



# 2015

## Management Proxy Circular

and

Notice of 2015 Annual General and Special Meeting  
of Shareholders to be held on September 25, 2015

August 17, 2015

Wellgreen Platinum Ltd.  
Suite 1128, 1090 West Georgia Street  
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604.569.3690  
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[www.wellgreenplatinum.com](http://www.wellgreenplatinum.com)

Headquartered in Vancouver, British Columbia, we are an exploration and development company led by an experienced management and technical team, and we are focused on projects with significant platinum group metals (“**PGMs**”) and nickel located in geopolitically stable regions.

Our flagship project is the Wellgreen PGM and nickel project located in Canada’s mining-friendly Yukon Territory. The Wellgreen deposit is one of the largest undeveloped PGM and Nickel deposits outside southern Africa or Russia.

Our experienced management team has a track record of value creation through successful large scale project discovery, development and operations.

Our shares are listed on the Toronto Stock Exchange (the “**TSX**”) under the symbol “**WG**” and on the US OTC-QX market under the symbol “**WGPLF**”.

## Contents

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<b>Letter to shareholders .....</b>	<b>i</b>
<b>Notice of 2015 annual general and special meeting of shareholders .....</b>	<b>ii</b>
<b>2015 Management Proxy Circular .....</b>	<b>1</b>
<b>Notice and Access Process .....</b>	<b>1</b>
<b>About the Meeting.....</b>	<b>2</b>
<b>Voting.....</b>	<b>5</b>
<b>Particulars of the matters to be acted upon .....</b>	<b>10</b>
<b>Corporate governance.....</b>	<b>27</b>
<b>Statement of executive compensation.....</b>	<b>36</b>
<b>Indebtedness of directors and executive officers .....</b>	<b>57</b>
<b>Management contracts .....</b>	<b>59</b>
<b>Additional information.....</b>	<b>59</b>
<b>Directors’ approval .....</b>	<b>59</b>
<b>Appendix “A” – Audit Committee Charter.....</b>	<b>A-1</b>
<b>Appendix “B” – Share-Based Compensation Plan .....</b>	<b>B-1</b>
<b>Appendix “C” – Board Mandate .....</b>	<b>C-1</b>
<b>Appendix “D” – Special Rights and Restrictions – Preferred Shares.....</b>	<b>D-1</b>



Dear Shareholder:

It is my pleasure to invite you to our 2015 annual general and special meeting of shareholders on Friday, September 25, 2015 at 10:00 a.m. (Eastern Standard Time) (the “**Meeting**”). The Meeting will be held at the offices of Cassels Brock & Blackwell LLP, which are located at Suite 2100, Scotia Plaza, 40 King Street West, Toronto, Ontario.

The Meeting is your opportunity to vote on various items of business, meet our board of directors and management team, and hear first-hand about our operations, our performance over the past year and our future plans. Please take some time to read the accompanying management proxy circular because it includes important information about the Meeting, voting, the nominated directors, our governance practices and how we compensate our executives and directors.

**Your vote is very important. You can vote online or by phone, fax, mail, or in person at the Meeting.**

*If you have any questions and/or need assistance in voting your shares, please contact Chris Ackerman, Manager, Corporate Communications at 604.569.3634 or at 1.888.715.7528.*

Thank you for your continued support as we move our company forward.

Yours sincerely,

*“Greg Johnson”*

Greg Johnson  
President, Chief Executive Officer and Director

Vancouver, British Columbia  
August 17, 2015

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TSX: WG | OTC-QX: WGPLF

Email: [info@wellgreenplatinum.com](mailto:info@wellgreenplatinum.com)  
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Suite 1128 – 1090 West Georgia Street  
Vancouver, BC V6E 3V7, Canada



## Notice of 2015 annual general and special meeting of shareholders

### When

Friday, September 25, 2015 at 10:00 a.m. (Eastern Standard Time).

