Nil

**Note:**

- (1) Based on December 31, 2018 common share closing price of \$0.225 and calculated as the difference between the market value of the stock price at the end of the year and the exercise price of the option.

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Name	Share-based Awards		
	Number of shares or units of shares that have not vested (#) <sup>(1)</sup>	Market or payout value of share-based awards that have not vested (\$) <sup>(1)</sup>	Market or payout value of vested share-based awards not paid out or distributed (\$) <sup>(1)</sup>
Michael Byron	N/A	N/A	N/A
Jonathan Fitzgerald	N/A	N/A	N/A
Lewis Lawrick	N/A	N/A	N/A
Jacques Levesque	N/A	N/A	N/A
Maruf Raza	N/A	N/A	N/A

**Notes:**

- (1) In December 2018, the Board adopted a Share Unit Plan, which is subject to approval and ratification by the shareholders of the Corporation at the Meeting (see details above under “Business of the Meeting”). In March 2019, the Board granted 470,000 Share Units to Board members, which are also subject to approval and ratification by the shareholders of the Corporation at the meeting (see details above under “Business of the Meeting”).

***Incentive Plan Awards – Value Vested or Earned During the Year***

The following table (presented in accordance with Form 51-102F6) sets forth details of the value vested or earned by each director that is not an NEO during the most recently completed financial year ended December 31, 2018.

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Michael Byron	15,428	Nil	N/A
Jonathan Fitzgerald	32,501	Nil	N/A
Lewis Lawrick	22,172	Nil	N/A
Jacques Levesque	16,251	Nil	N/A
Maruf Raza	18,290	Nil	N/A

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

**Securities Authorized for Issuance Under Equity Compensation Plans**

The following table (presented in accordance with Form 51-102F5 under NI 51-102) sets forth all compensation plans under which equity securities of the Corporation were authorized for issuance as of December 31, 2018.

Plan Category	Number of securities to be issued upon exercise of outstanding options and rights <sup>(1) (3)</sup>	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders – Stock Option Plan	8,310,375	0.28	6,381,914 <sup>(2)</sup>
Equity compensation plans not approved by security holders - Share Unit Plan	Nil	N/A	Nil
<b>Total</b>	<b>8,310,375</b>	<b>0.28</b>	<b>6,381,914<sup>(2)</sup></b>

**Notes:**

- (1) Represents the Anaconda Stock Option Plan (5,494,750 stock options) and the Orex Stock Option Plan (2,815,625 stock options – refer to Orex Stock Option Plan below). In March 2019, 12,500 Anaconda stock options expired.
- (2) Represents common shares available for future issuance under the Equity Compensation Plans as at December 31, 2018.
- (3) In December 2018, the Board adopted a Share Unit Plan, which is subject to approval and ratification by the shareholders of the Corporation at the meeting (see details above under “Business of the Meeting”). In January, March, and April 2019, the Board granted 2,740,500 share units to the directors, officers, and employees of the Corporation, which are also subject to approval and ratification by the shareholders of the Corporation at the meeting (see details above under “Business of the Meeting”). In March 2019, 25,000 share units expired.

**Equity Compensation Plans**

The Corporation has adopted a Stock Option Plan and a Share Unit Plan (together with the Stock Option Plan, but excluding the Orex Stock Option Plan, the “Equity Compensation Plans”). Please see “Business of the Meeting” for a summary of the Share Unit Plan. The Equity Compensation Plans are each a “rolling evergreen” plan and provide that the number of common shares of the Corporation available for issuance from treasury under the Equity Compensation Plans shall not exceed 10% of the issued and outstanding common shares of the Corporation at the time of grant. Any increase in the issued and outstanding common shares of the Corporation will result in an increase in the available number of common shares issuable under the Equity Compensation Plans. Any issuance of common shares from treasury pursuant to the settlement of stock options or share units granted pursuant to the Incentive Plans shall automatically replenish the number of common shares issuable under the Equity Compensation Plans. When each stock option or share unit is exercised, cancelled, or terminated, a common share shall automatically be made available for the grant of a stock option or share unit under the Equity Compensation Plans. As of the date of this Circular, the maximum aggregate number of common shares which may be issued under the Equity Compensation Plans was 11,879,412 of which 8,197,750 stock options and share units were outstanding (representing approximately 6.9% of the issued and outstanding common shares), and 3,681,662 common shares were available for issuance (representing approximately 3.1% of the issued and outstanding common shares).

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The following table provides details of the burn rate under the Stock Option Plan for the year ended December 31, 2018, the seven month financial year ended December 31, 2017, the year ended May 31, 2017, and the year ended May 31, 2016:

Fiscal year ended	Burn rate <sup>(1)</sup>	Number of options granted <sup>(2)</sup>	Weighted average number of common shares outstanding <sup>(2)</sup>
Year ended December 31, 2018	1.5%	1,708,500	113,263,230
Seven month financial year ended December 31, 2017	1.0%	1,012,500	98,463,116
Year ended May 31, 2017	0.2%	125,000	52,730,475

**Notes:**

- (1) Calculated by dividing the number of stock options granted under the Stock Option Plan during the applicable period by the weighted average number of common shares outstanding for the applicable period.
- (2) On January 18, 2018, the Company completed a share consolidation on the basis of four (4) existing common shares for one (1) new common share.

#### Stock Option Plan

The purpose of the Stock Option Plan is to assist the Corporation to attract, retain and motivate directors, senior officers, key employees or other service providers of the Corporation and its subsidiaries and affiliates by providing them with the opportunity, through share options, to acquire an increased proprietary interest in the Corporation.

Eligible participants under the Stock Option Plan (“**optionees**”) are such senior officers, directors and key employees of the Corporation and its subsidiaries and affiliates, as well as any other person or company engaged to provide ongoing management or consulting services to the Corporation or to its subsidiaries and affiliates, as the Board shall from time to time determine in its sole discretion.

The aggregate number of common shares reserved for issuance pursuant to all options granted to any one optionee shall not exceed 5% of the issued and outstanding common shares (on a non-diluted basis) at the time of such grant. The number of common shares issuable to insiders, at any time, under the Stock Option Plan or when combined with all other share compensation arrangements, shall not exceed 10% of the issued and outstanding common shares (on a non-diluted basis), and the number of common shares issued to insiders within any one year period, under the Stock Option Plan or when combined with all other share compensation arrangements, cannot exceed 10% of the issued and outstanding common shares (on a non-diluted basis).

The option price per common share is to be determined by the Board provided that such price is not less than the closing market price of the common shares on the TSX one trading date prior to the date on which the option is granted. The vesting period of all options shall be determined by the Board. The term of an option shall not be less than one year and not more than 10 years from the date the option is granted (subject to certain provisions of the Stock Option Plan). If at any time, the term of an option ends during a period during which designated employees of the Corporation cannot trade common shares as a result of the Corporation’s policy respecting restrictions on employee trading which is in effect at that time (which, for greater certainty, does not include the period during which a cease trade order is in effect to which the Corporation, or in respect of an insider, that insider, is subject) (a “**Black-Out Period**”) or within 10 business days following a Black-Out Period, the ending date of the term of the option shall be deemed to be the date that is the tenth business day following such Black-Out Period.

The options are non-transferable and non-assignable.

In the event of the resignation of an optionee as an employee, resignation or removal of an optionee as a director or officer, or the discharge of an optionee as an employee by reason of a wilful and substantial breach of such optionee’s

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employment duties, prior to the expiry date, all options granted to such optionee shall in all respects forthwith cease and terminate. In the event of the termination of employment of an optionee other than in the foregoing circumstances, such optionee may exercise options at any time up to and including the 30th day (or such later day as the Board in its sole discretion may specifically determine for such optionee) following the effective date of termination of employment or the expiry date, whichever is earlier. In the event of the death of an optionee while in the employment, or as a director or officer, prior to the expiry date, the options may be exercised by the legal representatives of such optionee at any time up to and including the date, which is the first anniversary of the date of death or the expiry date, whichever is earlier.

