



**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING  
AND MANAGEMENT INFORMATION CIRCULAR**

Date and Time: July 12, 2018  
at 10:00 a.m. (PST)

Place: 1166 Alberni Street  
Boardroom #420  
Vancouver, British Columbia

JUNE 7, 2018





## NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that the Annual General and Special Meeting (the "**Meeting**") of the shareholders (the "**Shareholders**") of Core Gold Inc. (the "**Corporation**") will be held at 1166 Alberni Street, Boardroom #420, Vancouver, British Columbia, V6E 3Z3, Canada, **on Thursday, July 12, 2018 at 10:00 a.m. (PST)**, for the following purposes:

1. to receive the audited consolidated financial statements of the Corporation for the financial year ended December 31, 2017, together with the report of the auditor thereon;
2. to fix the number of directors at five (5);
3. to elect directors of the Corporation for the ensuing year;
4. to appoint Davidson & Company LLP, Chartered Professional Accountants, as the auditors of the Corporation and to authorize the directors to fix the auditors' remuneration for the ensuing year;
5. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution, the full text of which is set forth in the accompanying management Circular (the "**Circular**") prepared for the purposes of the Meeting, adopting and ratifying the Corporation's 2018 stock option plan; and
6. to transact such other business as may properly be brought before the Meeting or any adjournment thereof.

The Board has fixed the close of business (Vancouver time) on Thursday, June 7, 2018 as the record date for the Meeting. Only Shareholders of record at the close of business on the record date are entitled to receive notice of and to vote at the Meeting. Registered Shareholders who are unable to attend the Meeting are requested to complete, sign, date and return the enclosed form of proxy in accordance with the instructions set out therein and in the Circular accompanying this notice of meeting. To be valid, completed proxy forms must be dated, completed, signed and deposited with our transfer agent, Computershare Investor Services Inc.: (i) by mail using the enclosed return envelope or one addressed to Computershare Investor Services Inc., Proxy Department, 135 West Beaver Creek, P.O. Box 300, Richmond Hill, Ontario, L4B 4R5; (ii) by hand delivery to Computershare, 8<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1; or (iii) by facsimile to (416) 263-9524 or 1-866-249-7775. Additionally, you may vote by using the internet at [www.investorvote.com](http://www.investorvote.com) or by calling 1-866-732-VOTE (8683). Your proxy instructions must be received in each case no later than 10:00 a.m. (PST) on July 10, 2018. The chairman of the Meeting has the discretion to accept proxies received after that time. If you have questions, you may contact the Corporation's Corporate Secretary by telephone at 604-345-4822 or by email at [info@coregoldinc.com](mailto:info@coregoldinc.com).

**DATED** at Vancouver, British Columbia this 7<sup>th</sup> day of June 2018.

By Order of the Board

*(Signed) "Keith Piggott"*

Mr. Keith Piggott

President and Chief Executive Officer

***If you are a non-registered Shareholder and receive these materials through your broker or through another intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or by the other intermediary. Failure to do so may result in your shares not being eligible to be voted by proxy at the Meeting.***

## INVITATION TO SHAREHOLDERS

### Dear Shareholder:

On behalf of the board of directors (the "Board") of Core Gold Inc. (the "Corporation" or "Core"), we invite you to attend our Annual General and Special Meeting (the "Meeting") of shareholders of the Corporation to be held on Thursday, July 12, 2018 at 1166 Alberni Street, Boardroom #420, Vancouver, British Columbia, V6E 3Z3, Canada at 10:00 a.m. (PST).

The items of business to be considered at the Meeting are described in the accompanying Notice of Annual General and Special Meeting of Shareholders of Core Gold Inc. and the accompanying management Circular. The contents and the sending of the management Circular have been approved by the Board.

We encourage you to vote at the Meeting, which can easily be done by following the instructions enclosed with this management Circular. Following the formal portion of the Meeting, management will review the Corporation's operation and financial performance during the financial year ended December 31, 2017 and provide an outlook on our priorities for 2018 and beyond. You will also have an opportunity to ask questions and meet some of our directors and executive officers.

Many of our public documents, including our 2017 Annual Report, are available on the Corporation's website at <https://www.coregoldinc.com>. We encourage you to visit our web site for information about our Corporation, including news releases and investor presentations. To ensure that you receive the latest news on the Corporation, please subscribe through our web site. Additional information relating to the Corporation is also available on SEDAR at [www.sedar.com](http://www.sedar.com).

We look forward to seeing you at the meeting.

Yours sincerely,

*(Signed) "Keith Piggott"*

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Mr. Keith Piggott  
President and Chief Executive Officer

## VOTING AND PROXIES: QUESTIONS AND ANSWERS

Please read the following for commonly asked questions and answers regarding voting and proxies.

**Q. Am I entitled to vote?**

**A.** You are entitled to vote if you are a holder of common shares of Core as of the close of business on July 10, 2018, the record date for the meeting. Each common share is entitled to one vote. The list of registered shareholders maintained by Core will be available for inspection after June 7, 2018 during normal business hours at the offices of our transfer agent, Computershare Investor Services Inc., located at 510 Burrard Street, 3rd Floor, Vancouver, British Columbia, and will also be available for inspection at the meeting.

**Q. What am I voting on?**

**A.** You will be voting to:

- fix the number of directors at five (5);
- elect directors of the Corporation for the ensuing year;
- to appoint Davidson & Company LLP, Chartered Professional Accountants, as the auditors of the Corporation and to authorize the directors to fix the auditors' remuneration; and
- to approve a new 2018 stock option plan.

**Q. What if amendments are made to these matters or if other matters are brought before the meeting?**

**A.** If you attend the meeting in person and are eligible to vote, you may vote on such matters as you choose. If you have completed and returned a proxy, the securities represented by proxy will be voted or withheld from voting in accordance with your instructions on any ballot that may be called for and, if you specify a choice with respect to any matter to be acted upon, the securities will be voted accordingly. The persons named in the proxy form will have discretionary authority with respect to amendments or variations to matters identified in the Notice of Annual General and Special Meeting and to other matters that may properly come before the meeting. As of the date of this management Circular, our management knows of no such amendment, variation or other matter expected to come before the meeting. If any other matters properly come before the meeting, the persons named in the proxy form will vote on them in accordance with their best judgment. The management of Core is soliciting your proxy. Solicitation of proxies is done primarily by mail, supplemented by telephone or other contact, by our employees or agents at a nominal cost, and all of these costs are paid by Core. If you are eligible to vote and your shares are registered in your name, you can vote your shares in person at the meeting or by completing your proxy form through any of the methods described above. If your shares are not registered in your name but are held by a nominee, please see below.

**Q. How can I vote?**

**A.** If you are eligible to vote and your shares are registered in your name, you can vote your shares in person at the meeting or by completing your proxy form through any of the methods described above. If your shares are not registered in your name but are held by a nominee, please see below.

**Q. How can a non-registered shareholder vote?**

**A.** If your shares are not registered in your name but are held in the name of a nominee (usually a bank, trust Corporation, securities broker or other financial institution), your nominee is required to seek your instructions as to how to vote your shares. Your nominee will have provided you with a package of information, including these meeting materials and either a proxy or a voting form. Carefully follow the instructions accompanying the proxy or voting form.

**Q. How can a non-registered shareholder vote in person at the meeting?**

**A.** Core does not have access to all the names of its non-registered shareholders. Therefore, if you are a non-registered shareholder and attend the meeting, we will have no record of your shareholdings or of your entitlement to vote unless your nominee has appointed you as a proxyholder. If you wish to vote in person at the meeting, insert your name in the space provided on the proxy form or voting form sent to you by your nominee. In doing so you are instructing your nominee to appoint you as a proxyholder. Complete the form by following the return instructions provided by your nominee. You should report to a representative of Computershare upon arrival at the meeting.

**Q. Who votes my shares and how will they be voted if I return a proxy?**

**A.** By properly completing and returning a proxy, you are authorizing the person named in the proxy to attend the meeting and vote your shares. You can use the enclosed proxy form, or any other proper form of proxy, to appoint your proxyholder. The shares represented by your proxy must be voted according to your instructions in the proxy. If you properly complete and return your proxy but do not specify how you wish the votes cast, your shares will be voted as your proxyholder sees fit. Unless contrary instructions are provided, shares represented by proxies received by management will be voted:

- FOR fixing the number of directors at five (5);
- FOR the election of directors from those nominees set out in this management Circular;
- FOR the appointment of Davidson & Company LLP, Chartered Professional Accountants, as the auditors of the Corporation and the authorization for the directors to fix the auditors' remuneration for the ensuing year; and
- FOR the adoption and ratification of the 2018 stock option plan.

**Q. Can I appoint someone other than the individuals named in the enclosed proxy form to vote my shares?**

**A.** **Yes, you have the right to appoint the person of your choice, who does not need to be a shareholder, to attend and act on your behalf at the meeting.** If you wish to appoint a person other than the names that appear, then strike out those printed names appearing on the proxy form and insert the name of your chosen proxyholder in the space provided.

NOTE: It is important to ensure that any other person you appoint is attending the meeting and is aware that his or her appointment to vote your shares has been made. Proxyholders should, upon arrival at the meeting, present themselves to a representative of Computershare.

**Q. What if my shares are registered in more than one name or in the name of my Corporation?**

**A.** If the shares are registered in more than one name, all those registered must sign the form of proxy. If the shares are registered in the name of your Corporation or any name other than yours, you should submit documentation that proves you are authorized to sign the proxy form, concurrently with the filing of your proxy.

**Q. Can I revoke a proxy or voting instruction?**

**A.** If you are a registered shareholder and have returned a proxy, you may revoke it by:

1. completing and signing a proxy bearing a later date, and delivering it to Computershare; or
2. delivering a written statement revoking your proxy, signed by you or your authorized attorney to:
  - (a) the Corporate Secretary of Core Gold Inc. at Suite #1201 – 1166 Alberni Street, Vancouver, B.C., V6E 3Z3, Canada at any time up to and including the last business day prior to the meeting, or the business day preceding the day to which the meeting is adjourned; or
  - (b) to the Chairman of the meeting prior to the start of the meeting.

If you are a non-registered shareholder, contact your nominee.

**Q. Is my vote confidential?**

**A.** Your proxy vote is confidential. Proxies are received, counted and tabulated by our transfer agent, Computershare. Computershare does not disclose the results of individual shareholder votes unless: (i) they contain a written comment clearly intended for management; (ii) in the event of a proxy contest or proxy validation issue; or (iii) if necessary to meet legal requirements. Proxy voting records are routinely shared with management and counsel in the days prior to the meeting.

**Q. How many common shares are outstanding?**

**A.** As of June 7, 2018, there were **133,519,664** common shares of Core issued and outstanding. We have no other class or series of voting shares outstanding.

**Q. What is electronic delivery?**

A. Electronic delivery is voluntary e-mail notification sent to shareholders when documents such as our annual report, quarterly reports and this management Circular are available on our web site. If you wish, you may elect to be notified by e-mail when documentation is posted on our web site. Electronic delivery will save paper, reduce our impact on the environment and reduce costs.

**Q. How can I ask for electronic delivery?**

A. If you are a registered shareholder, go to the Investor Communication web site at [www.InvestorDelivery.com](http://www.InvestorDelivery.com) and follow the instructions on the screen.

You will need your Control Number and your PIN number (you will find them on the proxy form provided in your package).

Non-registered holders can sign up for mailings (not proxy materials) through [www.computershare.com/maillinglist](http://www.computershare.com/maillinglist).

If you have a question regarding the meeting, please contact Computershare at 1-800-564-6253 or visit [www.computershare.com](http://www.computershare.com).

**Q. What if I have other questions?**

A. If you have a question regarding the meeting, please contact Computershare at 1-800-564-6253 or visit [www.computershare.com](http://www.computershare.com).



## MANAGEMENT CIRCULAR

(all information as at June 7, 2018 unless otherwise indicated)

### THE MEETING

This Circular (this "Circular") is furnished in connection with the solicitation of proxies by or on behalf of the management of Core Gold Inc. (the "Corporation" or "Core") for use at the Annual General and Special Meeting (the "Meeting") of shareholders of the Corporation (the "Shareholders") to be held on Thursday, July 12, 2018, at 10:00 a.m. (PST), or any adjournment thereof, at the offices of 1166 Alberni Street, Boardroom #420, Vancouver, British Columbia, V6E 3Z3, Canada for the purposes set out in the accompanying notice of Meeting (the "Notice").

The information contained in this Circular is given as of June 7, 2018 unless otherwise indicated. This Circular, the Notice and the accompanying form of proxy are being mailed to Shareholders on or about July 12, 2017. In this Circular, references to the "Corporation", "Core", "we" and "our" refer to Core Gold Inc. "Common Shares" means common shares without par value in the capital of the Corporation, "Beneficial Shareholders" means shareholders who do not hold Common Shares in their own name and "Intermediaries" refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders. Unless otherwise indicated, all references to "\$" or "dollars" in this Circular mean United States dollars.

### REVOCABILITY OF PROXIES

The persons named in the accompanying form of proxy are directors and officers of the Corporation. You have the right to appoint some other person or Corporation of your choice, who need not be a Shareholder, to attend and act on your behalf at the Meeting.

**A Shareholder desiring to appoint some other person or Corporation to represent him or her at the Meeting may do so either by inserting the name of such person or Corporation in the blank space provided in the accompanying form of proxy and striking out the names of the management nominees or by duly completing another proper form of proxy and, in either case, depositing the completed proxy at the offices of the Corporation's registrar and transfer agent, Computershare Investor Services Inc. ("Computershare" or the "Transfer Agent"), Attention: Proxy Department, 100 University Ave., 8th Floor, North Tower, Toronto, Ontario, Canada, M5J 2Y1 before the specified time described in the previous section.**

In addition to revocation in any other manner permitted by law, a registered Shareholder who has given a proxy may revoke it: (a) by attending the Meeting and voting the registered Shareholder's Common Shares, (b) by fully executing another form of proxy bearing a later date and duly depositing the same before the specified time, or (c) by executing a valid notice of revocation (where a new proxy is not also filed). A registered Shareholder means a Shareholder of the Corporation in possession of a physical Common Shares certificate of the Corporation as recorded with the Transfer Agent.

A later dated proxy or notice of revocation must be executed by the registered Shareholder or the registered Shareholder's authorized attorney in writing, or, if the registered Shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and delivered by fax at 1-866-249-7775 (toll free in Canada and the United States) or 416-263-9524 (outside of Canada and the United States), or by mail (via postage paid return envelope) at Computershare Investor Services Inc., attention: Proxy Department, 100 University Ave., 8th Floor, North Tower, Toronto, Ontario, Canada, M5J 2Y1 or to the head office of the Corporation located at Suite #1201 – 1166 Alberni Street, Vancouver, B.C., V6E 3Z3, Canada.

A later dated proxy must be received before 10:00 a.m. (PST) on July 10, 2018, or if the Meeting is adjourned, the day that is two business days before any reconvening thereof at which the Proxy is to be used. Only registered Shareholders have the right to revoke a proxy. Beneficial Shareholders who wish to change their vote must, in sufficient time in advance of the Meeting, arrange for their Intermediaries to change the vote and, if necessary, revoke their proxy. A revocation of proxy will not affect a matter on which a vote is taken before the revocation.



