



**Annual General and Special Meeting  
to be held on June 16, 2020**

**Notice of Annual General and Special Meeting  
and  
Information Circular**

**May 8, 2020**

**CALIBRE MINING CORP.**  
SUITE 413 – 595 BURRARD STREET, P.O. BOX 49167  
VANCOUVER, B.C., V7X 1J1

**NOTICE OF (VIRTUAL) ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS**

<b>Date</b>	Tuesday, June 16, 2020
<b>Time:</b>	10:00 a.m. Vancouver time
<b>Live Webcast:</b>	<a href="https://web.lumiagm.com/298273030">https://web.lumiagm.com/298273030</a>
<b>Meeting ID:</b>	298-273-030
<b>Password:</b>	calibre2020 (case sensitive)

NOTICE IS HEREBY GIVEN that an annual general and special meeting (the “**Meeting**”) of the shareholders of Calibre Mining Corp. (the “**Company**”) will be conducted via live webcast for the following purposes:

1. to receive the audited consolidated financial statements of the Company for the year ended December 31, 2019, together with the auditor’s report thereon;
2. to elect directors for the ensuing year;
3. to appoint PricewaterhouseCoopers LLP, Chartered Professional Accountants, as auditor of the Company for the ensuing year and to authorize the directors to fix their remuneration;
4. to consider and, if deemed appropriate, pass, with or without variation, an ordinary resolution approving the amended and restated Long-Term Incentive Plan of the Company as more particularly described under the heading “Particulars of Matters to be Acted Upon at the Meeting – Approval of the Amended and Restated Long-Term Incentive Plan” in the Company’s management information circular dated May 8, 2020; and
5. to transact such other business as may properly be put before the Meeting.

Accompanying this Notice of Meeting is the Management Information Circular where you can find more information on how to vote your shares in the Company.

You are entitled to vote at the Meeting if you were a shareholder as at the close of business on May 8, 2020.

Registered shareholders and duly appointed proxyholders can participate in and listen to the presentation, vote and submit questions during the Meeting by visiting the following URL: <https://web.lumiagm.com/298273030>.

DATED at Vancouver, British Columbia, the 8<sup>th</sup> day of May, 2020.

**ON BEHALF OF THE BOARD**

(signed) “*Russell Ball*”

Russell Ball  
Chief Executive Officer

## QUESTION AND ANSWERS ABOUT THE MEETING

### *How Do I Participate In And Vote At The Live Webcast?*

Shareholders and duly appointed proxyholders can attend the meeting online by going to <https://web.lumiagm.com/298273030>.

- Registered Shareholders and duly appointed proxyholders can participate in the meeting by clicking “**I have a login**” and entering a Username and Password before the start of the meeting.
  - Registered Shareholders - The 15-digit control number located on the form of proxy or in the email notification you received is the Username and the Password is “calibre2020”.
  - Duly appointed proxyholders – Computershare will provide the proxyholder with a Username after the voting deadline has passed. The Password to the meeting is “calibre2020”.
- Voting at the meeting will only be available for Registered Shareholders and duly appointed proxyholders. Non-Registered Shareholders who have not appointed themselves may attend the meeting by clicking “**I am a guest**” and completing the online form.

Shareholders who wish to appoint a third party proxyholder to represent them at the online meeting **must submit their proxy or voting instruction form (as applicable) prior to registering their proxyholder. Registering the proxyholder is an additional step once a shareholder has submitted their proxy/voting instruction form. Failure to register a duly appointed proxyholder will result in the proxyholder not receiving a Username to participate in the meeting.** To register a proxyholder, shareholders MUST visit <http://www.computershare.com/Calibre> by Friday, June 12, 2020 at 10:00 a.m. Vancouver time and provide Computershare with their proxyholder’s contact information, so that Computershare may provide the proxyholder with a Username via email.

**It is important that you are connected to the internet at all times during the meeting in order to vote when balloting commences.**

**In order to participate online, shareholders must have a valid 15-digit control number and proxyholders must have received an email from Computershare containing a Username.**

### Participating at the Meeting

The meeting will be hosted online by way of a live webcast. Shareholders will not be able to attend the meeting in person. A summary of the information shareholders will need to attend the online meeting is provided below. The meeting will begin at 10:00 a.m. Vancouver time on June 16, 2020.

- Registered Shareholders (as defined in this Circular under the heading “Voting at the Meeting”) that have a 15-digit control number, along with duly appointed proxyholders who were assigned a Username by Computershare Trust Company of Canada (“**Computershare**”) (see details under the heading “Appointment of Proxies”), will be able to vote and submit questions during the meeting. To do so, please go to <https://web.lumiagm.com/298273030> prior to the start of the meeting to login. Click on “I have a login” and enter your 15-digit control number or Username along with the password “calibre2020”. Non-Registered Shareholders (as defined in this Circular under the heading “Non-Registered Shareholders”) who have not appointed themselves to vote at the meeting, may login as a guest, by clicking on “I am a Guest” and complete the online form.
- United States Beneficial holders: To attend and vote at the virtual Meeting, you must first obtain a valid legal proxy from your broker, bank or other agent and then register in advance to attend the Meeting. Follow the instructions from your broker or bank included with these proxy materials, or contact your broker or bank to request a legal proxy form. After first obtaining a valid legal proxy from your broker, bank or other agent, to then register to attend the Meeting, you must submit a copy of

your legal proxy to Computershare or by email [USlegalproxy@computershare.com](mailto:USlegalproxy@computershare.com). Requests for registration should be directed to:

Computershare  
100 University Avenue  
8<sup>th</sup> Floor  
Toronto, Ontario  
M5J 2Y1  
OR  
Email at [USlegalproxy@computershare.com](mailto:USlegalproxy@computershare.com)

Requests for registration must be labeled as “Legal Proxy” and be received no later than June 12, 2020 by 10:00 a.m. Vancouver time. You will receive a confirmation of your registration by email after we receive your registration materials. You may attend the Meeting and vote your shares at <https://web.lumiagm.com/298273030> during the meeting. Please note that you are required to register your appointment at <http://www.computershare.com/Calibre>.

- Non-Registered Shareholders who do not have a 15-digit control number or Username will only be able to attend as a guest which allows them listen to the meeting however will not be able to vote or submit questions. Please see the information under the heading “Non-Registered Shareholders” for an explanation of why certain shareholders may not receive a form of proxy.
- If you are using a 15-digit control number to login to the online meeting and you accept the terms and conditions, you will be revoking any and all previously submitted proxies. However, in such a case, you will be provided the opportunity to vote by ballot on the matters put forth at the meeting. If you DO NOT wish to revoke all previously submitted proxies, do not accept the terms and conditions, in which case you can only enter the meeting as a guest.
- If you are eligible to vote at the meeting, it is important that you are connected to the internet at all times during the meeting in order to vote when balloting commences. It is your responsibility to ensure connectivity for the duration of the meeting.

#### Voting at the Meeting

A registered shareholder of common shares of the Company (a “**Registered Shareholder**”), or a Non-Registered Shareholder who has appointed themselves or a third party proxyholder to represent them at the meeting, will appear on a list of shareholders prepared by Computershare, the transfer agent and registrar for the meeting. To have their common shares voted at the meeting, each Registered Shareholder or proxyholder will be required to enter their control number or Username provided by Computershare at <https://web.lumiagm.com/298273030> prior to the start of the meeting. In order to vote, Non-Registered Shareholders who appoint themselves as a proxyholder **MUST** register with Computershare at <http://www.computershare.com/Calibre> **after** submitting their voting instruction form in order to receive a Username (please see the information under the headings “Appointment of Proxies” below for details).

#### Appointment of Proxies

Shareholders who wish to appoint a third-party proxyholder to represent them at the online meeting **must submit their proxy or voting instruction form (if applicable) prior to registering your proxyholder. Registering your proxyholder is an additional step once you have submitted your proxy or voting instruction form. Failure to register the proxyholder will result in the proxyholder not receiving a Username to participate in the meeting.** To register a proxyholder, shareholders **MUST** visit <http://www.computershare.com/Calibre> by Friday, June 12, 2020 at 10:00 a.m. (Vancouver time) and provide Computershare with their proxyholder’s contact information, so that Computershare may provide the proxyholder with a Username via email.

A proxy can be submitted to Computershare either in person, or by mail or courier, to 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1, or via the internet at [www.investorvote.com](http://www.investorvote.com). The proxy must be deposited with Computershare by no later than 10:00 a.m. Vancouver time on June 12, 2020, or if the meeting is adjourned or postponed, not less than 48 hours, excluding Saturdays, Sundays and statutory holidays, before the commencement of such adjourned or postponed meeting. If a shareholder who has submitted a proxy attends the meeting via the webcast and has accepted the terms and conditions when entering the meeting online, any votes cast by such shareholder on a ballot will be counted and the submitted proxy will be disregarded.

**Without a Username, proxyholders will not be able to vote at the meeting.**

#### **REPORTING CURRENCIES AND CURRENCY EXCHANGE RATE INFORMATION**

Unless otherwise indicated, all references to “\$” or “CAD\$” in this Circular refer to Canadian dollars and all references to “US\$” in this Circular refer to United States dollars.

The closing, high, low and average exchange rates for the United States dollar in terms of Canadian dollars for each of the two years ended December 31, 2019 and December 31, 2018, based on the indicative rate of exchange as reported by the Bank of Canada, were as follows:

	<b>Year-Ended December 31</b>	
	<b>2019</b>	<b>2018</b>
Closing	CAD\$1.3269	CAD\$1.3642
High	CAD\$1.3600	CAD\$1.3642
Low	CAD\$1.2988	CAD\$1.2288
Average <sup>(1)</sup>	CAD\$1.3269	CAD\$1.2957

Note

(1) The average of the indicative rates during the relevant period.

On May 7, 2020 the average exchange rate for one United States dollar expressed in Canadian dollars as provided by the Bank of Canada was C\$1.4015.

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**INFORMATION CIRCULAR**  
(as at May 8, 2020 except as otherwise indicated)

### **SOLICITATION OF PROXIES**

This information circular (the “**Circular**”) is provided in connection with the solicitation of proxies by the management (the “**Management**”) of Calibre Mining Corp (“**Calibre**” or the “**Company**”). The form of proxy which accompanies this Circular (the “**Proxy**”) is for use at the annual general and special meeting of the shareholders of the Company to be held on June 16, 2020 (the “**Meeting**”), at the time and place set out in the accompanying notice of Meeting (the “**Notice of Meeting**”). The Company will bear the cost of this solicitation. The solicitation will be made by mail, but may also be made by telephone.

### **APPOINTMENT AND REVOCATION OF PROXY**

The persons named in the Proxy are directors and/or officers of the Company. **A registered shareholder who wishes to appoint some other person to serve as their representative at the Meeting may do so by striking out the printed names and inserting the desired person’s name in the blank space provided.** The completed Proxy should be delivered to Computershare Trust Company of Canada (“**Computershare**”) by 10:00 a.m. (local time in Vancouver, British Columbia) on June 12, 2020, or before 48 hours (excluding Saturdays, Sundays and holidays) before any adjournment of the Meeting at which the Proxy is to be used.

The Proxy may be revoked by:

- (a) signing a proxy with a later date and delivering it at the time and place noted above;
- (b) signing and dating a written notice of revocation and delivering it to Computershare or by transmitting a revocation by telephonic or electronic means, to Computershare, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment of it, at which the Proxy is to be used, or delivering a written notice of revocation and delivering it to the Chairman of the Meeting on the day of the Meeting or adjournment of it; or
- (c) attending the Meeting or any adjournment of the Meeting and registering with the scrutineer as a shareholder present in person.

### **Provisions Relating to Voting of Proxies**

**The shares represented by Proxy in the form provided to shareholders will be voted or withheld from voting by the designated holder in accordance with the direction of the registered shareholder appointing him. If there is no direction by the registered shareholder, those shares will be voted for all proposals set out in the Proxy and for the election of directors and the appointment of the auditors as set out in this Circular. The Proxy gives the person named in it the discretion to vote as such person sees fit on any amendments or variations to matters identified in the Notice of Meeting, or any other matters which may properly come before the Meeting. At the time of printing of this Circular, the Management of the Company knows of no other matters which may come before the Meeting other than those referred to in the Notice of Meeting.**

### **Advice to Beneficial Holders of Common Shares**

**The information set forth in this section is of significant importance to many shareholders, as a substantial number of shareholders do not hold common shares in their own name.** Shareholders who hold their common shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their common shares in their own name (referred to herein as “**Beneficial Shareholders**”) should note that only proxies deposited by shareholders who appear on the records maintained by the Company’s registrar and transfer agent as registered

holders of common shares will be recognized and acted upon at the Meeting. If common shares are listed in an account statement provided to a Beneficial Shareholder by a broker, then those common shares will, in all likelihood, not be registered in the shareholder's name. Such common shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). In the United States, the vast majority of such common shares are registered under the name of Cede & Co., the registration name for The Depository Trust Company, which acts as nominee for many United States brokerage firms. Common shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted or withheld at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. The various brokers and other intermediaries have their own mailing procedures and provide their 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. The form of instrument of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the instrument of proxy provided directly to registered shareholders by the Company. However, its purpose is limited to instructing the registered shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. ("**Broadridge**") in Canada. Broadridge typically prepares a machine-readable voting instruction form ("**VIF**"), mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the VIFs to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the internet or telephone, for example). 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 who receives a Broadridge VIF cannot use that form to vote common shares directly at the Meeting. The VIFs must be returned to Broadridge (or instructions respecting the voting of common shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the common shares voted. If you have any questions respecting the voting of common shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

The Notice of Meeting, Circular, Proxy and VIF, as applicable, are being provided to both registered shareholders and Beneficial Shareholders. Beneficial Shareholders fall into two categories - those who object to their identity being known to the issuers of securities which they own ("**OBOs**") and those who do not object to their identity being made known to the issuers of the securities which they own ("**NOBOs**"). Subject to the provisions of National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), issuers may request and obtain a list of their NOBOs from intermediaries directly or via their transfer agent and may obtain and use the NOBO list for the distribution of proxy-related materials directly (not via Broadridge) to such NOBOs. If you are a Beneficial Shareholder and the Company or its agent has sent these materials directly to you, your name, 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.

The Company has distributed copies of the Notice of Meeting, Circular and VIF to intermediaries for distribution to NOBOs. Unless you have waived your right to receive the Notice of Meeting, Circular and VIF, intermediaries are required to deliver them to you as a NOBO of the Company and to seek your instructions on how to vote your common shares.

The Company's OBOs can expect to be contacted by Broadridge or their brokers or their broker's agents as set out above. The Company does not intend to pay for intermediaries to deliver the Notice of Meeting, Circular and VIF to OBOs and accordingly, if the OBO's intermediary does not assume the costs of delivery of those documents in the event that the OBO wishes to receive them, the OBO may not receive the documentation.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting common shares registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the common shares in that capacity. NI 54-101 allows a

Beneficial Shareholder who is a NOBO to submit to the Company or an applicable intermediary any document in writing that requests that the NOBO or a nominee of the NOBO be appointed as proxyholder. If such a request is received, the Company or an intermediary, as applicable, must arrange, without expenses to the NOBO, to appoint such NOBO or its nominee as a proxyholder and to deposit that proxy within the time specified in this Circular, provided that the Company or the intermediary receives such written instructions from the NOBO at least one business day prior to the time by which proxies are to be submitted at the Meeting, with the result that such a written request must be received by 10:00 a.m. (Vancouver time) on the day which is at least three business days prior to the Meeting. **A Beneficial Shareholder who wishes to attend the Meeting and to vote their common shares as proxyholder for the registered shareholder, should enter their own name in the blank space on the VIF or such other document in writing that requests that the NOBO or a nominee of the NOBO be appointed as proxyholder and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.**

All references to shareholders in the Notice of Meeting, Circular and the accompanying Proxy are to registered shareholders of the Company as set forth on the list of registered shareholders of the Company as maintained by the registrar and transfer agent of the Company, Computershare Trust Company of Canada, unless specifically stated otherwise.

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

The Company is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of each of the following persons in any matter to be acted upon at the Meeting other than the election of directors or the appointment of auditors:

- (a) each person who has been a director or executive officer of the Company at any time since the beginning of the Calibre's last financial year;
- (b) each proposed nominee for election as a director of the Company; and
- (c) each associate or affiliate of any of the foregoing.

#### **VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF**

The authorized capital of the Company consists of an unlimited number of common shares. As of the date of this Circular, there were 328,023,647 issued and outstanding common shares.

Shareholders registered as at May 8, 2020, are entitled to attend and vote at the Meeting. Shareholders who wish to be represented by proxy at the Meeting must deliver their Proxies at the place and within the time set forth in the notes to the Proxy to entitle the person appointed by the Proxy to attend and vote.

Other than as set out below, to the knowledge of the directors and executive officers of the Company, as of the date of this Circular, no persons beneficially own, directly or indirectly, or exercise control or direction over, 10% or more of the issued and outstanding common shares of the Company.

<b>Name of Shareholder</b>	<b>Number of Common Shares</b>	<b>Percentage of Issued Common Shares</b>
B2Gold Corp.	110,950,333 <sup>(1)</sup>	33.8%
Luxor Capital Group, LP	56,828,100 <sup>(2)</sup>	17.3%

<sup>1</sup> The number was obtained from the public filings made by B2Gold Corp. on the System for Electronic Disclosure by Insiders (SEDI).

<sup>2</sup> The number was obtained from public filings made by Luxor Capital Group, LP available under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com).

## EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

In this section “**Named Executive Officer**” or “**NEO**” means: (a) the CEO; (b) CFO; and (c) each of the three most highly compensated executive officers other than the CEO and CFO. As at December 31, 2019, the Company had seven NEOs, namely Russell Ball, CEO, Gregory Smith, former President and CEO, John Seaberg, Senior Vice President & CFO, Kristian Dagsaan, former CFO, Darren Hall, Senior Vice President & COO, Ryan King, Vice President, Corporate Development, and William Patterson, Vice President, Technical Services.

On October 15, 2019, the Company completed a transformational purchase of gold mining operations in Nicaragua from B2Gold Corp. (“**B2Gold**”). Following the closing of the transaction, the material mineral properties consist of the following: (a) El Limon mine, an underground and open-pit gold mining operation; and (b) La Libertad mine, an underground and open-pit gold mining operation (the “**B2Gold Transaction**”).

As a result of the B2Gold Transaction, the financial year ended December 31, 2019 was a transformative one for the Company; see the Company’s annual information form dated March 25, 2020 available under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com) for further details regarding the B2Gold Transaction.

### *Overview and Objectives*

The Compensation Committee is responsible for reviewing and negotiating each NEO’s total compensation arrangement with the Company, reviewing and advising on long-term incentive plan (“**LTIP**”) guidelines, including making recommendations on specific award grants, reviewing and advising on award grants under the Company’s LTIP and reviewing and recommending to the Board the compensation policies and principles that will be applied to other executives and employees of the Company. The Compensation Committee reviews NEO compensation on a regular basis.

When reviewing NEO compensation, the Compensation Committee takes into consideration the following objectives: (a) recruiting and retaining NEO’s that are critical to the success of the Company; (b) providing fair and competitive compensation; (c) balancing the interests of the management and the shareholders of the Company; (d) motivating NEO’s to deliver strong business performance, both on an individual basis and with respect to the business of the Company in general; and (e) ensuring the executive compensation program is simple to communicate and administer. The Compensation Committee will receive and review any recommendations of the CEO of the Company relating to the general compensation structure, policies and programs of the Company and the salary and benefit levels for the NEOs.

It is the objective of the Company’s compensation program to attract and retain highly qualified executives and to link compensation to performance and shareholder value creation. The Compensation Committee’s goal is to ensure that the NEO’s compensation is sufficiently competitive to achieve this objective. The Compensation Committee considers a number of factors in order to determine the NEO’s compensation, including the Company’s contractual obligations, the individual’s performance and other qualitative aspects of the individual’s performance and achievements, the amount of time and effort the individual will devote to the Company and the Company’s financial resources.

### *Compensation Risk*

The Board and, as applicable, the Compensation Committee, considers and assesses the implications of risks associated with the Company’s compensation policies and practices and devotes such time and resources as it believes to be necessary in the circumstances. The Company’s practice of compensating its officers primarily through a mix of salary, stock options (the “**Options**”), deferred share units (“**DSUs**”), restricted share units (“**RSUs**”) and performance share units (“**PSUs**”) is designed to mitigate risk by: (i) ensuring that the Company retains such officers; and (ii) aligning the interests of its officers with the short-term and long-term objectives of the Company.

The Board, together with the Compensation Committee, uses a number of strategies to reduce the risk associated with compensation, including:

- discussing the principal risks associated with the Company's compensation policies and practices and providing oversight of appropriate systems to manage such risks;
- ensuring that any compensation policies and practices that could encourage individuals within the Company to take inappropriate or excessive risks are identified, reported and mitigated;
- reviewing and approving annual corporate objectives and then assessing performance against these objectives when awarding the individual performance component of the executive officers' annual bonus;
- considering the Company's performance relative to its peers when reviewing the corporate performance component of the executive officers' annual bonus; and
- setting vesting terms on stock option grants and RSUs which align optionees' interests with the long-term objectives of the Company using 36-month vesting provisions on any stock options or RSUs granted.

As at the date of this Circular, the Board had not identified risks arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

#### ***Compensation Consultant***

The Compensation Committee may from time to time engage independent consultants to conduct a comparator group review and analysis of executive and director compensation.

In 2019, the Company engaged Meridian Compensation Partners ("**Meridian**") to conduct a comprehensive review of executive pay levels and mix among comparable industry peers. The fees billed by Meridian were \$12,452. No consultant was engaged for services related to determining compensation for any of the Company's officers or directors during the year ended December 31, 2018.

#### ***Benchmarking***

In the mining industry, ensuring competitive compensation is a critical business practice. The Company seeks to provide competitive total compensation packages to its executive officers and directors to ensure that it attracts and retains talented individuals while being aligned with market practices yet manage its compensation programs within the Company's ability to pay.