The Board may amend, vary or discontinue the Stock Option Plan at any time either prospectively or retrospectively, provided, however, that no such amendment may increase the maximum number of common shares that may be optioned under the Stock Option Plan, change the manner of determining the option price, extend the term of any option beyond 10 years from the date of the granting of such option, extend the period during which options may be granted or, without the prior written consent of the optionee, alter or impair any option previously granted to an optionee under the Stock Option Plan. Any such amendment, variance or discontinuance of the Stock Option Plan shall be subject to the approval thereof by the TSX or such other stock exchange on which the common shares are then listed for trading.

Notwithstanding the foregoing, shareholder approval is required in accordance with the rules of the TSX or such other stock exchanges on which the common shares are then listed for trading, in circumstances where an amendment, variance or change to the Stock Option Plan or an option would:

- (a) increase the maximum number of common shares that may be optioned under the Stock Option Plan,
- (b) grant additional powers to the Board to amend the Stock Option Plan or entitlements under the Stock Option Plan without shareholder approval,
- (c) reduce the option price of options or other entitlements under the Stock Option Plan held by insiders,
- (d) extend the term of options held by insiders, or
- (e) change the insider participation limits which result in the shareholder approval to be required on a disinterested basis.

The Board has the power and authority to approve amendments relating to the Stock Option Plan or a specific option without further approval of the shareholders of the Corporation, to the extent that such amendments relate to, among other things, the terms and conditions of vesting, the termination provisions, accelerating the expiry date, application of adjustment provisions of the Stock Option Plan, amendments of a “housekeeping” or “clerical” nature, changes to the eligible participants, amendments to the Stock Option Plan that are reasonably necessary to allow optionees to receive fair and favourable tax treatment under relevant tax legislation, the mechanics of exercise of options, and introduction of a cashless exercised feature payable in securities.

#### **Orex’s Stock Option Plan**

On May 19, 2017, the Corporation completed an acquisition of all the issued and outstanding common shares of Orex Exploration Inc. (“**Orex**”) by way of a court-approved Plan of Arrangement (the “**Arrangement**”). Pursuant to the Arrangement, Orex became a wholly owned subsidiary of the Corporation, and outstanding options of Orex (“**Orex Options**”) granted pursuant to the stock option plan of Orex (the “**Orex Stock Option Plan**”) that were not duly exercised prior to the effective date of the Arrangement were exchanged for fully vested options of the Corporation to purchase from the Corporation the number of common shares (rounded down to the nearest whole share) equal to: (i) the exchange ratio, being 0.85, multiplied by (ii) the number of shares of Orex subject to such Orex Option immediately prior to the effective date of the Arrangement.

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As of the date of this Circular, there were 2,815,625 Orex Options outstanding entitling holders to acquire up to 2,815,625 common shares of Anaconda (representing approximately 2.4% of the issued and outstanding common shares). No further Orex Options can be granted under the Orex Stock Option Plan.

Under the Orex Stock Option Plan, all options had to be exercised no later than 5 years from the date of the grant and were not transferable other than by will or by the laws of descent and distribution. Unless otherwise decided by the board of directors of Orex, if a director, employee or consultant ceased to act as such for any reason other than death, each option held by such person would be exercisable during the 12 months following the date on which such person ceased to be a participant under the Orex Stock Option Plan but only up to and including the original option expiry date. Orex Options granted to a person engaged in investor relations activities had to expire within 30 days after this person ceased to be employed to provide such services.

Orex could, subject to all laws, at its discretion from time to time, amend the Orex Stock Option Plan and the terms and conditions of any Orex Option thereafter granted and, without limiting the generality of the foregoing, make such amendment for the purpose of complying with any changes in any law, or for any other purpose permitted by law, provided always that, any such amendment did not alter the terms or conditions of, or impair any right of any holders of Orex Options pursuant to any Orex Option awarded prior to such amendment without the consent of the affected holder(s) of Orex Options. Any amendment that reduced the exercise price required disinterested shareholder approval of Orex if the option holder covered by the amendment was an insider of Orex (as that term is defined in Policy 2.4 of the TSX Venture Exchange Corporate Finance Manual) when the amendment was proposed.

#### **Share Unit Plan**

The Board of Directors adopted the Share Unit Plan on December 6, 2018. Please see “Business of the Meeting” for a summary of the Share Unit Plan.

#### **STATEMENT OF CORPORATE GOVERNANCE PRACTICES**

##### ***THE FOLLOWING INFORMATION IS PROVIDED IN ACCORDANCE WITH FORM 58-101F1 – CORPORATE GOVERNANCE DISCLOSURE UNDER NATIONAL INSTRUMENT 58-101 – DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES (“NI 58-101”)***

During the fiscal year ended December 31, 2018, the Board was composed of seven directors: Messrs. Angelo, Bullock, Byron, Fitzgerald, Lawrick, Levesque and Raza; and was chaired by Mr. Fitzgerald. On March 31, 2018, Mr. Bullock tendered his resignation from the Board.

Messrs. Byron, Lawrick, and Raza meet the definition of independence under NI 58-101 and are considered by the Board to be independent. Mr. Angelo is not considered independent because he is a senior executive officer of the Corporation. Messrs. Fitzgerald and Levesque are not considered independent because of their former positions at Orex. As a result, the Board has concluded that three out of six directors (or 50%) are independent within the meaning of NI 58-101. At all meetings of the Board and its committees, the independent directors have an opportunity to meet without non-independent directors and members of management. To date, the independent directors have not held such meetings. The Board has appointed Jonathan Fitzgerald to the role of Chairman, and in this role, Mr. Fitzgerald chairs the Board meetings of the Corporation.

#### **Board Meetings and Attendance**

The Board meets regularly to review the activities and financial results of the Corporation and as necessary to review and consider significant impending actions of the Corporation. During the financial year ended December 31, 2018, the Board met formally six times and also acted through unanimous resolutions; the Audit Committee met four times; and the Compensation Committee met once. The Committees of the Board also acted through unanimous resolutions during the year; in particular, the Corporate Governance Committee undertook a detailed review of all Corporate Governance Policies of the Corporation, which were recommended for adoption by the Committee through a



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unanimous resolution. The Safety Committee did not meet during the financial year ended December 31, 2018, however safety discussions are held as part of Board meetings.

The members of the Board and their attendance are set forth below:

<b>Director</b>	<b>Independent<sup>(1)</sup></b>	<b>Meeting Attendance</b>
Dustin Angelo <sup>(2)</sup>	No	6 out of 6
Kevin Bullock <sup>(2)</sup>	Yes	1 out of 1
Michael Byron	Yes	5 out of 6
Jonathan Fitzgerald	No	6 out of 6
Lewis Lawrick	Yes	6 out of 6
Jacques Levesque	No	6 out of 6
Maruf Raza	Yes	5 out of 6

**Notes:**

- (1) To be considered independent, a member of the Board must not have any direct or indirect or “material relationship” with the Corporation. A material relationship is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a member’s independent judgment.
- (2) On April 1, 2019, Kevin Bullock was appointed as Chief Executive Officer and a director of the Corporation, replacing Dustin Angelo as Chief Executive Officer. Mr. Angelo retained the role of President of the Corporation. As a NEO, Mr. Bullock will not be deemed independent.