## EXERCISE OF DISCRETION

The persons named in the enclosed form of proxy will vote the Common Shares in respect of which they are appointed in accordance with the direction of the Shareholders appointing them. **In the absence of such direction, such Common Shares will be voted in the discretion of the person named in the proxy. The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice and with respect to other matters which may properly come before the Meeting.** At the time of printing of this Circular, management knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters which are not now known to management should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxies.

### *Persons Making the Solicitation*

Core's management is using this Circular to solicit proxies from Shareholders for use at the Meeting. The solicitation of proxies will be primarily by mail, but Core's directors, officers and regular employees may also solicit proxies personally or by telephone. Core will bear all costs of the solicitation. Core has arranged for Intermediaries to forward the Meeting materials to beneficial owners of Common Shares held of record by those Intermediaries and Core may reimburse the Intermediaries for their reasonable fees and disbursements in that regard.

## COMPLETION AND PROXY INSTRUCTIONS

### *Voting of Proxies*

The Common Shares represented by the accompanying form of proxy (if the same is properly executed in favour of the management nominees named therein, and is received at the offices of Computershare Investor Services Inc., Attention: Proxy Department, 100 University Ave., 8th Floor, North Tower, Toronto, Ontario, Canada, M5J 2Y1, by no later than 10:00 a.m. (PST) on July 10, 2018 or, if the Meeting is adjourned, then not less than 48 hours (excluding Saturdays, Sundays and holidays) before any such adjourned meeting), will be voted at the Meeting, and, where a choice is specified in respect of any matter to be acted upon, will be voted or withheld from voting in accordance with the specification made. **In the absence of such a specification, the person designated in the accompanying form of proxy will vote in favour of all matters to be acted on at the Meeting.**

The accompanying form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to the matters set forth in the accompanying Notice, or all other business or matters that may properly come before the Meeting. At the date hereof, management of the Corporation knows of no such amendments, variations or other business or matters to come before the Meeting.

### *Registered Holders*

Only Shareholders registered as shareholders in the Corporation's shareholder registry maintained by the Transfer Agent or duly appointed proxyholders (except as discussed below under "Non-registered Shareholders") will be recognized to make motions or vote at the Meeting.

### *Non-Registered Shareholders*

**Many Shareholders are "non-registered" Shareholders because the Common Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust corporation through which they purchased the shares.** More particularly, a person is not a registered Shareholder in respect of Common Shares which are held on behalf of that person (the "**Non-Registered Holder**") but which are registered either: (a) in the name of an Intermediary that the Non-Registered Holder deals with in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans; or (b) in the name of a clearing agency (such as CDS & Co., the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms) of which the Intermediary is a participant.

There are two kinds of Non-Registered Holders: (a) those who object to their name being made known to the issuers of securities which they own (called "**OBOs**", for Objecting Beneficial Owners) and (b) those who do not object to the issuers of the securities they own knowing who they are (called "**NOBOs**", for Non-Objecting Beneficial Owners).

Subject to the provisions of National Instrument 54-101 - *Communication with Beneficial Owners of Securities of Reporting Issuers* ("**NI 54-101**"), issuers can request and obtain a list of their NOBOs from intermediaries via their transfer agents and use the NOBO list for distribution of proxy-related materials directly (not via Broadridge Financial Solutions Inc., to whom many Intermediaries delegate investor communications) to NOBOs.

Core is taking advantage of NI 54-101 that permits us to directly deliver proxy-related materials to our NOBOs who have not waived the right to receive them. As a result, NOBOs can expect to receive a Voting Instruction Form (a "VIF"), together with the Notice, this Circular and related documents from Computershare. The VIF is to be completed and returned to Computershare in the envelope provided or by facsimile or voted using the telephone or internet alternatives included on the VIF. **NOBOs should carefully follow the instructions of Computershare, including those regarding when and where to complete the VIFs that are to be returned to Computershare.**

Shareholders with questions respecting the voting of Common Shares held through a stockbroker or other financial intermediary should contact that stockbroker or other intermediary for assistance.

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

No person who was a director or senior officer of the Corporation at any time since the beginning of the Corporation's last completed financial year, no person who is a proposed nominee for election as a director of the Corporation and no associate or affiliate of any such director, senior officer or proposed nominee has any material interest, direct or indirect, in any matter to be acted upon at the Meeting other than the election of directors.

#### ***Record Date and Outstanding Shares***

The record date for determining persons entitled to receive notice of and vote at the Meeting is June 7, 2018 (the "Record Date"). Only persons who were registered Shareholders as of the close of business on the Record Date are entitled to vote at the Meeting, or any adjournment or postponement thereof, in the manner and subject to the procedures described in this Circular. A quorum of Shareholders is present at the Meeting irrespective of the number of persons actually present at the Meeting, if the holder or holders of 5% of the Common Shares entitled to vote at the Meeting are present in person or represented by proxy

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

The Corporation's authorized capital consists of an unlimited number of common shares without par value. As at the date hereof, the Corporation has **133,519,664** fully paid and non-assessable Common Shares issued and outstanding, with each Common Share carrying the right to one vote. The Corporation has no other classes of voting securities and does not have any classes of restricted securities. The outstanding Common Shares are listed for trading on the TSX Venture Exchange (the "TSX-V") under the symbol "CGLD".

To the knowledge of the directors and executive officers of the Corporation, and based on the information available on the System Available for Electronic Disclosure by Insiders ("**SEDI**") as at the date of this Information Circular, the only person(s) who, or corporations which, beneficially own, or control or direct, directly or indirectly, Common Shares carrying 10% or more of the voting rights attached to all outstanding shares of the Corporation are:

<b>Name</b>	<b>Number of Common Shares Beneficially Owned, Controlled or Directed</b>	<b>Percentage of Outstanding Common Shares</b>
Robert Washer	15,080,068 <sup>(1)(2)</sup>	11.3%

<sup>(1)</sup> 9,731,284 Common Shares held by Cinergy Capital Corp. and 5,348,784 Common Shares held by Valorium International Inc.

<sup>(2)</sup> Based on SEDI disclosure as at the date of this Information Circular

#### **VOTES NECESSARY TO PASS RESOLUTIONS**

A simple majority of affirmative votes cast at the Meeting is required to pass the ordinary resolutions described herein. If there are more nominees for election as directors or appointment of the Corporation's auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled all such nominees will be declared elected or appointed by acclamation.

## ELECTION OF DIRECTORS

At the Meeting, the Shareholders will be asked to pass an ordinary resolution to set the number of directors of the Corporation for the ensuing year at five (5). Such resolution will be approved if the majority of Common Shares present or represented by proxy at the Meeting and entitled to vote are voted in favour thereof. At the Meeting, the Corporation will ask Shareholders to vote for the election of the five (5) nominees proposed by the Corporation as directors. Each Shareholder will be entitled to cast their votes for, or withhold their votes from, the election of each director. The management proxyholders named in the accompanying form of proxy as proxyholders intend to vote "FOR" the ordinary resolution fixing the number of directors of the Corporation for the ensuing year at five (5) and "FOR" the election of all nominees whose names are set forth in this Circular, unless instructed otherwise.

### *Recommendation of the Board*

**The Board recommends that the Shareholders vote "FOR" the ordinary resolution fixing the number of directors of the Corporation for the ensuing year at five (5) and "FOR" its nominees for election as directors of the Corporation for the ensuing year.**



### *Majority Voting for Directors*


The board of directors of the Corporation (the "Board") has adopted a majority voting policy, which requires, at uncontested Shareholder meetings, that any nominee for director who has more votes withheld than are voted in favour of him or her shall submit his or her resignation to the Board, effective on the acceptance of the Board. The Board will promptly accept the resignation unless the Board determines that there are exceptional circumstances relating to the composition of the Board or the voting results or otherwise that should delay the acceptance of the resignation or justify rejecting it. In any event, the resignation shall be accepted, absent such exceptional circumstances, within 90 days of the Meeting.

### *Nominees*

The following table (and notes thereto) sets forth for each of the persons proposed to be nominated for election as directors their name, city, province/state and country of residence; their principal occupations or employment; a brief biographical description; the date on which they became directors of the Corporation; their independence; their memberships with the applicable committees of the Corporation; each nominees' attendance at Board meetings and applicable committee meetings.

In addition, the table shows the nominees' current equity ownership consisting of Common Shares beneficially owned, directly or indirectly, or controlled or directed, and options credited to, each nominee. For additional information regarding compensation, options, equity ownership, and current directorships, please refer to the "Statement of Executive Compensation, Director Compensation, Statement of Corporate Governance Practices and Other Directorships" section below. The following table also includes the attendance of each director at Board meetings and various committee meetings held during the financial year ended December 31, 2017.

Name of Director/Officer	Common Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed <sup>(1)</sup>	Number of Options Held <sup>(1)</sup>															
<b>Keith Piggott</b>																	
 Sonora, México Director since: September 2016 Non-Independent Member of the Board	12,201,465	2,500,000															
Principal Occupation for the Past Five Years: Keith Piggott is currently the President, Chief Executive Officer and a Director of the Corporation. Mr. Piggott is also currently the President, Chairman and Chief Executive Officer and a Director of Goldgroup Mining Inc. Mr. Piggott is the Legal Representative of Gramin S.A. de C.V. and Minera Secotec S.A. de C.V. Over the last 40 years, Mr. Piggott has started and operated numerous underground, open cut and beach sand mines in Zambia, Australia and Mexico. In addition to producing copper, cobalt, rutile, zircon, tungsten and tin at various times, he has spent the majority of his career producing gold and silver. He has undertaken exploration work in Australia, Papua New Guinea, Chile, the United States and various regions of Central America. He has experience in Mexico which has come through operating a number of gold mines in the region for nearly 10 years. He earned a Mining Engineering degree from the Camborne School of Mines in 1964 and completed the Executive Development Course at the London Business School in 1972.																	
<table border="1"> <thead> <tr> <th>Board/Committee Membership</th> <th>Attendance</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Board</td> <td>6 of 6</td> <td>100%</td> </tr> </tbody> </table>			Board/Committee Membership	Attendance	%	Board	6 of 6	100%									
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<table border="1"> <thead> <tr> <th>Number of Stock Options Granted</th> <th>Exercise Price</th> <th>Expiry</th> </tr> </thead> <tbody> <tr> <td>1,500,000</td> <td>\$0.23</td> <td>December 21, 2021</td> </tr> <tr> <td>1,000,000</td> <td>\$0.30</td> <td>February 27, 2023</td> </tr> </tbody> </table>			Number of Stock Options Granted	Exercise Price	Expiry	1,500,000	\$0.23	December 21, 2021	1,000,000	\$0.30	February 27, 2023						
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1,500,000	\$0.23	December 21, 2021															
1,000,000	\$0.30	February 27, 2023															
<b>Gregg J. Sedun</b>																	
 British Columbia, Canada Director since: September 2016 Independent Member of the Board Lead Director	194,730	1,075,000															
Principal Occupation for the Past Five Years: Gregg J. Sedun is President and CEO of Global Vision Capital Corp., a venture capital company based in Vancouver Canada. Prior to that, Mr. Sedun was a corporate finance lawyer until his retirement in 1997. Mr. Sedun was a Director of Goldgroup Mining Inc. from June 2010 to June 2017.																	
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<b>Mark H. Bailey</b>																	
Arizona, U.S.A. Director since: September 2003 Independent Member of the Board Member of the Audit Committee Member of the Special Committee	389,312	910,000															
Principal Occupation for the Past Five Years: Mr. Bailey holds a Master's degree in geology, is a registered professional geologist with over 41 years' experience, most recently in the role of President & CEO of TSX-listed Minefinders Corporation Ltd. from 1995 to its sale in 2012. While with Minefinders, he was responsible for the discovery and development of resources totaling more than 3 million ounces of gold and 165 million ounces of silver as well as the eventual sale of the company to Pan American Silver Corp. in 2012. Prior to his tenure with Minefinders, Mr. Bailey held senior positions with Equinox Resources Inc. and Exxon Minerals. He is presently a director of Entrée Gold, Fiore Gold and owner of M.H. Bailey & Associates LLC, a consulting Geologist company.																	
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Name of Director/Officer	Common Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed <sup>(1)</sup>	Number of Options Held <sup>(1)</sup>														
<b>Leonard Clough</b>																
	35,300 <sup>(1)</sup>	818,000														
British Columbia, Canada Director since: May 2011 Independent Member of the Board Member of the Audit Committee Member of the Special Committee	Principal Occupation for the Past Five Years. Mr. Clough is President of Toro Pacific Management Inc, a private investment company primarily focused on capital markets since 2013. From 2010 to 2016, Mr. Clough was the Investment Manager of an investment fund called The Tyee Growth Fund, Ltd. From 1998 to 2010, he was partner of Cooper & Clough Asset Management Group at RBC located in Vancouver. Mr. Clough received an undergraduate degree from the University of British Columbia.															
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<b>Note:</b> (1) Of the 35,300 Common Shares, 18,300 Common Shares are held by Leonard Clough RESP, and 17,000 Common Shares are held by Leonard Clough LIRA																
<b>Javier Reyes</b>																
	212,694	1,200,000														
Mexico City, Mexico Director since: September 2016 Independent Member of the Board Chairman Member of the Audit Committee	Principal Occupation for the Past Five Years: Mr. Reyes is the Founder (2004), President and Chief Executive Officer of Antares Capital Management Ltd., a Corporation that manages four hedge funds which are located in Tortola, British Virgin Islands. Mr. Reyes holds a Bachelor's Degree in Economics, Business Administration and also holds a Masters in Finance. Mr. Reyes currently holds various positions which include: Director of Goldgroup Mining Inc. since June 2013 and Director of Candelaria Mining Corp. since March 2016. He began his professional and financial services career in 1996 at a well-known brokerage firm in Mexico City. In 2001, he founded a financial consultancy Corporation, where he became the CEO. Mr. Reyes is the founder, President and Chief Executive Officer of the Antares Capital Management and Cygnus Asset Management, and manages 3 hedge funds: Antares Capital Fund, Antares Oil & Gas Fund and Cygnus Real Estate Opportunity Fund. Mr. Reyes currently holds the following positions: President of CrediPresto, S.A. de C.V. ENR. (since 2007) and President of Mex e Trade Asesores, S.C. (since 2004). Mr. Reyes has also held the following positions: Chief Executive Office of Mex e Trade On Line, S.C. (2001-2003); Financial Manager of Fabrica de Calzado Liz Ardel, S.A. (1998-2000); and Financial Advisor of Estrategia Bursatil, S.A. (1995-1997).															
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<b>Note:</b> (1) Of the 212,694 Common Shares, 18,300 Common Shares are held by Leonard Clough RESP, and 17,000 Common Shares are held by Leonard Clough LIRA																

**Notes:**

- The number of Common Shares beneficially owned, controlled or directed, directly or indirectly, by the above directors and officers is based on information furnished by the directors and officers themselves and from the insider reports available at [www.sedi.ca](http://www.sedi.ca).
- As of June 7, 2018, the proposed directors and officers of the Corporation, five (5) in the aggregate, beneficially owned, controlled or directed, directly or indirectly, an aggregate of 13,033,501 Common Shares (excluding stock options granted) or approximately 9.76% of the Common Shares issued and outstanding.
- The Corporation's Audit Committee meets at least annually or more frequently as circumstances dictates. The Audit Committee was comprised of Javier Reyes (Chairman), Leonard Clough and Mark H. Bailey for the year ended December 31, 2017.
- The Special Committee was established during the first quarter of 2016. The Special Committee was established to consider strategic alternatives available to the Corporation with a view to enhancing shareholder value. Strategic alternatives may include, but are not limited to, the sale of the Corporation, merger or other business combination, recapitalization, sale of all or a portion of the Corporation's assets, or any combination thereof, or continued execution of its business plan, among all other alternatives. The Special Committee was suspended in 2016. The Special Committee did not meet during the year ended December 31, 2017.