In identifying potential peers for executive officer and director comparator groups, Meridian applied the following high-level principles:

- Company size – peers generally fell within 0.33 to 3.0 times the size of Calibre on most size metrics;
- Industry – peers were drawn from gold companies; and
- Geography – focus was on Canada as the market for talent and limited to companies listed on the TSX.

The selection of companies that make up the comparable group are intended to reflect a group of companies with which the Company competes for executive officers.

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

The Company's compensation program is comprised of: (a) a base salary; (b) a short-term incentive plan in the form of cash bonuses; and (c) a long-term incentives in the form of equity plan awards. Each component of the Company's compensation program is addressed below.

Base Salaries

The base salaries or management fee arrangements and benefits paid to the NEOs are not based on any specific formula. A preliminary base salary for each executive is established following a review of market data for similar positions using the independent compensation surveys and proxy data of the Company’s comparator group of companies. Actual proposed base salaries for executives other than the CEO are then recommended by the CEO to the Chair of the Board and to the Compensation Committee based upon market competitive salary levels, an assessment of an executive’s performance and the Company’s performance during the year, the financial capacity of the Company, the scope of the executive’s responsibilities for the year, the executive’s prior experience and retention risk referencing the competitive nature of the mining industry. On the same basis, the proposed base salary of the CEO is recommended by the Chair of the Board to the Compensation Committee who in turn recommends a final proposed base salary to the Board for approval. In 2019, NEO base salaries were as follows:

<b>Name and Position</b>	<b>2019 Base Salary</b>
<b>Russell Ball</b> <i>CEO</i>	\$300,000 <sup>(1)</sup>
<b>Gregory Smith</b> <i>Former CEO</i>	\$250,000 <sup>(2)</sup>
<b>John Seaberg</b> <i>CFO</i>	\$260,000 <sup>(3)</sup>
<b>Kristian Dagsaan</b> <i>Former CFO</i>	\$160,000 <sup>(4)</sup>
<b>Darren Hall</b> <i>COO</i>	\$260,000 <sup>(5)</sup>
<b>Ryan King</b> <i>VP, Corporate Development &amp; IR</i>	\$250,000 <sup>(6)</sup>
<b>William Patterson</b> <i>VP, Technical Services</i>	\$250,000 <sup>(7)</sup>

Notes:

- (1) Base salary started on October 8, 2019 – date of CEO appointment. Prior to this, Mr. Ball received CAD \$7,500 per month from the Company as Executive Chairman.
- (2) Base salary is from July 15, 2019 to resignation date of October 8, 2019. Prior to this, Mr. Smith’s annual salary was CAD \$240,000.
- (3) Base salary from July 15, 2019 upon appointment as CFO of the Company.
- (4) Base salary from July 15, 2019 to December 31, 2019. Prior to this, Mr. Dagsaan received CAD \$9,000 per month from the Company as CFO.
- (5) Base salary from July 15, 2019 to December 31, 2019 upon appointment as COO of the Company.
- (6) Base salary from July 15, 2019 to December 31, 2019. Prior to this, Mr. King received CAD \$10,000 per month from the Company as VP, Corporate Development and IR.
- (7) Base salary from August 1, 2019 to December 31, 2019.

Short-Term Incentive Plan

The second component of NEO compensation is an annual short-term incentive plan (“STIP”), typically paid in cash. The STIP is designed to encourage short-term performance by rewarding individuals for their performance against agreed objectives for the year just completed, taking into account overall Company performance. All executives are eligible for annual STIP awards, after taking into account financial management and attainment of certain corporate objectives and personal objectives. STIP awards paid at the beginning of one fiscal year are for performance achieved against objectives set for the previous fiscal year. All awards, other than the CEO’s, are based on the recommendation of the CEO and are at the discretion of the Compensation Committee and the Board. The CEO does not make a recommendation to the Compensation Committee and the Board with respect to their annual STIP award. The annual STIP award for the CEO is based on the recommendation of the Compensation Committee to the Board.

In 2019, the Board approved STIP targets as a percentage of base salary. The overall target was tailored towards corporate components with different weightings applied. Each component may then have one or more goals

with different weighting and measures. STIP awards range from 0% to 200% of target base salary based on achievement of personal and corporate component objectives.

The following is the 2019 STIP award target as a percentage of base salary for each NEO:

<b>Name and Position</b>	<b>Target % of Base Salary</b>
<b>Russell Ball</b> <i>CEO</i>	200%
<b>Gregory Smith</b> <i>Former CEO</i>	-
<b>John Seaberg</b> <i>CFO</i>	150%
<b>Kristian Dagsaan</b> <i>Former CFO</i>	60%
<b>Darren Hall</b> <i>COO</i>	150%
<b>Ryan King</b> <i>VP, Corporate Development &amp; IR</i>	100%
<b>William Patterson</b> <i>VP, Technical Services</i>	100%

Corporate objectives were developed by the executive management team and submitted to the Compensation Committee and the Board for modification and approval. The approved corporate objectives were then applied to all NEOs.

From July 2019 to December 2019, the corporate component objectives and performance results were as follows:

<b>Corporate Goals</b>	<b>Weighting</b>	<b>Actual</b>
Execution of B2Gold Transaction	35%	39%
Operations	45%	54%
Exploration	10%	10%
Capital Markets and Investor Relations	10%	12%
	<b>100%</b>	<b>115%</b>

The STIP awards were paid in cash during the first quarter of 2020.

#### Long-Term Incentive Plan

The third component of NEO compensation is the granting of options (the “**Options**”) to purchase common shares and the granting of deferred share units (“**DSUs**”), performance share units (“**PSUs**”) or restricted share units (“**RSUs**”) under the LTIP. The Compensation Committee or the Board may grant Options, DSUs, PSUs and RSUs, or any combination thereof, on an annual basis to executive officers.

The following is the 2019 LTIP target as a percentage of base salary for each NEO:

<b>Name and Position</b>	<b>Target LTIP as a % of Base Salary</b>
<b>Russell Ball</b> <i>CEO</i>	200%
<b>Gregory Smith</b> <i>Former CEO</i>	-

<b>John Seaberg</b> <i>CFO</i>	150%
<b>Kristian Dagsaan</b> <i>Former CFO</i>	60%
<b>Darren Hall</b> <i>COO</i>	150%
<b>Ryan King</b> <i>VP, Corporate Development &amp; IR</i>	100%
<b>William Patterson</b> <i>VP, Technical Services</i>	100%

The LTIP is intended to help attract and retain employees by providing them with an opportunity to participate in the future success of the Company and to reinforce commitment to long-term growth in shareholder value. The Board believes that the LTIP aligns the interests of the NEOs and the Board with shareholders by linking a significant component of executive compensation to the longer-term performance of the Company's common shares.

Settlement of DSUs, PSUs and RSUs under the LTIP may be made by the Company in cash, as determined by the Board under the terms and conditions of the LTIP. Options granted under the LTIP vest in 1/3 increments starting on the first-year anniversary of the date of grant and fully vest on the third-year anniversary of the date of grant. Vested Options must be exercised no later than eight years after the date of grant or they expire. Options are priced using the preceding day's closing price of the common shares on the Toronto Stock Exchange (the "TSX") to the date of the grant.

Unless otherwise determined by the Board, RSU awards vest in three approximately equal installments on the first three anniversaries of the date of the grant. Upon vesting, the RSU award is settled with common shares purchased on the open market on the date of settlement, or is settled in cash. The form of the incentive award (whether Options, DSUs, PSUs or RSUs) for each executive and the percentage split between each long-term incentive component is at the discretion of the Compensation Committee and the Board. In monitoring or adjusting the recommended option allotments, the Board or the Compensation Committee, as the case may be, takes into account its own observations on individual performance, its assessment of individual contribution to shareholder value and the previous option grants. The scale of options is generally commensurate to the appropriate level of base compensation for each level of responsibility. The Board or the Compensation Committee will make these determinations subject to and in accordance with the provisions of the LTIP, as applicable, and in accordance with the policies of the TSX.

**Summary Compensation Table – Named Executive Officers**

Set out below is a summary of compensation paid or accrued during the Company's three most recently completed financial years to the NEOs.

Name and principal position	Year	Salary (\$) <sup>(1)</sup>	Share-based awards (\$)	Option-based awards (\$) <sup>(2)</sup>	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$) <sup>(3)</sup>	Total compensation (\$)
					Annual Incentive plans	Long-term incentive plans			
<b>Russell Ball</b> <sup>(4)</sup> <i>CEO</i>	2019	482,805	N/A	889,271	N/A	Nil	N/A	Nil	1,372,076
<b>Gregory Smith</b> <sup>(4)</sup> <i>Former CEO</i>	2019	453,849	N/A	Nil	N/A	Nil	N/A	Nil	453,849
	2018	240,000	N/A	22,974	N/A	Nil	N/A	Nil	262,974
	2017	236,000	N/A	149,293	N/A	Nil	N/A	Nil	385,293
<b>John Seaberg</b> <sup>(5)</sup> <i>CFO</i>	2019	319,167	N/A	444,635	N/A	Nil	N/A	Nil	763,802

Name and principal position	Year	Salary (\$) <sup>(1)</sup>	Share-based awards (\$)	Option-based awards (\$) <sup>(2)</sup>	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$) <sup>(3)</sup>	Total compensation (\$)
					Annual Incentive plans	Long-term incentive plans			
<b>Kristian Dagsaan</b> <sup>(5)</sup> <i>Former CFO</i>	2019	185,776	N/A	148,212	N/A	Nil	N/A	Nil	333,988
	2018	108,000	N/A	15,316	N/A	Nil	N/A	Nil	123,316
	2017	105,000	N/A	99,528	N/A	Nil	N/A	Nil	204,528
<b>Darren Hall</b> <i>COO</i>	2019	374,167	N/A	444,635	N/A	Nil	N/A	Nil	818,802
<b>Ryan King</b> <i>VP, Corporate Development &amp; IR</i>	2019	340,693	N/A	296,424	N/A	Nil	N/A	Nil	637,117
	2018	60,742	N/A	22,974	N/A	Nil	N/A	Nil	83,716
	2017	40,625	N/A	99,528	N/A	Nil	N/A	Nil	140,153
<b>William Patterson</b> <i>VP, Technical Services</i>	2019	163,333	N/A	296,424	N/A	Nil	N/A	Nil	459,757

Notes:

- (1) This figure includes the base salary, short-term incentive award, and/or consulting fee each NEO earned during the financial year. No amounts disclosed herein relate to compensation for services as a director.
- (2) The Company has chosen the Black-Scholes methodology to calculate the grant date fair value of option-based awards as it is the methodology used in the Company's financial statements. The fair value of the option-based awards for 2017 was determined using the following assumptions: a five-year term, a risk-free rate of 1.02%, no dividend payments, and a 98.75% volatility in the Company's share price. The fair value of the option-based awards for 2018 was determined using the following assumptions: a five-year term, a risk-free rate of 2.43%, no dividend payments, and a 85.43% volatility in the Company's share price. The fair value of the option-based awards for 2019 was determined using the following assumptions: a five-year term, a risk-free rate of 1.29%, no dividend payments, and a 57.16% volatility in the Company's share price. The stock options vest annually over a 3-year period.
- (3) Perquisites and other personal benefits have not been included as they do not reach the prescribed threshold of the lesser of \$50,000 or 10% of the total salary for the financial year.
- (4) On October 8, 2019, Greg Smith resigned as President and CEO and Russell Ball was appointed CEO on this date.
- (5) On October 8, 2019, Kristian Dagsaan resigned as CFO and John Seaberg was appointed CFO on this date.

***Termination and Change of Control Benefits***

The Company entered into employment agreements with each of the NEO. The following is a summary only and is qualified by reference to the terms and conditions of the executive employment agreements and the applicable terms and conditions of the LTIP. Under the terms of the employment agreements, NEO's are entitled to compensation, based on their remuneration at the time, in the event of (i) a termination without cause, or (ii) a Change of Control (as defined below), if the NEO is terminated without cause or resigns their employment for Good Reason (as defined below) within 30 days of the Change of Control.

Under the employment agreements, a "Change of Control" means: the occurrence of: (a) an amalgamation, arrangement, merger or other consolidation of the Company with another issuer entity pursuant to which the shareholders of the Company immediately prior thereto do not immediately thereafter own shares (or other securities) of the successor continuing corporation (or other issuer entity) which entitle them to cast more than 50% of the votes attaching to all shares in the capital of the successor or continuing corporation (or other issuer entity) which may be cast to elect directors of that corporation (or the equivalent of such other issuer entity) (unless such transaction relates to an issuer with tax attributes and the shareholders of the Company retain more than 50% of the equity of the successor continuing entity); (b) a liquidation, dissolution or winding-up of the Company; or (c) a sale, lease or other disposition of all or substantially all of the assets of the Company; provided that, a Change of Control does not include: (i) an initial public offering of the Company; (ii) a reverse takeover following which the shareholders of the Company immediately prior thereto own shares of the successor or continuing corporation which would entitle them to cast more than 50% of the votes attaching to all shares in the capital of the successor or continuing corporation which may be cast to elect directors of such corporation; or (iii) any other internal reorganization where beneficial ownership of the issued and outstanding shares of the Company remains unchanged.

“Good Reason” means the occurrence of any of: (i) a material decrease in the responsibilities of the Executive; or (ii) any material reduction in the Salary, except as part of a general reduction of the salaries of all or substantially all of the senior executives of the Company, which affects the Executive in substantially the same manner as the other senior executives who are also affected;

No amounts are payable to any NEO in respect of a voluntary resignation, retirement or termination for cause. The following table outlines the NEO termination and change of control benefits under the LTIP, which will apply to grants of RSUs and Options unless otherwise determined by the Board:

<b>Termination Type</b>	<b>Severance</b>	<b>LTIP Awards</b>
<b>Termination without Cause</b>	Lump-sum payment equal to 12 months' salary	<ul style="list-style-type: none"> <li>• Outstanding RSUs that were vested on or before termination date available for settlement</li> <li>• Outstanding RSUs that would have vested on the next vesting date after the termination date shall be settled on such vesting date</li> <li>• Unvested Options automatically vest on termination date</li> <li>• Options expire on the earlier of scheduled expiry date of the Option and 90 days following the Termination Date, or as otherwise allowed by the Board</li> </ul>
<b>Change of Control</b> (and NEO is terminated without cause or resigns for Good Reason)	Lump-sum payment equal to 12 months' salary	<ul style="list-style-type: none"> <li>• RSUs vest immediately prior to the change of control</li> <li>• Unless otherwise determined by the Board, vested Options remain exercisable until original expiry date</li> <li>• Unvested Options vest immediately</li> </ul>
<b>Retirement</b>	-	<ul style="list-style-type: none"> <li>• Outstanding RSUs shall vest as of the date of retirement</li> <li>• Unvested Options automatically vest on retirement date</li> <li>• Vested Options expire on the earlier of the original expiry date and one year following the retirement date</li> </ul>
<b>Resignation</b>	-	<ul style="list-style-type: none"> <li>• Outstanding RSUs that were vested on or before resignation date available for settlement</li> <li>• Unvested RSUs terminate automatically</li> <li>• Unvested Options terminate and forfeited</li> <li>• Vested Options expire on the earlier of the original expiry date and 90 days following resignation date</li> </ul>
<b>Termination for Cause</b>	-	<ul style="list-style-type: none"> <li>• All outstanding RSUs and Options, whether vested or unvested, automatically terminate</li> </ul>

Assuming that the triggering event for termination took place on December 31, 2019 and the Company made the payment in lieu of notice for the full 12 months, the following are estimates of the lump-sum amounts payable by the Company to the respective NEOs:

Name	Compensation Element	Termination Without Cause (\$) <sup>(1)</sup>	Change of Control (\$) <sup>(1)</sup>
<b>Russell Ball</b> <i>CEO</i>	Salary	300,000	300,000
	Equity	138,000	2,156,000
<b>John Seaberg</b> <i>CFO</i>	Salary	260,000	260,000
	Equity	-	980,000
<b>Kristian Dagsaan</b> <i>Former CFO</i>	Salary	160,000	160,000
	Equity	17,250	359,000
<b>Darren Hall</b> <i>COO</i>	Salary	260,000	260,000
	Equity	34,500	1,029,000
<b>Ryan King</b> <i>VP, Corporate Development &amp; IR</i>	Salary	250,000	250,000
	Equity	25,875	611,750
<b>William Patterson</b> <i>VP, Technical Services</i>	Salary	250,000	250,000
	Equity	-	575,000

Note:

- (1) Calculated based on the difference between the market price of the Calibre shares on the TSX on December 31, 2019, which was \$0.94, and the exercise price of the option.

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

The following table sets forth the outstanding option-based and share-based awards held by the NEOs:

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

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$) <sup>(1)</sup>	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>	Number of shares or units of shares that have not vested (#) <sup>(2)</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>
<b>Russell Ball</b> <i>CEO</i>	400,000	0.45	6-Nov-23	196,000	-	-	-
	3,000,000	0.60	7-Oct-27	1,020,000	1,000,000	940,000	-
<b>Gregory Smith</b> <sup>(4)</sup> <i>Former CEO</i>	22,500	1.00	31-Dec-20	-	Nil	N/A	N/A
	75,000	0.45	31-Dec-20	36,750			
<b>John Seaberg</b> <i>CFO</i>	1,500,000	0.60	7-Oct-27	510,000	500,000	470,000	-
<b>Kristian Dagsaan</b> <i>Former CFO</i>	50,000	1.00	26-Aug-20	-	-	-	-
	50,000	0.45	6-Nov-23	24,500	-	-	-
	500,000	0.60	7-Oct-27	170,000	175,000	164,500	-
<b>Darren Hall</b> <i>COO</i>	100,000	0.45	6-Nov-23	49,000	-	-	-
	1,500,000	0.60	7-Oct-27	510,000	500,000	470,000	-
<b>Ryan King</b> <i>VP, Corporate Development &amp; IR</i>	22,500	1.00	26-Aug-20	-	-	-	-
	75,000	0.45	6-Nov-23	36,750	-	-	-
	1,000,000	0.60	7-Oct-27	340,000	250,000	235,000	-
<b>William Patterson</b> <i>VP, Technical Services</i>	1,000,000	0.60	7-Oct-27	340,000	250,000	235,000	-

Notes:

- (1) "In-the-Money Options" means the excess of the market value of the Company's shares on December 31, 2019 over the exercise price of the options. The market price for the Company's common shares on December 31, 2019 (being the last day the Company's shares traded during the Company's 2019 financial year end) was \$0.94.
- (2) All RSUs awarded vest in 1/3 increments starting on the first anniversary of the date of grant and fully vest on the third anniversary on the date of grant.
- (3) Calculated using the closing price of the common shares on the TSX on December 31, 2019 of \$0.94.
- (4) Greg Smith resigned as President and CEO of the Company on October 8, 2019. The Board approved the change of the expiry dates of Mr. Smith's stock options from August 26, 2020 to December 31, 2020.

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

The following table sets forth details of the value vested or earned for all incentive plan awards during the most recently completed financial year by each NEO:

**Value Vested or Earned for Incentive Plan Awards During the Most Recently Completed Financial Year**

Name	Option-based awards: Value vested during the year (\$) <sup>(1)</sup>	Share-based awards: Value vested during the year (\$) <sup>(2)</sup>	Non-equity incentive plan compensation: Value earned during the year (\$) <sup>(3)</sup>
<b>Russell Ball</b> <i>CEO</i>	98,000	-	341,300
<b>Gregory Smith</b> <i>Former CEO</i>	27,563	-	-
<b>John Seaberg</b> <i>CFO</i>	-	-	200,000
<b>Kristian Dagsaan</b> <i>Former CFO</i>	12,250	-	65,000
<b>Darren Hall</b> <i>COO</i>	-	-	255,000
<b>Ryan King</b> <i>VP, Corporate Development &amp; IR</i>	18,375	-	160,000
<b>William Patterson</b> <i>VP, Technical Services</i>	-	-	80,000

Notes:

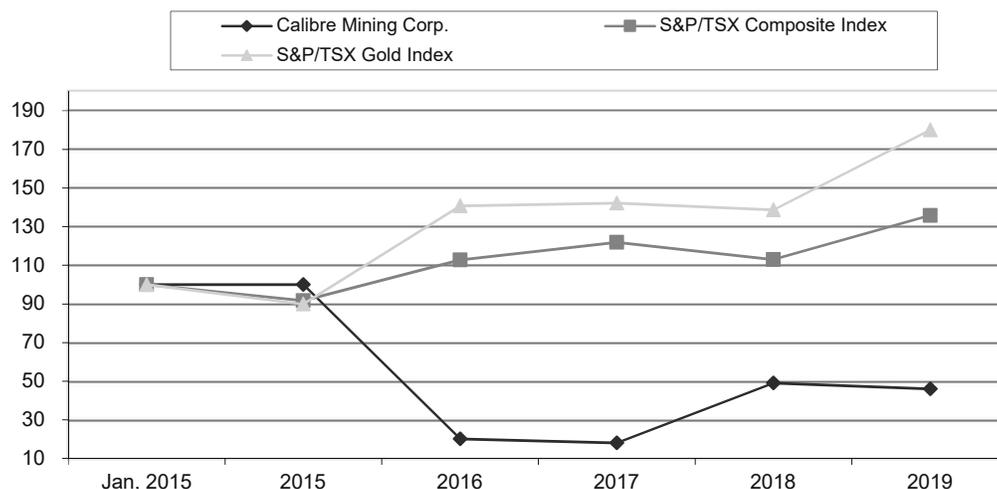
- (1) This value is determined by calculating the difference between the market price of the underlying common shares at exercise and the exercise price of the options on the vesting date.
- (2) Represents the number of shares vested multiplied by the closing price on the date of vesting.
- (3) These amounts represent lump sum payments paid as performance bonus.

***Pension Benefits***

The Company does not have a pension plan that provides for payments or benefits to the NEOs at or in connection with retirement.

**Performance Graph**

The following graph compares the yearly percentage change in the cumulative total shareholder return for \$100 invested in the Calibre shares on January 1, 2015 (being the first day of the period comprising of the preceding five most recently completed financial years) against the cumulative total return of the S&P/TSX Composite Index for the period ending on December 31, 2019.