**Other Directorships**

As of December 31, 2018, the following directors of the Corporation were also directors of other issuers that are reporting issuers (or the equivalent) in Canada or elsewhere:

<b>Director</b>	<b>Reporting issuer (or the equivalent)</b>
Kevin Bullock	B2 Gold Corp.
Michael Byron	Magna Terra Minerals Inc., Nighthawk Gold Corp., X-Terra Resources Inc.
Jonathan Fitzgerald	Daystar Technologies Inc., Epcylon Technologies Inc.
Lewis Lawrick	Magna Terra Minerals Inc., Serengeti Resources Inc.
Maruf Raza	White Gold Corp.

**Board Mandate**

The Board is elected by the shareholders of the Corporation and is responsible for managing the business and affairs of the Corporation and, in doing so, must act honestly and in good faith with a view to enhancing long-term shareholder value. Pursuant to the Mandate of the Board (the “Board Mandate”), a copy of which is attached to this Circular as Schedule “A”, the Board is primarily responsible for the development and adoption of the strategic direction of the Company. Specifically, the Board is charged with responsibility for: (a) to the extent feasible, satisfying itself as to the integrity of the Chief Executive Officer and other executive officers and that the Chief Executive Officer and other executive officers create a culture of integrity throughout the organization; (b) adopting a strategic planning process and approving, on at least an annual basis, a strategic plan which takes into account, among other things, the opportunities and risks of the business; (c) identifying the principal risks of the Corporation’s business and ensuring the implementation of appropriate systems to manage these risks; (d) overseeing succession planning (including

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appointing, training and monitoring senior management); (e) adopting a communication policy for the Corporation; (f) overseeing the Corporation's internal control and management information systems; and (g) developing the Corporation's approach to corporate governance, including developing a set of corporate governance principles and guidelines that are specifically applicable to the Corporation.

During the fiscal year ended December 31, 2018, the Board undertook a review of all key corporate governance policies, including the Board Mandate, individual Committee Charters, the Corporations' Code of Conduct and Business Ethics, Securities Trading, Disclosure and Confidentiality Policy, and Whistleblower Policy. All updated Mandates, Charters and Policies were unanimously approved by the Board, and have been made publicly available on the Corporation's website.

#### **Position Descriptions**

In 2018, the Board developed a written position description for the Chairman of the Board as part of the Board Mandate (which is attached as Schedule A). The Chairman acts as an effective leader of the Board and ensures that the Board's agenda enables it to successfully carry out its duties. As part of the adoption of the Charters for the various Board Committees, the Board developed written descriptions of the responsibilities of the Chairs of those Committees. The Board has not developed a written position description for the Chief Executive Officer, however the responsibilities of the Chief Executive Officer are set forth in the employment agreement thereof.

#### **Ethical Business Conduct**

The Board expects directors, officers and employees to act ethically at all times and to from time to time acknowledge their adherence to the Corporation's codes and policies, including the Corporation's Code of Conduct and Business Ethics as approved by the Board. To ensure directors exercise independent judgement in considering transactions and agreements in respect of which a director or officer has a material interest, independent directors are given the opportunity to meet without non-independent directors and members of management at all Board and committee meetings.

#### **Director Term Limits**

The Corporation has not instituted director term limits. The Corporation believes that in taking into account the nature and size of the Board and the Corporation, it is more important to have relevant experience than to impose set time limits on a director's tenure, which may create vacancies at a time when a suitable candidate cannot be identified and as such would not be in the best interests of the Corporation. In lieu of imposing term limits, the Corporation regularly monitors director performance through annual evaluations and regularly encourages sharing and new perspectives through regularly scheduled Board meetings, meetings with only independent directors in attendance, as well as through continuing education initiatives. On a regular basis, the Corporation analyzes the skills and experience necessary for the Board and evaluates the need for director changes to ensure that the Corporation has highly knowledgeable and motivated Board members, while ensuring that new perspectives are available to the Board.

#### **Female Representation in Management and on the Board**

The Corporation has not implemented a diversity policy. However, it is currently considering implementing such a policy in the near future to ensure that the Corporation is continually able to attract the highest quality candidates. Such a diversity policy is anticipated to promote the benefits of, and need for, extending opportunities to all internal personnel and outside candidates, without distinction as to gender, race, colour, religion, sexual orientation, family or marital status, political belief, age, national or ethnic origin, citizenship, disability, or any other basis and will strive for diversity of experience, perspective and education. The diversity policy would not only focus on the best quality individuals for the position, but would also encourage representation of women on the Board and in executive officer positions.

As of December 31, 2018, one of the three named executive officers of the Corporation is female.

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The Corporation currently has six Board members and three executive officers (not including those that are also Board members). The Corporate Governance Committee has not considered the level of representation of women in its executive officer positions or on its Board in previous nominations (including a targeted number or percentage). The Corporation's focus has always been, and will continue to be, working to attract the highest quality executive officers and Board candidates with special focus on the skills, experience, character and behavioural qualities of each candidate. Further, through the anticipated implementation of a diversity policy, the Corporate Governance Committee and Board will consider diversity in the selection criteria of new Board members and executive officers. The Corporation will continue to monitor developments in the area of diversity.

#### **Board Committees**

To assist it in exercising its responsibilities, the Board established four standing committees of the Board: an audit committee (the "**Audit Committee**"), a compensation committee (the "**Compensation Committee**"), a safety committee (the "**Safety Committee**"); and a corporate governance committee (the "**Corporate Governance Committee**").

#### **Audit Committee**

The Audit Committee is currently composed of Messrs. Raza (Chair), Lawrick and Byron, all of whom are considered financially literate and independent (as such terms are defined in NI 52-110). The responsibilities of the Committee include: (a) assisting the Board's oversight of the Corporation's financial integrity, (b) managing the relationship between the Corporation and the external auditors, and (c) preparing any report relating to the Audit Committee that is required to be included in the Corporation's annual information form. The Audit Committee's charter is set out in the annual information form dated February 26, 2019, which is available on SEDAR at [www.sedar.com](http://www.sedar.com) under the Corporation's profile.

#### **Compensation Committee**

The Compensation Committee is currently composed of Messrs. Lawrick (Chair), Byron and Raza. It oversees the remuneration policies and practices of the Corporation and its principal responsibilities include: (a) comparing the nature and amount of the Corporation's directors' and executive officers' compensation to performance against goals set for the year while considering relevant comparative information, independent expert advice and the financial position of the Corporation, (b) making recommendations to the Board in respect of director and executive officer remuneration matters, and (c) administering the Stock Option Plan and granting options thereunder.

The Compensation Committee is mandated to review the compensation of the directors on an annual basis. The Committee review includes consideration of the adequacy, amount and form of compensation which a director receives, directly or indirectly, and whether such compensation realistically reflects the time commitment, responsibilities and risks of each director. All Compensation Committee members are independent members of the Board.

With respect to compensation of senior officers, the Compensation Committee is responsible for reviewing and approving the performance evaluations of the Corporation's senior officers and approving the individual compensation packages provided to senior officers. In conducting its analysis, the Committee will consider the compensation provided to senior officers in comparable organizations.

#### **Safety Committee**

The Safety Committee is currently composed of Messrs. Angelo and Levesque, and Ms. Slepcev. The Chair position of the Committee is currently vacant with the resignation of Mr. Bullock on March 31, 2018. The committee is responsible for: (a) ensuring that the Corporation provides training, instruction and equipment to its employees so they can carry out work in a safe manner, (b) reviewing the occupational health and safety policies and programs of the

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Corporation and making recommendations for changes to the Board for approval, and (c) reviewing the Corporation's compliance or non-compliance with safety policies, standards or programs.