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

To the knowledge of the Corporation, no director or executive officer of the Corporation:

- (a) is, as at the date of this Information Circular, or was within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation), that:
  - (i) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or
  - (ii) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

For the purposes of subsection (a), "order" means:

- (i) a cease trade order;
- (ii) an order similar to a cease trade order; or
- (iii) an order that denied the relevant Corporation access to any exemption under securities legislation, that was in effect for more than 30 consecutive days.

Except as disclosed herein, to the knowledge of the Corporation, no director or executive officer of the Corporation, or a Shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation

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

### ***Conflicts of Interest***

The directors are required by law to act honestly and in good faith with a view to the best interests of the Corporation and to disclose any interests that they may have in any project or opportunity of the Corporation. If a conflict of interest arises at a meeting of the Board, any director in a conflict will disclose his interest and abstain from voting on such matter.

To the best of the Corporation's knowledge, and other than disclosed herein, there are no known existing or potential conflicts of interest among the Corporation, its promoters, directors and officers or other members of management of the Corporation or of any proposed promoter, director, officer or other member of management as a result of their outside business interests, except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Corporation and their duties as a director or officer of such other companies. All related party transactions during each reporting period are detailed in the Corporation's Management Discussion & Analysis for the financial year ended December 31, 2017.

## **AUDIT COMMITTEE**

### ***Audit Committee Charter***

The complete text of the Audit Committee Charter is contained in the Corporation's Annual Information Form, which can be found on SEDAR at [www.sedar.com](http://www.sedar.com) or for a summary, please refer to the "Statement of Corporate Governance Practices" section below.

The following table (and notes thereto) sets out the names of the Audit Committee members and their relevant experience and qualifications:

Audit Committee Member	Relevant Experience and Qualifications <sup>(1) (2)</sup>
<b>Javier Reyes</b> Independent Member of the Board Financially Literate	Mr. Reyes became a director of Core in September 2016. Mr. Reyes is the Founder (2004), President and Chief Executive Officer of Antares Capital Management Ltd., a company that manages four hedge funds which are located in Tortola, British Virgin Islands. Mr. Reyes holds a Bachelor's Degree in Economics and Business Administration and also holds a Masters in Finance. He began his professional and financial services career in 1996 at a well-known brokerage firm in Mexico City. In 2001, he founded a financial consultancy company, where he became the CEO. Mr. Reyes is the founder, President and Chief Executive Officer of the Antares Capital Management and Cygnus Asset Management, and manages 3 hedge funds: Antares Capital Fund, Antares Oil & Gas Fund and Cygnus Real Estate Opportunity Fund. Mr. Reyes currently holds the following positions: President of Credipresto, S.A. de C.V. ENR. (since 2007) and President of Mex e Trade Asesores, S.C. (since 2004). Mr. Reyes has also held the following positions: Chief Executive Office of Mex e Trade On Line, S.C. (2001-2003); Financial Manager of Fabrica de Calzado Liz Ardel, S.A. (1998-2000); and Financial Advisor of Estrategia Bursatil, S.A. (1995-1997).
<b>Leonard Clough</b> Independent Member of the Board Financially Literate	Mr. Clough became a director of Core in May 2011. Mr. Clough is President of Toro Pacific Management Inc, a private investment company primarily focused on capital markets since 2013. From 2010 to 2016, Mr. Clough was the Investment Manager of an investment fund called The Tyee Growth Fund, Ltd. From 1998 to 2010, he was partner of Cooper & Clough Asset Management Group at RBC located in Vancouver. Mr. Clough received an undergraduate degree from the University of British Columbia.
<b>Mark H. Bailey</b> Independent Member of the Board Financially Literate	Mr. Bailey became a director of Core in September 2003. Mr. Bailey holds a Master's degree in geology, is a registered professional geologist with over 39 years' experience, most recently in the role of President & CEO of TSX-listed Minefinders Corporation Ltd. from 1995 to its sale in 2012. While with Minefinders, he was responsible for the discovery and development of resources totaling more than 3 million ounces of gold and 165 million ounces of silver as well as the eventual sale of the company to Pan American Silver Corp. in 2012. Prior to his tenure with Minefinders, Mr. Bailey held senior positions with Equinox Resources Inc. and Exxon Minerals. He is presently a director of Entree Gold and Northern Lion and owner of M.H. Bailey & Associates LLC, a consulting Geologist company.

**Notes:**

- 1) A member of the Audit Committee is considered independent if the member has no direct or indirect material relationship with the Corporation, which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.
- 2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

***Audit Committee Oversight***

At no time since the commencement of the Corporation's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

**STATEMENT OF EXECUTIVE COMPENSATION**

***Named Executive Officers***

Pursuant to applicable securities legislation, the Corporation is required to provide a summary of all annual and long-term compensation for services in all capacities to the Corporation and its subsidiaries for the most recently completed financial year in respect of the Corporation's chief executive officer ("CEO"), its chief financial officer (the "CFO") and the other three most highly compensated executive officers of the Corporation whose individual total compensation for the most recently completed financial year exceeded \$150,000, and any individual who would have satisfied these criteria but for the fact that the individual was neither serving as an executive officer, nor was acting in a similar capacity at the end of the most recently completed financial year (the "Named Executive Officers" or "NEOs").

During the year ended December 31, 2017, the most recently completed financial year of the Corporation, the Corporation had the following two (2) Named Executive Officers: (i) Keith Piggott, President and Chief Executive Officer; and ii) Sam Wong, Chief Financial Officer and Corporate Secretary.

## *Compensation Discussion and Analysis*

The Corporation does not have a compensation committee. Instead, the entire Board determines the compensation of NEOs. Mr. Piggott did not participate in discussions or decisions relating to their own compensation. The Board has no formal compensation policy. The Board meets periodically to discuss and determine executive compensation without reference to formal objectives, criteria or analysis. NEO compensation is designed in a manner to reward individual and Corporation performance, to be competitive with the compensation arrangements and programs established by other mining companies with which the Corporation compares itself and to be consistent with the NEO's respective contributions to the overall benefit of the Corporation. In establishing compensation packages for NEOs, the Board seeks to:

1. compensate management in a manner that encourages and rewards a high level of performance and outstanding results, with a view to increasing long-term Shareholder value;
2. motivate management to work towards achieving important corporate objectives and reward them when such objectives are met;
3. recruit and subsequently retain highly qualified management by offering overall compensation which is competitive with that offered for comparable positions in other mining companies;
4. align the interests of management with the long-term interests of Shareholders through participation in the Corporation's stock option plan (the "Stock Option Plan"); and
5. ensure that the compensation package is designed in a manner that takes into account the constraints that the Corporation is under by virtue of the fact that it is an early stage mineral development Corporation without a significant history of earnings.

Currently, the Corporation's compensation package for NEOs consists of the following principal components: (i) base salary remuneration; (ii) annual incentive cash bonuses; and (iii) long-term incentives in the form of stock options. Base remuneration is used to retain the services of the NEOs for the year, with the expectation that each NEO will perform his responsibilities to the best of his ability and in the best interests of the Corporation. Please refer to the "Summary Compensation Table".

The granting of incentive stock options provides a link between executive compensation and the Common Share price. It is designed to reward management for achieving results that improve the Corporation's performance and thereby increase Shareholder value. A discretionary cash bonus may be awarded to reward extraordinary performance that has led to the Corporation achieving important corporate objectives, including strategic corporate transactions, property acquisitions or divestitures, the formation of new strategic or joint venture relationships and capital raising efforts.

The appropriate range for executive compensation is established using a combination of factors, including a comparative review of information provided to the Corporation by recruitment agencies and auditors, as well as historical compensation. In the course of deciding the appropriate levels of executive compensation for the financial year ended December 31, 2017, the Board reviewed the compensation paid to executive officers of eleven other mining companies of a similar size and at a similar stage of development to the Corporation's. The comparator companies were: (i) Alio Gold Inc.; (ii) Equinox Gold Corp.; (iii) Great Panther Silver Ltd.; (iv) Jaguar Mining Inc.; (v) Mandalay Resources Corp.; (vi) Platinum Group Metals Ltd.; (vii) Red Eagle Mining; (viii) Sierra Metals Inc.; (ix) Starcore International Mines Ltd.; (x) Teranga Gold Corp.; and (xi) Trevali Mining Corp. The companies included for comparison were selected on the basis of their location of operations (several of the companies operate in South America) and/or the nature of their operations.

At the end of each financial year, the Board reviews individual performance as well as actual Corporation performance against Corporation objectives for the financial year. The assessment of whether the objectives for 2017 were met included, but was not limited to, considering the quality and progress of the Corporation's development of the Dynasty Goldfield Project and Zaruma Gold Project, other exploration and development projects, advancements in negotiating and settling production arrangements with the Ecuadorian Government for the Dynasty Goldfield Project and Zaruma Gold Project, maintaining titles to the Corporation's concessions given the changes introduced during the transition to a new mining legislative regime in Ecuador and evaluating and pursuing potential strategic transactions. The Board with Mr. Piggott not participating in the decision relating to their own compensation, decided that base remuneration for the 2017 financial year should remain relatively consistent with that of the previous two financial years.

The Board also decided that no cash bonuses should be provided to NEOs for the financial year ended December 31, 2017. The basis for this decision was the importance of conserving cash during a period in which the Corporation is experiencing financial constraints.



## Risk Management

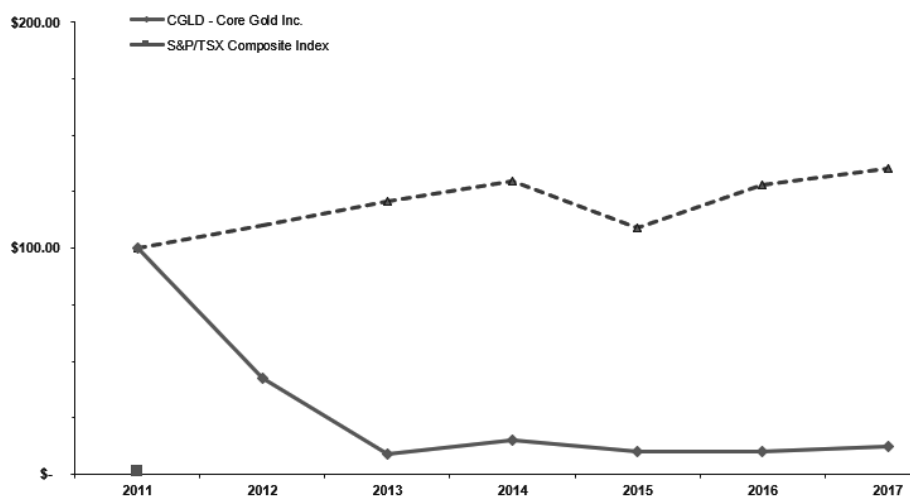
The Board considers the implications of the risks associated with the Corporation's compensation policies and practices. The Board considers the balance between the long-term objectives and short-term financial goals incorporated into the Corporation's executive compensation program and whether its executive officers are potentially encouraged to expose the Corporation to inappropriate or excessive risks. Due to the small size of the Corporation, the Board is able to closely monitor and consider any risks which may be associated with the Corporation's compensation policies and practices. Risks, if any, may be identified and mitigated through regular Board meetings during which financial and other information about the Corporation is reviewed.

## Financial Instruments

NEOs are not restricted from purchasing financial instruments (including, without limitation, prepaid variable forward contracts, equity swaps, collars or units of exchange funds) designed to hedge or offset a decrease in the market value of equity securities granted as compensation or held, directly or indirectly, by the NEO.

## Performance Graph

During the financial year ended December 31, 2017, the Common Shares traded on the Toronto Stock Exchange (the "TSX") under the symbol "DMM". At the close of trading on April 26, 2017, the Common Shares were delisted from the TSX, and effective at the opening of trading on April 27, 2017, the Common Shares commenced trading on the TSX-V under the symbol "CGLD". The following chart (and note thereto) compares the cumulative shareholder return on a CDN\$100 investment in the Common Shares to the cumulative shareholder return on a CDN\$100 investment in the S&P/TSX Composite Index for the six-year period ended December 31, 2017 (assuming the reinvestment of dividends). The performance of the Common Shares as set out in the graph below does not necessarily indicate future price performance.



## Comparison of Cumulative Total Return <sup>(1)</sup>

As at December 31	2011	2012	2013	2014	2015	2016	2017
<b>CGLD</b>	CDN\$100	CDN\$82	CDN\$41	CDN\$37	CDN\$10	CDN\$10	CDN\$12
<b>S&amp;P/TSX COMPOSITE INDEX</b>	CDN\$100	CDN\$104	CDN\$114	CDN\$122	CDN\$109	CDN\$128	CDN\$135

### Note:

(1) Assuming an investment of CDN\$100 on December 31, 2011.

## Summary Compensation Table

The following table (and notes thereto) is a summary of compensation paid to the Named Executive Officers for the three most recently completed financial years ended December 31.