### Where

At the offices of Cassels Brock & Blackwell LLP, which are located at Suite 2100, Scotia Plaza, 40 King Street West, Toronto, Ontario.

We will cover seven items of business at our 2015 annual general and special meeting (the “**Meeting**”):

1. Receive our audited consolidated annual financial statements for the financial year ended December 31, 2014 and the auditor’s report on those statements;
2. Fix the number of directors at five for the ensuing year;
3. Elect five directors to our board to hold office for the ensuing year;
4. Re-appoint Manning Elliott LLP as our independent auditor for the ensuing year and authorize the directors to set the auditor’s pay;
5. Approve amendments to our share-based compensation plan;
6. Approve amendments to certain warrants held by insiders of Wellgreen Platinum;
7. Approve amendments to the notice of articles and articles of Wellgreen Platinum necessary to create a class of preferred shares; and
8. Other business properly brought before the Meeting or any adjournment or postponement.

### Record date

The record date for the Meeting is August 10, 2015. The record date is the date for the determination of the registered holders of our Common Shares entitled to receive notice of, and to vote at, the Meeting and any adjournment or postponement of the Meeting.

### Your vote is important

This notice is accompanied by a management proxy circular (“**Circular**”) and either a form of proxy for registered shareholders or a voting instruction form for beneficial shareholders. If previously requested, a copy of our audited consolidated annual financial statements and management’s discussion and analysis (“**MD&A**”) for the year ended December 31, 2014 will also accompany this notice (collectively, the “**Meeting Materials**”). Copies of our annual and/or interim financial statements and MD&A are also available under our SEDAR profile at [www.sedar.com](http://www.sedar.com), on our website at [www.wellgreenplatinum.com](http://www.wellgreenplatinum.com), or by request made to Wellgreen Platinum Ltd.

As described in the notice and access notification mailed to our shareholders, we are using the notice and access method for delivering this notice and the Meeting Materials to our shareholders, which

substantially reduces the paper used in printing this notice and the Meeting Materials, as well as printing and mailing costs. This notice and the Meeting Materials will be available on our website at [www.wellgreenplatinum.com/2015AGM](http://www.wellgreenplatinum.com/2015AGM) and under our SEDAR profile at [www.sedar.com](http://www.sedar.com). The Circular contains important information about the Meeting, who can vote and how to vote. Please read the Circular carefully before voting.

If you would like us to send you a paper copy of the Meeting Materials, please contact Chris Ackerman, our Manager, Corporate Communications, at 1.888.715.7528 or by e-mail: [info@wellgreenplatinum.com](mailto:info@wellgreenplatinum.com). In order for you to receive the Meeting Materials in advance of the proxy deposit deadline date and the date of the Meeting, we must receive requests for printed copies of the Meeting Materials at least seven business days in advance of the proxy deposit deadline date and time.

By order of the Board of Directors,

*"Greg Johnson"*

Greg Johnson  
President, Chief Executive Officer and Director

DATED at Vancouver, British Columbia this 17<sup>th</sup> day of August, 2015.



## 2015 Management Proxy Circular

You have received this management proxy circular (the “**Circular**”) because our records indicate you held common shares (“**Common Shares**”) of Wellgreen Platinum Ltd. (“**Wellgreen Platinum**” or the “**Company**”) as of the close of business on August 10, 2015 (the “**Record Date**”) and we are sending this Circular to you in connection with the 2015 annual general and special meeting of our shareholders to be held on September 25, 2015 (the “**Meeting**”).

We encourage you to vote at the Meeting. On behalf of management of the Company, we will be soliciting votes for this Meeting and any meeting that is reconvened if it is postponed or adjourned. The cost of solicitation will be borne by the Company.

This Circular is dated August 17, 2015. Unless otherwise stated, all information in this Circular is current as of August 17, 2015. All dollar figures are in Canadian dollars, except as noted.