#### Corporate Governance Committee

The Corporate Governance Committee is currently composed of Messrs. Fitzgerald (Chair), Byron and Lawrick. It is responsible, among other things, for: (a) identifying and making recommendations to the Board as to the structure of the Board and the committees of the Board to be constituted from time to time and the structure of those committees and (b) reviewing the charter of each committee of the Board and making recommendations to the Board with respect thereto in order to ensure that all aspects of corporate governance of the Corporation and its management and the performance of the Corporation's obligations to its shareholders, employees and members of the public are being effectively reviewed.

#### **Nomination of Directors**

The Corporate Governance Committee is responsible for: (a) periodically comparing the tangible and intangible skills and qualities of the existing Board members with the analysis of required skills and identifying opportunities for improvement and (b) identifying individuals qualified to become new Board members and recommending to the Board the new director nominees for the next annual meeting of shareholders.

#### **Board Assessment**

The Corporate Governance Committee is also responsible for making an annual assessment of the overall performance and effectiveness of the Board and each committee, the Chairman of the Board, each committee Chair and each director, and reporting on such assessments to the Board. The objective of the assessments is to ensure the continued effectiveness of the Board in the execution of its responsibilities and to contribute to a process of continuing improvement.

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

The Corporate Governance Committee is responsible for reviewing and making recommendations to the Board regarding orientation and education programs to be undertaken for all new members of the Board and continuing education programs to be made available to members of the Board.

### OTHER INFORMATION

#### **Directors' and Officers' Liability Insurance**

The Corporation maintains directors' and officers' liability insurance for the officers and directors of the Corporation, which provides aggregate coverage in the amount of \$13 million in each policy year with a \$15,000 deductible, for a total annual premium for the policy of \$30,920.

#### **Interest of Informed Persons in Material Transactions**

Management of the Corporation is not aware of a material interest, direct or indirect, of any director or officer of the Corporation, any proposed nominee for election as a director of the Corporation, any principal shareholder, or any associate or affiliate of any such person, in any transaction since the beginning of the fiscal year ended December 31, 2018 or in any proposed transaction that has materially affected or could materially affect the Corporation.

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**Additional Information**

Additional information relating to the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com) under the Corporation's profile. Financial information is provided in the Corporation's audited consolidated financial statements of the Corporation and the MD&A for the financial year ended December 31, 2018.

In addition, copies of the Corporation's financial statements and MD&A may be obtained upon request to the Chief Financial Officer of the Corporation. The Corporation may require the payment of a reasonable charge if the request is made by a person who is not a shareholder of the Corporation.

**DIRECTORS' APPROVAL**

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

**BY ORDER OF THE BOARD**

*"Jonathan Fitzgerald"*

Toronto, Ontario  
April 3, 2019

Jonathan Fitzgerald  
Chairman of the Board of Directors

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**NOTICE OF ANNUAL AND SPECIAL GENERAL MEETING  
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**Schedule A**

**BOARD OF DIRECTORS MANDATE**

**1. Objective and Scope**

The Board of Directors (the “Board”) has the responsibility for the overall stewardship of Anaconda Mining Inc. (the “Company”), its business conduct, and the activities of management, which is responsible for the day-to-day conduct of the business. The fundamental objectives of the Board are to enhance and preserve long term shareholder value, and to ensure that the Company meets its obligations on an ongoing basis and operates in a reliable and safe manner. In performing its functions, the Board should also consider the legitimate interests of its other stakeholders, such as employees, customers and communities.

**2. Procedures and Organization**

The Board has the authority to exercise all powers of the Corporation that are required by the Business Corporations Act (Ontario) or Articles of the Corporation. The Board may delegate to Senior Management or to a committee certain of its authorities, but it will communicate with respect to matters that cannot be delegated and that require prior approval of the Board. This will require that the Corporation’s annual strategic, operating and capital plans, significant capital expenditures, and all transactions or other matters of a material nature and dealing with non-arm’s length parties, must be presented by Senior Management for approval by the Board. The Board also retains the responsibility for managing its own affairs including selecting its chair (“Chair”) and nominating candidates for election to the Board and constituting committees of the Board.

A quorum for the transaction of business at any meeting of the Board shall be a majority of the number of directors then in office. The Corporate Secretary of the Company (or in their absence, the person appointed by the Board to take minutes) shall have the responsibility for taking minutes of all meetings of the Board and for circulating drafts of such minutes to the Chair promptly following each meeting. The Corporate Secretary of the Company (or in his or her absence, the person appointed by the Board to take minutes) shall present draft minutes from the previous meeting at the next succeeding Board meeting for comments, approval and execution.

**3. Duties and Responsibilities**

The Board’s principal duties and responsibilities fall into a number of categories which are outlined below.

➤ **Legal Requirements**

The Board, together with management, has the responsibility to ensure all legal requirements are met, all documents and records are properly prepared and approved, and all corporate records are properly maintained.

The Board has the statutory responsibility to:

- a. To manage, supervise and assume responsibility for the management of the business of the Corporation;
- b. To act honestly and in good faith and in the best interests of the Corporation;
- c. To exercise the care, diligence and skill of a reasonably prudent person; and
- d. To act in accordance with its obligations contained in the Business Corporations Act (Ontario), the Securities Act (Ontario), the regulations of the Exchange, and all such other relevant legislation and regulations.

➤ **Independence**

In order that the Board can function independently of Senior Management, it will seek to maintain a majority of the Board as “independent”, as defined by National Instrument 58-101 – Disclosure of Corporate Governance Practices (“NI 58-101”). The Board, in consultation with the Corporate Governance Committee, will annually review the

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relationship of each director and the Company to determine if each director is or remains “independent” as defined by NI 58-101.

The Board will disclose annually whether the Board of Directors has a majority of independent Directors.

#### ➤ **Strategic Planning**

The Board has the responsibility to ensure that there are long term goals and a strategic planning process in place for the Company and to participate, at least annually, with management, directly or through the Board’s committees, in developing and approving the plan by which the Company proposes to achieve its goals, which plan considers, among other things, the opportunities and risks of the Company’s business. Annual operating and capital plans are developed by Senior Management and are reviewed and approved by the Board.

#### ➤ **Identification and Management of Risks**

The Board will identify principal risks to the Corporation’s business and will with Senior Management establish systems and procedures to ensure that these risks are appropriately monitored and controlled. These systems and procedures will include the responsible use of the Corporation’s assets and financial resources, and will be in compliance with all regulatory obligations and regulations.

#### ➤ **Supervision and Succession of Management**

The Board is responsible for the supervision of Senior Management and will take reasonable steps to ensure that the operations of the Corporation are conducted in accordance with strategic plans and objectives set by the Board. Appointment of the CEO and CFO will be approved by the Board. The Board will assess the performance of the Senior Officers of the Corporation and ensure that they are professional, focused and capable of successfully managing the Corporation;

The Board will ensure that appropriate and reasonable plans have been made for management succession and development.

#### ➤ **Internal Controls and Disclosure**

While the Board is called upon to manage or supervise Senior Management, the business of the Corporation is carried out by the CEO, CFO and others in Senior Management. These individuals are charged with the day-to-day leadership and management of the Corporation and its subsidiaries and are expected to achieve overall objectives and policies established by the Board. The CEO’s prime responsibility is to lead the Corporation, formulate strategies and policies and present them to the Board for approval. \ The Board approves the strategies of the Corporation and its subsidiaries, the policies within which it is managed, provides counsel to Senior Management to achieve objectives and evaluates performance. Reciprocally, the CEO keeps the Board fully-informed in a timely and candid manner on all matters which are of interest to the Board, on progress of the Corporation towards the achievement of its objectives and of all potential or actual deviations from the goals, objectives and/or policies established by the Board. Once the Board has approved the strategies and policies, it acts in a unified and cohesive manner in supporting, advising and guiding the CEO, CFO and others in Senior Management.