The amounts indicated in the graph above and in the chart below are as of December 31 in each of the years 2015, 2016, 2017, 2018 and 2019.

	Jan 1, 2015	Dec 31, 2015	Dec 31, 2016	Dec 31, 2017	Dec 31, 2018	Dec 31, 2019
Calibre Mining Corp.	\$100	\$100	\$20	\$18	\$49	\$46
S&P/TSX Composite Index	\$100	\$91.68	\$112.76	\$121.86	\$112.97	\$135.85
S&P/TSX Gold Index	\$100	\$89.86	\$140.81	\$142.16	\$138.72	\$180.03

The share price performance trend illustrated within this chart does not necessarily reflect the trend in the Calibre’s compensation to executive officers over the same time period. The share price valuation of gold producers, as well as exploration and development companies, fluctuates with changes in the underlying commodity prices, and at no time during the period was compensation intended to reflect share price performance driven by externalities. Alignment with shareholders is nonetheless achieved by awarding a significant portion of compensation in the form of long-term equity-based incentives.

**DIRECTOR COMPENSATION**

The Compensation Committee is responsible for making recommendations as to director compensation for the Board’s consideration and ultimate approval. The compensation package for directors is intended to provide a competitive level of remuneration reflective of the responsibilities, accountability and time commitments of the Board members. Directors are reimbursed for expenses incurred for attending Board meetings. Executive officers of the Company do not receive any additional compensation for services rendered in such capacity other than as paid by the Company to such executive officers in their capacity as executive officers. There is no formal policy for the granting of options to directors. Options may be granted from time to time upon the recommendation of the Compensation Committee.

**Director Fee Structure**

The following table sets forth the components of non-executive director compensation and the amounts set for such compensation effective December 31, 2019:

<b>Component <sup>(1)</sup></b>	<b>Amount</b>
Cash Retainer	\$90,000
Board Chair Retainer	\$20,000
Audit Chair Retainer	\$10,000
Compensation Chair Retainer	\$10,000
CGN Chair Retainer	\$10,000
SHEST Chair Retainer	\$10,000
Audit Committee Member Fee	\$5,000
Other Committee Member Fee	\$5,000

Notes:

(1) All amounts are on an annual basis and are paid to directors quarterly.

**Committee Membership**

The following table sets forth the current committee members and chairs, all of whom are non-executive directors:

<b>Name</b>	<b>Audit Committee</b>	<b>Compensation Committee</b>	<b>Corporate Governance and Nominating Committee</b>	<b>Safety, Health, Environment, Sustainability and Technical Committee</b>
<b>Douglas Forster</b>	Member	-	-	-
<b>Edward Farrauto</b>	Chair	Chair	-	-
<b>Blayne Johnson</b>	-	Member	-	-
<b>Raymond Threlkeld</b>	-	Member	Member	Member
<b>Douglas Hurst</b>	Member	-	Member	-
<b>Audra Walsh</b>	-	-	Chair	Member
<b>Todd White</b>	-	-	-	Chair

**Director Compensation Table**

Set out below discloses the particulars of the compensation provided to the non-executive directors for the financial year ended December 31, 2019:

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$) <sup>(1)</sup>	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Douglas Forster	13,750	-	889,271	-	-	-	903,021
Edward Farrauto	17,500	-	370,529	-	-	23,750 <sup>(2)</sup>	411,779
Blayne Johnson	18,750	-	889,271	-	-	-	908,021
Raymond Threlkeld	16,250	-	370,529	-	-	-	386,779
Douglas Hurst	15,000	-	370,529	-	-	-	385,529
Audra Walsh	16,250	-	185,265	-	-	-	201,515
Todd White	15,000	-	277,897	-	-	-	292,897
George Salamis <sup>(3)</sup>	31,913	-	-	-	-	-	31,913
Dale Craig <sup>(4)</sup>	-	-	-	-	-	-	-

Notes:

- (1) The Company has chosen the Black-Scholes methodology to calculate the grant date fair value of option-based awards as it is the methodology used in the Company's financial statements. The fair value of the option-based awards for 2018 was determined using the following assumptions: a five-year term, a risk-free rate of 2.43%, no dividend payments, and an 85.43% volatility in the Company's share price. The fair value of the option-based awards for 2019 was determined using the following assumptions: a five-year term, a risk-free rate of 1.29%, no dividend payments, and a 57.16% volatility in the Company's share price. The stock options vest annually over a 3-year period.
- (2) During 2019, Mr. Farrauto was paid a management and consulting fee unrelated to his capacity as a director of the Company in the amount of \$23,750.
- (3) Mr. Salamis resigned from the Board on October 8, 2019.
- (4) Mr. Craig is director nominee and member of the senior management team of B2Gold Corp. Mr. Craig served as director of the Company from October 8, 2019 to January 6, 2020. Randall Chatwin replaced Dale Craig on the Board on January 6, 2020.

**Director Incentive Plan Awards**

A component of the director compensation is equity-based with the award of Options, RSUs and DSUs under the LTIP. The Board, at its discretion and upon the recommendation of the Compensation Committee, may grant Options, RSUs and DSUs, or any combination thereof, on an annual basis to directors.

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

The following table sets forth details of all awards granted to directors of the Company which are outstanding at the end of the most recently completed financial year:

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

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$) <sup>(1)</sup>	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>	Number of shares or units of shares that have not vested (#) <sup>(2)</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>
Douglas Forster	22,500	1.00	26-Aug-20	-	-	-	-
	75,000	0.45	6-Nov-23	36,750	-	-	-
	3,000,000	0.60	7-Oct-27	1,020,000	350,000	329,000	-
Edward Farrauto	22,500	1.00	26-Aug-20	-	-	-	-
	75,000	0.45	6-Nov-23	36,750	-	-	-
	1,250,000	0.60	7-Oct-27	425,000	250,000	235,000	-

<b>Blayne Johnson</b>	22,500	1.00	26-Aug-20	-	-	-	-
	75,000	0.45	6-Nov-23	36,750	-	-	-
	3,000,000	0.60	7-Oct-27	1,020,000	350,000	329,000	-
<b>Douglas Hurst</b>	22,500	1.00	26-Aug-20	-	-	-	-
	75,000	0.45	6-Nov-23	36,750	-	-	-
	1,250,000	0.60	7-Oct-27	425,000	250,000	235,000	-
<b>Raymond Threlkeld</b>	22,500	1.00	26-Aug-20	-	-	-	-
	75,000	0.45	6-Nov-23	36,750	-	-	-
	1,250,000	0.60	7-Oct-27	425,000	250,000	235,000	-
<b>Audra Walsh</b>	625,000	0.60	7-Oct-27	-	125,000	117,500	-
<b>Todd White</b>	625,000	0.90	2-Dec-27	-	125,000	117,500	-
<b>George Salamis</b> <sup>(4)</sup>	22,500	1.00	7-Apr-20	-	-	-	-

Notes:

- (1) "In-the-Money Options" means the excess of the market value of the Company's shares on December 31, 2019 over the exercise price of the options. The market price for the Company's common shares on December 31, 2019 (being the last day the Company's shares traded during the Company's 2019 financial year end) was \$0.94.
- (2) All RSUs awarded vest in 1/3 increments starting on the first anniversary of the date of grant and fully vest on the third anniversary on the date of grant.
- (3) Calculated using the closing price of the common shares on the TSX on December 31, 2019 of \$0.94.
- (4) Mr. Salamis resigned from the Board on October 8, 2019. The expiry date on Mr. Salamis' stock options was extended to April 7, 2020.

**Value Vested or Earned During 2019**

The following table sets forth details of the value vested or earned for all incentive plan awards during 2019:

**Value Vested or Earned for Incentive Plan Awards During 2019**

Name	Option-based awards: Value vested during the year (\$) <sup>(1)</sup>	Share-based awards: Value vested during the year (\$)	Non-equity incentive plan compensation: Value earned during the year (\$)
<b>Douglas Forster</b>	18,375	-	-
<b>Edward Farrauto</b>	18,375	-	-
<b>Blayne Johnson</b>	18,375	-	-
<b>Raymond Threlkeld</b>	18,375	-	-
<b>Douglas Hurst</b>	18,375	-	-
<b>Audra Walsh</b>	-	-	-
<b>Todd White</b>	-	-	-
<b>George Salamis</b>	27,563	-	-
<b>Dale Craig</b>	-	-	-

Note:

- (1) This value is determined by calculating the difference between the market price of the underlying common shares at exercise and the exercise price of the options on the vesting date.

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

The following table sets out those securities of the Company which have been authorized for issuance under equity compensation plans as at the end of the most recently completed financial year:

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options and grant of RSUs</b>	<b>Weighted-average exercise price of outstanding options</b>	<b>Number of securities remaining available for future issuance under equity compensation plan <sup>(1)</sup></b>
Equity compensation plans approved by the securityholders	35,524,999	\$0.62	8,975,001
Equity compensation plans not approved by the securityholders	-	-	-
<b>Total</b>	<b>35,524,999</b>	<b>\$0.62</b>	<b>8,975,001</b>

Notes:

- (1) The maximum number of common shares reserved for issuance under the LTIP at any time is 44,500,000 of which 10,000,000 can be used for RSUs, DSUs and PSUs.

**SUMMARY OF MATERIAL TERMS OF SECURITY-BASED COMPENSATION PLANS**

***Long-term Incentive Plan***

In April 2017, the Board implemented the LTIP for directors, officers, employees, and consultants, which was thereafter ratified by Shareholders on May 31, 2017. The LTIP consists of DSUs, RSUs, PSUs, and Options which provide the Board with additional long-term incentive mechanisms to align the interests of the directors, officers, employees or consultants of the Company with shareholder interests. The LTIP also provides for, among other things, an accelerated vesting of awards in the event of a change in control, thereby aligning the Company's practices with current corporate governance best practices respecting a change in control. As at May 8, 2020, a total of 32,475,394 stock options and 7,234,497 RSUs have been awarded.

Under the LTIP, the maximum number of Calibre shares that may be reserved and set aside for issuance upon the exercise of awards, along with any other security-based compensation arrangement of Calibre is 44,500,000. Of this amount, a maximum of 10,000,000 Calibre shares may be set aside for issuance upon the exercise of DSUs, RSUs, and PSUs. There are currently 39,709,891 Calibre shares reserved for issuance under the LTIP (being 12% of the issued and outstanding Calibre shares), leaving 4,790,109 Calibre shares available to be issued under the LTIP (being 1.5% of the issued and outstanding Calibre shares). Awards to insiders exceeding 10% of the issued and outstanding number of Calibre shares may not be granted in a 12-month period and at no time may the number of Calibre shares issuable to insiders exceed 10% of the issued and outstanding Calibre shares. In addition, no single person may receive awards in a 12-month period that would, if exercised, result in the issuance of more than 5% of all issued and outstanding Calibre shares. In the case of a consultant or person employed or engaged by Calibre to carry on investor relations work, no single individual may receive an award in a 12-month period that would, if exercised, result in the issuance of more than 2% of all issued and outstanding Calibre shares.

The maximum term for stock options of the Company is 10 years. All stock options granted pursuant to the LTIP are subject to the vesting requirements imposed by the Board. All stock options issued to consultants performing investor relations activities are required to vest in stages over at least 12 months with no more than 25% of the Options vesting in any three-month period. PSUs do not vest, and cannot be paid out (settled), until the completion of the performance cycle. The performance cycle does not end later than December 31 of the calendar year that is three years after the grant date. RSUs vest upon lapse of the applicable restricted period. RSUs can be paid out in cash at the discretion of the Board. For employees, vesting generally occurs in three equal instalments on the first three anniversaries of the grant date. For directors, one third of the award may be immediately vesting, with the balance vesting equally over the first two anniversaries of the grant date. DSUs are fully vested upon grant.

Upon the retirement, death, or disability of a recipient, all outstanding awards vest immediately. Outstanding awards that vested on or before the date that a recipient resigns remain available for settlement, and all unvested awards terminate immediately. In the case of termination of employment without cause, outstanding DSUs, PSUs and RSUs that had vested on or before the termination date remain available for settlement as of the termination date and outstanding DSUs, PSUs and RSUs that would have vested on the next vesting date following

the termination date are also available for settlement as of such vesting date. All other unvested DSUs, PSUs and RSUs terminate immediately. In the case of Options, all unvested Options vest immediately upon termination of employment without cause. Where termination of employment is for cause, all vested and unvested awards terminate immediately. Finally, in the event of a change of control, all awards vest immediately.

Options that vested upon the retirement, death, or disability of a recipient expire on the earlier of the scheduled expiry date and one year following the date of vesting. In the case of resignation, vested Options expire on the earlier of the scheduled expiry date and three months following the date of resignation (except for Options granted to persons engaged primarily to carry on investor relations activities; such vested Options expire on the earlier of the scheduled expiry date and 30 days following the date of resignation). In the case of termination of employment without cause, vested Options expire on the earlier of the scheduled expiry date and 90 days following the date of resignation, or as otherwise allowed by the Board. Options that vest upon the occurrence of a change of control expire at the discretion of the Board.

Awards granted pursuant to the LTIP may not be assigned, transferred, charged, pledged or otherwise alienated, other than to a participant's personal representative.

Subject to applicable law and necessary regulatory approvals, the Board may amend the LTIP without obtaining shareholder approval where the amendments do not materially and adversely affecting any previously granted awards. The following amendments to the LTIP require shareholder approval:

- (a) A reduction in the option price or cancellation or reissuance of options with the intent of effecting a reduction in the option price;
- (b) Extension of options, or changes to the date on which a PSU, RSU or DSU will be forfeited or terminated;
- (c) Increase to maximum number of shares reserved for issuance under the LTIP;
- (d) Revisions to participation limits;
- (e) Revisions to assignability and transferability, other than for estate purposes; or
- (f) Any amendment to these amendment provision and any amendment required under applicable law.

The Compensation Committee and the Board believe that equity-based compensation plans are the most effective way to align the interests of management with those of shareholders. Long-term incentives must also be competitive and align with the Company's compensation philosophy.

In determining the number of Options to be granted to the executive officers and directors, the Board or the Compensation Committee, as the case may be, takes into account the level of responsibility and experience required for the position, and the NEO's potential future contributions to the Company. The Compensation Committee sets the number of options so as to attract and retain qualified and talented employees. The Compensation Committee also takes into account the Company's contractual obligations and the award history for all participants in the Company's LTIP.

The recipients of incentive Options and the terms of the Options granted are determined from time to time by the Board with assistance from the Compensation Committee. The exercise price of the Options granted is generally determined by the market price at the time of grant.

For the financial years ended December 31, 2019 and 2018, the annual burn rate for the outstanding DSUs, RSUs, PSUs, and Options was 0.32 and 0.04 respectively.

## **REPORT ON CORPORATE GOVERNANCE**

National Instrument 58-101, *Disclosure of Corporate Governance Practices*, requires all reporting issuers to provide certain annual disclosure of their corporate governance practices with respect to the corporate governance guidelines (the "**Guidelines**") adopted in National Policy 58-201. These Guidelines are not prescriptive, but have been used by the Company in adopting its corporate governance practices.

### ***Board of Directors Charter***

The Board has adopted a Board of Directors Charter which is available on the Company's website at [www.calibremining.com](http://www.calibremining.com) and is attached to this Circular as Schedule "A".

### ***Position Descriptions***

The Board has developed written position descriptions for the Chair of the Board as well as for the chairs of each of the Board committees. They are available on the Company's website at [www.calibremining.com](http://www.calibremining.com). The Board has also developed a written position description for the CEO.

### ***Director Independence***

All of the current members of the Board are considered "independent" within the meaning of NI 52-110, except for Russell Ball, who is the CEO of the Company. The independent directors have regularly scheduled meetings in the absence of the non-independent director. Generally, at the end of each regularly scheduled Board meeting, the directors hold an in-camera session without management present.

The Chair of the Board is Blayne Johnson, who is independent. The Chair of the Board has primary responsibility for maintaining the independence of the Board and ensuring that the Board carries out its responsibilities. The Chair of the Board meets periodically with the CEO to discuss various matters relating to the Company. Mr. Johnson also serves as a member of the Compensation Committee. The Board has adopted a Position Description for the Chair of the Board which is available on the Company's website at [www.calibremining.com](http://www.calibremining.com).

### ***Other Directorships***

For details regarding directorships a director of the Company holds with any other reporting issuer (or the equivalent in a foreign jurisdiction), see the disclosure under the heading "Particulars of Matters to be Acted Upon – Election of Directors" in this Circular.

As some of the directors of the Company also serve as directors and officers of other companies engaged in similar business activities, the Board must comply with the conflict of interest provisions of the *Business Corporations Act* (British Columbia), as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Any interested director would be required to declare the nature and extent of his or her interest and would not be entitled to vote at meetings of directors which evoke any such conflict.

### ***Attendance Record***

For details regarding the attendance record of each director of the Company for all Board meetings and all Board committee meetings held since the beginning of the Company's most recently completed financial year, see the disclosure under the heading "Particulars of Matters to be Acted Upon – Election of Directors" in this Circular.

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

The Board's practice is to recruit for the Board only persons with extensive experience in the mining and mining exploration business and in public company matters. The CGN Committee, in conjunction with the Chair and the CEO, are responsible for ensuring that new directors are provided with an orientation and education program which includes written information about the business and operations of the Company, documents from recent Board meetings, and opportunities for meetings and discussion with senior management and other directors. New directors are also given the opportunity to independently consult with the outside legal counsel to the Company to better understand their legal obligations as directors of the Company.

The Company performs many activities to ensure that its directors maintain the skill and knowledge necessary to meet their obligations as directors. Management of the Company takes steps to ensure that its directors are continually updated as to the latest corporate and securities law developments which may affect the directors as a whole. The Company continually reviews the latest securities rules and policies and is on the mailing list of the TSX to receive updates to any of their rules. Any such changes or new requirements are then brought to the attention of the Company's directors either by way of director or committee meetings or by direct communications from management to the directors. Management assists directors by providing them with regular updates on relevant developments and other information that management considers to be of interest to the Board.

Directors are encouraged to attend other Board committee meetings if they are not active members, to broaden their knowledge base and receive additional information on the Company's business and developments in areas where they are not commonly exposed. At each quarterly Board meeting, the CFO makes a presentation to the Board to provide a comprehensive overview of the Company's financial performance, anticipated future financial results and market trends. With respect to novel business, accounting and industry issues, management will arrange for an industry or related professional to make a presentation to or provide advice to the Board on a topic relevant to those issues, if required.

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

The Board expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company's business plan and to meet performance goals and objectives according to the highest ethical standards. To this end, in February 2020, the Board adopted a Code of Business Conduct and Ethics (the "Code") for its directors, officers, employees, consultants and suppliers.

A copy of the Code is available on the Company's website at [www.calibremining.com](http://www.calibremining.com). Pursuant to the Code, the Company has appointed Edward Farrauto, the Chair of the Audit Committee, to serve as the Company's Compliance Officer to ensure compliance with the Code, reporting directly to the Board.

The Board monitors compliance with the Code and management provides an annual report to the Board regarding issues, if any, arising under the Code and the Company's corporate governance policies. The CGN Committee reviews the adequacy of the Code on an annual basis. In addition, the Company uses a confidential and anonymous reporting system that allows reporting by anyone having a concern about unethical or illegal activities.

### ***Whistleblower Policy***

Employees are required to report any violations under the Code or the Company's corporate governance policies in accordance with the Company's Whistleblower Policy. All employees of the Company are expected to inform their manager or supervisor of any concerns they might have. If an employee is not comfortable speaking to his or her supervisor or is not satisfied with the supervisor's response, the employee is encouraged to speak with anyone in management of the Company with whom he or she is comfortable approaching. Supervisors and managers are required to report all complaints to the Company's Compliance Officer, who has specific and exclusive responsibility to investigate all complaints.

When an employee is not satisfied or is uncomfortable with following the Company's open-door policy, that employee is encouraged to contact the email hotline maintained by the Company, which is available 24 hours a day, seven days a week at [whistleblower@calibremining.com](mailto:whistleblower@calibremining.com). Whistleblowers will always be provided with a response to a complaint and a report of all complaints will be sent to the Board. If a report is made through the email hotline, the response back will be through the hotline email address unless a different mode of communication is requested by the whistleblower. A copy of the Company's Whistleblower Policy is available on the Company's website at [www.calibremining.com](http://www.calibremining.com).

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

In order to identify new candidates for nomination to the Board, the Board considers the advice and input of the CGN Committee. The Chair of the Board and the chair of the CGN Committee, together with the CEO,

develop a list of potential candidates for review by the CGN Committee. Given that the various members of the Board have, in aggregate, a wide network of contacts, all members of the Board are encouraged to submit names of potential candidates who would make significant contributions to the Company. Through discussion, the list is refined by the CGN Committee. At the discretion of the CGN Committee, third parties may also be used to source potential directors.

The Board has appointed the CGN Committee which is currently comprised of Audra Walsh (Chair), Raymond Threlkeld and Douglas Hurst all of whom are independent directors within the meaning of NI 58-101.

The mandate of the CGN Committee (the “**CGN Committee Mandate**”) provides that its responsibilities will include: (a) identifying and reviewing the qualifications of and recommending to the Board possible nominees for the Board to be proposed in the management information circular for election or re-election at each annual general meeting; (b) identifying and reviewing the qualifications of and recommending to the Board possible candidates to fill vacancies on the Board between annual general meetings; (c) overseeing the effective functioning of the Board; (d) overseeing the relationship between management and the Board and recommending improvements in such relationship to the Board; and (e) annually reviewing and making recommendations to the Board with respect to: (i) the size and composition of the Board, with a view to promoting effectiveness and efficiency; (ii) the appropriateness of the committees of the Board, their mandates and responsibilities and the allocation of directors to the committees; (iii) the appropriateness of the terms of the mandate and responsibilities of the Board; (iv) the compensation of the directors in light of time commitments, comparative fees, risks and responsibilities; (v) the directorships held by the Company’s directors and officers in other corporations; (vi) the Company’s nominees on the boards of directors of its subsidiaries and other corporations; and (vii) the corporate objectives which the Chair of the Board is responsible for meeting, the assessment of the Chair of the Board against these objectives and the appropriateness of the duties and responsibilities of the Chair of the Board. A copy of the CGN Committee Mandate is available on the Company’s website at [www.calibremining.com](http://www.calibremining.com).