Name and Principal Position	Year	Salary (CDNS)	Share-based awards (CDNS)	Option-based awards <sup>(1)</sup> (CDNS)	Non-equity incentive plan compensation (USDS)		Pension value (CDNS)	All other compensation (CDNS)	Total compensation (CDNS)
					Annual Incentive Plans	Long-term incentive plans			
Keith Piggott <sup>(2)</sup> President and CEO	2017	345,500	Nil	Nil	Nil	N/A	N/A	Nil	345,500
	2016	Nil	Nil	210,000	Nil	N/A	N/A	Nil	210,000
	2015	Nil	Nil	Nil	Nil	N/A	N/A	Nil	Nil
Sam Wong <sup>(3)</sup> CFO	2017	300,000	Nil	Nil	Nil	N/A	N/A	Nil	300,000
	2016	Nil	Nil	42,000	Nil	N/A	N/A	Nil	42,000
	2015	Nil	Nil	Nil	Nil	N/A	N/A	Nil	Nil
Robert Washer <sup>(4)</sup> Former President and CEO	2017	Nil	Nil	Nil	Nil	N/A	N/A	Nil	Nil
	2016	Nil	Nil	56,000	Nil	N/A	N/A	414,473 <sup>(5)</sup>	470,473
	2015	Nil	Nil	Nil	Nil	N/A	N/A	538,461 <sup>(5)</sup>	538,461
Nicholas Ferber <sup>(6)</sup> Former CFO and Corporate Secretary	2017	Nil	Nil	Nil	Nil	N/A	N/A	Nil	Nil
	2016	37,000 <sup>(7)</sup>	Nil	Nil	Nil	N/A	N/A	Nil	37,000
	2015	175,000 <sup>(7)</sup>	Nil	Nil	Nil	N/A	N/A	Nil	175,000
Ruben Felibert <sup>(8)</sup> Former Interim CFO, CFO and Corporate Secretary	2017	Nil	Nil	Nil	Nil	N/A	N/A	Nil	Nil
	2016	59,127	Nil	Nil	Nil	N/A	N/A	Nil	59,127
	2015	Nil	Nil	Nil	Nil	N/A	N/A	Nil	Nil
Hernán Moreno <sup>(9)</sup> Former Interim CFO	2017	Nil	Nil	Nil	Nil	N/A	N/A	Nil	Nil
	2016	Nil	Nil	Nil	Nil	N/A	N/A	Nil	Nil
	2015	Nil	Nil	Nil	Nil	N/A	N/A	Nil	Nil

### Notes:

- 1) The "grant date fair value" has been determined by using the Black-Scholes-Merton model. All options were granted with an exercise price equal to the market price of the Common Shares on the date of grant. Accordingly, the values shown for these options are not in-the-money value at the time of grant, but the theoretical value of the options at that time based on the Black-Scholes-Merton option pricing formula and converted into United States dollars using the exchange rate in effect at the time of the grant. Key assumptions and estimates used in the model include an expected option life of between three to five years, a discount rate based on average yields of two-year and three-year Government of Canada benchmark bonds and a volatility ranging from 53% to 85% based on historical volatility of the stock price of the Corporation for the three to five-year period immediately preceding the grant date. Please refer to the "Outstanding Option-Based and Share-Based Awards" table below for the in-the-money value of such options as at December 31, 2017.
- 2) Mr. Piggott was appointed as President and CEO of the Corporation effective September 9, 2016.
- 3) Mr. Wong as appointed as CFO of the Corporation effective September 9, 2016.
- 4) Mr. Washer resigned as President and CEO of the Corporation effective September 9, 2016.
- 5) Consulting fee paid to Minera. The Corporation and its wholly-owned subsidiary Elipe S.A. ("Elipe") entered into a consulting agreement dated January 1, 2004 with Mr. Washer, the former President and CEO of the Corporation and a current director of the Corporation and Minera. Minera is a private Ecuadorian company managed by Mr. Washer. Pursuant to the agreement: (i) Minera was engaged to provide the duties and responsibilities normally performed by a president and chief executive officer of a Canadian public company, to provide the duties and responsibilities normally performed by the general manager of a private Ecuadorian exploration company and to provide management and administrative consulting services to the Corporation and Elipe; and (ii) Mr. Washer is to hold the offices of President and CEO of the Corporation, President of Empire Sun Investments Limited ("Empire Sun"), another wholly-owned subsidiary of the Corporation, and General Manager of Elipe, as well as serve as a director of the Corporation and of Empire Sun, if so appointed or elected. The agreement had an initial term of three years and is automatically renewable at the end of such term, unless earlier terminated. Any party may terminate the agreement by providing the other parties with 90 days' prior written notice. During the financial year ended December 31, 2013, the Corporation and its subsidiaries and affiliates paid Minera a management fee equal to USD\$35,000 per month. The agreement was terminated as of September 2016.
- 6) Mr. Furber resigned as CFO and Corporate Secretary effective March 14, 2016.
- 7) The Corporation paid a salary of CDN\$175,000 per annum for the financial years ended December 31, 2017 (prorated), 2015 and 2014 to Nicholas Furber for his role as CFO and Corporate Secretary.
- 8) Mr. Gellibert was appointed as Interim CFO and Corporate Secretary of the Corporation on March 14, 2016 and was appointed as CFO of the Corporation on May 13, 2016. Mr. Gellibert resigned as CFO and Corporate Secretary effective July 8, 2016.
- 9) Mr. Moreno was appointed as Interim CFO of the Corporation effective August 23, 2016. Mr. Moreno resigned as Interim CFO effective September 9, 2016.

## ***Incentive Plan Awards***

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

The following table (and notes thereto) sets out the number and value of incentive stock options (option-based awards) held by each NEO as of December 31, 2017. The closing price of the Common Shares trading on the TSX-V on December 31, 2017 was CDN\$0.265. There were no share-based awards outstanding as of December 31, 2017.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (CDN\$)	Option expiration date	Value of unexercised in-the-money options (CDN\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (CDN\$)	Market or payout value of vested share-based awards not paid out or distributed (CDN\$)
Keith Piggott	1,500,000 <sup>(1)</sup>	0.23	December 7, 2021	\$52,500	N/A	N/A	N/A
Sam Wong	300,000 <sup>(1)</sup>	0.23	December 7, 2021	\$10,500	N/A	N/A	N/A

#### **Notes:**

(1) The reported stock options vest and are exercisable as follows: (i) 25% on the date of grant; and (ii) 25% every 6 months from date of grant.

### Incentive Plan Awards - Value Vested or Earned During the Year

The following table (and notes thereto) sets out information concerning the value of incentive plan awards, including option-based and non-equity incentive plan compensation, vested or earned during the financial year ended December 31, 2017 for each NEO:

Name	Option-based awards – Value vested during the year (CDN\$)	Share-based awards – Value vested during the year (CDN\$)	Non-equity incentive plan compensation – Value earned during the year (CDN\$)
Keith Piggott	\$118,200	N/A	Nil
Sam Wong	\$23,640	N/A	Nil

## ***Pension Plan Benefits***

The Corporation does not have any pension, retirement, defined benefit, defined contribution or actuarial plans.

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

The Stock Option Plan provides that if a Change of Control (as defined below) occurs, all outstanding unvested options will become vested and exercisable in whole or in part by an optionee.

The Corporation has no compensatory plan or arrangement with respect to any NEO to compensate such NEO in the event of the resignation, retirement or any other termination of employment, a Change of Control of the Corporation or any of its subsidiaries or in the event of a change in responsibilities following a Change of Control.

A "Change of Control" is defined in the Stock Option Plan as the acquisition by any person or by any person and all Joint Actors, as defined below, whether directly or indirectly, of voting securities (as defined in the *Securities Act* (British Columbia)) of the Corporation, which, when added to all other voting securities of the Corporation at the time held by such person or by such person and a Joint Actor, totals for the first time not less than fifty percent (50%) of the outstanding voting securities of the Corporation or the votes attached to those securities are sufficient, if exercised, to elect a majority of the Board. A "Joint Actor" means a person acting "jointly or in concert with" another person as that phrase is interpreted in section 1.9 of Multilateral Instrument 62-104 - *Take-over Bids and Issuer Bids*.

## Director Compensation

Non-executive directors are not compensated for their services, except through the granting of incentive stock options which are provided in lieu of Board and committee meeting attendance fees. The granting of incentive stock options provides a link between director compensation and the Common Share price. Stock options are generally awarded to directors when they are first elected by Shareholders or appointed by the Board and periodically thereafter. In making a determination as to whether a grant of long-term incentive stock options is appropriate, and if so, the number of options that should be granted, the Board as a whole gives consideration to: (i) the number and terms of outstanding incentive stock options held by the director; (ii) current and expected future contributions of the director; (iii) the potential dilution to Shareholders and the cost to the Corporation; (iv) general industry standards; and (v) the limits imposed by the terms of the Stock Option Plan. The Corporation currently considers the granting of incentive stock options to be the best method of compensating directors as it allows the Corporation to reward each director's efforts to increase value for Shareholders without requiring the Corporation to use cash from its treasury.

The following table (and notes thereto) sets out the compensation paid or payable to each non-executive directors of the Corporation for the financial year ended December 31, 2017. Disclosure for Mr. Piggott as a Director and a NEO is provided in the "Summary Compensation" table for NEOs above.

Name	Fees earned	Share-based awards	Option-based awards (CDNS)	Non-equity incentive plan compensation	Pension Value	All other compensation	Total (CDNS)
Mark H. Bailey	\$22,150	N/A	N/A	N/A	N/A	Nil	\$22,150
Leonard Clough	\$22,150	N/A	N/A	N/A	N/A	Nil	\$22,150
Gregg J. Sedun	\$29,850	N/A	N/A	N/A	N/A	Nil	\$29,850
Javier Reyes	\$22,150	N/A	N/A	N/A	N/A	Nil	\$22,150

## Director Outstanding Option-based Awards

To encourage directors of the Corporation to align their interests with Shareholders, directors are granted incentive stock options pursuant to the Stock Option Plan from time to time. The closing price of the Common Shares trading on the TSX-V on December 31, 2017 was CDN\$0.265. The following table (and notes thereto) sets out outstanding option-based awards and share-based awards for each non-executive directors of the Corporation for the financial year ended December 31, 2017. Disclosure for Mr. Piggott, who is a director as well as a NEO, is provided in the "Outstanding Option-based and Share-based Awards" table for NEOs above. There were no share-based awards outstanding as of December 31, 2017.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (CDNS)	Option expiration date	Value of unexercised in-the-money options (CDNS)	Number of shares or units of shares that have not vested	Market or payout value of share-based awards that have not vested	Market or payout value of vested share-based awards not paid out or distributed
Mark H. Bailey	350,000 <sup>(1)</sup>	0.23	December 7, 2021	\$12,250	N/A	N/A	N/A
	125,000	0.64	July 16, 2018	Nil	N/A	N/A	N/A
	210,000	0.92	November 21, 2019	Nil	N/A	N/A	N/A
Leonard Clough	350,000 <sup>(1)</sup>	0.23	December 7, 2021	\$12,250	N/A	N/A	N/A
	125,000	0.64	July 16, 2018	Nil	N/A	N/A	N/A
	143,000	0.92	November 21, 2019	Nil	N/A	N/A	N/A
Gregg Sedun	750,000 <sup>(1)</sup>	0.23	December 7, 2021	\$26,250	N/A	N/A	N/A
Javier Reyes	750,000 <sup>(1)</sup>	0.23	December 7, 2021	\$26,250	N/A	N/A	N/A

### Notes:

- (2) The reported stock options vest and are exercisable as follows: (i) 25% on the date of grant; and (ii) 25% every 6 months from date of grant.

### Director Value Vested or Earned During the Year

The following table (and notes thereto) sets out for each non-executive director of the Corporation information concerning the value of incentive plan awards, including option-based and non-equity incentive plan compensation, vested or earned during the financial year ended December 31, 2017. Disclosure for Mr. Piggott who is a director as well as a NEO, is provided in the "Incentive Plan Awards – Value Vested or Earned During the Year" table for NEOs above.

Name	Option-based awards – Value vested during the year (CDNS)	Share-based awards – Value vested during the year (CDNS)	Non-equity incentive plan compensation – Value earned during the year (CDNS)
Mark H. Bailey	\$27,580	N/A	Nil
Leonard Clough	\$27,580	N/A	Nil
Gregg Sedun	\$59,100	N/A	Nil
Javier Reyes	\$59,100	N/A	Nil

### *Retirement Policy for Directors*

The Corporation does not have a retirement policy for its directors.

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

The Corporation has purchased, for the benefit of the Corporation, its subsidiaries and their directors and officers, insurance against liability incurred by the directors or officers in their capacity as directors or officers of the Corporation or its subsidiaries (the "**Directors' and Officers' Liability Insurance**"). The Directors' and Officers' Liability Insurance has been paid for the period of June 2018 to June 2019 and the following is a summary of the premiums paid:

For the Period	Coverage	Premium Per Year	total amount of insurance (subject to Policy deductibles)
June 2018 to June 2019	Director/Officer Liability Insurance	CAD\$35,000	\$10,000,000 Per Claim Limit & Policy Period

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

The Corporation's current stock option plan (the "**Current Plan**") permits the Corporation to grant incentive stock options up to 10% of the issued and outstanding Common Shares to its directors, officers, employees and consultants of the Corporation or its subsidiaries. The Current Plan was approved by shareholders of the Corporation on August 17, 2017.

The following table sets forth as at the year ended December 31, 2017 the number of securities authorized for issuance under the Current Plan.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plan (excluding securities reflected in the first column)
Equity compensation plans approved by security holders	8,428,000	\$0.39	2,985,600
Equity compensation plans not approved by security holders	Nil	Nil	Nil
<b>Total</b>	<b>8,428,000</b>	<b>\$0.39</b>	<b>2,985,600</b>

#### Notes:

As at December 31, 2017, there were 8,428,000 options issued and outstanding under the Stock Option Plan, representing 7.38% of the Corporation's issued and outstanding Common Shares (as of December 31, 2017).

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

### *Aggregate Indebtedness*

The following table sets out the aggregate indebtedness outstanding as of the date of this Circular of all current and former executive officers, directors and employees of the Corporation or its subsidiaries.

Purpose	To the Corporation or its Subsidiaries	To Another Entity
Share purchases	Nil	Nil
Other	Nil	Nil

### *Indebtedness of Directors and Executive Officers under Securities Purchase and Other Programs*

The following table sets out the indebtedness of each individual who is, or at any time during the most recently completed financial year was, a director or executive officer of the Corporation, each proposed director, and each associate of such persons, (a) who is, or at any time since the beginning of the most recently completed financial year has been, indebted to the Corporation or any of its subsidiaries, or (b) whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries:

Name and Principal Position	Involvement of Corporation or Subsidiary	Largest Amount Outstanding During Year Ended December 31, 2017 (\$)	Amount Outstanding as at June 7, 2018 (\$)	Financially Assisted Securities Purchases During Year Ended December 31, 2017 (#)	Security for Indebtedness	Amount Forgiven During Year Ended December 31, 2017 (\$)
<b>Securities Purchase Programs</b>						
N/A	N/A	Nil	Nil	Nil	Nil	Nil
<b>Other Programs</b>						
N/A	N/A	Nil	Nil	Nil	Nil	Nil

## INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

For the purposes of this Circular, "informed person" means:

- (a) a director or executive officer of the Corporation;
- (b) a director or executive officer of a person or Corporation that is itself an informed person or subsidiary of the Corporation;
- (c) any person or Corporation who beneficially owns, or controls or directs, directly or indirectly, voting securities of the Corporation, or a combination of both, carrying more than 10% of the voting rights attached to all outstanding voting securities of the Corporation, other than voting securities held by the person or Corporation as underwriter in the course of a distribution; and
- (d) the Corporation if it has purchased, redeemed or otherwise acquired any of its own securities, for so long as it holds any of its securities.

Except as set forth hereafter, no informed person of the Corporation, any proposed director, or any of their associates or affiliates, has any material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

Other than as described below, in the three most recently completed financial years or the current financial year, no director, officer, insider or associate or affiliate of any director, officer or insider of the Corporation had or is expected to have any material interest, direct or indirect in any transactions with the Corporation that materially affected or would materially affect the Corporation. All related party transactions are detailed in the Corporation's Management Discussion & Analysis for the financial year ended December 31, 2017.

Please note that transactions are translated at applicable average exchange rates, but monetary assets and liabilities are translated at appropriate period end exchange rates. Accordingly, while balance continuity can be reconciled in the original currency differences will arise due to translation in the amounts reported in US dollars.

### **Transactions with related parties during the years ended December 31, 2017, 2015 and 2014**

As at December 31, 2017, trade and other accounts payable include \$548,000 (2016 – \$315,000; 2015 - \$221,000) owing to a director and/or officer and/or companies controlled by the directors.