The Board operates by delegating certain of its authorities, including spending authorizations, to Senior Management and by reserving certain powers to itself. Subject to the Business Corporations Act (Ontario) and Articles, the Board retains the responsibility for managing its own affairs, developing its own agendas and procedures and recommending Directors’ compensation. Its principal duties fall into the general categories described below.

The Board, through the Audit Committee, will be responsible for the integrity of the internal control and management information systems of the Corporation. The duties of the Audit Committee are located at Tab 11.

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The Board is responsible for approving a communications policy that includes a framework for investor relations and a public disclosure policy. Refer to Corporate Disclosure Policy at Tab 3.

The Board is responsible for reviewing and assessing disclosure of the Corporation's financial performance to shareholders and stakeholders.

#### ➤ **Division of Responsibilities**

The Board has the power to appoint and delegate responsibilities to committees where appropriate to do so. The Board shall be responsible for ensuring that the Company's officers and the directors are qualified and appropriate in keeping with the Company's corporate governance policies.

To assist it in exercising its responsibilities, the Board has established the following standing committees of the Board:

- Audit Committee
- Corporate Governance Committee
- Compensation Committee
- Health, Safety and Sustainability Committee

The Board may establish other standing or ad hoc committees from time to time which will function in accordance with such committee's charter.

Each committee shall have a written charter that clearly establishes its purpose, responsibilities, composition, structure and functions. Each committee charter shall be reviewed by the Board at least annually. The Board is responsible for appointing the committee members, including the chair of each committee.

#### ➤ **Appointment and Monitoring of Senior Management**

The Board has the responsibility:

- a. For the appointment and replacement of the CEO, and CFO, for monitoring his/her performance, approving his/her compensation and providing advice and counsel to this executive in the execution of his/her duties.
- b. To determine its expectations of Senior Management and take reasonable steps to ensure that they understand these expectations.
- c. The Board through the Corporate Governance Committee has the responsibility for reviewing and recommending the appointment and replacement of Directors.

#### ➤ **Policies, Procedures and Compliance**

The Board has the responsibility:

- a. To approve all significant policies and procedures and to monitor compliance with these policies and procedures.
- b. To take such reasonable steps necessary to ensure that the Corporation operates at all times within applicable laws and regulations, and to the highest ethical and moral standards.

#### ➤ **Reporting and Communication**

The Board has the responsibility to take such reasonable steps to ensure that:

- a. to ensure the Company has developed, and the Board has approved, a Corporate Disclosure Policy, to enable the Company to communicate effectively with its shareholders and other stakeholders;
- b. Operational and financial performance of the Corporation is adequately reported to exchanges and stakeholders on a timely and regular basis, as required by law.



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- c. Financial performance is reported fairly and in accordance with Generally Accepted Accounting Principles.
- d. Reporting to exchanges and stakeholders of any developments that could or would be reasonably expected to have a significant and material impact on the Corporation.
- e. Policies and procedures are in place that allow for effective communication with exchanges and stakeholders.

#### ➤ **Monitoring and Acting**

The Board has the responsibility:

- a. to monitor the Company's progress towards its goals and objectives and to revise and alter its direction through management in response to changing circumstances;
- b. to take action when performance falls short of its goals and objectives or when other special circumstances warrant; and
- c. to ensure that the Company has implemented adequate internal control and management information systems which ensure the effective discharge of the Board's responsibilities.

#### ➤ **Membership and Composition**

The Board of Directors will:

- a. examine the size of the Board with a view to determining the impact of the number of Directors upon the effectiveness of the Board; and
- b. determine the status of each Director as dependent or independent and, to the extent practicable, take steps to ensure that a majority of the Directors are independent.

The Board, through the Corporate Governance Committee, in determining its composition, shall be mindful of the nature of its business and the specialized knowledge that the Board should possess or need to acquire.

#### ➤ **Education and Assessment**

Members of the Board are expected to attend all meetings of the Board in person or by phone and to have reviewed board materials in advance and be prepared to discuss such materials.

The Board has responsibility to ensure that a process is in place so that all new Directors receive a comprehensive orientation and fully understand the role of the Board and its committees, the nature and operation of the Company's business, and the contribution that individual directors are required to make. New Directors, as part of their orientation, may meet with Senior Management to discuss the business of the Corporation and receive historical and current operating and financial information, and may tour offices and locations of the Corporation.

Members of the Board will be required to annually assess their own effectiveness and contribution as directors, and the effectiveness of the Board and its committees.

#### **4. Third Party Advisors**

The Board, and any individual director with the approval of the Board, may retain at the expense of the Company independent counsel and advisers in appropriate circumstances.

#### **5. Role of Chairman**

The Chair of the Board will provide leadership to directors in discharging their duties as set out in this Mandate, including by:

- chair Board meetings and be the spokesman for the Company at the Annual General Meeting
- establish the agenda for Board meetings in consultation with the CEO and CFO

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- ensure that the Board is participating in setting the aims, strategies and policies of the Company
- make certain that the Board has the necessary information to ensure effective decision making and provide counsel for management
- ensure that administrative tasks such as the timely circulation of Board papers are carried out
- direct Board discussions so that there is effective use of time and that critical issues are discussed including 'in camera' discussions (without management) as required
- be kept fully informed by the CEO of current events and on all matters which may be of interest to the Board
- regularly review with the CEO and other such members of Senior Management as the CEO recommends, progress on important initiatives and significant issues facing the Company

Reviewed and Approved by the Board of Directors on March 28, 2018.

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Schedule B

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SHARE UNIT PLAN

ARTICLE I  
INTRODUCTION

1.1 Purpose of Plan

The Anaconda Mining Share Unit Plan provides for the granting of Share Unit Awards and payment in respect thereof through the issuance of one Share from treasury of the Company per Share Unit (subject to adjustments), subject to obtaining the approval of the Stock Exchange and the Required Shareholder Approval, for services rendered, for the purpose of advancing the interests of the Participants.

1.2 Definitions

- (a) “**Act**” means the *Business Corporations Act* (Ontario), or its successor, as amended, from time to time.
- (b) “**Affiliate**” means any Company that is an affiliate of the Company as defined in National Instrument 45-106 – *Prospectus Exemptions*, as may be amended from time to time.
- (c) “**Associate**” with any person or company, is as defined in the Securities Act, as may be amended from time to time.
- (d) “**Board**” means the board of directors of the Company, or any committee of the board of directors to which the duties of the board of directors hereunder are delegated.
- (e) “**Change of Control**” means the occurrence of any one or more of the following events:
  - (i) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Company or any of its Affiliates and another corporation or other entity, as a result of which the holders of Shares immediately prior to the completion of the transaction hold less than 50% of the outstanding shares of the successor corporation immediately after completion of the transaction;
  - (ii) the sale, lease, exchange or other disposition, in a single transaction or a series of related transactions, of all or substantially all of the assets, rights or properties of the Company and its Subsidiaries on a consolidated basis to any other person or entity, other than transactions among the Company and its Subsidiaries;
  - (iii) a resolution is adopted to wind-up, dissolve or liquidate the Company;
  - (iv) any person, entity or group of persons or entities acting jointly or in concert (the “**Acquiror**”) acquires, or acquires control (including, without limitation, the power to vote or direct the voting) of, voting securities of the Company which, when added to the voting securities owned of record or beneficially by the Acquiror or which the Acquiror has the right to vote or in respect of which the Acquiror has the right to direct the voting, would entitle the Acquiror and/or Associates and/or Affiliates of the Acquiror to cast or direct the casting of 50% or more of the votes attached to all of the Company's outstanding voting

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securities which may be cast to elect Directors of the Company or the successor corporation (regardless of whether a meeting has been called to elect Directors);

- (v) as a result of or in connection with: (A) a contested election of Directors; or (B) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Company or any of its Affiliates and another corporation or other entity (a “**Transaction**”), fewer than 50% of the Directors of the Company are persons who were Directors of the Company immediately prior to such Transaction; or
- (vi) the Board adopts a resolution to the effect that a Change of Control as defined herein has occurred or is imminent.