This Circular is being mailed on August 19, 2015 with a **GREEN** proxy or **WHITE** voting instruction form, in accordance with applicable laws.

In this document, *we, us, our, Wellgreen Platinum and the Company* mean Wellgreen Platinum Ltd.

*You, your and shareholder* mean holders of Common Shares.

## Notice and Access Process

We are using the notice and access model (“**Notice and Access**”) provided under National Instrument 54–101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* for the delivery of the Notice of Meeting, this Circular, the audited consolidated annual financial statements of Wellgreen Platinum for the year ended December 31, 2014 and the accompanying management’s discussion and analysis thereon (collectively, the “**Meeting Materials**”) to our shareholders for the Meeting. We have adopted the Notice and Access delivery model in order to further our commitment to environmental sustainability and to reduce our printing and mailing costs.

Under Notice and Access, instead of receiving printed copies of the Meeting Materials, shareholders receive a Notice and Access notification containing details regarding the date, location and purpose of the Meeting, as well as information on how they can access the Meeting Materials electronically. Shareholders with existing instructions on their account to receive printed materials will receive a printed copy of the Meeting Materials.

### Requesting printed Meeting Materials

Shareholders can request that printed copies of the Meeting Materials be sent to them by postal delivery at no cost to them up to one year from the date of the filing of this Circular on SEDAR.

Registered shareholders may make their request by contacting Chris Ackerman, our Manager, Corporate Communications, at 1.888.715.7528 or by e-mail: [info@wellgreenplatinum.com](mailto:info@wellgreenplatinum.com).

Non-registered shareholders may make their request online at [www.proxyvote.com](http://www.proxyvote.com) or by telephone at 1.877.907.7643 by entering the 16-digit control number located on their voting instruction form and following the instructions provided.

To receive the Meeting Materials in advance of the proxy deposit deadline date and the date of the Meeting, Wellgreen Platinum must receive requests for printed copies of the Meeting Materials at least seven business days in advance of the proxy deposit deadline date and time.

## About the Meeting

### Items of business

**1. Receive our audited consolidated annual financial statements for the financial year ended December 31, 2014 and the auditor's report thereon (see page 10)**

Our audited consolidated annual financial statements for the financial year ended December 31, 2014, and the auditor's report thereon are available on our website at [www.wellgreenplatinum.com](http://www.wellgreenplatinum.com) and under our SEDAR profile at [www.sedar.com](http://www.sedar.com).

**2. Fix the number of directors at five for the ensuing year (see page 10)**

Our board of directors (the "**Board**") currently consists of five directors and we propose to fix the number of directors at five for the ensuing year.

**3. Elect five directors to the Board to hold office for the ensuing year (see page 10)**

We have nominated the following individuals as directors for the ensuing year:

Michele S. Darling (*new nominee*)  
Wesley J. Hall  
Greg Johnson  
Myron G. Manternach  
Mike Sylvestre

Our transfer agent and registrar is Computershare Investor Services Inc. ("**Computershare**").

They will act as scrutineer of the Meeting and are responsible for counting the votes on our behalf.

In keeping with generally recognized principles of good corporate governance, we have decided to recommend increasing the proportion of non-management directors on our Board. As a result, and contingent on each management nominee being elected as a director, Mr. Mason, our Chief Financial Officer, will be stepping down as a director effective as of the date of the Meeting. The Company would like to thank Mr. Mason for his valuable contributions to the Board during his tenure as a director, and we look forward to the continued support that Mr. Mason will provide to the Board in his continuing role as the Company's Chief Financial Officer.

In Mr. Mason's place, we are putting forward an independent director, Michele S. Darling, who we believe will contribute meaningfully to our Board based on her previous experience in the mining industry and her years of experience with human resources and compensation matters.

Each of the director nominees is well qualified to serve on our Board and has expressed his/her willingness to do so. Our directors are elected for a one-year term, which expires at the end of our 2016 annual general meeting, unless the person ceases to be a director before then.