Amounts owing to or from related parties are non-interest bearing, unsecured and due on demand. Transactions with related parties for goods and services are made on normal commercial terms.

All of the above transactions with related parties are measured at the exchange amounts, which are the amounts of consideration established and agreed to by the related parties. Unless specifically noted as being included in "Due to related party" or "Loans payable", all liabilities to related parties are included in "Accounts payable and accrued liabilities".

### **MANAGEMENT CONTRACTS**

For a description of the management contract between the Corporation, Elipe, Mr. Washer and Minera, please see "Executive Compensation – Summary Compensation Table" above. Minera's office address is 9<sup>th</sup> Floor, Av. Amazonas 4080 y Union Nacional de Periodistas, Quito, Ecuador.

Except as stated above, management functions of the Corporation are substantially performed by employees of the Corporation and not, to any substantial degree, by any other person with whom the Corporation has contracted.

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

The Board of the Corporation, as a whole, is responsible for reviewing the overall governance principles of the Corporation and is responsible for any governance issues that may arise. National Instrument 58-101 - *Disclosure of Corporate Governance Practices* requires each reporting issuer to disclose its corporate governance practices on an annual basis. The following describes the Corporation's corporate governance practices.

<b>Corporate Governance Disclosure Requirement</b>	<b>Comments</b>
<b>1. Board of Directors</b>	
(a) Disclose the identity of directors who are independent.	As of the date of this Circular, the independent directors of the Corporation are Messrs. Bailey, Clough, Reyes and Sedun.
(b) Disclose the identity of directors who are not independent and describe the basis for that determination.	Keith Piggott is not independent as he is currently the Corporation's President and CEO.  Keith Piggott has a material relationship with the Corporation. A material relationship is defined in National Instrument 52-110 – <i>Audit Committees</i> to mean any relationship, which could in the view of the board, or reasonably expected to interfere with the exercise of his or her independent judgment.
(c) Disclose whether or not a majority of directors are independent. If a majority of directors are not independent, describe what the Board does to facilitate its exercise of independent judgment in carrying out its responsibilities.	As of the date of this Circular a majority of the directors of the Corporation are considered independent. One of the six directors is not independent.
(d) If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.	Directorships of the directors of the Corporation are set out in this Circular in the table under the heading <i>Election of Directors and Other Directorships</i> .
(e) Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year. If the independent directors do not hold such meetings, describe what the board does to facilitate open and candid discussion among its independent directors.	The current independent directors do not hold such meetings. To facilitate open and candid discussions among its independent directors, the independent members meet via ad-hoc meetings as required.

Corporate Governance Disclosure Requirement	Comments
<b>1. Board of Directors (continued)</b>	
(f) Disclose whether or not the chair of the board is an independent director. If the board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the board has neither a chair that is independent nor a lead director that is independent, describe what the board does to provide leadership for its independent directors.	The Chairman, Keith Piggott is not an independent director. Gregg J. Sedun currently serves as the Corporation's Lead Director.
(g) Disclose the attendance record of each director for all board meetings held since the beginning of the issuer's most recently completed financial year.	The attendance of each director for all board and committee meetings between January 1, 2017 to December 31, 2017 is set out in the table under the heading "Attendance of Directors at Board and Committee Meetings"
<b>2. Board Mandate</b>	
Disclose the text of the board's written mandate. If the board does not have a written mandate, describe how the board delineates its role and responsibilities	<p>The Board does not have a written mandate. However, it is required to supervise the management of the business and affairs of the Corporation and to act with a view to the best interests of the Corporation. The Board actively oversees the development, adoption and implementation of the Corporation's strategies and plans. The Board's responsibilities include:</p> <ul style="list-style-type: none"> <li>• to the extent feasible, satisfying itself as to the integrity of the CEO and other executive officers and that the executive officers create a culture of integrity throughout the Corporation,</li> <li>• the Corporation's strategic planning process,</li> <li>• the identification of the principal risks of the Corporation's business and ensuring the implementation of appropriate systems to manage risk,</li> <li>• the Corporation's succession planning, including appointing, training and monitoring senior management,</li> <li>• the Corporation's major business development initiatives,</li> <li>• the integrity of the Corporation's internal control and management information systems,</li> <li>• the Corporation's policies for communicating with shareholders and others, and</li> <li>• the general review of the Corporation's results of operations.</li> </ul> <p>The Board considers that certain decisions are sufficiently important that management should seek prior approval of the Board. Such decisions include:</p> <ul style="list-style-type: none"> <li>• approval of the annual capital budget and any material changes to the operating budget,</li> <li>• approval of the Corporation's business plan,</li> <li>• acquisition of, or investments in, new business,</li> <li>• changes in the nature of the Corporation's business,</li> <li>• changes in senior management, and</li> <li>• all matters as required under the <i>Business Corporations Act</i> (Yukon).</li> </ul>
<b>3. Position Descriptions</b>	
(a) Disclose whether or not the board has developed written position descriptions for the chair and the chair of each board committee. If the board has not developed written position descriptions for the chair and/or the chair of each board committee, briefly describe how the board delineates the role and responsibilities of each such position.	The Board does not have written position descriptions for the chairman of the Board or the chairman of the Audit Committee. The Board is currently of the view that the respective corporate governance roles of the Board and the Audit Committee are clear and that the limits to management's responsibility and authority are well-defined.



Corporate Governance Disclosure Requirement	Comments
<b>3. Position Descriptions (continued)</b>	
(b) Disclose whether or not the board and CEO have developed a written position description for the CEO. If the board and CEO have not developed such a position description, briefly describe how the board delineates the role and responsibilities of the CEO.	The Board does not have a written position description for the CEO but considers the CEO to be primarily responsible for carrying out all strategic plans and policies as established by the Board. The CEO reports to the Board and advises and makes recommendations to the Board. The CEO facilitates communication between the Board and other members of management and employees, and between the Corporation and its shareholders.
<b>4. Orientation and Continuing Education</b>	
(a) Briefly describe what measures the board takes to orient new directors regarding (i) the role of the board, its committees and its directors, and (ii) the nature and operation of the issuer's business.	Board turnover is relatively rare. As a result, the Board provides <i>ad hoc</i> orientation for new directors.  On occasions where it is considered advisable, the Board will provide directors with information regarding topics of general interest, such as fiduciary duties and continuous disclosure obligations. The Board also ensures that each director is up-to-date with current information regarding the business of the Corporation, the role the director is expected to fulfil and basic procedures and operations of the Board. Board members are also given access to management and other employees and advisors, who can answer any questions that may arise
(b) Briefly describe what measures, if any, the board takes to provide continuing education for its directors. If the board does not provide continuing education, describe how the board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.	Refer to 4(a) above.
<b>5. Ethical Business Conduct</b>	
(a) Disclose whether or not the board has adopted a written code for the directors, officers and employees. If the board has adopted a written code:	The Board has not adopted a written code of conduct for its directors, officers and employees. If a director is in a conflict of interest or potential conflict of interest as a result of a proposed contract, that director may not participate in or be permitted to hear the discussion of the matter at any meeting of directors except to disclose material facts and respond to questions. The director will not be counted in determining the presence of a quorum for purposes of the vote and will not vote on any resolution to approve the proposed contract or be present in the meeting room when the vote is taken.  Directors are also required to comply with the TSX-V Manual regarding conflicts of interest.
(i) disclose how a person or Corporation may obtain a copy of the code;	The Board has not adopted a written code of conduct for its directors, officers and employees.
(ii) describe how the board monitors compliance with its code, or if the board does not monitor compliance, explain whether and how the board satisfies itself regarding compliance with its code; and	The Board does not monitor compliance. The Board is satisfied that each Director will take his finitary and be responsibilities to comply the TSX-V Manual regarding conflicts of interest.
(iii) provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.	No material change report has been filed since January 1, 2017 (the commencement of the year ended December 31, 2017), or ever, that pertains to any conduct of a director or executive officer that constitutes a departure from the code.
(b) Describe any steps the board takes to ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.	If a director or executive officer has an interest in any transaction or agreement before the board, the interested directors or executive officers must abstain from voting on such issues or topics. Each director must disclose all actual or potential conflicts of interest to the Board or the Audit Committee.

Corporate Governance Disclosure Requirement	Comments
<b>6. Nominations of Directors</b>	
(a) Describe the process by which the board identifies new candidates for board nomination.	The Board as a whole is responsible for developing a process for considering what competencies and skills the directors should possess and what competencies and skills each existing director possesses. The Board will conduct periodic reviews of the appropriate size of the Board, with a view to facilitating effective decision-making. The Board, as a whole, is also responsible for analyzing its needs when vacancies arise and identifying and proposing new nominees who have the necessary competencies and characteristics to meet such needs. The candidate may be identified by management, through the retention of advisors or other referral sources.
(b) Disclose whether or not the board has a nominating committee composed of independent directors. If the board does not have a nominating committee composed entirely of independent directors, describe what steps the board takes to encourage an objective nomination process.	The Corporation does not have a nominating committee. Instead, the Board as a whole is responsible for developing a process for considering what competencies and skills the directors should possess and what competencies and skills each existing director possesses. The Board will conduct periodic reviews of the appropriate size of the Board, with a view to facilitating effective decision-making. The Board, as a whole, is also responsible for analyzing its needs when vacancies arise and identifying and proposing new nominees who have the necessary competencies and characteristics to meet such needs.
(c) If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee. Also describe if the Corporation implements a majority voting policy for its directors.	The Corporation does not have a nominating committee.  The Board has adopted a majority voting policy, which requires, at uncontested shareholder meetings, that any nominee for director who has more votes withheld than are voted in favour of him or her shall submit his or her resignation to the Board, effective on the acceptance of the Board. The Board will promptly accept the resignation unless the Board determines that there are exceptional circumstances relating to the composition of the Board or the voting results or otherwise that should delay the acceptance of the resignation or justify rejecting it. In any event, the resignation shall be accepted, absent such exceptional circumstances, within 90 days of the Meeting.
<b>7. Compensation</b>	
(a) Describe the process by which the board determines the compensation for the issuer's directors and officers.	The Board as a whole is responsible for discussing and determining the directors and officer's compensation, with reference to the general objectives of the Corporation's compensation strategy. The Board also makes decisions with respect to executive officer and director compensation, incentive-compensation plans and equity-based plans. The Board reviews executive compensation disclosure before the Corporation publicly discloses the information. The Board also evaluates the CEO's performance in relation to the achievement of corporate objectives.
(b) Disclose whether or not the board has a compensation committee composed entirely of independent directors. If the board does not have a compensation committee composed entirely of independent directors, describe what steps the board takes to ensure an objective process for determining such compensation.	The Corporation does not have a compensation committee. In order to determine the compensation remunerated, management reviews the medium of comparable companies and provides the data to the Board for consideration.
(c) If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.	The Corporation does not have a compensation committee. Refer to 7 (a) and 7(b) above.
(d) If a compensation consultant or advisor has, at any time since the beginning of the issuer's most recently completed financial year, been retained to assist in advising the compensation committee in determining compensation for any of the issuer's directors and officers, disclose the identity of the consultant or advisor and briefly summarize the mandate for which they have been retained. If the consultant or advisor has been retained to perform any other work for the issuer, state that fact and briefly describe the nature of the work.	During the year ended December 31, 2017, the Corporation did not retain the services of a compensation consultant.

**8. Other Board Committees**

If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.

There was one additional committee which was the Special Committee.

The Special Committee was established during the first quarter of 2016. The Special Committee was established to consider strategic alternatives available to the Corporation with a view to enhancing shareholder value. Strategic alternatives may include, but are not limited to, the sale of the Corporation, merger or other business combination, recapitalization, sale of all or a portion of the Corporation's assets, or any combination thereof, or continued execution of its business plan, among all other alternatives. The Special Committee was suspended in 2016.

Disclose whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the board satisfies itself that the board, its committees, and its individual directors are performing effectively.

The entire Board is responsible for assessing the effectiveness of the Board, its members and the Audit Committee. Directors who serve as directors for other public companies utilize that experience when assessing the Board, its members and the Audit Committee. Assessments are not performed on an Ad-Hoc basis.

**Other Directorships**

Certain directors of the Corporation are also presently directors of other issuers that are reporting issuers (or the equivalent) in Canada or elsewhere. With respect to these interlocking board memberships, it is the Board's view that the mining community at the highest levels is closely connected and that in order for the Corporation's directors to maintain these connections, which are in the best interests of the Corporation, directors of the Corporation should be permitted to serve on other boards of directors, including in some cases, the same board. The current Board is satisfied that it has a system for dealing with conflicts of interest if any were to arise. In addition to their positions, the following current directors also served as directors of the following reporting issuers or reporting issuer equivalent(s):

Name of Director	Reporting Issuer(s) or Equivalent(s)	Position
Mark H. Bailey	Entree Resources Ltd. Mason Resources Corp. Fiore Gold Ltd.	Director Director Director
Leonard Clough	Body and Mind Inc.	Director
Keith Piggott	Goldgroup Mining Inc.	Chairman, President, Chief Executive Officer & Director
Javier Reyes	Goldgroup Mining Inc. Candelaria Mining Corp.	Director Director

**ATTENDANCE OF DIRECTORS AT BOARD AND COMMITTEE MEETINGS**

The Corporation has previously disclosed all attendance at Board meetings and committee meeting attendance. Please refer to "Election of Director" as to Board meetings and committee meeting attendance.

**TERM LIMITS AND REPRESENTATION OF WOMEN ON THE BOARD**

At this time, there are no directors on the Board who are women. The Corporation has not adopted term limits for the directors of the Corporation, a written policy relating to the identification and nomination of women directors, or a target regarding women on the Board and women in executive officer positions. In addition, the Board has not considered the level of representation of women on the Board in identifying and nominating candidates for election and re-election. The Board believes that the imposition of director term limits on a board may discount the value of experience and continuity amongst board members and runs the risk of excluding experienced and potentially viable board members. The Board relies on an annual director assessment procedure in evaluating Board members and believes that it can best strike the right balance between continuity and fresh perspectives without mandated term limits.

While the Board has not adopted a written policy nor targets relating to the identification and nomination of women directors, the Board does take into consideration a nominee's potential to contribute to diversity within the Board. The Corporation ensures the most talented and strongest leaders are recruited, developed and retained to achieve its business objectives and recognizes the value of diversity, including knowledge, experience, skills, expertise, gender and background in making its decisions.

#### **APPOINTMENT AND REMUNERATION OF AUDITOR**

Shareholders will be asked to approve the re-appointment of Davidson & Company LLP, Chartered Professional Accountants ("Davidson"), of Vancouver, British Columbia, as the auditors of the Corporation, and to authorize the Board to fix their remuneration.

Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote "FOR" the re-appointment of Davidson as auditors of the Corporation for the ensuing year and "FOR" the authorization of the Board to fix the remuneration to be paid to the auditors.

#### ***Recommendation of the Board***

**The Board recommends that the Shareholders vote for the re-appointment of Davidson as the auditors of the Corporation for the ensuing year and the authorization of the Board to determine the remuneration to be paid to the auditors.**

#### **RESTRICTED SECURITIES**

The Corporation has no other classes of voting securities and does not have any classes of restricted securities.