For the purposes of the foregoing definition of Change of Control, “**voting securities**” means Shares and any other shares entitled to vote for the election of Directors and shall include any security, whether or not issued by the Company, which are not shares entitled to vote for the election of Directors but are convertible into or exchangeable for shares which are entitled to vote for the election of Directors, including any options or rights to purchase such shares or securities.

- (f) “**Committee**” means the Board or the Compensation Committee or, if the Board so determines in accordance with Section 2.2 of the Plan, any other committee of Directors of the Company authorized to administer the Plan from time to time.
- (g) “**Company**” means Anaconda Mining Inc. and includes any successor corporation thereof.
- (h) “**Consultant**” means, in relation to the Company, an individual or a Consultant Company, other than an Employee, Director or Officer of the Company, that:
  - (i) is engaged to provide on a continuous bona fide basis, consulting, technical, management or other services to the Company or to an Affiliate of the Company, other than services provided in relation to a distribution;
  - (ii) provides the services under a written contract between the Company or the Affiliate and the individual or the Consultant Company;
  - (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or an Affiliate of the Company; and
  - (iv) has a relationship with the Company or an Affiliate of the Company that enables the individual to be knowledgeable about the business and affairs of the Company.
- (i) “**Consultant Company**” means for an individual Consultant, a company or partnership of which the individual is an employee, shareholder or partner.
- (j) “**Deferred Payment Date**” for a Participant means the date after the Maturity Date which is the earlier of (i) the date to which the Participant has elected to defer receipt of Shares in accordance with Section 2.5 of this Plan; and (ii) the date of the Participant’s Retirement, Resignation, Termination with Cause or Termination Without Cause or a Change of Control of the Company.
- (k) “**Director**” means a director of the Company or any of its Subsidiaries.
- (l) “**Disability**” means where the Participant: (i) is to a substantial degree unable, due to illness, disease, affliction, mental or physical disability or similar cause, to fulfill his or her obligations as an officer

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or employee of the Company either for any consecutive 12 month period or for any period of 18 months (whether or not consecutive) in any consecutive 24 month period; or (ii) is declared by a court of competent jurisdiction to be mentally incompetent or incapable of managing his affairs.

- (m) “**Employee**” means an individual who is a bona fide employee of the Company or of any Subsidiary of the Company and includes a bona fide permanent part-time employee of the Company or any Subsidiary of the Company.
- (n) “**Grant Date**” means the effective date that a Share Unit is awarded to a Participant under this Plan, as evidenced by the Share Unit grant letter.
- (o) “**Insider**” has the meaning given to such term in the TSX Company Manual.
- (p) “**Management Company Employee**” means an individual who is a bona fide employee of a company providing management services to the Company, which are required for the ongoing successful operation of the business enterprise of the Company.
- (q) “**Market Price**” as at any date in respect of the Shares shall be the closing price of the Shares on the TSX or, if the Shares are not listed on the TSX, on the principal stock exchange on which such Shares are traded, on the trading day that the Share Unit is awarded. In the event that the Shares are not then listed and posted for trading on a stock exchange, the Market Price shall be the fair market value of such Shares as determined by the Committee in its sole discretion.
- (r) “**Maturity Date**” means the date that a Share Unit is eligible for payment, as determined by the Committee in its sole discretion in accordance with the Plan and as outlined in the Share Unit grant letter issued to the Participant.
- (s) “**Officer**” means a senior officer of the Company or any of its Subsidiaries.
- (t) “**Orex Stock Option Plan**” means the stock option plan of Orex Exploration Inc., which was acquired by Anaconda Mining on May 19, 2017.
- (u) “**Participant**” means an Employee, Director or Officer of the Company or any of its Subsidiaries or Affiliates, Consultant, and a Management Company Employee to whom Share Units are granted hereunder unless otherwise determined by the Committee, and, except in relation to a Consultant Company, includes a company that is wholly-owned by such persons.
- (v) “**Plan**” means this Share Unit Plan, as may be amended from time to time.
- (w) “**Qualifying Participant**” means a Participant (i) who is a resident of Canada for the purposes of the *Income Tax Act* (Canada) or (ii) who is designated as a Qualifying Participant in the Participant’s Share Unit grant letter, provided that the Participant is not a U.S. Taxpayer.
- (x) “**Required Shareholder Approval**” means the approval of this Plan by the shareholders of the Company, in accordance with the requirements of the TSX.
- (y) “**Resignation**” means the cessation of employment (as an Officer or Employee) of the Participant with the Company or any of its Subsidiaries or Affiliates as a result of resignation, other than as a result of Retirement.
- (z) “**Retirement**” means the Participant ceasing to be an Employee or Officer of the Company or any of its Subsidiaries or Affiliates in accordance with the retirement policies of the Company or any of

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its Subsidiaries or Affiliates, if any, or such other time as the Company may agree with the Participant.

- (aa) “**Securities Act**” means the *Securities Act*, R.S.O. 1990, Chapter S.5, as amended from time to time.
  - (bb) “**Share Unit**” means a unit credited by means of an entry on the books of the Company to a Participant, representing the right to receive one Share (subject to adjustments) issued from treasury.
  - (cc) “**Share Unit Award**” means an award of Share Units under this Plan to a Participant.
  - (dd) “**Shares**” means the common shares in the capital of the Company.
  - (ee) “**Stock Exchange**” means the TSX, or if the Shares are not listed on the TSX, such other stock exchange on which the Shares are listed, or if the Shares are not listed on any stock exchange, then on the over-the-counter market.
  - (ff) “**Subsidiary**” means a corporation which is a subsidiary of the Company defined under the Securities Act.
  - (gg) “**Termination With Cause**” means the termination of employment (as an Officer or Employee) of the Participant with cause by the Company or any of its Subsidiaries or Affiliates (and does not include Resignation or Retirement).
  - (hh) “**Termination Without Cause**” means the termination of employment (as an Officer or Employee) of the Participant without cause by the Company or any of its Subsidiaries or Affiliates (and does not include Resignation or Retirement) and, in the case of an Officer, includes the removal of or failure to reappoint the Participant as an Officer of the Company or any of its Subsidiaries or Affiliates.
  - (ii) “**TSX**” means the Toronto Stock Exchange.
  - (jj) “**U.S. Taxpayer**” means a Participant who is a U.S. citizen, U.S. permanent resident or U.S. tax resident or a Participant for whom a benefit under this Plan would otherwise be subject to U.S. taxation under the U.S. Internal Revenue Code of 1986, as amended, and the rulings and regulations in effect thereunder.
- 1.3** The headings of all articles, sections and paragraphs in this Plan are inserted for convenience of reference only and shall not affect the construction or interpretation of this Plan.
- 1.4** Whenever the singular or masculine are used in this Plan, the same shall be construed as being the plural or feminine or neuter or vice versa where the context so requires.
- 1.5** The words "herein", "hereby", "hereunder", "hereof" and similar expressions mean or refer to this Plan as a whole and not to any particular article, section, paragraph or other part hereof.
- 1.6** Unless otherwise specifically provided, all references to dollar amounts in this Plan are references to lawful money of Canada.