### ***Majority Voting Policy***

The Company has adopted a majority voting policy (the “**Majority Voting Policy**”) in connection with director elections. The policy stipulates that for any uncontested elections of directors, if the number of votes withheld exceeds the number of votes in favour of the election of a director nominee at a Shareholders’ meeting, the nominee will be required to immediately tender his or her resignation after the meeting to the Chair of the Board who will then refer it to the CGN Committee for consideration. The CGN Committee will make a recommendation to the Board after reviewing the matter and any extenuating circumstances, and the Board will act on the CGN Committee’s recommendation within 90 days following the applicable Shareholders’ meeting. The Board’s decision to accept or reject the resignation offer will promptly be disclosed to the public by news release. The nominee in question will not participate in any CGN Committee or Board deliberations on the resignation offer. The Majority Voting Policy does not apply in circumstances involving contested director elections. A copy of the Majority Voting Policy is available on the Company’s website at [www.calibremining.com](http://www.calibremining.com).

### ***Compensation***

The Compensation Committee conducts an annual review of the performance of the Company and the CEO as measured against objectives established in the prior year by the Compensation Committee and the CEO and approved by the Board. The results of this annual review are communicated to the full Board who then make an evaluation of the overall performance of the Company and the CEO. This performance evaluation is communicated to the CEO by the Chair of the Board and the Chair of the Compensation Committee. The evaluation is used by the Compensation Committee in its deliberations concerning the CEO’s annual compensation. The evaluation of performance against objectives forms part of the determination of the entire compensation of senior employees. The Compensation Committee also reviews the compensation of the outside directors on an annual basis, taking into account such matters as time commitment, responsibility and compensation provided by comparable organizations.

The process undertaken by the Board and the Compensation Committee in respect of compensation is more fully described in the “Compensation Discussion and Analysis” section of this Circular. The Board has appointed the Compensation Committee which is comprised of Edward Farrauto (Chair), Blayne Johnson and Raymond Threlkeld, all of whom are independent directors within the meaning of NI 58-101.

The Compensation Committee is responsible for compensation issues, talent management and development, disclosure obligations, working with outside compensation consultants and corporate strategy as it relates to compensation. With respect to compensation issues, the mandate of the Compensation Committee (the “**Compensation Committee Mandate**”) provides that its responsibilities will include: (a) determining the salary and benefits of the CEO; (b) reviewing with the CEO, the compensation of the Company’s officers that report to the CEO; (c) after considering recommendations of the CEO, reviewing and recommending for approval by the Board the general compensation structure and policies and programs for the Company; (d) administering the Company’s LTIP and determining its use, from time to time, as a form of compensation for salaried personnel and directors; (e) after considering recommendations of the CEO, reviewing and recommending for approval by the Board all equity-based grants; (f) reviewing annually all other benefit programs for salaried personnel; (g) reviewing the adequacy and form of the compensation of directors to ensure that it reflects the responsibilities and risks involved in being an effective director, and reporting and making recommendations to the Board accordingly. A copy of the Compensation Committee Mandate is available on the Company’s website at [www.calibremining.com](http://www.calibremining.com).

### ***Other Board Committees***

In December 2019, the Board created a Safety, Health, Environment, Sustainability and Technical Committee (the “**SHEST Committee**”) in order to reflect the Company’s continuing commitment to improving these areas and ensuring that its activities are carried out in a safe, sustainable and environmentally sound manner. The Board has appointed the SHEST Committee which is comprised of Todd White (Chair), Audra Walsh and Raymond Threlkeld, all of whom are independent directors within the meaning of NI 58-101. A copy of the mandate of the SHEST Committee is available on the Company’s website at [www.calibremining.com](http://www.calibremining.com).

### ***Assessments***

The entire Board evaluates the effectiveness of the Board, its committees and individual directors on a regular basis, formally through a questionnaire that asks the directors to assess the effectiveness of the Board and its committees in respect of: structure and composition; roles and responsibilities; operations; effectiveness; committee meetings’ operations and effectiveness; and individual director performance. The Board evaluation process is designed to provide directors with an opportunity each year to examine how the Board is operating and to make suggestions for improvement.

### ***Director Term Limits and Other Mechanisms of Board Renewal***

The Board has not adopted a term limit for directors. The Board believes that the imposition of term limits on a director implicitly discounts the value of experience and continuity amongst Board members and runs the risk of excluding experienced and potentially valuable Board members as a result of an arbitrary determination. The notional objective of term limits is to encourage board turnover, introduce new perspectives and retain independence. The Company has achieved a satisfactory turnover of directors over its history, and the Board believes that it can strike the right balance between continuity and fresh perspectives without mandated term limits.

### ***Representation of Women on the Board and Management***

The Board recognizes that gender diversity is a significant aspect of diversity and acknowledges the role that women with the right competencies and skills can play in contributing to diversity of perspective in the boardroom. While the Board does not have any specific diversity targets, the Board has adopted a diversity policy that outlines the identification and nomination of women directors. The selection process for director nominees involve including at least one female candidate for each available Board seat in the short-list, and if at the end of the selection process, no female candidates are selected, the Board must be satisfied that there are objective reasons to support this termination, and that it believes it will be able to achieve its overall goal of greater diversity in future periods.

The diversity policy is assessed on an annual basis by the CGN Committee. The CGN Committee also oversees an annual director questionnaire which specifically asks whether the Board appropriately reflects the diversity of the community it serves. These results are compiled and shared with the Board. The diversity of the

Board (and in particular the representation of women) is one of many factors considered in the selection of candidates as potential directors. The diversity of the executive officers (and in particular the representation of women) is one of many factors considered in the selection of candidates as potential executive officers.

At this time, the Company has not adopted a target regarding the representation of women on the Board or in executive officer positions. The Company is of the view that its current practice of considering diversity as one of many factors in selecting candidates as potential directors or executive officers permits the Company to balance the benefit of diversity with other relevant considerations. The Company is committed to increasing Board diversity and recognizes that the Board's background should represent a variety of backgrounds, experiences and skills.

Women currently hold one of the nine positions on the Board (11%) and no position as executive officers of the Company.

#### **AUDIT COMMITTEE DISCLOSURE**

The Audit Committee assists the Board in fulfilling its oversight responsibilities as they relate to the integrity of the Company's financial statements and accounting processes, and the independent auditors' qualifications and independence. In this regard, the Audit Committee has primary responsibility for the Company's financial reporting, accounting systems and internal controls over financial reporting. The Audit Committee also assists the Board with the oversight of financial strategies and risk management.

Further information regarding the Audit Committee is contained in the Company's annual information form for the financial year ended December 31, 2019, which is available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com). A copy of the charter of the Audit Committee is available on the Company's website at [www.calibremining.com](http://www.calibremining.com).

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

As at the date of this Circular, no individual who is an executive officer, director, employee or former executive officer, director or employee of the Company or any of its subsidiaries is indebted to the Company or any of its subsidiaries pursuant to the purchase of securities or otherwise.

No individual who is, or at any time during the financial year ended December 31, 2019, was a director or executive officer of the Company, a proposed management nominee for election as a director of the Company, or an associate of any such director, executive officer or proposed nominee, was indebted to the Company or any of its subsidiaries during the financial year ended December 31, 2019 or as at the date of this Circular in connection with security purchase programs or other programs.

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

No "informed person" (as such term is defined in NI 51-102) or proposed nominee for election as a director of the Company or any associate or affiliate of the foregoing has any material interest, direct or indirect, in any transaction in which the Company has participated since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or will materially affect the Company, other than Randall Chatwin, who is a director nominee of B2Gold on the Board and a member of the senior management team of B2Gold, having a material interest in the B2Gold Transaction.

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

No person or company who is, or at any time during the financial year ended December 31, 2019 was, a director or executive officer of the Company, a proposed management nominee for election as a director of the Company, or an associate or affiliate of any such director, executive officer or proposed nominee, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the Meeting, other than the election of directors.

## PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING

### *Financial Statements*

The audited consolidated financial statements of the Company for the financial year ended December 31, 2019 and the report of the independent auditors thereon will be presented at the Meeting. These consolidated financial statements and the related management's discussion and analysis were sent to all shareholders who have requested a copy. The Company's consolidated financial statements and related management's discussion and analysis for the financial year ended December 31, 2019 are also available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.calibremining.com](http://www.calibremining.com).

### *Election of Directors*

#### Proposed Management Nominees for Election to the Board

The directors of the Board are elected annually and hold office until the next annual general meeting of the shareholders or until their successors are elected or until such director's earlier death, resignation or removal. The management of Calibre proposes to nominate the persons listed below for election as directors of Calibre to serve until their successors are elected or appointed. In the absence of instructions to the contrary, proxies given pursuant to the solicitation by the management of Calibre will be voted for the nominees listed in this Circular.

Pursuant to the Advance Notice Policy adopted by the Board on March 19, 2013, any additional director nominations for the Meeting must be received by Calibre in compliance with the Advance Notice Policy no later than the close of business on May 16, 2020. If no such nominations are received by Calibre prior to such date, management's nominees for election as directors set forth below will be the only nominees eligible to stand for election at the Meeting.

The following tables set out certain information as of the date of this Circular (unless otherwise indicated) with respect to the nine persons being nominated at the Meeting for election as directors of the Company. Each director elected will hold office until the next annual meeting of shareholders or until his or her successor is duly elected or appointed. Information regarding common shares owned by each director is presented to the best knowledge of management of the Company and has been furnished to management of the Company by such directors. Information regarding Board and committee meeting attendance is presented for meetings held in 2019.

The enclosed form of proxy permits Shareholders to vote for each nominee on an individual basis.

**Unless the shareholder specifies in the enclosed form of proxy that the common shares represented by the proxy are to be withheld from voting in the election of directors, the persons named in the form of proxy shall vote the common shares represented by the proxy in favour of the election of the persons whose names are set forth below.**

**The Board unanimously recommends that Shareholders vote FOR the nominees set forth below. Management does not contemplate that any of the nominees will be unable to serve as a director. If any vacancies occur in the slate of nominees listed below before the Meeting, management will exercise discretion to vote the proxy for the election of any other person or persons as directors.**

<b>RUSSELL BALL</b>		<b>Principal Occupation During Past 5 Years and Biographical Information</b>		
British Columbia, Canada  Director Since: November 2018  <b>NOT INDEPENDENT</b>	<p>Mr. Ball was appointed CEO on October 8, 2019. Mr. Ball has a proven track record with over 25 years of experience in the mining industry. He previously served as CFO and Executive VP of Corporate Development at Goldcorp. Prior to joining Goldcorp, Mr. Ball served as Executive VP and Chief Financial Officer at Newmont Mining Corp. Over his 19 years with Newmont, Mr. Ball worked in internal audit, finance, treasury, operations/project, and investor relations before joining the executive team as Chief Financial Officer.</p> <p>Mr. Ball qualified as both a Chartered Accountant from the Institute of Chartered Accountants of South Africa and a Certified Public Accountant in the USA.</p>			
<b>Current Board/Committee Membership</b>		<b>2019 Attendance</b>		<b>Other Public Directorships</b>
Board		7 of 7	100%	Trevali Mining Corporation (TSX)
<b>Number of Common Shares Beneficially Owned, Controlled or Directed</b>				2,647,400

<b>BLAYNE JOHNSON</b>		<b>Principal Occupation During Past 5 Years and Biographical Information</b>		
British Columbia, Canada  Director Since: May 2005  <b>INDEPENDENT</b>	<p>Mr. Johnson is a Founder and Chair of the Company. Mr. Johnson has been involved in the investment community for over 31 years and is currently Chair of Featherstone Capital Inc., a corporate development and financial advisory firm focused on the mining industry. Prior to this, Mr. Johnson was Founder, Director and Executive VP of Newmarket Gold Inc., which operated three gold mines in Australia with annual production of over 225,000 oz/year. Newmarket was acquired by Kirkland Lake Gold in November 2016 for \$1.0 billion. Prior to that, Mr. Johnson was a Vice President of First Marathon Securities, where he played a key role in providing institutional financing to junior resource companies. During his tenure at that firm, First Marathon participated in over \$5 billion of equity financings for natural resource companies. His work at First Marathon also involved debt financings as well as mergers and acquisitions. Mr. Johnson also advised institutional clients on investments. Mr. Johnson was also a Founder of Terrane Metals, which was acquired by Thompson Creek in 2010 for \$750 million.</p>			
<b>Current Board/Committee Membership</b>		<b>2019 Attendance</b>		<b>Other Public Directorships</b>
Board		7 of 7	100%	Pinecrest Resources Ltd. (TSXV)
Compensation		2 of 2	100%	Edgewater Exploration Ltd. (TSXV)
<b>Number of Common Shares Beneficially Owned, Controlled or Directed</b>				3,387,046

<b>DOUGLAS FORSTER</b>		<b>Principal Occupation During Past 5 Years and Biographical Information</b>	
British Columbia, Canada  Director Since: December 2003  <b>INDEPENDENT</b>	<p>Mr. Forster is one of the Founders of the Company. Mr. Forster has been associated with the mining industry for over 38 years as a geologist, senior executive, director and company founder. He currently serves as the President and Chief Executive Officer of Featherstone Capital Inc. Mr. Forster has been a founder, director or senior executive with numerous companies including Terrane Metals, which was acquired by Thompson Creek in 2010 for \$750 million and Potash One, which was acquired by K+S AG in 2011 for \$434 million. Mr. Forster was Founder, President and CEO and Director of Newmarket Gold Inc., which operated three gold mines in Australia with annual production of over 225,000 oz gold/year. Newmarket was acquired by Kirkland Lake Gold in November 2016 for \$1.0 billion. Over the past 25 years Mr. Forster has been involved in a number of large-scale Canadian mine development projects including the Mt. Milligan gold-copper mine, the Kemess South gold-copper mine, the Golden Bear Gold Mine and the Legacy potash project. Mr. Forster has a proven track record in resource project development, mine operations, mergers and acquisition, equity finance and public company management.</p> <p>He holds a B.Sc. (1981) and M.Sc. (1984) in Economic Geology from the University of British Columbia. He is a registered member of the Association of Professional Engineers and Geoscientists of British Columbia.</p>		
<b>Current Board/Committee Membership</b>	<b>2019 Attendance</b>		<b>Other Public Directorships</b>
Board Audit	7 of 7 5 of 5	100% 100%	Pinecrest Resources Ltd. (TSXV) Edgewater Exploration Ltd. (TSXV) Victory Metals Inc. (TSXV)
<b>Number of Common Shares Beneficially Owned, Controlled or Directed</b>			3,951,563

<b>RAYMOND THRELKELD</b>		<b>Principal Occupation During Past 5 Years and Biographical Information</b>	
Florida, USA  Director Since: November 2018  <b>INDEPENDENT</b>	<p>Mr. Threlkeld is a seasoned mining professional with more than 36 years of experience in mineral exploration, mine operations and construction and executive management. He is currently a director of Calibre, Kirkland Lake Gold Ltd. and Euromax Resources Ltd. Mr. Threlkeld was President and CEO of Rainy River Resources, which was developing the 4.0 million ounce Rainy River gold deposit in Ontario. New Gold purchased Rainy River for \$310 million in 2013. From 2006 to 2009 Mr. Threlkeld led the team that acquired, developed and put into operation the Mesquite Gold Mine in California, with Western Goldfields subsequently being purchased by New Gold for \$314 million in 2009. From 1996 to 2004 Mr. Threlkeld held a variety of senior executive positions with Barrick Gold Corporation, rising to the position of Vice President, Project Development. During Mr. Threlkeld's tenure at Barrick Gold Corporation he was responsible for placing more than 30 million ounces of gold resources into production in Africa, South America and Australia. Among his accomplishments were the Pierina Mine in Peru, Bulyanhulu Mine in Tanzania, Veladero Mine in Argentina, Lagunas Norte Mine in Peru and the Cowal Mine in Australia.</p> <p>Mr. Threlkeld holds a B.Sc. degree in Geology from the University of Nevada.</p>		
<b>Current Board/Committee Membership</b>	<b>2019 Attendance</b>		<b>Other Public Directorships</b>
Board Compensation CGN	7 of 7 2 of 2 3 of 3	100% 100% 100%	Kirkland Lake Gold Ltd. (TSX) Euromax Resources Ltd. (TSX)
<b>Number of Common Shares Beneficially Owned, Controlled or Directed</b>			675,000

<b>DOUGLAS HURST</b>		<b>Principal Occupation During Past 5 Years and Biographical Information</b>	
British Columbia, Canada  Director Since: September 2016  <b>INDEPENDENT</b>	<p>Mr. Hurst has over 25 years of experience in the mining and resource industries, having acted as geologist, consultant, mining analyst, senior executive and director. Previously, Mr. Hurst was one of the Founders of Newmarket Gold Inc. which was purchased for \$1.0 billion by Kirkland Lake Gold Ltd. in November 2016. Prior to that, he was a founding executive of International Royalty Corporation from 2003 to 2006 and a director of the company until 2010 when the company was purchased by Royal Gold for \$700 million.</p> <p>Mr. Hurst holds a Bachelor of Science in geology from McMaster University (1986).</p>		
<b>Current Board/Committee Membership</b>	<b>2019 Attendance</b>		<b>Other Public Directorships</b>
Board CGNC Audit	7 of 7 3 of 3 5 of 5	100% 100% 100%	Pinecrest Resources Ltd. (TSXV) Eclipse Gold Mining Corporation (TSXV)
<b>Number of Common Shares Beneficially Owned, Controlled or Directed</b>			1,034,167

<b>EDWARD FARRAUTO</b>		<b>Principal Occupation During Past 5 Years and Biographical Information</b>	
British Columbia, Canada  Director Since: December 2003 to March 2005; May 2005 to present  <b>INDEPENDENT</b>	<p>Mr. Farrauto has 25 years of experience as a senior financial officer with public companies. His experience encompasses financial and regulatory compliance and public company management. Mr. Farrauto is currently the CFO of Edgewater Exploration Inc., a role he has held since 2010. Over the course of his career, Mr. Farrauto has been directly responsible for overseeing private placement financings, prospectus filings, reverse takeovers and merger and acquisition transactions. Mr. Farrauto has been involved in over \$500 million in equity and debt financings which included \$150 million with Terrane Metals (acquired by Thompson Creek Metals in 2010, valued at \$750 million) and with Newmarket Gold, which was acquired by Kirkland Lake Gold in 2016 for \$1.0 billion.</p> <p>Mr. Farrauto was a Chartered Professional Accountant from 1991 to 2018.</p>		
<b>Current Board/Committee Membership</b>	<b>2019 Attendance</b>		<b>Other Public Directorships</b>
Board Audit Compensation	7 of 7 5 of 5 2 of 2	100% 100% 100%	Pinecrest Resources Ltd. (TSXV)
<b>Number of Common Shares Beneficially Owned, Controlled or Directed</b>			879,773

<b>AUDRA WALSH</b>		<b>Principal Occupation During Past 5 Years and Biographical Information</b>	
La Huelva, Spain  Director Since: October 2019  <b>INDEPENDENT</b>	<p>Ms. Walsh is a Professional Engineer with over 20 years of technical, operating, management and board experience in the mining industry. She is CEO of Minas de Aguas Tenidas S.A.U. (MATSA), a privately held company owned by Trafigura and Mubadala, located in the Huelva Province, Spain. She formerly served as a member of the Board of Directors of Orvana Minerals Corp., and was Chair of their Technical, Safety, Health, Environment and Sustainability Committee. She also formerly held the position of President and CEO of Sierra Metals Inc., Minera S.A. and A2Z Mining Inc. She has held senior positions with Barrick Gold Corporation and Newmont Mining Corporation.</p> <p>Ms. Walsh is a graduate with a Bachelor of Science (Mine Engineering) from the South Dakota School of Mines and Technology in Rapid City, South Dakota, United States of America. She is a registered member of the Society of Mining, Metallurgy and Exploration.</p>		
<b>Current Board/Committee Membership</b>	<b>2019 Attendance</b>		<b>Other Public Directorships</b>
Board CGN	2 of 2 3 of 3	100% 100%	Argonaut Gold Inc. (TSX)
<b>Number of Common Shares Beneficially Owned, Controlled or Directed</b>			417,000

<b>TODD WHITE</b>		<b>Principal Occupation During Past 5 Years and Biographical Information</b>	
Washington, USA  Director Since: December 2019  <b>INDEPENDENT</b>	Mr. White has more than 25 years in the mining sector. Most recently, he was Executive Vice President and Chief Operating Officer of Goldcorp. He has a strong background in operational efficiency, management systems and large scale development projects. Prior to joining Goldcorp, Todd spent over twenty years at Newmont Mining in various management roles before joining the executive team as Senior Vice President, Operations.		
<b>Current Board/Committee Membership</b>	<b>2019 Attendance</b>		<b>Other Public Directorships</b>
Board	1 of 1	100%	None
<b>Number of Common Shares Beneficially Owned, Controlled or Directed</b>			-

<b>RANDALL CHATWIN</b>		<b>Principal Occupation During Past 5 Years and Biographical Information</b>	
British Columbia, Canada  Director Since: January 2020  <b>INDEPENDENT</b>	<p>Mr. Chatwin is director nominee and member of the senior management team of B2Gold Corp. Mr. Chatwin has more than 15 years' experience in the mining industry and joined B2Gold from Goldcorp Inc. where he most recently served as Vice President, Assistant General Counsel from May 2015 to May 2019. Mr. Chatwin was instrumental in the execution of Goldcorp's US\$12.5 billion merger with Newmont Mining Corporation in April 2019. Prior to joining Goldcorp, Mr. Chatwin was a partner at the law firm of Lawson Lundell LLP, where he spent 11 years practicing corporate commercial and corporate finance law, with a specific focus on the mining industry.</p> <p>Mr. Chatwin holds a Bachelor of Arts degree from the University of Victoria, British Columbia, and Juris Doctor (law) degree from the University of Saskatchewan. Mr. Chatwin is an active member of the Canadian Corporate Counsel Association (CCCA) and has obtained his Certified In-House Counsel (CIC.H) designation from the CCCA. In addition, he is a member of the Canadian Bar Association and Law Society of British Columbia.</p>		
<b>Current Board/Committee Membership</b>	<b>2019 Attendance</b>		<b>Other Public Directorships</b>
-	-	-	None
<b>Number of Common Shares Beneficially Owned, Controlled or Directed</b>			-

Corporate Cease Trade Orders or Bankruptcies

No proposed director within 10 years before the date of this Circular, has been, a director, officer or Promoter of any person or company that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order, or an order that denied the other issuer access to any exemptions under applicable securities law, for a period of more than 30 consecutive days; or
- (b) 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.