#### **PARITCULARS OF MATTER TO BE ACTED UPON**

##### **Approval of New 2018 Stock Option Plan**

##### **2018 Stock Option Plan**

At the Meeting, Shareholders will be asked to consider and, if thought advisable, pass, with or without variation, an ordinary resolution approving the adoption of the Corporation's stock option plan (the "2018 Option Plan"). The Corporation's current plan, was previously adopted by the Corporation and approved by the Shareholders at the August 17, 2017 at the Corporation's Annual and Special Meeting of Shareholders.

The Current Plan is a rolling stock option plan (the total number of Common Shares reserved and available for issuance pursuant to the Current Plan (together with those Common Shares issuable pursuant to any other security-based compensation arrangement of Core or options for services granted by Core) cannot exceed 10% of the issued and outstanding Common Shares of the Corporation from time to time. The Corporation currently has 133,519,664 issued and outstanding Common Shares and pursuant to the terms of the Current Plan, 13,351,966 may be reserved for issuance pursuant to the exercise of Options granted. As of the date hereof, 12,203,000 Common Shares have been reserved for issuance which represents 8.61% of the total number of issued and outstanding Common Shares.

Management seeks to adopt the 2018 Option Plan to ensure that the Corporation's stock option plan conforms to requirements of the TSX-V and best practices regarding security-based compensation arrangements.

Management seeks to adopt the 2018 Option Plan to ensure that the Corporation's stock option plan conforms to requirements of the TSX-V and best practices regarding security based compensation arrangements and to attract new expertise personnel to the Corporation. If the 2018 Option Plan is adopted by the Shareholders, it will replace the Stock Option Plan in its entirety. The total number of Common Shares that may be reserved for issuance will be 10% of the outstanding issued Common Shares at the time of grant, less any Common Shares reserved for issuance pursuant to the grant of stock options under any other share compensation arrangements.

No terms of the 2018 Option Plan vary from the Corporation's Current Plan and all terms are pursuant to the policies of the TSX-V, must also be approved by Shareholders for renewal. If the 2018 Option Plan is adopted by the Shareholders, it will replace the Current Plan in its entirety.

A summary of the terms of the 2018 Option Plan is set out below. The full text of the 2018 Option Plan is set forth in Schedule "A" to this Information Circular.

Employees, officers, directors (subject to limitations) and consultants of the Corporation or any of its subsidiaries will be eligible to participate in the 2018 Option Plan, which is intended to continue to achieve a number of objectives through the grant of stock options (“Options”) including:

1. attracting, retaining and motivating qualified directors, employees and consultants; and
2. aligning the interests of directors, employees and consultants with those of the Shareholders.

Below is a summary of the material terms of the 2018 Option Plan:

- The maximum number of Common Shares reserved for issuance by the Corporation pursuant to the 2018 Option Plan, plus any other security-based compensation arrangements (involving an issuance of shares from treasury) shall not exceed 10% of the issued and outstanding Common Shares from time to time.
- The number of securities issuable to insiders, at any time, under all security-based compensation arrangements, cannot exceed 10% of issued and outstanding securities of the Corporation; and
- The number of securities issued to insiders, within any one-year period, under all security-based compensation arrangements, cannot exceed 10% of issued and outstanding securities of the Corporation.
- The 2018 Option Plan provides that the exercise price is determined by the Compensation Committee when the Option is granted, and, in any event, may not be less than the closing price of the Common Shares on the stock exchange such shares are listed on, on the last market trading day prior to the date of the grant of the Option.
- The 2018 Option Plan provides that the Compensation Committee may at its discretion, provide for Options to vest, if they deem necessary at the time of grant.
- The maximum term for any Option will be ten years pursuant to the 2018 Option Plan.
- The 2018 Option Plan provides that, in the event a holder of Options (an “Option holder”) is terminated for cause, all Options granted to such individual will expire immediately. The treatment of Options upon other termination events is as follows:
  - if an Option holder ceases to be a director, employee or consultant of Core (or one of Core’s subsidiaries) other than because of termination for cause, only those Options vested at the date of such cessation will be exercisable for a maximum period of 60 days; and
  - if an Option holder ceases to be a director, employee or consultant of Core (or one of Core’s subsidiaries) by reason of death or Disability, the Options then vested will be exercisable for a maximum period of twelve months.
- The 2018 Option Plan includes a cashless exercise feature in the event of a Change of Control (as defined in the 2018 Option Plan) which allows holders of Options to surrender vested Options that have not been exercised, to the Corporation, in consideration for a payment in Common Shares or cash (at the option of the holder and subject to the approval of the Board), equal to the difference between the fair market value of the Common Shares and the aggregate exercise price for the Common Shares pursuant to the surrendered Options.
- The 2018 Option Plan also provides that the Corporation may withhold from any amount payable to an Option holder, in such manner as in its discretion determines necessary, such amount as it reasonably believes is necessary to enable the Corporation to comply with the applicable legal requirements relating to the withholding of tax or any other required deductions with respect to Options.
  - If the 2018 Option Plan is approved by Shareholders at the Meeting, all Options granted following such approval will be subject to, and will vest in accordance with, the terms and conditions of the 2018 Option Plan and the option agreements applicable thereto. All outstanding Options granted under the Current Plan will continue to be governed by, and will vest in accordance with, the terms and conditions of the Current Plan and the option agreements pursuant to which such Options were issued.
  - Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote for the 2018 Option Plan Resolution.

### ***The Option Plan Resolution***

In accordance with the policies and requirements of the TSX-V, the 2018 Option Plan must be approved by the Shareholders in order to become effective.

The complete text of the 2018 Option Plan Resolution, which the Corporation intends to place before the Shareholders at the Meeting for approval, confirmation and adoption, with or without modification, is as follows:

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

1. the 2018 Stock Option Plan in substantially the form contained in Schedule "A" of the Circular which conforms with the rules and policies of the TSX-V, as applicable, be and is hereby approved and adopted;
2. the number of Common Shares issuable pursuant to the 2018 Option Plan be set at 10% of the outstanding issued Common Shares from time to time, subject to any limitations imposed by applicable regulations, laws, rules and regulations;
3. the Board is authorized on behalf of the Corporation to make any further amendments to the 2018 Option Plan as may be required by applicable regulatory authorities, without requiring further approval of the Shareholders, in order to ensure adoption of the 2018 Option Plan;
4. the Corporation is authorized to file the 2018 Option Plan with the TSX-V for acceptance, and the implementation of the 2018 Option Plan is subject to the receipt of such approval; and
5. any one or more directors or officers of the Corporation, for and on behalf of the Corporation, is authorized and directed, to take all necessary steps and proceedings, and to execute, deliver and file any and all applications, declarations, documents and other instruments and do all such other acts or things that may be necessary or desirable to give effect to the provisions of this resolution."

If the 2018 Option Plan is approved by Shareholders at the Meeting, all options granted following such approval will be subject to, and will vest in accordance with, the terms and conditions of the 2018 Option Plan and the option agreements applicable thereto. All outstanding options granted under the Stock Option Plan will continue to be governed by, and will vest in accordance with, the terms and conditions of the Stock Option Plan and the option agreements pursuant to which such options were issued.

***Recommendation of the Board of Directors***

**The Board of Directors unanimously recommends that the shareholders of the Corporation vote FOR the 2018 Stock Option Plan.**

It is not known if any other matters will come before the Meeting other than set forth above and in the Notice of Meeting, but if such should occur, the persons named in the accompanying Proxy intend to vote on any poll, on such matters in accordance with their best judgment, exercising discretionary authority with respect to amendments or variations of matters identified in the Notice of Meeting and other matters which may properly come before the Meeting or any adjournment or postponement thereof.

**ADDITIONAL INFORMATION**

Additional information relating to the Corporation is on the SEDAR website at [www.sedar.com](http://www.sedar.com) under Core's profile. Financial information is provided in the Corporation's comparative annual financial statements and MD&A for its most recently completed financial year, copies of which were previously mailed to shareholders who requested them and are filed and available on SEDAR or by email at [info@coregoldinc.com](mailto:info@coregoldinc.com). Shareholders may request copies of the Corporation's financial statements and MD&A by contacting the Corporate Secretary at 604-345-4822.

**APPROVAL AND SIGNATURE**

The undersigned hereby certifies that the contents and the sending of this Circular have been approved by the Board.

**ON BEHALF OF THE BOARD**

*(Signed) "Keith Piggott"*

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Mr. Keith Piggott  
President and Chief Executive Officer

**SCHEDULE "A"**  
**2018 STOCK OPTION PLAN**

**CORE GOLD INC.**  
**(THE "COMPANY")**

**2018 STOCK OPTION PLAN**

**PURPOSE AND INTERPRETATION**

**1. Purpose**

The purpose of this Plan (as defined herein) is to advance the interests of the Company by encouraging equity participation in the Company through the acquisition of Common Shares (as defined herein). It is the intention of the Company that this Plan will at all times be in compliance with the TSX Venture Policies (as defined herein) and any inconsistencies between this Plan and the TSX Venture Policies) will be resolved in favour of the latter.

**2. Definitions**

In this Plan

**Affiliate** means a company that is a parent or subsidiary of the Company, or that is controlled by the same entity as the Company;

**Associate** has the meaning set out in the Securities Act;

**Blackout Period** means an interval of time during which the Company has determined that one or more Participants may not trade any securities of the Company because they may be in possession of undisclosed material information pertaining to the Company, or when in anticipation of the release of quarterly or annual financials, to avoid potential conflicts associated with a company's insider-trading policy or applicable securities legislation, (which, for greater certainty, does not include the period during which a cease trade order is in effect to which the Company or in respect of an Insider, that Insider, is subject);

**Board** means the board of Directors of the Company or any committee thereof duly empowered or authorized to grant Options under this Plan;

**Change of Control** means:

the acquisition, whether directly or indirectly, by a person or company, or any persons or companies acting jointly or in concert (as determined in accordance with the Securities Act and the rules and regulations thereunder) of voting securities of the Company which, together with any other voting securities of the Company held by such person or company or persons or companies, constitute, in the aggregate, more than 50% of all outstanding voting securities of the Company;

an amalgamation, arrangement or other form of business combination of the Company with another company which results in the holders of voting securities of that other company holding, in the aggregate, 50% or more of all outstanding voting securities of the Company (including a merged or successor company) resulting from the business combination; or

the sale, lease or exchange of all or substantially all of the property of the Company to another person, other than a subsidiary of the Company or other than in the ordinary course of business of the Company;

**Code** means the U.S. Internal Revenue Code of 1986, as amended;

**Common Shares** means common shares without par value in the capital of the Company provided such class is listed on the TSX Venture (or the NEX, as the case may be);

**Company** means the company named at the top hereof and includes, unless the context otherwise requires, all of its Affiliates and successors according to law;

**Consultant** means an individual or Consultant Company, other than an Employee, Officer or Director that:

provides on an ongoing bona fide basis, consulting, technical, managerial or like services to the Company or an Affiliate of the Company, other than services provided in relation to a Distribution;

provides the services under a written contract between the Company or an Affiliate and the individual or the Consultant Company;

in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the business and affairs of the Company or an Affiliate of the Company; and

has a relationship with the Company or an Affiliate of the Company that enables the individual or Consultant Company to be knowledgeable about the business and affairs of the Company;

**Consultant Company** means for an individual Consultant, a company or partnership of which the individual is an employee, shareholder or partner;

**Directors** means the directors of the Company as may be elected from time to time;

**Disability** means the mental or physical state of an individual such that:

the Board, other than such individual if a Board member, determines that such individual has been unable, due to illness, disease, mental or physical disability or similar cause, to fulfill his or her obligations as an employee, independent contractor, consultant or director of the Company either for any consecutive 6 month period or for any period of 8 months (whether or not consecutive) in any consecutive 12 month period; or

a court of competent jurisdiction has declared such individual to be mentally incompetent or incapable of managing his or her affairs;

**Discounted Market Price** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;

**Disinterested Shareholder Approval** means approval by a majority of the votes cast by all the Company's shareholders at a duly constituted shareholders' meeting, excluding votes attached to Common Shares beneficially owned by Insiders who are Service Providers or their Associates;

**Distribution** has the meaning assigned by the Securities Act, and generally refers to a distribution of securities by the Company from treasury;

**Effective Date** for an Option means the date of grant thereof by the Board;

**Employee** means:

an individual who is considered an employee under the *Income Tax Act* (Canada) (i.e. for whom income tax, employment insurance and CPP deductions must be made at source);

an individual who works full-time for the Company or a subsidiary thereof providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source; or

an individual who works for the Company or its subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions need not be made at source;

**Exercise Price** means the amount payable per Common Share on the exercise of an Option, as determined in accordance with the terms hereof;

**Expiry Date** means the day on which an Option lapses as specified in the Option Commitment therefor or in accordance with the terms of this Plan;

**Incentive Stock Option** means an Option granted to a U.S. Participant that is intended to qualify as an "incentive stock option" within the meaning of section 422 of the Code;

**Insider** has the meaning ascribed thereto in the TSX Venture Policies;



**Investor Relations Activities** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;

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

**Market Price** means, as of any date, the value of the Common Shares, determined as follows:

if the Common Shares are listed on the TSX, the Market Price shall be the closing price of the Shares on the TSX for the last market trading day prior to the date of grant of the Option;

if the Common Shares are listed on the TSX-V, the Market Price shall be the closing price of the Shares on the TSX-V for the last market trading day prior to the date of the grant of the Option less any discounted permitted by the TSX-V;

if the Common Shares are listed on a stock exchange other than the TSX-V, the Market Price shall be the closing price of the Common Shares (or the closing bid, if no sales were reported) as quoted on such exchange for the last market trading day prior to the date of grant of the Option; and

if the Common Shares are not listed on a stock exchange, the Market Price shall be determined in good faith by the Board;

**NEX** means a separate board of the TSX Venture for companies previously listed on the TSX Venture or the Toronto Stock Exchange which have failed to maintain compliance with the ongoing financial listing standards of those markets;

**NEX Issuer** means a company listed on the NEX;

**NEX Policies** means the rules and policies of the NEX as amended from time to time;

**Nonqualified Stock Option** means an Option granted to a U.S. Participant that is not an Incentive Stock Option;

**Officer** means a Board appointed officer of the Company;

**Option** means the right to purchase Common Shares granted hereunder to a Service Provider;

**Option Commitment** means the notice of grant of an Option delivered by the Company hereunder to a Service Provider and substantially in the form of Schedule A attached hereto;

**Optioned Shares** means Common Shares that may be issued in the future to a Service Provider upon the exercise of an Option;

**Optionee** means the recipient of an Option hereunder;

**Outstanding Shares** means at the relevant time, the number of issued and outstanding Common Shares of the Company from time to time;

**Participant** means a Service Provider that becomes an Optionee;

**Person** includes a company, any unincorporated entity, or an individual;

**Plan** means this share option plan, the terms of which are set out herein or as may be amended;

**Plan Shares** means the total number of Common Shares which may be reserved for issuance as Optioned Shares under the Plan as provided in Section 2.2;

**Regulatory Approval** means the approval of the TSX Venture and any other securities regulatory authority that has lawful jurisdiction over the Plan and any Options issued hereunder;

**Securities Act** means the *Securities Act* (British Columbia), R.S.B.C. 1996, c. 418, or any successor legislation;

**Service Provider** means a Person who is a bona fide Director, Officer, Employee, Management Company Employee, Consultant or Company Consultant, and also includes a company, 100% of the share capital of which is beneficially owned by one or more Service Providers;

**Share Compensation Arrangement** means any Option under this Plan but also includes any other stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares to a Service Provider;

**Shareholder Approval** means approval by a majority of the votes cast by eligible shareholders of the Company at a duly constituted shareholders' meeting;

**Take Over Bid** means a take over bid as defined in subsection 92(j) of the Securities Act or the analogous provisions of securities legislation applicable to the Company;

**Termination Date** has the meaning ascribed thereto in Section 3.10;

**TSX Venture** means the TSX Venture Exchange and any successor thereto;

**TSX Venture Policies** means the rules and policies of the TSX Venture as amended from time to time;

**U.S. Participant** means a Service Provider who is a U.S. citizen or a U.S. resident, in each case as defined in the Code or is otherwise subject to U.S. federal income tax; and

**10% Shareholder** means a Person who owns (taking into account the constructive ownership rules under section 424(d) of the Code) more than 10% of the total combined voting power of all classes of stock of the Company (or of any subsidiary of the Company).