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**ARTICLE II  
ADMINISTRATION OF THE PLAN**

**2.1 Administration**

This Plan shall be administered by the Committee and the Committee shall have full authority to administer this Plan, including the authority to interpret and construe any provision of this Plan and to adopt, amend and rescind such rules and regulations for administering this Plan as the Committee may deem necessary in order to comply with the requirements of this Plan. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and conclusive and shall be binding on the Participants and the Company. No member of the Committee shall be personally liable for any action taken or determination or interpretation made in good faith in connection with this Plan and all members of the Committee shall, in addition to their rights as Directors of the Company, be fully protected, indemnified and held harmless by the Company with respect to any such action taken or determination or interpretation made in good faith. The appropriate Officers of the Company are hereby authorized and empowered to do all things and execute and deliver all instruments, undertakings and applications and writings as they, in their absolute discretion, consider necessary for the implementation of this Plan and of the rules and regulations established for administering this Plan. All costs incurred in connection with this Plan shall be for the account of the Company.

Notwithstanding anything to the contrary in the Plan, the provisions of Schedule "A" shall apply to Share Unit Awards granted to a Participant who is a U.S. Taxpayer.

**2.2 Delegation to Committee**

All of the powers exercisable hereunder by the Board may, to the extent permitted by applicable law and as determined by resolution of the Board, be exercised by a committee of the Board, including the Committee.

**2.3 Register**

The Company shall maintain a register in which it shall record the name and address of each Participant and the number of Share Units (and their corresponding key conditions and Maturity Date) awarded to each Participant.

**2.4 Participant Determination**

The Committee shall from time to time determine the Participants who may participate in this Plan. The Committee shall from time to time, and subject to any applicable blackout period, determine the Participants to whom Share Units shall be granted and the number, provisions and restrictions with respect to such grant, all such determinations to be made in accordance with the terms and conditions of this Plan.

**2.5 Deferred Payment Date**

A Qualifying Participant may elect to defer to receive all or any part of their Shares following the Maturity Date until a Deferred Payment Date.

Qualifying Participants who elect to set a Deferred Payment Date must give the Company written notice of the Deferred Payment Date not later than sixty (60) days prior to the Maturity Date. For certainty, Qualifying Participants shall not be permitted to give any such notice after the day which is sixty (60) days prior to the Maturity Date and a notice once given may not be changed or revoked.

In the event of the Retirement, Resignation, Termination with Cause or Termination Without Cause of the Qualifying Participant or a Change of Control following the Maturity Date and prior to the Deferred Payment Date, the Qualifying Participant shall be entitled to receive and the Company shall issue forthwith the applicable Shares in satisfaction of the Share Units then held by the Qualifying Participant that have vested.

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**ARTICLE III  
SHARE UNIT AWARDS**

**3.1 General**

This Plan is hereby established for the Employees, Directors and Officers of the Company and any of its Subsidiaries and Affiliates, and for individuals retained as a Consultant to the Company or Management Company Employees, as may be determined by the Committee.

**3.2 Share Unit Awards**

A Share Unit Award may be made to a particular Participant as determined in the sole and absolute discretion of the Committee with the agreement of the Participant. The number of Share Units awarded by the Committee will be determined and will be credited to the Participant's account, effective as of the Grant Date. The Share Units will be settled by way of the issuance of Shares from treasury as soon as practicable following the Maturity Date or, if applicable, the Deferred Payment Date, unless otherwise provided under this Plan.

For the avoidance of doubt, a Participant will have no right or entitlement whatsoever to receive any Shares until the Maturity Date or, if applicable, the Deferred Payment Date.

**3.3 Dividends**

In the event a cash dividend is paid to shareholders of the Company on the Shares while a Share Unit is outstanding, each Participant will be credited with additional Share Units. In such case, the number of additional Share Units will be equal to the aggregate amount of dividends that would have been paid to the Participant if the Share Units in the Participant's account on the record date had been Shares divided by the Market Price of a Share on the date on which dividends were paid by the Company. If the foregoing shall result in a fractional Share Unit, the fraction shall be disregarded.

The additional Share Units will vest and be settled on the Participant's Maturity Date or, if applicable, the Deferred Payment Date of the particular Share Unit Award to which the additional Share Units relate.

**3.4 Change of Control**

In the event of a Change of Control, all unvested Share Units outstanding shall automatically and immediately vest on the date of such Change of Control. Upon a Change of Control, Participants shall not be treated any more favourably than shareholders of the Company with respect to the consideration that the Participants would be entitled to receive for their Shares.

**3.5 Death or Disability of Participant**

Subject to the Board determining otherwise, in the event of:

- (a) the death of a Participant, any unvested Share Units held by such Participant will automatically vest on the date of death of such Participant and the Shares underlying all Share Units held by such Participant will be issued to the Participant's estate as soon as reasonably practical thereafter; or
- (b) the Disability of a Participant (as may be determined in accordance with the policies, if any, or general practices of the Company or any Subsidiary), any unvested Share Units held by such Participant will automatically vest on the date on which the Participant is determined to be totally disabled and the Shares underlying the Share Units held will be issued to the Participant as soon as reasonably practical thereafter.



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#### 3.6 Retirement

Subject to the Board determining otherwise, in the event of Retirement of a Participant, any unvested Share Units held by such Participant will automatically vest on the date of Retirement and the Shares underlying such Share Units will be issued to the Participant as soon as reasonably practical thereafter.

#### 3.7 Termination Without Cause

- (a) Subject to the Board determining otherwise, in the event of Termination Without Cause of a Participant, any unvested Share Units held by such Participant, that are not subject to Section 3.7(b) as a result of not being subject to performance vesting criteria, will automatically vest on the date of Termination Without Cause and the Shares underlying such Share Units will be issued to the Participant as soon as reasonably practical thereafter.
- (b) Subject to the Board determining otherwise, in the event of Termination Without Cause of a Participant, any unvested Share Units with performance vesting criteria held by such Participant will vest in accordance with their normal vesting schedule unless otherwise stipulated in the Participant's Share Unit grant letter.

For greater certainty, the date of Termination Without Cause shall mean the date the Participant ceases providing services to the Company or an Affiliate regardless of the reasons therefore and, for greater clarity, such date shall be as specified in the notice of termination from the Company or an Affiliate and shall not include or be deemed to include any period of notice of termination to which the Participant may be entitled under contract, statute, common law or otherwise.

#### 3.8 Termination with Cause or Resignation

In the event of Termination With Cause or the Resignation of a Participant, all of the Participant's Share Units shall become void and the Participant shall have no entitlement and will forfeit any rights to any issuance of Shares under this Plan, except as may otherwise be stipulated in the Participant's Share Unit grant letter or as may otherwise be determined by the Committee in its sole and absolute discretion. Share Units that have vested but that are subject to a Participant's election to set a Deferred Payment Date shall be issued forthwith following the Termination with Cause or the Resignation of the Participant.

#### 3.9 Share Unit Grant Letter

Each grant of a Share Unit under this Plan shall be evidenced by a confirmation Share Unit grant letter issued to the Participant by the Company and agreed to by the Participant. Such Share Unit grant letter shall be subject to all applicable terms and conditions of this Plan and may include any other terms and conditions which are not inconsistent with this Plan and which the Committee deems appropriate for inclusion in a Share Unit grant letter. The provisions of the various Share Unit grant letters issued under this Plan need not be identical.

#### 3.10 Maximum Number of Shares

The maximum number of Shares made available for issuance from treasury under this Plan or any other security based compensation arrangement (pre-existing or otherwise, but excluding the Orex Stock Option Plan), subject to adjustments pursuant to Section 4.8, shall not exceed 10% of the issued and outstanding Shares at the time of grant. Any increase in the issued and outstanding Shares will result in an increase in the available number of Shares issuable under this Plan. Any issuance of Shares from treasury pursuant to the settlement of Share Units shall automatically replenish the number of Shares issuable under this Plan. When each Share Unit is settled, cancelled or terminated, a Share shall automatically be available for the grant of a Share Unit under this Plan.