Mr. Ball was a director of Lydian International Limited (“**Lydian**”) from June 28, 2018 until March 12, 2020. On December 23, 2019, Lydian announced that certain of its subsidiaries had commenced proceedings under the *Companies' Creditors Arrangement Act* (Canada) (the “**CCAA**”) in the Ontario Superior Court of Justice. Trading in the securities of Lydian on the TSX was immediately suspended and the securities were subsequently delisted.

Penalties or Sanctions

No proposed director has:

- (a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) been subject to any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body, that would be likely to be considered important to a reasonable security holder making a decision about the Transaction.

#### Personal Bankruptcies

No proposed director within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or officer.

#### **Appointment of Auditor**

At the Meeting, Shareholders will be asked to consider, and if thought advisable, to pass an ordinary resolution reappointing PricewaterhouseCoopers LLP, of Vancouver, British Columbia, as auditor of Calibre for the following year, and to authorize the Board to fix the remuneration of said auditor for such year, as follows:

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

1. the appointment of PricewaterhouseCoopers LLP, Vancouver, British Columbia, as auditor of Calibre, to hold office until the next annual meeting of Shareholders, is hereby approved; and
2. the Board is hereby authorized to fix the remuneration of the auditor so appointed.”

The appointment of PricewaterhouseCoopers LLP will be approved if the affirmative vote of the majority of Calibre shares present or represented by proxy at the Meeting and entitled to vote are voted in favour of the resolution.

**The Board unanimously recommends that Shareholders vote FOR the resolution approving the appointment of the auditor of Calibre. Unless otherwise directed, it is the intention of the persons designated in the accompanying form of proxy to vote in favour of the ordinary resolution to approve the appointment of the auditors of Calibre.**

#### **Approval of the Amended and Restated Long-Term Incentive Plan**

At a meeting of shareholders held on October 8, 2019 the Company’s LTIP was approved providing for the granting of time-based share unit awards, deferred share units, options and performance-based share unit awards to employees, officers and eligible consultants and directors of the Company and its affiliates. A description of the Long Term Incentive Plan is set out in this Circular under “*Executive Compensation – Elements of Compensation - Long Term Incentive Plan*”.

Subject to TSX and shareholder approval, on May 6, 2020, the Board approved an amendment to the LTIP to remove the non-executive director participation limits. The Board has also approved an amendment to clarify the provisions of retirement, which amendment does not require shareholder or TSX approval. A copy of the Amended and Restated Long-Term Incentive Plan is attached hereto as Schedule “B”.

#### ***Amended and Restated Long-Term Incentive Plan Resolution***

Pursuant to section 13 of the Long-Term Incentive Plan the Company must seek shareholder approval at the Meeting for the Amended and Restated Long-Term Incentive Plan. The approval of the Amended and Restated Long-Term Incentive Plan Resolution is key to the Company’s compensation to its employees, officers, directors and consultants.

Accordingly, the Board recommends that Shareholders vote FOR the Amended and Restated Long-Term Incentive Plan Resolution.

The text of the Amended and Restated Long-Term Incentive Plan Resolution to be submitted to Shareholders at the Meeting is set out below:

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

The Amended and Restated Long-Term Incentive Plan is hereby approved and any director or officer of Calibre is authorized and directed, acting for, in the name of and on behalf of Calibre, to execute or cause to be executed, and to deliver or cause to be delivered, such other documents and instruments, and to do or cause to be done all such other acts and things, as may in the opinion of such director or officer be necessary or desirable to give effect to this resolution.”

**The Board unanimously recommends that Shareholders vote FOR the ordinary resolution approving the Amended and Restated Long-Term Incentive Plan.**

**ADDITIONAL INFORMATION**

Additional information relating to the Company is available under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information is provided in the Company’s audited consolidated financial statements and Management’s Discussion and Analysis (“**MD&A**”) for the financial year ended December 31, 2019. Copies of the Company’s annual consolidated financial statements and MD&A may be obtained upon request to the Company by: (i) mail to Suite 413, 595 Burrard Street, P.O. Box 49167, Vancouver, British Columbia, V7X 1J1; or (ii) fax to (604) 681-9955.

Our Board has approved the contents of this Circular and authorized us to send it to you.

**APPROVAL OF BOARD OF DIRECTORS**

The contents of this Circular and the sending of it to Shareholders have been approved by the directors of the Company.

**BY ORDER OF THE BOARD**

“Russell Ball”

Russell Ball  
Chief Executive Officer and Director  
Vancouver, British Columbia  
May 8, 2020

## SCHEDULE "A"

### BOARD OF DIRECTORS MANDATE

#### **Purpose**

The members of the Board of Directors (the "**Board**") have the duty to supervise the management of the business and affairs of Calibre Mining Corp.(the "**Company**"). The Board, directly and through its committees and the chair of the Board (the "**Chair**"), shall provide direction to senior management, generally through the Chief Executive Officer, to pursue the best interests of the Company.

#### **Duties and Responsibilities**

The Board shall have the specific duties and responsibilities outlined below.

#### ***Strategic Planning***

##### **Strategic Plans**

The Board will adopt a strategic plan for the Company. At least annually, the Board shall review and, if advisable, approve the Company's strategic planning process and the Company's annual strategic plan. In discharging this responsibility, the Board shall review the plan in light of management's assessment of emerging trends, the competitive environment, the opportunities for the business of the Company, risk issues, and significant business practices and products.

##### **Business and Capital Plans**

At least annually, the Board shall review and, if advisable, approve the Company's annual business and capital plans as well as policies and processes generated by management relating to the authorization of major investments and significant allocation of capital.

##### **Monitoring**

At least annually, the Board shall review management's implementation of the Company's strategic, business and capital plans. The Board shall review and, if advisable, approve any material amendments to, or variances from, these plans.

#### ***Risk Management***

##### General

At least annually, the Board shall review reports provided by management of principal risks associated with the Company's business and operations, review the implementation by management of appropriate systems to manage these risks, and review reports by management relating to the operation of, and any material deficiencies in, these systems.

##### **Verification of Controls**

The Board shall verify that internal, financial, non-financial and business control and management information systems have been established by management.

## ***Human Resource Management***

### General

At least annually, the Board shall review a report of the Compensation Committee concerning the Company's approach to human resource management and executive compensation.

### Succession Review

At least annually, the Board shall review the succession plans of the Company for the Chair, the Chief Executive Officer and other executive officers, including the appointment, training and monitoring of such persons.

### Integrity of Senior Management

The Board shall, to the extent feasible, satisfy itself as to the integrity of the Chief Executive Officer and other executive officers of the Company and that the Chief Executive Officer and other senior officers strive to create a culture of integrity through honest and ethical conduct throughout the Company.

## ***Corporate Governance***

### General

At least annually, the Board shall review a report of the Corporate Governance and Nominating Committee concerning the Company's approach to corporate governance.

### Director Independence

At least annually, the Board shall review a report of the Corporate Governance and Nominating Committee that evaluates the director independence standards established by the Board and the Board's ability to act independently from management in fulfilling its duties.

### Ethics Reporting

The Board has adopted a written Code of Business Conduct and Ethics (the "Code") applicable to directors, officers and employees of the Company. At least annually, the Board shall review the report of the Corporate Governance and Nominating Committee relating to compliance with, or material deficiencies from, the Code and approve changes it considers appropriate. The Board shall review reports from the Corporate Governance and Nominating Committee concerning investigations and any resolutions of complaints received under the Code.

### Board of Directors Mandate Review

At least annually, the Board shall review and assess the adequacy of its Mandate to ensure compliance with any rules of regulations promulgated by any regulatory body and approve any modifications to this Mandate as considered advisable.

## ***Communications***

### General

The Board has adopted a Disclosure Policy for the Company. At least annually, the Board, in conjunction with the Chief Executive Officer, shall review the Company's overall Disclosure Policy, including measures for receiving feedback from the Company's stakeholders, and management's compliance with such policy. The Board shall, if advisable, approve material changes to the Company's Disclosure Policy.

## Stakeholders

The Company endeavors to keep its internal and external stakeholder groups informed of its progress through an annual report, annual information form, quarterly interim reports and periodic press releases. Directors and management meet with the Company's shareholders at the annual meeting and are available to respond to questions at that time. In addition, the Company shall maintain on its website a contact email address that will permit shareholders to provide feedback directly to the Chair of the Board.

## **Composition**

### General

The composition and organization of the Board, including: the number, qualifications and remuneration of directors; the number of Board meetings; quorum requirements; meeting procedures and notices of meetings are required by the *Business Corporations Act* (British Columbia) (the "BCBCA"), the *Securities Act* (British Columbia) (the "Act") and the articles of the Company, subject to any exemptions or relief that may be granted from such requirements.

Each director must have an understanding of the Company's principal operational and financial objectives, plans and strategies, and financial position and performance. Directors must have sufficient time to carry out their duties and not assume responsibilities that would materially interfere with, or be incompatible with, Board membership. Directors who experience a significant change in their personal circumstances, including a change in their principal occupation, are expected to advise the chair of the Corporate Governance and Nominating Committee.

### Overboarding

The board and nominating committee should consider the potential implications of over-boarding and corporate governance implications. Considerations for discussion, based on Glass Lewis and Institutional Shareholder Services Inc ("ISS") which address investor expectations, are non-executive board members of other boards – no more than 5 public company boards in total, and for Directors who are CEO's who sit on other public company boards, no more than 2 public company boards in total. The Board, at its discretion, may conclude that any Director with board involvement in excess of these considerations, can remain on the board if they consistently meet the Board requirements of participation and attendance. Additionally, the Board will take into account, such Director's contributions to the board, including specialized knowledge of the company's industry, strategy or key markets, the diversity of skill, perspective and background they provide and other relevant factors.

### Independence

A majority of the Board must be independent. "Independent" shall have the meaning, as the context requires, given to it in National Policy 58-201 *Corporate Governance Guidelines*, as may be amended from time to time.

### Chair of the Board

The Chair of the Board shall be an independent director, unless the Board determines that it is inappropriate to require the Chair to be independent. If the Board determines that it would be inappropriate to require the Chair of the Board to be independent, then the independent directors shall select from among their number a director who will act as "Lead Director" and who will assume responsibility for providing leadership to enhance the effectiveness and independence of the Board. The Chair, if independent, or the Lead Director if the Chair is not independent, shall act as the effective leader of the Board and ensure that the Board's agenda will enable it to successfully carry out its duties.

### Committees of the Board

The Board has established the following committees: the Compensation Committee, the Audit Committee and the Corporate Governance and Nominating Committee and the Safety, Health, Environment, Sustainability and Technical

Committee. Subject to applicable law, the Board may establish other Board committees or merge or dispose of any Board committee.

#### Committee Mandates

The Board has approved mandates for each Board committee and shall approve mandates for each new Board committee. At least annually, each mandate shall be reviewed by the Corporate Governance and Nominating Committee and any suggested amendments brought to the Board for consideration and approval.

#### Delegation to Committees

The Board has delegated to the applicable committee those duties and responsibilities set out in each Board committee's mandate.

#### Consideration of Committee Recommendations

As required by applicable law, by applicable committee Mandate or as the Board may consider advisable, the Board shall consider for approval the specific matters delegated for review to Board committees.

#### Board/Committee Communication

To facilitate communication between the Board and each Board committee, each committee chair shall provide a report to the Board on material matters considered by the committee at the first Board meeting after the committee's meeting.

#### **Meetings**

The Board will meet at least once in each quarter, with additional meeting held as deemed advisable. The Chair is primarily responsible for the agenda and for supervising the conduct of the meeting. Any director may propose the inclusion of items on the agenda, request the presence of, or a report by any member of senior management, or at any Board meeting raise subjects that are not on the agenda for that meeting.

Meetings of the Board shall be conducted in accordance with the Company's articles.

#### Secretary and Minutes

The Corporate Secretary, his or her designate or any other person the Board requests shall act as secretary of Board meetings. Minutes of Board meetings shall be recorded and maintained by the Corporate Secretary and subsequently presented to the Board for approval.

#### Meetings Without Management

The independent members of the Board shall hold regularly scheduled meetings, or portions of regularly scheduled meetings, at which non-independent directors and members of management are not present.

#### Directors' Responsibilities

Each director is expected to attend all meetings of the Board, in person or via conference call, and any committee of which he or she is a member. Directors will be expected to have read and considered the materials sent to them in advance of each meeting and to actively participate in the meetings.

#### Access to Management and Outside Advisors

The Board shall have unrestricted access to management and employees of the Company. The Board shall have the authority to retain and terminate external legal counsel, consultants or other advisors to assist it in fulfilling its

responsibilities and to set and pay the respective reasonable compensation of these advisors without consulting or obtaining the approval of any officer of the Company. The Company shall provide appropriate funding, as determined by the Board, for the services of these advisors.

#### Service on Other Boards and Audit Committee

Directors may serve on the boards of other public companies so long as these commitments do not materially interfere and are compatible with their ability to fulfill their duties as a member of the Board. Directors must advise the Chair in advance of accepting an invitation to serve on the board of another public company.

#### **Management**

##### Position Descriptions for Directors

The Board has approved position descriptions for the Chair and the chair of each Board committee. At least annually, the Board shall review such position descriptions.

##### Position Description for CEO

The Board has approved a position description for the Chief Executive Officer, which includes delineating management's responsibilities. The Board has also approved the corporate goals and objectives that the Chief Executive Officer has responsibility for meeting. At least annually, the Board shall review a report of the Compensation Committee reviewing this position description and such corporate goals and objectives.

#### **Director development and evaluation**

Each new director shall participate in the Company's initial orientation program and each director shall participate in the Company's continuing director development programs. At least annually, the Board shall review the Company's initial orientation program and continuing director development programs.

#### **No Rights Created**

This Mandate is a statement of broad policies and is intended as a component of the flexible governance framework within which the Board, assisted by its committees, directs the affairs of the Company. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Company's Articles and By-laws, it is not intended to establish any legally binding obligations.

Adopted: February 18, 2020

**SCHEDULE “B”**

**AMENDED AND RESTATED LONG-TERM INCENTIVE PLAN**

**CALIBRE MINING CORP.**

**LONG-TERM INCENTIVE PLAN**

**1. PURPOSE**

The purpose of the Plan is (i) to attract, retain and motivate persons of training, experience and leadership as directors, officers, employees and consultants of the Corporation and its subsidiaries, (ii) to advance the long-term interests of the Corporation by providing such persons with the opportunity and incentive, through equity-based compensation, to acquire an ownership interest in the Corporation, and (iii) to promote a greater alignment of interests between such persons and shareholders of the Corporation.

**2. DEFINITIONS AND INTERPRETATION**

**2.1 Definitions.** For purposes of the Plan, the following words and terms shall have the following meanings:

“**Addendum**” means the addendum for US Taxpayers (as defined in the Addendum) attached hereto as Addendum A - Special Provisions Applicable to US Taxpayers and forming part of the Plan;

“**affiliate**” means an “**affiliated company**” as determined in accordance with the Securities Act and also includes those entities that are similarly related, whether or not any of the entities are corporations, companies, partnerships, limited partnerships, trusts, income trusts or investment trusts or any other organized entity issuing securities;

“**associate**” means an “associate” as determined in accordance with the Securities Act;

“**Award**” means an Option, Performance Share Unit, Restricted Share Unit and/or Deferred Share Unit granted under the Plan (as applicable);

“**Award Agreement**” means an Option Award Agreement, a PSU Award Agreement, a RSU Award Agreement and/or a DSU Award Agreement (as applicable);

“**Blackout Period**” means an interval of time during which (a) trading in securities of the Corporation is restricted in accordance with the policies of the Corporation; or (b) the Corporation has otherwise determined that one or more Participants may not trade in securities of the Corporation because they may be in possession of undisclosed material information (as defined under applicable securities laws);

“**Board**” means the board of directors of the Corporation or, if established and duly authorized to act, a committee of the board of directors of the Corporation;

“**Business Day**” means any day, other than Saturday, Sunday or any statutory holiday in the Province of British Columbia, Canada;

“**Canadian Taxpayer**” means a Participant (other than a consultant) liable to pay income taxes in Canada as a result of the receipt of an Award or the settlement thereof;

“**Change in Control**” means the occurrence of any one or more of the following events:

- (a) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Corporation or any of its subsidiaries and another corporation or other entity, as a result of which the holders of Shares prior to the completion of the transaction hold less than 50%

of the votes attached to all of the outstanding voting securities of the successor corporation or entity after completion of the transaction;

- (b) a resolution is adopted to wind-up, dissolve or liquidate the Corporation;
- (c) any person, entity or group of persons or entities acting jointly or in concert (the “**Acquiror**”) acquires, or acquires control (including the power to vote or direct the voting) of, voting securities of the Corporation 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 Corporation’s outstanding voting securities which may be cast to elect directors of the Corporation or the successor corporation (regardless of whether a meeting has been called to elect directors);
- (d) the sale, transfer or other disposition of all or substantially all of the assets of the Corporation;
- (e) as a result of or in connection with:
  - (i) the contested election of directors; or
  - (ii) a transaction referred to in paragraph (a) of this definition of “**Change in Control**”,  
the nominees named in the most recent management information circular of the Corporation for election to the board of directors of the Corporation shall not constitute a majority of the Directors;
- (f) the Board adopts a resolution to the effect that a transaction or series of transactions involving the Corporation or any of its affiliates that has occurred or is imminent is a Change in Control,

and for purposes of the foregoing, “**voting securities**” means the Shares and any other shares entitled to vote for the election of directors, and shall include any securities which are not shares entitled to vote for the election of directors but which 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;

“**consultant**” means a person, other than a director, officer or employee of the Corporation or of any subsidiary of the Corporation, that:

- (a) is engaged to provide *bona fide* services to the Corporation or subsidiary, other than services provided in relation to a distribution of securities;
- (b) provides the services under a written contract with the Corporation or subsidiary; and
- (c) spends or will spend a significant amount of his, her or its time and attention on the affairs and business of the Corporation or subsidiary;

and includes, for an individual consultant, a corporation of which the individual consultant is an employee or shareholder, and a partnership of which the individual consultant is an employee or partner, and, for greater certainty, includes consultants who provide outsourced or contract labour to the Corporation or a subsidiary, and employees of such consultants;

“**Corporation**” means Calibre Mining Corp., a corporation existing under the laws of British Columbia;

“**Deferred Annual Amount**” has the meaning ascribed thereto in Section 8.1(b);

“**Deferred Share Unit**” or “**DSU**” means a deferred share unit granted in accordance with Section 8.1, the value of which on any particular date shall be equal to the Market Price of one Share, and that represents the right to receive cash and/or Shares equal to the Market Price of one Share on settlement of the Deferred Share Unit;

“**Disability**” means a medical condition that would qualify a Participant for benefits under a long-term disability plan of the Corporation or a subsidiary of the Corporation;

“**Disinterested Shareholder Approval**” means approval by a majority of the votes cast by all the Corporation’s shareholders at a duly constituted shareholders’ meeting, excluding votes attached to shares of the Corporation beneficially owned by Insiders to whom Awards may be granted under the Plan and their associates and affiliates;

“**Dividend Equivalents**” means the right, if any, granted under Section 14, to receive payments in cash or in Shares, based on dividends declared on Shares;

“**DSU Account**” has the meaning ascribed thereto in Section 8.3;

“**DSU Award Agreement**” means a written confirmation agreement, substantially in the form of **Schedule D – DSU Award Agreement**, setting out the terms and conditions relating to a Deferred Share Unit and entered into in accordance with Section 8.2;

“**DSU Separation Date**” means, with respect to Deferred Share Units granted to a Participant, the date on which the Participant ceases to be a director, officer, employee or consultant of the Corporation or any subsidiary of the Corporation for any reason, without regard to any agreed or otherwise binding severance or notice period (whether express, implied, contractual, statutory or at common law);

“**Effective Date**” means April 26, 2017, as amended on October 8, 2019, December 3, 2019 and June 16, 2020

“**Eligible Person**” means any director, officer, employee or consultant of the Corporation or any subsidiary of the Corporation who is eligible to receive Awards under the Plan;

“**Exchange**” means the TSX Venture Exchange or the Toronto Stock Exchange (at such time as the Corporation graduates from the TSX Venture Exchange to the Toronto Stock Exchange) or, if the Shares are no longer listed for trading on the TSX Venture Exchange or the Toronto Stock Exchange, as applicable, such other exchange or quotation system on which the Shares are listed or quoted for trading;

“**TSX Company Manual**” means the corporate finance manual published by the Exchange, as amended from time to time, or if the Shares are no longer listed for trading on the Exchange, the policies of such other exchange or quotation system on which the Shares are listed or quoted for trading;

“**Grant Date**” means the date on which an Award is made to an Eligible Person in accordance with the provisions hereof;

“**Insider**” means:

- (a) a director or senior officer of the Corporation,
- (b) a director or senior officer of a company that is an Insider or subsidiary of the Corporation, or
- (c) a Person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the Corporation,

provided, however, that at such time as the Corporation graduates from the TSX Venture Exchange to the Toronto Stock Exchange, “Insider” shall have the meaning as set out in the Toronto Stock Exchange Company Manual;

“**Investor Relations Activities**” has the meaning ascribed to such term in the Securities Act;