### **3. Other Words and Phrases**

Words and phrases used in this Plan but which are not defined in the Plan but are defined in the TSX Venture Policies (and, if applicable, the NEX Policies), will have the meaning assigned to them in the TSX Venture Policies (and, if applicable, the NEX Policies).

### **4. Gender**

Words importing the masculine gender include the feminine or neuter, words in the singular include the plural, words importing a corporate entity include individuals, and vice versa.

## **SHARE OPTION PLAN**

### **5. Establishment of Share Option Plan**

The Plan is hereby established to recognize contributions made by Service Providers and to create an incentive for their continuing assistance to the Company and its Affiliates.

### **6. Maximum Plan Shares**

Options may be granted in respect of authorized and unissued Common Shares provided that, the maximum aggregate number of Common Shares reserved for issuance and which may be purchased upon the exercise of all Options, together with all of the Company's other previously established or proposed Share Compensation Arrangements, shall not exceed 10% of the outstanding issued Common Shares at the time of grant.

### **7. Eligibility**

Options to purchase Common Shares may be granted hereunder to Service Providers from time to time by the Board. Service Providers that are not individuals will be required to undertake in writing not to effect or permit any transfer of ownership or option of any of its securities, or to issue more of its securities (so as to indirectly transfer the benefits of an Option), as long as such Option remains outstanding, unless the written permission of the TSX Venture and the Company is obtained.

## **8. Options Granted Under the Plan**

All Options granted under the Plan will be evidenced by an Option Commitment in substantially the form of Schedule A attached hereto, showing the number of Optioned Shares, the term of the Option, a reference to vesting terms, if any, and the Exercise Price.

Subject to specific variations approved by the Board, all terms and conditions set out herein will be deemed to be incorporated into and form part of an Option Commitment made hereunder.

## **9. Limitations on Issue**

Subject to Section 2.10, the following restrictions on issuances of Options are applicable under the Plan:

- no Service Provider can be granted an Option if that Option would result in the total number of Options, together with all other Share Compensation Arrangements granted to such Service Provider in the previous 12 months, exceeding 5% of the Outstanding Shares (unless the Company has obtained Disinterested Shareholder Approval to do so);
- no Options can be granted under the Plan if the Company is on notice from the TSX Venture to transfer its listed shares to the NEX;
- the aggregate number of Options granted to Service Providers conducting Investor Relations Activities in any 12-month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant, without the prior consent of the TSX Venture; and
- the aggregate number of Options granted to any one Consultant in any 12-month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant, without the prior consent of the TSX Venture.

## **10. Options Not Exercised**

In the event an Option granted under the Plan expires unexercised or is terminated by reason of dismissal of the Optionee for cause or is otherwise lawfully cancelled prior to exercise of the Option, the Optioned Shares that were issuable thereunder will be returned to the Plan and will be eligible for re-issuance.

## **11. Powers of the Board**

The Board will be responsible for the general administration of the Plan and the proper execution of its provisions, the interpretation of the Plan and the determination of all questions arising hereunder. Without limiting the generality of the foregoing, the Board has the power to

- allot Common Shares for issuance in connection with the exercise of Options;
- grant Options hereunder;
- subject to any necessary Regulatory Approval, amend, suspend, terminate or discontinue the Plan, or revoke or alter any action taken in connection therewith, except that no general amendment or suspension of the Plan will, without the prior written consent of all Optionees, alter or impair any Option previously granted under the Plan unless the alteration or impairment occurred as a result of a change in the TSX Venture Policies or the Company's tier classification thereunder; and
- delegate all or such portion of its powers hereunder as it may determine to one or more committees of the Board, either indefinitely or for such period of time as it may specify, and thereafter each such committee may exercise the powers and discharge the duties of the Board in respect of the Plan so delegated to the same extent as the Board is hereby authorized so to do.

## **12. Amendment of the Plan by the Board of Directors**

Subject to the requirements of the TSX Venture Policies and the prior receipt of any necessary Regulatory Approval, the Board may in its absolute discretion, amend or modify the Plan or any Option granted as follows:

- it may make amendments which are of a typographical, grammatical or clerical nature only;
- it may change the vesting provisions of an Option granted hereunder;
- it may change the termination provision of an Option granted hereunder which does not entail an extension beyond the original Expiry Date of such Option;
- it may make amendments necessary as a result in changes in securities laws applicable to the Company;
- if the Company becomes listed or quoted on a stock exchange or stock market senior to the TSX Venture, it may make such amendments as may be required by the policies of such senior stock exchange or stock market; and
- amend this Plan (except for previously granted and outstanding Options) to reduce the benefits that may be granted to Service Providers (before a particular Option is granted) subject to the other terms hereof.

## **13. Terms or Amendments Requiring Disinterested Shareholder Approval**

The Company shall obtain Disinterested Shareholder Approval prior to any of the following actions becoming effective:

- the Plan, together with all of the Company's other Share Compensation Arrangements, could result at any time in:
  - the aggregate number of Common Shares reserved for issuance under Options granted to Insiders exceeding 10% of the Outstanding Shares;
  - the number of Optioned Shares issued to Insiders within a one-year period exceeding 10% of the Outstanding Shares;
  - the issuance to any one Optionee, within a 12-month period, of a number of Common Shares exceeding 5% of Outstanding Shares; or
  - any reduction in the Exercise Price of an Option previously granted to an Insider.

## **14. Options Granted Under the Company's Previous Share Option Plans**

Any option granted pursuant to a stock option plan previously adopted by the Board which is outstanding at the time this Plan comes into effect shall be deemed to have been issued under this Plan and shall, as of the date this Plan comes into effect, be governed by the terms hereof.

### **TERMS AND CONDITIONS OF OPTIONS**

## **15. Exercise Price**

The Exercise Price of an Option will be set by the Board on the Effective Date of the Option and cannot be less than the Discounted Market Price.

## **16. Term of Option**

An Option can be exercisable for a maximum of 10 years from the Effective Date or five years from the Effective Date for a NEX Issuer.

## **17. Option Amendment**

Subject to Section 2.10(b), the Exercise Price of an Option may be amended only if at least six (6) months have elapsed since the later of the Effective Date, the date the Common Shares commenced trading on the TSX Venture, and the date of the last amendment of the Exercise Price.

An Option must be outstanding for at least one year before the Company may extend its term, subject to the limits contained in Section 3.2.

Any proposed amendment to the terms of an Option must be approved by the TSX Venture prior to the exercise of such Option.

#### **18. Vesting of Options**

Subject to Section 3.7, vesting of Options shall be at the discretion of the Board, and will generally be subject to:

- the Service Provider remaining employed by or continuing to provide services to the Company or any of its Affiliates as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or any of its Affiliates during the vesting period; or
- the Service Provider remaining as a Director of the Company or any of its Affiliates during the vesting period.

#### **19. Vesting of Options Granted to Consultants Conducting Investor Relations Activities**

Notwithstanding Section 3.6, Options granted to Consultants conducting Investor Relations Activities will vest:

- over a period of not less than 12 months as to 25% on the date that is three months from the date of grant, and a further 25% on each successive date that is three months from the date of the previous vesting; or
- such longer vesting period as the Board may determine.

#### **20. Effect of Take Over Bid**

If a Take Over Bid is made to the shareholders generally then the Company shall, immediately upon receipt of notice of the Take Over Bid, notify each Optionee currently holding an Option of the Take Over Bid, with full particulars thereof whereupon such Option may, subject to receipt of Regulatory Approval and notwithstanding Sections 3.6 and 3.7 or any vesting requirements set out in any Option Commitment, be immediately exercised in whole or in part by the Optionee.

#### **21. Extension of Options Expiring During Blackout Period**

Should the Expiry Date for an Option fall within a Blackout Period, or within nine (9) Business Days following the expiration of a Blackout Period, such Expiry Date shall be automatically extended without any further act or formality to that day which is the tenth (10<sup>th</sup>) Business Day after the end of the Blackout Period, such tenth Business Day to be considered the Expiry Date for such Option for all purposes under the Plan. Notwithstanding Section 2.8, the tenth Business Day period referred to in this Section 3.9 may not be extended by the Board.

#### **22. Optionee Ceasing to be Director, Employee or Service Provider**

No Option may be exercised after the earlier of the date the Service Provider has left his employ/office and the date that the Service Provider has been advised by the Company that his services are no longer required, or his service contract has expired (the "**Termination Date**"), except as follows:

- in the case of the death of an Optionee, any vested Option held by him at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such Option;
- an Option granted to any Service Provider (other than a Service Provider conducting Investor Relations Activities) will, unless otherwise determined by the Board in the Option Commitment, expire upon the earlier of the original Expiry Date and 90 days after the Termination Date, but only to the extent that such Option has vested as at the Termination Date;

- Options granted to a Service Provider conducting Investor Relations Activities will, unless otherwise determined by the Board in the Option Commitment, expire upon the earlier of the original Expiry Date and 30 days after the Termination Date, but only to the extent that such Option has vested as at the Termination Date; and
- in the case of an Optionee being dismissed from employment or service for cause, such Optionee's Options, whether or not vested at the date of dismissal will immediately terminate without right to exercise same.

**23. Non Assignable**

Subject to Section 3.10, all Options will be exercisable only by the Optionee to whom they are granted and will not be assignable or transferable.

**24. Adjustment of the Number of Optioned Shares**

The number of Common Shares subject to an Option will be subject to adjustment in the events and in the manner following:

- in the event of a subdivision of Common Shares as constituted on the date hereof, at any time while an Option is in effect, into a greater number of Common Shares, the Company will thereafter deliver at the time of purchase of Optioned Shares hereunder, in addition to the number of Optioned Shares in respect of which the right to purchase is then being exercised, such additional number of Common Shares as result from the subdivision without an Optionee making any additional payment or giving any other consideration therefor;
- in the event of a consolidation of the Common Shares as constituted on the date hereof, at any time while an Option is in effect, into a lesser number of Common Shares, the Company will thereafter deliver and an Optionee will accept, at the time of purchase of Optioned Shares hereunder, in lieu of the number of Optioned Shares in respect of which the right to purchase is then being exercised, the lesser number of Common Shares as result from the consolidation;
- in the event of any change of the Common Shares as constituted on the date hereof, at any time while an Option is in effect, the Company will thereafter deliver at the time of purchase of Optioned Shares hereunder the number of shares of the appropriate class resulting from the said change as an Optionee would have been entitled to receive in respect of the number of Common Shares so purchased had the right to purchase been exercised before such change;
- in the event of a capital reorganization, reclassification or change of outstanding equity shares (other than a change in the par value thereof) of the Company, a consolidation, merger or amalgamation of the Company with or into any other company or a sale of the property of the Company as or substantially as an entirety at any time while an Option is in effect, an Optionee will thereafter have the right to purchase and receive, in lieu of the Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option, the kind and amount of shares and other securities and property receivable upon such capital reorganization, reclassification, change, consolidation, merger, amalgamation or sale which the holder of a number of Common Shares equal to the number of Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option would have received as a result thereof. The subdivision or consolidation of Common Shares at any time outstanding (whether with or without par value) will not be deemed to be a capital reorganization or a reclassification of the capital of the Company for the purposes of this Section 3.12;
- an adjustment will take effect at the time of the event giving rise to the adjustment, and the adjustments provided for in this section are cumulative;
- the Company will not be required to issue fractional shares in satisfaction of its obligations hereunder. Any fractional interest in a Common Share that would, except for the provisions of this Section 3.12, be deliverable upon the exercise of an Option will be cancelled and not be deliverable by the Company; and

- if any questions arise at any time with respect to the Exercise Price or number of Optioned Shares deliverable upon exercise of an Option in any of the events set out in this Section 3.12, such questions will be conclusively determined by the Company's auditors, or, if they decline to so act, any other firm of Chartered Accountants, in Vancouver, British Columbia (or in the city of the Company's principal executive office) that the Company may designate and who will be granted access to all appropriate records. Such determination will be binding upon the Company and all Optionees.

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

Except as otherwise specified in the Option certificate, if a Participant is terminated within 12 months of a Change of Control for any reason other than for cause, voluntary resignation, death or Disability, each Option held by that Participant that is not fully vested on the date on which the Participant is terminated shall vest immediately and any and all Options held by that Participant shall be immediately exercisable up to, but not after, the date which is the earlier of the Expiry Date and 60 days after the date such person is terminated.

#### **Dissolution or Liquidation**

In the event of a proposed dissolution or liquidation of the Company, to the extent that an Option has not been previously exercised, the Option will terminate immediately prior to the consummation of such proposed action. The Board may, in the exercise of its sole discretion in such instances, declare that any Option shall terminate as of a date fixed by the Board and give each Participant the right to exercise his or her Option as to all or any part of the Common Shares that may be issued upon exercise of the Options, including Common Shares as to which the Option would not otherwise be exercisable.

#### **Exclusion from Severance Allowance, Retirement or Termination Settlement**

In the event of a Participant's termination for any reason, the curtailment of such Participant's Options pursuant to the terms of the Plan, shall not give rise to any right to damages (including damages relating to any period of reasonable notice and regardless of whether reasonable or any notice was provided to the Participant) and shall not be included in the calculation of, nor form any part of, any severance allowance, retiring allowance or termination settlement of any kind whatever in respect of such Participant.

### **COMMITMENT AND EXERCISE PROCEDURES**

#### **25. Option Commitment**

Upon grant of an Option hereunder, an authorized Officer will deliver to the Optionee an Option Commitment detailing the terms of such Options and upon such delivery the Optionee will be subject to the Plan and have the right to purchase the Optioned Shares at the Exercise Price set out therein subject to the terms and conditions hereof.

#### **26. Manner of Exercise**

An Optionee who wishes to exercise his Option may do so by delivering:

- a written notice to the Company specifying the number of Optioned Shares being acquired pursuant to the Option; and
- a certified cheque, wire transfer or bank draft payable to the Company for the aggregate Exercise Price by the Optioned Shares being acquired.