The grant of Share Units under the Plan is subject to a restriction such that the number of Shares: (i) issued to Insiders of the Company within any one (1) year period, and (ii) issuable to Insiders of the Company, at any time, under the Plan, or when combined with all of the Company's other security based compensation arrangements, shall not exceed

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10% of the Company's total issued and outstanding Shares, respectively. For the purposes of this Plan, "security-based compensation arrangements" shall have the meaning given to such term in the TSX Company Manual. For greater certainty, the number of Shares outstanding shall mean the number of Shares outstanding on a non-diluted basis on the date immediately prior to the proposed Grant Date.

**3.11 Settlement of Share Units**

For greater certainty, notwithstanding any provision of this Plan the Company shall not have the right to settle any Share Units for non-share consideration.

**ARTICLE IV  
GENERAL**

**4.1 Effectiveness**

The Plan shall be effective only upon the approval of both the board of directors and the shareholders of the Company by ordinary resolution, subject to the provisions of Section 4.2 hereof. This Plan shall remain in effect until it is terminated by the Committee or the Board.

**4.2 Discontinuance of Plan**

The Committee or the Board, as the case may be, may discontinue this Plan at any time in its sole discretion, and without shareholder approval, provided that such discontinuance may not, without the consent of the Participant, in any manner adversely affect the Participant's rights under any Share Unit granted under this Plan. In the event this Plan is discontinued by the Committee or the Board, the balance of outstanding Share Units shall be maintained until the earlier of the Maturity Date for, or the Termination with Cause, Termination Without Cause, Resignation, Retirement, death or Disability of, each Participant as provided for under this Plan.

**4.3 Non-Transferability**

Except pursuant to Section 3.5(a) or by a will or by the laws of descent and distribution, no Share Unit and no other right or interest of a Participant (excluding, for greater certainty, Shares previously issued to a Participant in accordance with this Plan) is assignable or transferable.

**4.4 Withholding Taxes, Etc.**

For certainty and notwithstanding any other provision of the Plan, the Company or any Subsidiary or Affiliate may take such steps as it considers necessary or appropriate for the deduction or withholding of any income taxes or other amounts which the Company or any Subsidiary or Affiliate is required by any law or regulation of any governmental authority whatsoever to deduct or withhold in connection with any Share issued pursuant to the Plan, including, without limiting the generality of the foregoing, (a) withholding of all or any portion of any amount otherwise owing to a Participant; (b) the suspension of the issue of Shares to be issued under the Plan, until such time as the Participant has paid to the Company or any Subsidiary or Affiliate an amount equal to any amount which the Company, Subsidiary or Affiliate is required to deduct or withhold by law with respect to such taxes or other amounts; and/or (c) withholding and causing to be sold, by it as agent on behalf of a Participant, such number of Shares as it determines to be necessary to satisfy the withholding obligation. By participating in the Plan, the Participant consents to such sale and authorizes the Company or any Subsidiary or Affiliate, as applicable, to effect the sale of such Shares on behalf of the Participant and to remit the appropriate amount to the applicable governmental authorities. Neither the Company nor any applicable Subsidiary or Affiliate shall be responsible for obtaining any particular price for the Shares nor shall the Company or any applicable Subsidiary or Affiliate be required to issue any Shares under the Plan unless the Participant has made suitable arrangements with the Company and any applicable Subsidiary or Affiliate to fund any withholding obligation.

**4.5 Amendments to the Plan**

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The Committee may from time to time in its sole discretion, and without shareholder approval, amend, modify and change the provisions of this Plan and any Share Unit grant letter, in connection with (without limitation):

- (a) amendments of a housekeeping nature;
- (b) the addition or a change to any vesting provisions of a Share Unit;
- (c) changes to the termination provisions of a Share Unit or the Plan; and
- (d) amendments to reflect changes to applicable securities or tax laws.

However, other than as set out above, any amendment, modification or change to the provisions of this Plan which would:

- (a) increase the number of Shares or maximum percentage of Shares which may be issued pursuant to this Plan (other than by virtue of adjustments pursuant to Section 4.9 of this Plan);
- (b) permit Share Units to be transferred other than for normal estate settlement purposes;
- (c) remove or exceed the Insider participation limits;
- (d) materially modify the eligibility requirements for participation in this Plan; or
- (e) modify the amending provisions of the Plan set forth in this Section 4.5,

shall only be effective on such amendment, modification or change being approved by the shareholders of the Company. In addition, any such amendment, modification or change of any provision of this Plan shall be subject to the approval, if required, by any Stock Exchange having jurisdiction over the securities of the Company.

#### **4.6 Participant Rights**

No holder of any Share Units shall have any rights as a shareholder of the Company. Except as otherwise specified herein, no holder of any Share Units shall be entitled to receive, and no adjustment is required to be made for, any dividends, distributions or any other rights declared for shareholders of the Company.

#### **4.7 No Right to Continued Employment or Service**

Nothing in this Plan shall confer on any Participant the right to continue as an Employee or Officer of the Company or any of its Subsidiaries or Affiliates, as the case may be, or interfere with the right of the Company or any of its Subsidiaries or Affiliates, as applicable, to remove such Officer and/or Employee.

#### **4.8 Adjustments**

In the event there is any change in the Shares, whether by reason of a stock dividend, consolidation, subdivision, reclassification or otherwise, an appropriate adjustment shall be made to outstanding Share Units by the Committee, in its sole discretion, to reflect such changes. If the foregoing adjustment shall result in a fractional Share, the fraction shall be disregarded. All such adjustments shall be conclusive, final and binding for all purposes of this Plan.

#### **4.9 Effect of Take-Over Bid**

If a bona fide offer (the "**Offer**") for Shares is made to shareholders generally (or to a class of shareholders that would include the Participant), which Offer, if accepted in whole or in part, would result in the offeror (the "**Offeror**") exercising control over the Company within the meaning of the Securities Act, then the Company shall, as soon as practicable following receipt of the Offer, notify each Participant of the full particulars of the Offer. The Board will have the sole discretion to amend, abridge or otherwise eliminate any vesting schedule related to each Participant's Share Units so that notwithstanding the other terms of this Plan, the underlying Shares may be issued to each

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Participant holding Share Units so as to permit the Participant to tender the Shares received in connection with the Share Units pursuant to the Offer.

**4.10 Unfunded Status of Plan**

This Plan shall be unfunded.

**4.11 Compliance with Laws**

If any provision of this Plan or any Share Unit contravenes any law or any order, policy, by-law or regulation of any regulatory body having jurisdiction, then such provision shall be deemed to be amended to the extent necessary to bring such provision into compliance therewith.

**4.12 Governing Law**

This 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.

**4.13 Effective Dates and Amendments**

Approved by the board of directors of the Company on December 6, 2018.

Approved by the shareholders of the Company on May 15, 2019.

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**SCHEDULE "A" OF SHARE UNIT PLAN**

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**SHARE UNIT PLAN**

Notwithstanding anything to the contrary in the Plan, the provisions of this Schedule "A" shall apply to the Share Unit Awards made to a Participant during the period that he or she is a U.S. Taxpayer.

**1. Retirement**

Notwithstanding section 3.6 of the Plan, any unvested Share Units held by a Participant that is a U.S. Taxpayer will automatically vest on the date such Participant attains the age of 65 and the Shares underlying such Share Units will be issued to the Participant forthwith and in any event no later than March 15 of the following calendar year.

**2. Inability to Elect a Deferred Payment Date**

For greater certainty, a Participant who is a U.S. Taxpayer will not be entitled to elect a Deferred Payment Date.