“**Management Corporation Employee**” means an individual employed by a Person providing management services to the Corporation, which are required for the ongoing successful operation of the business enterprise of the Corporation, but excluding a Person involved in Investor Relations Activities;

“**Market Price**” means the last closing price of the Corporation’s listed shares before the date of the issuance of the news release announcing the grant of the applicable Award or, if no news release is issued, the date of the resolutions of the Board approving the grant of the applicable Award, subject to a minimum price of \$0.05;

“**Option**” means an option to purchase Shares granted under Section 5.1;

“**Option Award Agreement**” means a written award agreement, substantially in the form of Schedule A – Option Award Agreement, setting out the terms and conditions relating to an Option and entered into in accordance with Section 5.2;

“**Option Price**” has the meaning ascribed thereto in Section 5.2(a);

“**Participant**” means an Eligible Person selected by the Board to participate in the Plan in accordance with the Plan, or his or her Personal Representatives, as the context requires;

“**Performance Share Unit**” or “**PSU**” means a performance share unit granted in accordance with Section 6.1, the value of which on any particular date shall be equal to the Market Price of one Share, and that represents the right to receive cash and/or Shares equal to the Market Price of one Share on settlement of the Performance Share Unit;

“**Person**” means any individual, firm, partnership, limited partnership, limited liability company or partnership, unlimited liability company, joint stock company, association, trust, trustee, executor, administrator, legal or personal representative, government, governmental body, entity or authority, group, body corporate, corporation, unincorporated organization or association, syndicate, joint venture or any other entity, whether or not having legal personality, and any of the foregoing in any derivative, representative or fiduciary capacity and pronouns have a similar meaning;

“**Personal Representative**” means:

- (a) in the case of a Participant who, for any reason, is incapable of managing its affairs, the Person entitled by law to act on behalf of such Participant; and
- (b) in the case of a deceased Participant, the executor or administrator of the deceased duly appointed by a court or public authority having jurisdiction to do so;

“**Plan**” means this Long-Term Incentive Plan, as amended or amended and restated from time to time;

“**PSU Account**” has the meaning ascribed thereto in Section 6.3;

“**PSU Award Agreement**” means a written confirmation agreement, substantially in the form of Schedule B – PSU Award Agreement, setting out the terms and conditions relating to a Performance Share Unit and entered into in accordance with Section 6.2;

“**PSU Vesting Date**” means, with respect to Performance Share Units granted to a Participant, the date determined in accordance with Section 6.4, which date, for Canadian Taxpayers, shall not be later than the date referred to in Section 6.2(b);

“**Restricted Share Unit**” or “**RSU**” means a restricted share unit granted in accordance with Section 7.1, the value of which on any particular date shall be equal to the Market Price of one Share, and that represents the right to receive cash and/or Shares equal to the Market Price of one Share on settlement of the Restricted Share Unit;

“**Retirement**” means:

- (a) Age 62; or
- (b) Age 55 and 10 years service; or
- (c) Age plus service is equal to 70,

Or the Board agrees to treat the Participant as a retiree for the purposes of this Plan. Notwithstanding the foregoing, such a determination by the Administrator does not extend beyond the purposes of this Plan;

“**RSU Account**” has the meaning ascribed thereto in Section 7.3;

“**RSU Award Agreement**” means a written confirmation agreement, substantially in the form of Schedule C – RSU Award Agreement, setting out the terms and conditions relating to a Restricted Share Unit and entered into in accordance with Section 7.2;

“**RSU Vesting Date**” means, with respect to Restricted Share Units granted to a Participant, the date determined in accordance with Section 7.4, which date, for Canadian Taxpayers, shall not be later than the date referred to in Section 7.2(b);

“**Securities Act**” means the *Securities Act*, R.S.B.C. 1996, c.418, as amended, as at the date hereof;

“**Security-Based Compensation Arrangement**” shall include:

- (a) stock option plans for the benefit of employees, Insiders, service providers, or any one of such groups;
- (b) stock purchase plans where the Corporation provides financial assistance or where the Corporation matches the whole or a portion of the securities being purchased;
- (c) stock appreciation rights involving issuances of securities from treasury;
- (d) any other compensation or incentive mechanism involving the issuance or potential issuances of securities of the Corporation;
- (e) security purchases from treasury by an employee, Insider, or service provider which is financially assisted by the Corporation by any means whatsoever;

and for the avoidance of doubt, “Security-Based Compensation Arrangements” shall expressly exclude securities issued pursuant to employment inducements.

“**Service Agreement**” means any written agreement between a Participant and the Corporation or any subsidiary of the Corporation (as applicable), in connection with that Participant’s employment, service or engagement as a director, officer, employee or consultant or the termination of such employment, service or engagement, as amended, replaced or restated from time to time;

“**Shares**” mean common shares of the Corporation;

“**subsidiary**” means a “**subsidiary**” determined in accordance with National Instrument 45-106 - *Prospectus Exemptions*;

“**Termination Date**” means:

- (a) for Awards granted before the Effective Date, the date on which a Participant ceases to be an Eligible Person; and
- (b) for Awards granted on and after the Effective Date, the date on which the Participant ceases to be actively employed by, ceases to actively perform services to, or ceases to be actively engaged by the Corporation and/or any subsidiary of the Corporation (and not, for greater certainty, the date that is the end of any agreed or otherwise binding severance or notice period (whether express, implied, contractual, statutory or at common law)), without regard to whether the Participant continues thereafter to receive any compensatory payments or other amounts from the Corporation or any subsidiary of the Corporation;

**2.2 Headings.** The headings of all articles, sections, and paragraphs in the Plan are inserted for convenience of reference only and shall not affect the construction or interpretation of the Plan.

**2.3 Construction.** Whenever the singular or masculine are used in the Plan, the same shall be construed as being the plural or feminine or neuter or vice versa where the context so requires.

**2.4 Statutes.** Any reference to a statute, regulation, rule, instrument, or policy statement shall refer to such statute, regulation, rule, instrument, or policy statement as the same may be amended, replaced or re-enacted from time to time.

**2.5 Canadian Funds.** Unless otherwise specifically provided, all references to dollar amounts in the Plan are references to lawful money of Canada. Any amounts paid on exercise or in settlement of an Award shall be paid in Canadian dollars.

**2.6 Addendum.** The following addendum is attached to, forms part of, and shall be deemed to be incorporated in, the Plan:

Addendum	Title
Addendum A	Special Provisions Applicable to US Taxpayers

**2.7 Schedules.** The following schedules are attached to, form part of, and shall be deemed to be incorporated in, the Plan:

Schedule	Title
A	Option Award Agreement (including Schedule 1 - Notice of Exercise of Option)
B	PSU Award Agreement (including Schedule 1 - Notice of Settlement of Performance Share Units)
C	RSU Award Agreement (including Schedule 1 - Notice of Settlement of Restricted Share Units)
D – 1	Deferred Share Unit Election Notice
D – 2	DSU Award Agreement (including Schedule 1 - Notice of Settlement of Deferred Share Units)

**3. ADMINISTRATION OF THE PLAN**

**3.1** The Plan shall be administered by the Board.

**3.2** The Board shall have the power, where consistent with the general purpose and intent of the Plan and subject to the specific provisions of the Plan:

- (a) to establish policies and to adopt rules and regulations for carrying out the purposes, provisions and administration of the Plan and to amend or revoke such policies, rules and regulations;
- (b) to interpret and construe the Plan and to determine all questions arising out of the Plan and any Award awarded pursuant to the Plan, and any such interpretation, construction or determination made by the Board shall be final, binding and conclusive for all purposes;
- (c) to determine the time or times when Awards will be awarded, subject to the requirements of applicable securities laws and regulatory requirements;
- (d) to determine which Eligible Persons should be granted Awards;
- (e) to determine the number of Awards to be awarded to Eligible Persons;
- (f) to determine the term of Awards and the vesting criteria applicable to Awards (including performance vesting, if applicable);
- (g) to determine if Shares which are subject to an Award will be subject to any restrictions upon the exercise or vesting of such Award;
- (h) to prescribe the form of the instruments relating to the grant, exercise and other terms of Awards including the form of Option Award Agreements, RSU Award Agreements, DSU Award Agreements and all ancillary documents and instruments related to the Plan and Awards; and
- (i) subject to Section 13, to make all other determinations under, and such interpretations of, and to take all such other steps and actions in connection with the proper administration of the Plan as it, in its sole discretion, may deem necessary or advisable.

The Board's guidelines, rules, regulation, interpretations and determinations shall be conclusive and binding upon the Corporation and all other Persons.

Prior to its implementation by the Corporation, the Plan is subject to approval by the Exchange.

- 3.3 Delegation.** The Board may delegate to any director, officer or employee of the Corporation, including but not limited to a committee of the Board, such of the Board's duties and powers relating to the Plan as the Board may see fit, subject to applicable law.
- 3.4 Use of Administrative Agent.** The Board may in its sole discretion appoint from time to time one or more entities to act as administrative agent to administer Awards granted under the Plan and to act as trustee to hold and administer the Plan and the assets that may be held in respect of Awards granted under the Plan, the whole in accordance with the terms and conditions determined by the Board in its sole discretion.
- 3.5 Limitation of Liability and Indemnification.** No member of the Board or a Committee of the Board will be liable for any action or determination taken or made in good faith with respect to the Plan or any Awards granted thereunder and each such member shall be entitled to indemnification by the Corporation with respect to any such action or determination in the manner provided for by the Board or a Committee of the Board.

#### **4. SHARES SUBJECT TO THE PLAN AND PARTICIPATION LIMITS**

- 4.1 Shares Subject to Awards.** Subject to adjustment under the provisions of Section 10, the aggregate number of Shares to be reserved and set aside for issue upon the exercise or redemption and settlement for all Awards granted under this Plan, together with all other established Security-Based Compensation Arrangements of the Corporation, shall be fixed at 44,500,000 Shares, of which up to a maximum of 10,000,000 Shares may be set aside for issue upon the exercise or redemption and settlement of DSUs, PSUs and RSUs. In respect of Performance Share Units, the maximum Shares issuable under the grant shall be included in the calculation for purposes of this Section 4.1.
- 4.2 Shares Available for Future Grants.** Any Shares subject to an Award which for any reason expires without having been exercised or is forfeited or terminated shall again be available for future Awards under the Plan and any Shares subject to an Award that is settled in cash and not Shares shall again be available for future Awards under the Plan.
- 4.3 Participation Limits.** The Plan, when combined with all of the Corporation's other previously established Security Based Compensation Arrangements, including the limitation imposed on the maximum number of Shares which may be issued pursuant to the exercise or redemption and settlement of DSUs, PSUs and RSUs set out in Section 4.1 above, shall not result at any time in the grant of an Award:
- (a) to any one Person in any 12 month period which could, when exercised, result in the issuance of Shares exceeding 5% of the issued and outstanding Shares of the Corporation, calculated at the Award Date, unless the Corporation has obtained the requisite Disinterested Shareholder Approval to the grant;
  - (b) to any one Consultant in any 12 month period which could, when exercised, result in the issuance of Shares exceeding 2% of the issued and outstanding Shares of the Corporation, calculated at the Award Date;
  - (c) in any 12 month period, to Persons employed or engaged by the Corporation to perform Investor Relations Activities which could, when exercised, result in the issuance of Shares exceeding, in aggregate, 2% of the issued and outstanding Shares of the Corporation, calculated at the Award Date;
  - (d) a number of Shares issuable to Insiders at any time exceeding 10% of the issued and outstanding Shares; and
  - (e) to Insiders, within a 12 month period, of a number of Shares issued exceeding 10% of the issued shares of the Corporation.

Any entitlement to acquire Shares granted pursuant to the Plan or other Securities Based Compensation Arrangement prior to the Participant becoming an Insider shall be excluded for the purposes of the limits set out in this Section 4.3.

- 4.4 Fractional Shares.** No fractional Shares shall be issued upon the exercise of Options or the settlement of Performance Share Units, Restricted Share Units or Deferred Share Units in Shares, and the Board may determine the manner in which fractional share value shall be treated.

## **5. OPTIONS**

- 5.1 Grant.** Options may be granted to Eligible Persons and Management Corporation Employees at such time or times as shall be determined by the Board by resolution. The Grant Date of an Option for purposes of the Plan will be the date on which the Option is awarded by the Board, or such later date determined by the Board, subject to applicable securities laws and regulatory requirements.

- 5.2 Terms and Conditions of Options.** Options shall be evidenced by an Option Award Agreement, which shall specify such terms and conditions, not inconsistent with the Plan, as the Board shall determine, including:

- (a) the number of Shares to which the Options to be awarded to the Participant pertain;
- (b) the exercise price per Share subject to each Option (the “**Option Price**”), which shall in no event be lower than the Market Price at the Grant Date. Options may not be awarded unless and until the Options have been allocated to specific Persons, and then, once allocated, a minimum Option Price can be established;
- (c) the Option’s scheduled expiry date, which shall not exceed ten years from the Grant Date (provided that if no specific determination as to the scheduled expiry date is made by the Board, the scheduled expiry date shall be ten years from the Grant Date); and
- (d) such other terms and conditions, not inconsistent with the Plan, as the Board shall determine, including customary representations, warranties and covenants with respect to securities law matters.

For greater certainty, each Option Award Agreement may contain terms and conditions in addition to those set forth in the Plan.

- 5.3 Vesting.** Subject to Section 12, all options granted pursuant to the Plan will be subject to such vesting requirements as may be imposed by the Board or unless otherwise specified in the Participant’s Service Agreement. The Option Award Agreement representing any such Option will disclose any vesting conditions. Notwithstanding the foregoing, Options issued to consultants performing Investor Relations Activities will vest in stages over at least 12 months with no more than 1/4 of the Options vesting in any three month period.

- 5.4 Exercise of Option.** Options may be exercised only to the extent vested. Options may be exercised by the Participant by delivering to the Corporation a notice of exercise, substantially in the form attached as “Schedule 1 - Notice of Exercise of Option” attached to the Option Award Agreement, specifying the number of Shares with respect to which the Option is being exercised. Payment of the Option Price may be made in cash, by certified cheque made payable to the Corporation, by wire transfer of immediately available funds, or other instrument acceptable to the Board.

If applicable, an Exchange four month hold period will be imposed from the date of grant of the Option on all Options awarded to Insiders or promoters of the Corporation.

No certificates for Shares so purchased will be issued to the Participant until the Participant and the Corporation have each completed all steps required by law to be taken in connection with the issuance and sale of the Shares, including receipt from the Participant of payment or provision for all withholding taxes due as a result of the exercise of the Option. The delivery of certificates representing the Shares to be purchased pursuant to the exercise of an Option will be contingent upon receipt from the Participant by the Corporation of the full purchase price for such Shares and the fulfillment of any other requirements contained in the Option Award Agreement or applicable provisions of laws.

**5.5 Termination of Option Due to Termination of Employment, Service or Engagement.** Unless otherwise determined by the Board, or unless otherwise provided in the Participant’s Service Agreement or Option Award Agreement, if a Participant’s employment, service or engagement terminates in any of the following circumstances, subject to Section 12, Options shall be treated in the manner set forth below:

<b>Reason for Termination</b>	<b>Vesting</b>	<b>Expiry of Option</b>
Death	Unvested Options automatically vest as of the date of death.	Options expire on the earlier of the scheduled expiry date of the Option and one year following the date of death.
Disability	Unvested Options automatically vest on the date Participant is determined to be disabled.	Options expire on the earlier of the scheduled expiry date of the Option and one year following the date of Disability.
Retirement	Unvested Options automatically vest on the date of Retirement.	Options expire on the earlier of the scheduled expiry date of the Option and one year following the date of Retirement.
Resignation	Unvested Options as of the date of resignation automatically terminate and shall be forfeited.	Options expire on the earlier of the scheduled expiry date of the Option and 90 days following the date of resignation.  Options granted to Persons engaged primarily to provide Investor Relations Activities expire on the earlier of the scheduled expiry date of the Option and 30 days following the date of resignation, or as otherwise allowed by the Board.
Termination without Cause/Constructive Dismissal - No Change in Control Involved	Unvested Options automatically vest as of the Termination Date	Options expire on the earlier of scheduled expiry date of the Option and 90 days following the Termination Date, or as otherwise allowed by the Board.
Change in Control	Options shall vest and become immediately exercisable.	Expiry Date to be determined in accordance with Section 12.

Reason for Termination	Vesting	Expiry of Option
Termination with Cause	Options, whether vested or unvested as of the Termination Date, automatically terminate and shall be forfeited.	Options, whether vested or unvested as of the Termination Date, automatically terminate and shall be forfeited.

**6. PERFORMANCE SHARE UNITS**

**6.1 Grant.** Performance Share Units may be granted to Eligible Persons at such time or times as shall be determined by the Board by resolution, pursuant to recommendations of the Board from time to time. The Grant Date of a Performance Share Unit for purposes of the Plan will be the date on which the Performance Share Unit is awarded by the Board, or such later date determined by the Board, subject to applicable securities laws and regulatory requirements.

**6.2 Terms and Conditions of Performance Share Units.** Performance Share Units shall be evidenced by a PSU Award Agreement, which shall specify such terms and conditions, not inconsistent with the Plan, as the Board shall determine, including:

- (a) the number of Performance Share Units to be awarded to the Participant;
- (b) the performance cycle applicable to each Performance Share Unit, which shall be the period of time between the Grant Date and the date on which the performance criteria specified in Section 6.2(c) must be satisfied before the Performance Share Unit is fully vested and may be settled by the Participant, before being subject to forfeiture or termination, which period of time, for Canadian Taxpayers, shall in no case end later than December 31 of the calendar year which is three years after the calendar year in which the Grant Date occurs;
- (c) the performance criteria, which may include criteria based on the Participant’s personal performance and/or the performance of the Corporation and/or its subsidiaries, that shall be used to determine the vesting of the Performance Share Units;
- (d) whether and to what extent Dividend Equivalents will be credited to a Participant’s PSU Account in accordance with Section 14; and
- (e) such other terms and conditions, not inconsistent with the Plan, as the Board shall determine, including customary representations, warranties and covenants with respect to securities law matters.

For greater certainty, each PSU Award Agreement may contain terms and conditions in addition to those set forth in the Plan. No Shares will be issued on the Grant Date and the Corporation shall not be required to set aside a fund for the payment of any such Awards.

**6.3 PSU Accounts.** A separate notional account shall be maintained for each Participant with respect to Performance Share Units granted to such Participant (a “**PSU Account**”) in accordance with Section 15.3. Performance Share Units awarded to the Participant from time to time pursuant to Section 6.1 shall be credited to the Participant’s PSU Account and shall vest in accordance with Section 6.4. On the vesting of the Performance Share Units pursuant to Section 6.4 and the corresponding issuance of cash and/or Shares to the Participant pursuant to Section 6.5, or on the forfeiture or termination of the Performance Share Units pursuant to the terms of the Award, the Performance Share Units credited to the Participant’s PSU Account will be cancelled.

**6.4 Vesting.** Subject to Section 12, unless otherwise determined by the Board in accordance with the provisions hereof, or unless otherwise specified in the Participant’s Service Agreement or PSU Award Agreement, each Performance Share Unit shall vest and shall be settled as at the date that is the end of the performance cycle (which shall be the “**PSU Vesting Date**”), subject to any performance criteria having been satisfied.

**6.5 Settlement.**

- (a) The Performance Share Units may be settled by delivery by the Participant to the Corporation of a notice of settlement, substantially in the form attached as Schedule 1 - Notice of Settlement of Performance Share Units attached to the PSU Award Agreement, acknowledged by the Corporation. On settlement, the Corporation shall, for each vested Performance Share Unit being settled, deliver to the Participant a cash payment equal to the Market Price of one Share as of the PSU Vesting Date, one Share, or any combination of cash and Shares equal to the Market Price of one Share as of the PSU Vesting Date, in the sole discretion of the Board. No certificates for Shares issued in settlement will be issued to the Participant until the Participant and the Corporation have each completed all steps required by law to be taken in connection with the issuance of the Shares, including receipt from the Participant of payment or provision for all withholding taxes due as a result of the settlement of the Performance Share Units. The delivery of certificates representing the Shares to be issued in settlement of Performance Share Units will be contingent upon the fulfillment of any requirements contained in the PSU Award Agreement or applicable provisions of laws.
- (b) A Participant may elect to defer the date of settlement following the PSU Vesting Date by providing written notice to the Corporation of the deferred settlement dates not later than five days prior to the PSU Vesting Date. For greater certainty, for Canadian Taxpayers, in no event shall such deferred settlement date be later than the period of time specified in Section 6.2(b).

**6.6 Termination of Performance Share Unit Due to Termination of Employment, Service or Engagement.** Unless otherwise determined by the Board, or unless otherwise provided in the Participant’s Service Agreement or PSU Award Agreement, if a Participant’s employment, service or engagement terminates in any of the following circumstances, Performance Share Units shall be treated in the manner set forth below:

Reason for Termination	Treatment of Performance Share Units
Death	All outstanding Performance Share Units shall vest as of the date of death and be available for settlement in accordance with Section 6.5.
Retirement	All outstanding Performance Share Units shall vest as of the date of Retirement and shall be available for settlement in accordance with Section 6.5.
Disability	All outstanding Performance Share Units shall vest as of the date of Disability and shall be available for settlement in accordance with Section 6.5.
Resignation	Outstanding Performance Share Units that were vested on or before the date of resignation shall be available for settlement in accordance with Section 6.5 as of the date of resignation, after which time all remaining unvested Performance Share Units shall in all respects terminate.
Termination without Cause/Wrongful Dismissal - No Change in	Outstanding Performance Share Units that were vested on or before the Termination Date shall be available for settlement in accordance with Section 6.5 as of the Termination Date. Outstanding Performance Share Units that would have vested on the next vesting date following the Termination Date, shall be available for settlement in accordance with Section 6.5 as of such vesting date. Subject to the foregoing, any

Reason for Termination	Treatment of Performance Share Units
Control Involved	remaining Performance Share Units shall in all respects terminate as of the Termination Date.
Change in Control	Performance Share Units vest immediately prior to Change of Control.
Termination of the Participant for Just Cause	All outstanding Performance Share Units, whether vested or unvested, shall automatically terminate on the Termination Date and be forfeited.