#### **27. Delivery of Certificate and Hold Periods**

As soon as practicable after receipt of the notice of exercise described in Section 4.2 and payment in full for the Optioned Shares being acquired, the Company will direct its transfer agent to issue a certificate to the Optionee for the appropriate number of Optioned Shares. Such certificate issued will bear a legend stipulating any resale restrictions required under applicable securities laws. Further, if (i) the Exercise Price is set below the then current market price of the Common Shares on the TSX Venture; or (ii) the Optionee is an Insider, the certificate will also bear a legend stipulating that the Optioned Shares are subject to a four-month TSX Venture hold period commencing the Effective Date of the Option.

## OPTIONS GRANTED TO U.S. PARTICIPANTS

### Number of Shares for Incentive Stock Options

Notwithstanding any other provision of this Plan to the contrary, the number of Common Shares available for granting Incentive Stock Options to U.S. Participants under the Plan may not exceed 10% of the issued and outstanding Common Shares on a non-diluted basis as of the later of: (i) the date this Plan is initially adopted by the Board or (ii) the date the Plan is approved (or reapproved) by the shareholders of the Company, subject to adjustment in accordance with the terms of this Plan.

### Designation of Options

The certificate, in substantially the form of Schedule B attached hereto, relating to any Option granted to a U.S. Participant shall specify whether such Option is an Incentive Stock Option or a Nonqualified Stock Option. If no such specification is made, the Option will be designated an Incentive Stock Option if all of the requirements under the Code are satisfied or in all other cases, a Nonqualified Stock Option. In addition to the other provisions of this Plan (and notwithstanding any other provision of this Plan to the contrary), the following limitations and requirements will apply to any Nonqualified Stock Option granted to a U.S. Participant:

- the Exercise Price of a Nonqualified Stock Option granted to a U.S. Participant shall not be less than the Market Price on the date of grant, without reduction for any discount permitted by the TSX Venture; and
- with respect to any tolling of the Expiry Date of a Nonqualified Stock Option in accordance with this Plan due to a Blackout Period or similar period imposed under any insider trading policy or similar policy of the Company, such policy must be reasonably designed to ensure compliance with applicable securities laws or rules of the TSX Venture.

### Special Requirements for Incentive Stock Options

In addition to the other provisions of this Plan (and notwithstanding any other provision of this Plan to the contrary), the following limitations and requirements will apply to an Incentive Stock Option:

- an Incentive Stock Option may be granted only to employees (including a director or officer who is also an employee) of the Company (or of any parent or subsidiary of the Company within the meaning of section 424 of the Code). For purposes of this Article 5, the term "employee" shall mean a person who is an employee for purposes of the Code;
- the Company will not grant Incentive Stock Options in which the aggregate Market Price (determined as of the date of grant) of the Common Shares with respect to which Incentive Stock Options are exercisable for the first time by a U.S. Participant during any calendar year (under this Plan and all other plans of the Company and of any parent or subsidiary of the Company within the meaning of section 424 of the Code) exceeds any limitation set forth in section 422(d) of the Code;
- the Exercise Price payable per Common Share upon exercise of an Incentive Stock Option will not be less than 100% of the Market Price (without reduction for any discount permitted by the TSX Venture) on the date of grant of such Incentive Stock Option; provided, however, that, in the case of the grant of an Incentive Stock Option to a U.S. Participant who, at the time such Incentive Stock Option is granted, is a 10% Shareholder, the exercise price payable per Common Share upon exercise of such Incentive Stock Option will be not less than 110% of the Market Price (without reduction for any discount permitted by the TSX Venture ) on Effective Date;
- an Incentive Stock Option will terminate and no longer be exercisable no later than 10 years from the Effective Date; provided, however, that in the case of a grant of an Incentive Stock Option to a U.S. Participant who, at the time such Incentive Stock Option is granted, is a 10% Shareholder, such Incentive Stock Option will terminate and no longer be exercisable no later than 5 years after the Effective Date;
- if a U.S. Participant who has been granted Incentive Stock Option ceases to be employed by the Company (or by a parent or subsidiary of the Company within the meaning of section 424 of the Code) for any reason, whether voluntary or involuntary, other than death, permanent disability or just cause, such Incentive Stock Option shall be exercisable by the U.S. Participant (to the extent such Incentive Stock



Option was vested on the date of cessation of employment) at any time prior to the earlier of (i) the date that is 60 days after the date of cessation of employment or (ii) the expiration of the term of such Incentive Stock Option. In this paragraph, "permanent disability" is as defined in section 22(e)(3) of the Code. If a U.S. Participant who has been granted Incentive Stock Options ceases to be employed by the Company (or by any parent or subsidiary of the Company within the meaning of section 424 of the Code) because of the death or a permanent disability of such U.S. Participant, such U.S. Participant's personal representatives or administrators, or any person or persons to whom such Incentive Stock Option is transferred by will or the applicable laws of descent and distribution, may exercise such Incentive Stock Option (to the extent such Incentive Stock Option was exercisable on the date of death or permanent disability, as the case may be) at any time prior to the earlier of (i) the date that is twelve months after the date of death or 60 days after the date of permanent disability, as the case may be, or (ii) the expiration of the term of such Incentive Stock Option. If a U.S. Participant who has been granted Incentive Stock Options ceases to be employed by the Company (or by any parent or subsidiary of the Company within the meaning of section 424 of the Code) for cause, the right to exercise such Incentive Stock Option will terminate on the date of cessation of employment, unless otherwise determined by the Board;

- an Incentive Stock Option granted to a U.S. Participant may be exercised during such U.S. Participant's lifetime only by such U.S. Participant; and
- an Incentive Stock Option granted to a U.S. Participant may not be transferred, assigned or pledged by such U.S. Participant, except by will or by the laws of descent and distribution.

#### **GENERAL**

#### **28. Employment and Services**

Nothing contained in the Plan will confer upon or imply in favour of any Optionee any right with respect to office, employment or provision of services with the Company, or interfere in any way with the right of the Company to lawfully terminate the Optionee's office, employment or service at any time pursuant to the arrangements pertaining to same. Participation in the Plan by an Optionee is voluntary.

#### **29. No Representation or Warranty**

The Company makes no representation or warranty as to the future market value of Common Shares issued in accordance with the provisions of the Plan or to the effect of the *Income Tax Act* (Canada) or any other taxing statute governing the Options or the Common Shares issuable thereunder or the tax consequences to a Service Provider. Compliance with applicable securities laws as to the disclosure and resale obligations of each Participant is the responsibility of each Participant and not the Company.

#### **30. Interpretation**

The Plan will be governed and construed in accordance with the laws of the Province of British Columbia.

#### **31. Canadian Tax Withholding**

The Company may take such steps as are considered necessary or appropriate for the withholding of any taxes which the Company is required by any law or regulation of any governmental authority whatsoever to withhold in connection with any Option or Common Share including, without limiting the generality of the foregoing, (a) requiring a Participant as a condition to the exercise of any Options, to make such arrangements as the Company may require so that the Company can satisfy such withholding obligations including, without limitation, requiring the Participant to remit to the Company in advance, or reimburse the Company for, any such withholding obligations; or (b) selling on the Participant's behalf, or requiring the Participant to sell, any Common Shares acquired by the Participant under the Plan, or retaining any amount which would otherwise be payable to the Participant in connection with any such sale.

#### **U.S. Tax Withholding**

In order to comply with all applicable federal or state income tax laws or regulations, the Company may take such action as it deems appropriate to ensure that all applicable U.S. federal or state payroll, withholding, income or other taxes that are the sole and absolute responsibility of a U.S. Participant are withheld or collected from such U.S. Participant. For the purposes of assisting a U.S. Participant in paying all or a portion of the U.S. federal and state taxes to be withheld or collected upon exercise of an Option, the Board, in its discretion and subject to such

additional terms and conditions as it may adopt, may permit a U.S. Participant, subject to applicable laws, to satisfy such tax obligation by (a) electing to have the Company withhold a portion of the Common Shares otherwise to be delivered upon exercise of such Option having a Market Price equal to the amount of such taxes or (b) delivering to the Company Shares (other than Common Shares issuable upon exercise of such Option) having a Market Price equal to the amount of such taxes. The election, if any, must be made on or before the date that the amount of tax to be withheld is determined.

**Section 409A of the Code**

Notwithstanding any provision of this Plan to the contrary, if any provision of this Plan contravenes any regulations or guidance promulgated under section 409A of the Code or would cause any person to be subject to additional taxes, interest and/or penalties under section 409A of the Code, such provision of this Plan, the Options and the certificates issued in connection therewith may be modified by the Board without notice to or consent of the Participant in any manner the Board deems reasonable or appropriate.

**Governing Law**

This Plan and all agreements hereunder shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

**Effective Date of Plan**

The effective date of the Plan is July 12, 2018.

## SCHEDULE A

### SHARE OPTION PLAN

#### OPTION COMMITMENT

Notice is hereby given that, effective this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ (the "**Effective Date**") CORE GOLD INC. (the "**Company**") has granted to \_\_\_\_\_ (the "**Optionee**"), an Option to acquire \_\_\_\_\_ Common Shares ("**Optioned Shares**") up to 5:00 p.m. Vancouver Time on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ (the "**Expiry Date**") at an Exercise Price of CND\$ \_\_\_\_\_ per share.

At the date of grant of the Option, the Company is classified as **[a Tier \_\_\_\_\_ Issuer under TSX Venture Policies]**.

Optioned Shares will vest and may be exercised as follows:

**[INSERT VESTING SCHEDULE] [INSERT VESTING TERMS]**

The grant of the Option evidenced hereby is made subject to the terms and conditions of the Plan, which are hereby incorporated herein and forms part hereof

To exercise your Option, deliver a written notice specifying the number of Optioned Shares you wish to acquire, together with a certified cheque, wire transfer or bank draft payable to the Company for the aggregate Exercise Price. A certificate for the Optioned Shares so acquired will be issued by the transfer agent as soon as practicable thereafter **[and will bear a minimum four-month non-transferability legend from the date of this Option Commitment, the text of which is as follows.] [The Company may grant stock options without a hold period, provided (i) the exercise price of the options is set at or above the market price of the common shares of the Company; (ii) the options are not issued to a director, officer or holder of securities carrying more than 10% of the voting rights attached to the common shares of the Company; and (iii) the options are not issued to a director or officer of a holder of securities carrying more than 10% of the voting rights attached to the common shares of the Company.]**

"WITHOUT PRIOR WRITTEN APPROVAL OF THE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL **[INSERT DATE 4 MONTHS AND A DAY FROM THE DATE OF GRANT]**".

The Company and the Optionee represent that the Optionee under the terms and conditions of the Plan is a bona fide Service Provider (as defined in the Plan), entitled to receive Options under TSX Venture Policies.

The Optionee also acknowledges and consents to the collection and use of Personal Information (as defined in the Policies of the TSX Venture Exchange) by both the Company and the TSX Venture (or the NEX, as the case may be) as more particularly set out in the Acknowledgement - Personal Information in use by the TSX Venture (or the NEX, as the case may be) on the date of this Share Option Plan.

**CORE GOLD INC.**

Per: \_\_\_\_\_  
Authorized Signatory

**[INSERT NAME OF OPTIONEE]**

\_\_\_\_\_  
**[SIGNATURE OF OPTIONEE]**

**NOTICE OF EXERCISE OF INCENTIVE STOCK OPTIONS**

TO: CORE GOLD INC. (the "Company")

The undersigned wishes to exercise \_\_\_\_\_ of the incentive stock options granted to **[him/her/it]** by the Company at the price of CDN\$\_\_\_\_\_ per share and enclose herewith the amount of CDN\$\_\_\_\_\_ in payment of the total exercise price for such shares.

DATED as of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
*Signature of Optionee*

\_\_\_\_\_  
*Please print name of Signatory*

Please have the share certificate(s) issued as follows:

**Registration Instructions:**

\_\_\_\_\_  
Name

\_\_\_\_\_  
Account reference, if applicable

\_\_\_\_\_  
Address

\_\_\_\_\_  
Telephone Number / Fax Number

\_\_\_\_\_  
Contact Name

**Delivery Instructions:**

\_\_\_\_\_  
Name

\_\_\_\_\_  
Account reference, if applicable

\_\_\_\_\_  
Address

\_\_\_\_\_  
Telephone Number / Fax Number

\_\_\_\_\_  
Contact Name

**SCHEDULE B`**  
**FORM OF OPTION CERTIFICATE FOR U.S. PARTICIPANTS**  
**CORE GOLD INC.**  
**U.S. Stock Option Certificate**

The Company hereby grants to the Participant named below, the following Options to acquire common shares ("**Shares**") of the Company on the terms and conditions of the Company's 2018 Stock Option Plan (the "**Plan**") and on the terms outlined below. Terms not otherwise defined herein will have the meaning ascribed thereto in the Plan.

<p><b>Participant's Name:</b></p> <p><b>Address:</b></p> <p><b>Total Shares:</b></p> <p><b>Exercise Price Per Share:</b></p> <p><b>Date of Grant:</b></p> <p><b>Expiry Date:</b></p> <p><b>Terms of Vesting:</b></p> <p><b>Type of Option (Incentive Stock Option or Qualified Stock Option)<sup>(1)</sup>:</b></p> <p><b>Notes:</b> <b>(1) The number of Incentive Stock Options shall be calculated in accordance with (a) below.</b></p>
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Participant agrees that he/she may suffer tax consequences as a result of the grant of these Options, the exercise of the Options and the disposition of Shares. Participant acknowledges that he/she is not relying on the Company for any tax advice.

If the Option is designated as an "Incentive Stock Option" as that term is defined in section 422 of the Code, you acknowledge that:

- (a) notwithstanding the designation of the Option as an Incentive Stock Option, to the extent that the aggregate Market Price, determined as of the Effective Date, of the Shares issuable on exercise of the Option which are exercisable for the first time by you during any calendar year exceeds US\$100,000, such excess Option shall not be treated as an Incentive Stock Option and will be Nonqualified Stock Options; and
- (b) in order for the Option to be treated as an Incentive Stock Option:

- (i) Shares purchased on the exercise of an Option must not be sold or otherwise disposed of before the later of 2 years from the Effective Date, or 1 year from the date the Option was exercised; and
- (ii) If your employment with the Company terminates for any reason other than death as provided in (iii), you must maintain your status as an employee of the Company at all times during the period beginning on the Effective Date and ending 60 days before the date an Option is exercised; and
- (iii) If you die while employed with the Company, your Option must be exercised within 12 months after the date of death;

and if the conditions in (A) and (B) above are not met, then preferential tax treatment under the Internal Revenue Code for Incentive Stock Options will not be available.

This Option certificate is subject to the terms and conditions of the Plan and, in the event of any inconsistency or contradiction between the terms of the Option certificate and the Plan, the terms of the Plan shall govern.

Note: Until such time as this Plan is approved by the shareholders of the Company in accordance with the requirements of the TSX Venture or other Exchange which approval shall be sought at or prior to the 2018 annual meeting of the Company's shareholders, the Options granted hereunder may not be exercised.

If you agree to accept the Options described above, subject to all of the terms and conditions of the Plan, please sign one copy of this letter and return it to \_\_\_\_\_ by \_\_\_\_\_.

**CORE GOLD INC.**

By: \_\_\_\_\_  
Authorized Signatory

I have received a copy of the Plan and agree to comply with and agree that my participation is subject in all respects to, its terms and conditions.

\_\_\_\_\_  
Name of Participant

\_\_\_\_\_  
Signature of Participant

\_\_\_\_\_  
Date