## 7. RESTRICTED SHARE UNITS

**7.1 Grant.** Restricted Share Units may be granted to Eligible Persons at such time or times as shall be determined by the Board by resolution, pursuant to recommendations of the Board from time to time. The Grant Date of a Restricted Share Unit for purposes of the Plan will be the date on which the Restricted Share Unit is awarded by the Board, or such later date determined by the Board, subject to applicable securities laws and regulatory requirements.

**7.2 Terms and Conditions of Restricted Share Units.** Restricted Share Units shall be evidenced by an RSU Award Agreement, which shall specify such terms and conditions, not inconsistent with the Plan, as the Board shall determine, including:

- (a) the number of Restricted Share Units to be awarded to the Participant;
- (b) the period of time between the Grant Date and the date on which the Restricted Share Unit is fully vested and may be settled by the Participant, before being subject to forfeiture or termination, which period of time, for Canadian Taxpayers, shall in no case be later than December 31 of the calendar year which is three years after the calendar year in which the Grant Date occurs;
- (c) whether and to what extent Dividend Equivalents will be credited to a Participant's RSU Account in accordance with Section 14;
- (d) in the case of a Canadian Taxpayer, in respect of each Restricted Share Unit that may be awarded under the RSU Award Agreement, the year in which the services to which the Restricted Share Unit relates were rendered; and
- (e) such other terms and conditions, not inconsistent with the Plan, as the Board shall determine, including customary representations, warranties and covenants with respect to securities law matters.

For greater certainty, each RSU Award Agreement may contain terms and conditions in addition to those set forth in the Plan and, if applicable, the Addendum. No Shares will be issued on the Grant Date and the Corporation shall not be required to set aside a fund for the payment of any such Awards.

**7.3 RSU Accounts.** A separate notional account shall be maintained for each Participant with respect to Restricted Share Units granted to such Participant (an "**RSU Account**") in accordance with Section 15.3. Restricted Share Units awarded to the Participant from time to time pursuant to Sections 7.1 shall be credited to the Participant's RSU Account and shall vest in accordance with Section 7.4. On the vesting of the Restricted Share Units pursuant to Section 7.4 and the corresponding issuance of cash and/or Shares to the Participant pursuant to Section 7.5, or on the forfeiture or termination of the Restricted Share Units pursuant

to the terms of the Award, the Restricted Share Units credited to the Participant's RSU Account will be cancelled.

**7.4 Vesting.** Subject to Section 12, unless otherwise determined by the Board in accordance with the provisions hereof, or unless otherwise specified in the Participant's Service Agreement or RSU Award Agreement, each Restricted Share Unit shall vest and shall be settled when all applicable restrictions shall have lapsed (which shall be the "**RSU Vesting Date**"). Unless otherwise determined by the Board in accordance with the provisions hereof, or unless otherwise specified in the Participant's Service Agreement or RSU Award Agreement, each Restricted Share Unit shall vest and shall be settled in three approximately equal instalments on the first three anniversaries of the Grant Date.

**7.5 Settlement.**

(a) The Restricted Share Units may be settled by delivery by the Participant to the Corporation of a notice of settlement, substantially in the form attached as Schedule 1 - Notice of Settlement of Restricted Share Units attached to the RSU Award Agreement, acknowledged by the Corporation. On settlement, the Corporation shall, for each vested Restricted Share Unit being settled, deliver to the Participant a cash payment equal to the Market Price of one Share as of the RSU Vesting Date, one Share, or any combination of cash and Shares equal to the Market Price of one Share as of the RSU Vesting Date, in the sole discretion of the Board.<sup>1</sup> No certificates for Shares issued in settlement will be issued to the Participant until the Participant and the Corporation have each completed all steps required by law to be taken in connection with the issuance of the Shares, including receipt from the Participant of payment or provision for all withholding taxes due as a result of the settlement of the Restricted Share Units. The delivery of certificates representing the Shares to be issued in settlement of Restricted Share Units will be contingent upon the fulfillment of any requirements contained in the RSU Award Agreement or applicable provisions of laws.

(b) For greater certainty, for Canadian Taxpayers, in no event shall such settlement be later than the period of time specified in Section 7.2(b).

**7.6 Termination of Restricted Share Unit Due to Termination of Employment, Service or Engagement.** Unless otherwise determined by the Board, or unless otherwise provided in the Participant's Service Agreement or RSU Award Agreement, if a Participant's employment, service or engagement terminates in any of the following circumstances, Restricted Share Units shall be treated in the manner set forth below:

Reason for Termination	Treatment of Restricted Share Units
Death	All outstanding Restricted Share Units shall vest as of the date of death and shall be available for settlement in accordance with Section 7.5.
Retirement	All outstanding Restricted Share Units shall vest as of the date of Retirement and shall be available for settlement in accordance with Section 7.5.
Disability	All outstanding Restricted Share Units shall vest as of the date of Disability and shall be available for settlement in accordance with Section 7.5.
Resignation	Outstanding Restricted Share Units that were vested on or before the date of resignation shall be available for settlement in accordance with Section 7.5 as of the date of resignation, after which time all other Restricted Share Units shall in all respects terminate.

<sup>1</sup> For Participants who are US Taxpayers, settlements shall take place in accordance with such further limitations as may be prescribed by the Addendum.

Reason for Termination	Treatment of Restricted Share Units
Termination without Cause/Wrongful Dismissal - No Change in Control Involved	Outstanding Restricted Share Units that were vested on or before the Termination Date shall be available for settlement in accordance with Section 7.5 as of the Termination Date. Outstanding Restricted Share Units that would have vested on the next vesting date following the Termination Date shall be settled in accordance with Section 7.5 as of such vesting date. Subject to the foregoing, any remaining Restricted Share Units shall in all respects terminate as of the Termination Date.
Change in Control	Restricted Share Units vest immediately prior to Change of Control.
Termination of the Participant for Just Cause	All outstanding Restricted Share Units, whether vested or unvested, shall automatically terminate on the Termination Date and be forfeit.

## 8. DEFERRED SHARE UNITS

### 8.1 Grant.

- (a) **Discretionary Deferred Share Units.** Deferred Share Units may be granted to Eligible Persons at such time or times as shall be determined by the Board by resolution, pursuant to recommendations of the Board from time to time. The Grant Date of a Deferred Share Unit for purposes of the Plan will be the date on which the Deferred Share Unit is awarded by the Board, or such later date determined by the Board, subject to applicable securities laws and regulatory requirements.
- (b) **Mandatory or Elective Deferred Share Units.** In addition to the foregoing, on fixed dates established by the Board and subject to such terms and conditions and other procedures as the Board shall determine, pursuant to recommendations of the Board, the Board may require a Participant to defer, or may permit a Participant to elect to defer, receipt of all or a portion of the following amounts payable by the Corporation or any subsidiary of the Corporation:
- (i) Director's Retainer - in the case of a member of the Board who is not also an officer or employee of the Corporation, an amount equal to all or a portion of his or her annual directors' retainer payable on account of his or her services as a member of the Board (which amount shall not include committee chairperson retainers, committee members retainers, Board or committee meeting fees, or special remuneration for ad hoc services rendered to the Board); or
  - (ii) Officers' and Employees' Annual Incentive - in the case of an officer or employee of the Corporation or any subsidiary of the Corporation, an amount equal to all or a portion of his or her annual incentive bonus for a calendar year,

(the "**Deferred Annual Amount**"), and receive in lieu thereof an Award of Deferred Share Units equal to the greatest whole number which may be obtained by dividing (i) the amount of the Deferred Annual Amount, by (ii) the Market Price of one Share on the date of payment of such Deferred Annual Amount. For elective Deferred Share Units, the form of election shall be substantially in the form of the form of "Schedule D - 1 - DSU Election Notice".

- 8.2 **Terms and Conditions of Deferred Share Units.** Deferred Share Units shall be evidenced by a DSU Award Agreement, which shall specify such terms and conditions, not inconsistent with the Plan, as the Board shall determine, including:

- (a) the number of Deferred Share Units to be awarded to the Participant;
- (b) for Deferred Share Units awarded under Section 8.1(a):
  - (i) the period of time between the Grant Date and the date on which the Deferred Share Unit is fully vested and may be settled by the Participant, before being subject to forfeiture or termination, subject to Section 8.5(b) for Canadian Taxpayers;
  - (ii) any performance criteria, which may include criteria based on the Participant's personal performance and/or the financial performance of the Corporation and/or its subsidiaries, that may be used to determine the vesting of the Deferred Share Units (if applicable); and
  - (iii) such other terms and conditions, not inconsistent with the Plan, as the Board shall determine, including customary representations, warranties and covenants with respect to securities law matters;
- (c) in the case of Deferred Share Units awarded to a Canadian Taxpayer, such terms and conditions as may be necessary to meet the requirements of paragraph 6801(d) of the Regulations under the *Income Tax Act* (Canada); and
- (d) in the case of Deferred Share Units awarded to a US Taxpayer, such terms and conditions as may be necessary to meet the requirements of US Code Section 409A (as defined in the Addendum).

For greater certainty, each DSU Award Agreement may contain terms and conditions in addition to those set forth in the Plan and, if applicable, the Addendum. No Shares will be issued on the Grant Date and the Corporation shall not be required to set aside a fund for the payment of any such Awards.

**8.3 DSU Accounts.** A separate notional account shall be maintained for each Participant with respect to Deferred Share Units granted to such Participant (a "**DSU Account**") in accordance with Section 15.3. Deferred Share Units awarded to the Participant from time to time pursuant to Section 8.1 shall be credited to the Participant's DSU Account and shall vest in accordance with Section 8.4. On the vesting of the Deferred Share Units pursuant to Section 8.4 and the corresponding issuance of cash and/or Shares to the Participant pursuant to Section 8.5, or on the forfeiture and termination of the Deferred Share Units pursuant to the terms of the Award, the Deferred Share Units credited to the Participant's DSU Account will be cancelled.

**8.4 Vesting.** Subject to Section 12, unless otherwise determined by the Board in accordance with the provisions hereof, or unless otherwise specified in the Participant's Service Agreement or DSU Award Agreement:

- (a) each Deferred Share Unit awarded under Section 8.1(a) shall vest in accordance with the DSU Award Agreement; and
- (b) each Deferred Share Unit awarded under Section 8.1(b) shall immediately vest at the time it is credited to the Participant's DSU Account.

**8.5 Settlement.**

- (a) The Deferred Share Units may be settled by delivery by the Participant to the Corporation of a notice of settlement, substantially in the form attached as "Schedule 1 - Notice of Settlement of Deferred Share Units" attached to the DSU Award Agreement, acknowledged by the Corporation. On settlement, the Corporation shall, for each such vested Deferred Share Unit, deliver to the Participant a cash payment equal to the Market Price of one Share as of the DSU Separation Date, one Share, or any combination of cash and Shares equal to the Market Price of one Share as of the DSU Separation Date, in the sole discretion of the Board. No certificates for Shares issued in settlement will be issued to the Participant until the Participant and the Corporation have each completed all steps required by law to be taken in connection with the issuance of the Shares, including receipt

from the Participant of payment or provision for all withholding taxes due as a result of the settlement of the Deferred Share Units. The delivery of certificates representing the Shares to be issued in settlement of Deferred Share Units will be contingent upon the fulfillment of any requirements contained in the DSU Award Agreement or applicable provisions of laws.

- (b) Notwithstanding the foregoing, all settlements of Deferred Share Units granted to a Participant who is a Canadian Taxpayer shall take place (i) after the DSU Separation Date; and (ii) by December 31 of the first calendar year that commences after such time.

**8.6 Termination of Deferred Share Unit Due to Termination of Employment, Service or Engagement.** Unless otherwise determined by the Board, or unless otherwise provided in the Participant's Service Agreement or DSU Award Agreement, if a Participant's employment, service or engagement terminates in any of the following circumstances, Deferred Share Units shall be treated in the manner set forth below:

Reason for Termination	Treatment of Deferred Share Units
Death	All outstanding Deferred Share Units shall vest as of the date of death and shall be available for settlement in accordance with Section 8.5.
Retirement	All outstanding Deferred Share Units shall vest as of the date of Retirement and shall be available for settlement in accordance with Section 8.5.
Disability	All outstanding Deferred Share Units shall vest as of the date of Disability and shall be available for settlement in accordance with Section 8.5.
Resignation	Outstanding Deferred Share Units that were vested on or before the date of resignation shall be available for settlement in accordance with Section 8.5 as of the date of resignation, after which time all remaining Deferred Share Units shall in all respects terminate.
Termination without Cause/Wrongful Dismissal - No Change in Control Involved	Outstanding Deferred Share Units that were vested on or before the Termination Date shall be available for settlement in accordance with Section 8.5 as of the Termination Date. Outstanding Deferred Share Units that would have vested on the next vesting date following the Termination Date shall be available for settlement in accordance with Section 8.5 as of such vesting date. Subject to the foregoing, any remaining Deferred Share Units shall in all respects terminate as of the Termination Date.
Change in Control	Deferred Share Units vest immediately prior to Change of Control
Termination of the Participant for Just Cause	All outstanding Deferred Share Units, whether vested or unvested, shall automatically terminate on the Termination Date and be forfeited.

**9. NON-ASSIGNABILITY AND NON-TRANSFERABILITY OF AWARDS**

An Award granted pursuant to this Plan is personal to the Participant and may not be assigned, transferred, charged, pledged or otherwise alienated, other than to a Participant's Personal Representative(s).

**10. ADJUSTMENTS**

- 10.1** The number and kind of Shares to which an Award pertains and, with respect to Options, the Option Price, shall be adjusted in the event of a reorganization, recapitalization, stock split or redivision, reduction, combination or consolidation, stock dividend, combination of shares, merger, consolidation, rights offering or any other change in the corporate structure or shares of the Corporation, in such manner, if any, and at such time, as the Board, in its sole discretion, may determine to be equitable in the circumstances. Failure of the Board to provide for an adjustment shall be conclusive evidence that the Board has determined that it is equitable to make no adjustment in the circumstances. If an adjustment results in a fractional share, the fraction shall be disregarded.
- 10.2** If at any time the Corporation grants to its shareholders the right to subscribe for and purchase pro rata additional securities of any other corporation or entity, there shall be no adjustments made to the Shares or other securities subject to an Award in consequence thereof and the Awards shall remain unaffected.
- 10.3** The adjustments provided for in this Section 10 shall be cumulative.
- 10.4** On the happening of each and every of the foregoing events, the applicable provisions of the Plan shall be deemed to be amended accordingly and the Board shall take all necessary action so as to make all necessary adjustments in the number and kind of securities subject to any outstanding Award (and the Plan) and, with respect to Options, the Option Price.

## **11. PRIORITY OF AGREEMENTS**

- 11.1 Priority of Agreements.** In the event of any inconsistency or conflict between the provisions of a Participant's Award Agreement and the Plan, the provisions of the Plan shall prevail with respect to such Participant. In the event of any inconsistency or conflict between the provisions of (i) the Plan and/or a Participant's Award Agreement, and (ii) a Participant's Service Agreement, the provisions of the Participant's Service Agreement shall prevail with respect to such Participant unless the terms of the Participant's Service Agreement would either (i) cause a violation of US Code 409A in respect of a US Taxpayer (as defined in the Addendum) or (ii) cause the Plan to be a "salary deferral arrangement" as defined in the *Income Tax Act* (Canada) in respect of a Participant that is a Canadian Taxpayer, in which case the terms of the Plan shall prevail.
- 11.2 Vesting and Termination Provisions in Service Agreements.** In the event that a Participant's Service Agreement contains provisions respecting the vesting of the dates upon which any or all outstanding Awards shall be exercisable or settled, without regard to whether such Awards have otherwise vested in accordance with their terms, or provisions respecting the expiry, forfeiture and termination of such Awards, the vesting or expiry, forfeiture and termination of such Awards, as applicable, shall be governed by the terms and conditions of the Participant's Service Agreement with respect to such Participant.

## **12. CHANGE IN CONTROL - TREATMENT OF AWARDS**

- 12.1 Change in Control.** Unless otherwise determined by the Board, or unless otherwise provided in the Participant's Service Agreement or Award Agreement, if a Change in Control shall conclusively be deemed to have occurred, then there shall be immediate full vesting of each outstanding Award granted subject to any required approval of the Exchange, which may be exercised and settled, in whole or in part, even if such Award is not otherwise exercisable or vested by its terms.

In addition, if the Board determines that a Change of Control is imminent the Board, in its discretion, may authorize and implement any one or more of the following additional courses of action:

- (a) terminate without any payment or consideration, any Awards not exercised, settled or surrendered by the effective time of the Change of Control;

- (b) cause the Corporation to offer to acquire from each Award holder his or her Awards for a cash payment, and any Awards not so acquired, surrendered or exercised by the effective time of the Change of Control will be deemed to have expired; and
- (c) cause an option granted under this Plan to be exchanged for an option to acquire for the same exercise price, the number and type of securities as would be distributed to the Option holder in respect of the Shares to be issued to the Option holder had he or she exercised the Option prior to the effective time of the Change of Control, provided that any such replacement option must provide that it survives for a period of not less than one year from the effective time of the Change of Control regardless of the continuing directorship, officership or employment of the holder.

**12.2 Change in Control.** Notwithstanding Section 12.1, in the event of a Change in Control, the Board shall have the right, but not the obligation, and without the consent of any Participant, to permit each Participant, within a specified period of time prior to the completion of the Change in Control as determined by the Board, to exercise all of the Participant's outstanding Options and to settle all of the Participant's outstanding Performance Share Units, Restricted Share Units and Deferred Share Units (to the extent then vested and exercisable, including by reason of acceleration by the Board pursuant to Section 12.3 or in accordance with the Award Agreement) but subject to and conditional upon the completion of the Change in Control and any required approval of the Exchange.

**12.3 Discretion to Accelerate Awards.** Notwithstanding Section 12.1, and subject to any required approval of the Exchange, in the event of a Change in Control, the Board may accelerate the dates upon which any or all outstanding Awards shall vest and be exercisable or settled, without regard to whether such Awards have otherwise vested in accordance with their terms.

**12.4 Termination of Awards on Change in Control.** Subject to and conditional upon completion of the Change in Control event, the Plan and all outstanding Awards, vested and unvested, shall be deemed to be terminated, without further act or formality, except to the extent required under Sections 12.1 and 16.1, if applicable.

**12.5 Further Assurances on Change in Control.** The Participant shall execute such documents and instruments and take such other actions, including exercise or settlement of Awards vesting pursuant to Section 12.2 or the Award Agreement, as may be required consistent with the foregoing; provided, however, that the exercise or settlement of Awards vesting pursuant to Section 12.2 or the Award Agreement shall be subject to the completion of the Change in Control event.

**12.6 Awards Need Not be Treated Identically.** In taking any of the actions contemplated by this Section 12, the Board shall not be obligated to treat all Awards held by any Participant, or all Awards in general, identically.

**12.7 Canadian Taxpayer.** In the case of a Deferred Share Unit held by a Participant that is a Canadian Taxpayer, and subject to any further limitations provided in any Award Agreement, (i) no payment settlement shall be made to the Participant under this Section 12 until after the time that the Participant ceases to be a Director of the Corporation or any subsidiary of the Corporation / an Employee or consultant of the Corporation or any subsidiary of the Corporation for any reason, without regard to any agreed or otherwise binding severance or notice period (whether express, implied, contractual, statutory or at common law); and (ii) all settlements to such Participant under this Section 12 shall be made by December 31 of the first calendar year that commences after such time.

## **13. AMENDMENT, SUSPENSION OR TERMINATION OF PLAN AND AWARDS**

**13.1 Discretion to Amend the Plan and Awards.** The Board may amend the Plan or Awards at any time without obtaining shareholder approval, *provided, however*, that no such amendment may materially and adversely affect any Award previously granted to a Participant without the consent of the Participant, except to the

extent required by applicable law (including Exchange requirements). Any amendment under this Section shall be subject to all necessary regulatory approvals.

**13.2 Amendments Requiring Shareholder Approval.** Notwithstanding Section 13.1, no amendments to the Plan or Awards to:

- (a) with respect to Options, reduce the Option Price, or cancel and reissue any Options so as to in effect reduce the Option Price (Disinterested Shareholder Approval required);
- (b) extend (i) the term of an Option beyond its original expiry date, or (ii) the date on which a Performance Share Unit, Restricted Share Unit or Deferred Share Unit will be forfeited or terminated in accordance with its terms, other than in accordance with Section 16.2;
- (c) increase the maximum number of Shares reserved for issuance under the Plan;
- (d) revise the participation limits set out in Section 4.3;
- (e) revise Section 9 to permit Awards granted under the Plan to be transferable or assignable other than for estate settlement purposes;
- (f) any amendment required to be approved by shareholders under applicable law (including without limitation, pursuant to the TSX Company Manual); or
- (g) revise the amending provisions set forth in Section 13.1 or 13.2;

shall be made without obtaining approval of the shareholders or Disinterested Shareholders, of the Corporation, as applicable, in accordance with the requirements of the Exchange.

**13.3 Amendment, Suspension or Discontinuance.** No amendment, suspension or discontinuance of the Plan or of any Award may contravene the requirements of the Exchange or any securities commission or other regulatory body to which the Plan or the Corporation is now or may hereafter be subject to. Termination of the Plan shall not affect the ability of the Board to exercise the powers granted to it hereunder with respect to Awards granted under the Plan prior to the date of such termination.

**13.4 Tax Provisions.** Notwithstanding the foregoing:

- (a) no amendment to the Plan shall cause the Plan or Performance Share Units, Restricted Share Units or Deferred Share Units granted to a Canadian Taxpayer hereunder to be made without the consent of such Canadian Taxpayer if the result of such amendment would be to cause the Performance Share Units, Restricted Share Units or Deferred Share Units to be a “salary deferral arrangement” under the *Income Tax Act* (Canada); and
- (b) no amendment to the Plan shall cause the Plan or Deferred Share Units granted to a Canadian Taxpayer hereunder to cease to meet the conditions of paragraph 6801(d) of the Regulations under the *Income Tax Act* (Canada) without the consent of such Canadian Taxpayer.

**14. DIVIDEND EQUIVALENTS**

The Board may determine whether and to what extent Dividend Equivalents will be credited to a Participant’s PSU Account, RSU Account and DSU Account with respect to Awards of Performance Share Units, Restricted Share Units or Deferred Share Units. Dividend Equivalents to be credited to a Participant’s PSU Account, RSU Account or DSU Account shall be credited as follows:

- (a) any cash dividends or distributions credited to the Participant's PSU Account, RSU Account or DSU Account shall be deemed to have been invested in additional Performance Share Units, Restricted Share Units or Deferred Share Units, as applicable, on the record date established for the related dividend or distribution in an amount equal to the greatest whole number which may be obtained by dividing (i) the value of such dividend or distribution on the record date by (ii) the Market Price of one Share on such record date, and such additional Performance Share Units, Restricted Share Unit or Deferred Share Unit, as applicable, shall be subject to the same terms and conditions as are applicable in respect of the Performance Share Unit, Restricted Share Unit or Deferred Share Unit, as applicable, with respect to which such dividends or distributions were payable; and
- (b) if any such dividends or distributions are paid in Shares or other securities, such Shares and other securities shall be subject to the same vesting, performance and other restrictions as apply to the Performance Share Units, Restricted Share Units or Deferred Share Unit, as applicable, with respect to which they were paid.

No Dividend Equivalent will be credited to or paid on Awards of Performance Share Units, Restricted Share Units or Deferred Share Units that have expired or that have been forfeited or terminated.

## 15. MISCELLANEOUS

- 15.1 **No Rights as a Shareholder.** Nothing contained in the Plan nor in any Award granted hereunder shall be deemed to give any Person any interest or title in or to any Shares or any rights as a shareholder of the Corporation or any other legal or equitable right against the Corporation whatsoever with respect to Shares issuable pursuant to an Award until such Person becomes the holder of record of Shares.
- 15.2 **Employment.** Nothing contained in the Plan shall confer upon any Participant any right with respect to employment or continued employment or the right to continue to serve as a Director or a consultant as the case may be, or interfere in any way with the right of the Corporation to terminate such employment or service at any time. Participation in the Plan by an Eligible Person is voluntary. For stock options granted to Employees, Consultants or Management Corporation Employees, the Corporation and the Option Holder are responsible for ensuring and confirming that the Option Holder is a bona fide Employee, Consultant or Management Corporation Employee, as the case may be.
- 15.3 **Record Keeping.** The Corporation shall maintain appropriate registers in which shall be recorded all pertinent information with respect to the granting, amendment, exercise, vesting, expiry, forfeiture and termination of Awards. Such registers shall include, as appropriate:
  - (a) the name and address of each Participant;
  - (b) the number of Awards credited to each Participant's account;
  - (c) any and all adjustments made to Awards recorded in each Participant's account; and
  - (d) such other information which the Corporation considers appropriate to record in such registers.
- 15.4 **Income Taxes.** As a condition of and prior to participation in the Plan, an Eligible Person shall authorize the Corporation in written form to withhold from any payment otherwise payable to such Eligible Person any amounts required by any taxing authority to be withheld for taxes of any kind as a consequence of such participation in the Plan, the issuance of any Shares pursuant to the Plan or the settlement in cash and/or Shares of any Awards under the Plan. In addition, as a condition for the exercise of an Option, the Corporation may require a Participant to deliver to the Corporation all or a portion of the taxes required to be withheld or remitted by the Corporation under the *Income Tax Act* (Canada) and any applicable Canadian provincial taxation statute as a result of the exercise of the Option.

- 15.5 No Representation or Warranty.** The Corporation makes no representation or warranty as to the future market value of any Shares issued pursuant to the Plan.
- 15.6 Direction to Transfer Agents.** Upon receipt of a certificate of an authorized officer of the Corporation directing the issue of Shares issuable under the Plan, the transfer agent of the Corporation is authorized and directed to issue and countersign share certificates for the Shares subject to the applicable Award in the name of such Participant or as may be directed in writing by the Participant.
- 15.7 Unfunded Plan.** Unless otherwise determined by the Board, the Plan shall be unfunded. To the extent any Participant or his or her estate holds any rights by virtue of a grant of Awards under the Plan, such rights (unless otherwise determined by the Board) shall be no greater than the rights of an unsecured creditor of the Company.
- 16. TERM OF AWARD, EXPIRY, FORFEITURE AND TERMINATION OF AWARDS / BLACKOUT PERIODS**
- 16.1 Expiry, Forfeiture and Termination of Awards.** If for any reason an Award expires without having been exercised or is forfeited or terminated, and subject to any extension thereof in accordance with the Plan, such Award shall forthwith expire and be forfeited and shall terminate and be of no further force or effect.
- 16.2 Blackout Periods.** Notwithstanding any other provision of the Plan, except as provided in Section 2.2 of the Addendum, if the expiry date or vesting date of an Award, other than a Performance Share Unit, Restricted Share Unit or Deferred Share Unit awarded to a Canadian Taxpayer, as applicable, is (i) during a Blackout Period, or (ii) within ten Trading Days following the end of a Blackout Period, the expiry date or vesting date, as applicable, will be automatically extended for a period of ten Trading Days following the end of the Blackout Period, provided that the following requirements are satisfied:
- (a) the Blackout Period must be formally imposed by the Corporation pursuant to its internal trading policies;
  - (b) the Blackout Period must expire upon the general disclosure of the undisclosed Material Information; and
  - (c) the automatic extension of a Participant's Award will not be permitted where the Participant or the Corporation is subject to a cease trade order (or similar order under securities laws) in respect of the Corporation's securities.

In the case of a Performance Share Unit, Restricted Share Unit or Deferred Share Unit awarded to a Canadian Taxpayer or US Taxpayer (as defined in the Addendum), any settlement that is effected during a Blackout Period in order to comply with Section 13.4 in the case of a Canadian Taxpayer or the Addendum in the case of a US Taxpayer shall (subject to the requirements of applicable law) be settled in cash, notwithstanding any other provision hereof.

**17. GOVERNING LAW**

The Plan shall be construed in accordance with and be governed by the laws of British Columbia and shall be deemed to have been made therein.

**18. REGULATORY AND SHAREHOLDER APPROVAL**

- 18.1** The Plan shall be subject to the approval of any relevant regulatory authority whose approval is required. Any Awards granted prior to such approval and acceptance shall be conditional upon such approval and acceptance being given and no such Awards may be exercised or shall vest unless such approval and acceptance is given.

**18.2** The Plan shall be subject to the approval of the shareholders of the Corporation (or if required, Disinterested Shareholder Approval) to be sought at the Corporation's next duly called annual general meeting.

**19. EFFECTIVE DATE OF THE PLAN**

The Plan is dated with effect as of the Effective Date, as amended on October 8, 2019.

## ADDENDUM A

### SPECIAL PROVISIONS APPLICABLE TO US TAXPAYERS

This Addendum sets forth special provisions of the Plan that apply to US Taxpayers (as defined below) and forms part of the Plan. All capitalized terms, to the extent not otherwise defined herein, shall have the meanings set forth in the Plan.

#### 1. DEFINITIONS

##### 1.1 For the purposes of this Addendum:

“**Change of Control**” has the meaning ascribed to that term in US Code Section 409A;

“**Disability**” means “disability” as defined in US Code Section 409A;

“**Fair Market Price**” shall be last closing price of the Issuer’s Shares before either the issuance of a press release or the filing with the Exchange of a price reservation form (Form A) required to fix the price at which the Shares are to be issued, less any applicable discount or, if the Shares are not listed on the Exchange, on such other principal stock exchange or over-the-counter market on which the Shares are listed or quoted, as the case may be. If the Shares are not publicly traded or quoted, then the “**Fair Market Price**” shall be the fair market value of the Shares, as determined by the Board, on the Grant Date. In the resolution allocating any Option, the Board may determine that the Grant Date shall be a future date determined in the manner specified in such resolution, in which case, for the purpose of this definition, “**Fair Market Price**” shall be deemed to be the last closing price of the Issuer’s Shares before either the issuance of a press release or the filing with the Exchange of a price reservation form (Form A) required to fix the price at which the Shares are to be issued, less any applicable discount, or, if the Shares are not listed on the Exchange, on such other principal stock exchange or over-the-counter market on which the Shares are listed or quoted, as the case may be, or, if the Shares are not publicly traded or quoted, then the “Market Price” shall be the fair market value of the Shares, as determined by the Board, on the Grant Date; and “**Fair Market Price**” with respect to a Non-Qualified Stock Option will be the fair market value determined by the reasonable application of a reasonable valuation method, within the meaning of US Code Section 409A;

“**Incentive Stock Option**” means any Award designated and qualified as an “incentive stock option” as defined in Section 422 of the US Code;

“**Non-Qualified Stock Option**” means any Award that is not an Incentive Stock Option;

“**Separation From Service**” shall mean that employment with the Corporation and any entity that is to be treated as a single employer with the Corporation for purposes of United States Treasury Regulation Section 1.409A-1(h) terminates such that it is reasonably anticipated that no further services will be performed;

“**Specified Employee**” means a US Taxpayer who meets the definition of “specified employee,” as defined in Section 409A(a)(2)(B)(i) of the US Code;

“**subsidiary corporation**” means “subsidiary corporation” as defined in Section 424(f) of the US Code;

“**Ten Percent Owner**” means a US Taxpayer who, at the time an Award is granted, owns or is deemed to own (by reason of the attribution rules of Section 424(d) of the US Code) more than 10% of the total combined voting power of all classes of stock of the Corporation or any parent or subsidiary corporation, within the meaning of Section 422(b)(6) of the US Code;

“**US Code**” means the United States *Internal Revenue US Code of 1986* and any applicable United States Treasury Regulations and other binding regulatory guidance thereunder;

“**US Code Section 409A**” means Section 409A of the US Code and the regulations and other guidance promulgated thereunder;

“**US Code Section 409A Award**” means an Award that is “nonqualified deferred compensation” within the meaning of US Code Section 409A;

“**US Exchange Act**” means the *Securities Exchange Act of 1934*, and the rules and regulations thereunder;

“**US Securities Act**” means the *Securities Act of 1933*, and the rules and regulations thereunder; and

“**US Taxpayer**” means a Participant who is a citizen or resident of the United States for purposes of the US Code, or whose Awards under the Plan are subject, or would be subject, absent an exemption, to US Code Section 409A.

## 2. INCENTIVE STOCK OPTIONS

**2.1 Incentive Stock Options and Non-Qualified Stock Options.** Awards granted under the Plan may be either Incentive Stock Options or Non-Qualified Stock Options. Notwithstanding Sections 3.2 and 5.1 of the Plan, Incentive Stock Options may only be granted to an Eligible Person who is an employee of the Corporation or a subsidiary corporation. To the extent that any Award does not qualify as an Incentive Stock Option, it shall be deemed a Non-Qualified Stock Option.

**2.2 Term of Option.** Notwithstanding any provision of the Plan arguably to the contrary:

- (a) in no circumstances shall the term of an Option exceed ten years from the Grant Date or be exercisable after the expiration of ten years from the Grant Date; and
- (b) in no circumstances shall the term of an Incentive Stock Option granted to a Ten Percent Owner exceed five years from the Grant Date or be exercisable after the expiration of five years from the Grant Date.

**2.3 Plan Limit on Incentive Stock Options.** Subject to adjustment pursuant to Section 10 of the Plan and Sections 422 and 424 of the US Code, the aggregate number of Shares which may be issued under the Plan and which may be made subject to Incentive Stock Options shall not exceed 1,500,000.

**2.4 Annual Limit on Incentive Stock Options.** To the extent required for “incentive stock option” treatment under Section 422(d) of the US Code, the aggregate Market Price (determined as of the Grant Date) of the Shares with respect to which Incentive Stock Options granted under the Plan and any other plan of the Corporation and its parent and subsidiary corporations that become exercisable or vest for the first time by a Participant during any calendar year shall not exceed US\$100,000 or such other limit as may be in effect from time to time under Section 422 of the US Code. To the extent that any Award exceeds this limit, it shall constitute a Non-Qualified Stock Option.

## 3. OPTIONS

**3.1 Option Price.** In the case of an Incentive Stock Option that is granted to a Ten Percent Owner, the Option Price of such Incentive Stock Option shall not be less than 110% of the Fair Market Price of the Shares determined as of the Grant Date. For all other US Taxpayers, the Option Price of an Incentive Stock Option shall not be less than 100% of the Fair Market Price of the Shares determined as of the Grant Date. The Option Price of a Non-Qualified Stock Option shall not be less than 100% of the Fair Market Price of the Shares as determined as of the Grant Date.

**3.2 Method of Exercise of Options.** Section 5.4 of the Plan shall not be available if the Option being exercised is an Incentive Stock Option.

- 3.3 Option Award Agreement.** The Option Award Agreement for US Taxpayers shall specify whether such Option is an Incentive Stock Option or a Non-Qualified Stock Option. If no such specification is made, the Option will be (a) an Incentive Stock Option if all of the requirements under the US Code are satisfied, and (b) in all other cases, a Non-Qualified Stock Option.

#### **4. PERFORMANCE SHARE UNITS AND RESTRICTED SHARE UNITS**

- 4.1 Settlement of Performance Share Units for US Taxpayers.** Notwithstanding the timing of settlement described in Sections 6.5 and 6.6 of the Plan, but subject to Section 7.4 of this Addendum, for US Taxpayers, all settlements of Performance Share Units credited to a US Taxpayer's PSU Account shall take place within 30 days of the date such Performance Share Units vest without receipt of the Notice of Settlement of Restricted Share Units from the US Taxpayer.

- 4.2 Settlement of Restricted Share Units for US Taxpayers.** Notwithstanding the timing of settlement described in Sections 7.5 and 7.6 of the Plan, but subject to Section 7.4 of this Addendum, for US Taxpayers, all settlements of Restricted Share Units credited to a US Taxpayer's RSU Account shall take place within 30 days of the date such Restricted Share Units vest without receipt of the Notice of Settlement of Restricted Share Units from the US Taxpayer.

#### **5. DEFERRED SHARE UNITS**

- 5.1 Elections for US Taxpayers.** Section 8.1(b) of the Plan shall be applied in a manner consistent with United States Treasury Regulation Section 1.409A-2(a). Except as otherwise permitted under such regulation, a Participant's election to defer a Deferred Annual Amount must be made by the end of the calendar year prior to the calendar year in which services giving rise to the right to payment of such amounts are to be performed. Without limiting the generality of the foregoing, during a US Taxpayer's first calendar year of eligibility in the Plan (as described in United States Treasury Regulation Section 1.409A-2(a)(7)) such US Taxpayer may, within 30 days of becoming eligible, elect to participate in the Plan for such calendar year solely with respect to compensation to be paid for services to be performed after the date such election is made.

- 5.2 Distribution Date for Settlement of DSUs Held By US Taxpayers.** Notwithstanding the timing of settlement described in Sections 8.5 or 8.6 of the Plan, but subject to Section 7.4 of this Addendum, for US Taxpayers, all settlements of Deferred Share Units credited to a US Taxpayer's DSU Account shall take place within 30 days of the date of the US Taxpayer's Separation From Service without receipt of the Notice of Settlement of Deferred Share Units from the US Taxpayer, unless a different fixed settlement date was specified in the applicable DSU Award Agreement at the time of grant of the Deferred Share Units (the "**distribution date**"). Notwithstanding any provision of the Plan arguably to the contrary (including Sections 12.2 and 13 of the Plan), any acceleration of the vesting of Deferred Share Units held by US Taxpayers will not result in the acceleration of the distribution date for such Deferred Share Units unless permitted under US Code Section 409A.

- 5.3 Special Limitation Applicable to Eligible Persons Who Are Both a Canadian Taxpayer and a US Taxpayer.** If the Deferred Share Units of a US Taxpayer are subject to tax under the income tax laws of Canada and also are subject to tax under US Code Section 409A, the following special rules regarding forfeiture will apply. For greater clarity, these forfeiture provisions are intended to avoid adverse tax consequences under US Code Section 409A and/or under paragraph 6801(d) of the regulations under the *Income Tax Act* (Canada), that may result because of the different requirements as to the time of distribution of Deferred Share Units (and thus the time of taxation) with respect to a US Taxpayer's separation from service (under US tax law) and his retirement or loss of office (under Canadian tax law). The intended consequence of this Section 5.3 of the Plan is that distributions to US Taxpayers in payment of Deferred Share Units only will occur if such US Taxpayer experiences both a Separation From Service under US Code Section 409A and a retirement or loss of office within the meaning of paragraph 6801(d) of the regulations under the *Income Tax Act* (Canada). If a US Taxpayer otherwise would be entitled to payment with respect to Deferred Share Units in any of the following circumstances, such Deferred Share Units shall instead be immediately and irrevocably forfeited, unless the relevant taxation authorities have provided guidance that the payment with respect to Deferred Share Units in such circumstances would not result in adverse tax

consequences to the Eligible Person or the Corporation under either the *Income Tax Act* (Canada) or the US Code, or that compliance with the tax rules of only one jurisdiction would not cause a failure to comply with the rules of the other taxing jurisdiction:

- (a) a US Taxpayer experiences a Separation From Service as a result of a permanent decrease in the level of services such US Taxpayer provides to the Corporation and its affiliates to less than 20% of his past service, but such US Taxpayer continues to provide some level of service to the Corporation or an affiliate such that he has not had a retirement from, or loss of office or employment with, the Corporation or a corporation related thereto, within the meaning of paragraph 6801(d) of the regulations under the *Income Tax Act* (Canada); or
- (b) a US Taxpayer experiences a Separation From Service for purposes of a distribution required under US Code Section 409A as a result of ceasing to be a member of the Board, but such person continues providing services as an employee or as a member of the board of an affiliate, and as a result he has not experienced a retirement from, or loss of office or employment with, the Corporation or a corporation related thereto, within the meaning of paragraph 6801(d) of the regulations under the *Income Tax Act* (Canada); or
- (c) a US Taxpayer experiences a retirement from, or loss of office or employment with, the Corporation or a corporation related thereto, within the meaning of paragraph 6801(d) of the regulations under the *Income Tax Act* (Canada), by virtue of ceasing employment as both an employee and as a director, but he continues to provide services as an independent contractor such that he has not experienced a Separation from Service.

## 6. TAXES

**6.1 Payment of Taxes.** Each US Taxpayer is solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on or for the account of such US Taxpayer in connection with the Plan or any other plan maintained by the Corporation (including any taxes and penalties under US Code Section 409A), and neither the Corporation nor any subsidiary of the Corporation shall have any obligation to indemnify or otherwise hold such US Taxpayer (or any Participant ) harmless from any or all of such taxes or penalties.

**6.2 Tax Withholding.** A US Taxpayer shall be required to pay to the Corporation, and the Corporation shall have the right and is hereby authorized to withhold, from any cash or other compensation payable under the Plan, or from any other compensation or amounts owing to the US Taxpayer, the amount of any required withholding taxes in respect of amounts paid under the Plan and to take such other action as may be necessary in the opinion of the Corporation to satisfy all obligations for the payment of such withholding and taxes.

## 7. MISCELLANEOUS

**7.1 Non-Assignability.** Section 9 of the Plan shall only be available to US Taxpayers if the Option to be transferred is a Non-Qualified Stock Option and to the extent permissible under US law. No Incentive Stock Option shall be transferable by the Participant otherwise than by will or by the laws of descent and distribution and all Incentive Stock Options shall be exercisable, during the Participant's lifetime, only by the Participant, or by the Participant's legal representative or guardian in the event of the Participant's Disability. Section 9 of the Plan shall only be available to US Taxpayers with respect to Performance Share Units, Deferred Share Units and Restricted Share Units to the extent permissible under US law.

**7.2 Amendments.** In addition to the provisions of Section 13 of the Plan, to the extent determined by the Board to be required either by the US Code to ensure that Incentive Stock Options granted under the Plan are qualified under Section 422 of the US Code or otherwise, Plan amendments as they relate to or affect US Taxpayers shall be subject to approval by the Corporation shareholders entitled to vote at a meeting of shareholders. An amendment to increase the aggregate number of Shares which may be issued under the Plan and which may be made subject to Incentive Stock Options as set forth in Section 2.3 of this Addendum must be approved by shareholders within 12 months of adoption of such amendment. Notwithstanding the

provisions of Section 13 of the Plan, no amendment in respect of an Award to a US Taxpayer shall be made without the consent of such US Taxpayer if the result of such amendment would be to cause the Award to violate the requirements of US Code Section 409A.

- 7.3 Effective Date; Shareholder Approval.** The Plan including the Addendum shall become effective upon the Effective Date. Awards may be granted under this Addendum from and after the Effective Date; provided however that if Corporation's shareholders fail to approve the Plan and this Addendum within 12 months of the Effective Date, any Incentive Stock Options granted under the Plan to a US Taxpayer from and after the Effective Date to the date that is 12 months of the Effective Date shall be deemed to be Non-Qualified Stock Options. No Incentive Stock Options may be granted after the tenth anniversary of the earlier of the Effective Date or the date the Plan including the Addendum are approved by the Corporation's shareholders.
- 7.4 US Code Section 409A Awards.** If an Award is determined to constitute a US Code Section 409A Award, the Award shall be subject to such additional rules and requirements as specified by the Board from time to time in order to comply with US Code Section 409A. In this regard, if any amount under a US Code Section 409A Award is payable upon a Separation From Service to a Participant who is considered a Specified Employee, then no such payment shall be made prior to the date that is the earlier of (i) six months and one day after the Participant's date of Separation From Service, or (ii) the Participant's death, but only to the extent such delay is necessary to prevent such payment from being subject to interest, penalties and/or additional tax imposed pursuant to US Code Section 409A.
- 7.5 Priority.** Except as specifically provided in this Addendum, the provisions of the Plan and the Participant's Award Agreement shall govern. For Participants who are US Taxpayers, in the event of any inconsistency or conflict between the provisions of (i) the Plan and/or a Participant's Award Agreement, and (ii) this Addendum, the terms of this Addendum shall prevail.