**4. Re-appoint Manning Elliott LLP as our independent auditor for the ensuing year and authorize the directors to set the auditor's pay (see page 18)**

We have recommended that Manning Elliott LLP ("**Manning Elliott**") be re-appointed as our independent auditor and serve until the end of our 2016 annual general meeting.

You will also vote on authorizing the Board to set the auditor's pay for the ensuing year.

**5. Approve amendments to our Share-Based Compensation Plan (see page 18)**

At the Meeting, we will seek approval of shareholders to approve certain amendments to our share-based compensation plan, which was originally approved by shareholders at the Company's annual and general special meeting that was held on December 17, 2013 (the "**Share-Based Compensation Plan**").

**6. Approve amendments to certain Warrants held by insiders of Wellgreen Platinum (see page 24)**

At the Meeting, in accordance with the requirements of the TSX Company Manual, we will seek disinterested shareholder approval to amend the exercise price and expiry date of, in aggregate, 2,750,925 common share purchase warrants of Wellgreen Platinum that were issued on June 20, 2013 (the "**June 2013 Insider Warrants**") and that are held by certain insiders of Wellgreen Platinum. The June 2013 Insider Warrants had been issued in connection with our "flow-through" private placement equity financing that closed on June 20, 2013 (the "**June 2013 Private Placement**") and that raised approximately \$5.9 million in gross aggregate proceeds.

**7. Approve amendments to the notice of articles and articles of Wellgreen Platinum necessary to create a class of preferred shares (see page 26)**

At the Meeting, in accordance with the requirements of the *Business Corporations Act* (British Columbia) (the "**BCBCA**"), we will seek shareholder approval to amend the notice of articles and articles of Wellgreen Platinum to allow for the creation of a new class of preferred shares.

**8. Other business**

We'll also consider other matters that properly come before the Meeting. As of the date of this Circular, we are not aware of any other items of business to be considered at the Meeting, other than as set forth above.

**Quorum and approval**

We need a quorum of shareholders to transact business at the Meeting. Under our articles, a quorum is two or more persons who are, or represent by proxy, shareholders holding, in the aggregate, at least 5% of the Common Shares entitled to be voted at the Meeting.

We require a simple majority (50% plus 1) of the votes cast at the Meeting to approve all items of business, other than for the approval of amendments to the notice of articles and articles of Wellgreen Platinum necessary to create a class of preferred shares, which will require a special majority (66⅔%) of the votes cast at the Meeting.



## Record Date

We have fixed August 10, 2015 as the Record Date for determining the registered shareholders who will be entitled to notice of the Meeting, and any adjournment or postponement of the Meeting, and who will be entitled to vote at the Meeting.

## Shares and outstanding principal holders

Our authorized capital consists of an unlimited number of Common Shares without par value, each carrying the right to one vote. On a vote by show of hands, every person present who is a shareholder or proxyholder and entitled to vote on the matter has one vote and, on a poll, every shareholder entitled to vote on the matter has one vote in respect of each Common Share entitled to be voted on the matter and held by that shareholder and may exercise that vote either in person or by proxy.

We had a total of 112,368,061 Common Shares outstanding at the close of business on the Record Date.

To the knowledge of our directors and executive officers, the following persons or companies beneficially own, or control or direct, directly or indirectly, Common Shares carrying 10% or more of the voting rights attached to all outstanding Common Shares as of the Record Date:

Name of shareholder	Number of Common Shares	Percentage of issued and outstanding Common Shares
Ernesto Echavarria	13,794,725	12.3%

Our Common Shares are listed on:

- the TSX under the symbol “WG”; and
- the OTC-QX market in the United States under the symbol “WGPLF”.

## Interest of certain persons in matters to be acted upon

Other than as described elsewhere in this Circular, none of the following individuals has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors, the appointment of the independent auditor, the approval of amendments to the terms of the June 2013 Insider Warrants and the approval of certain amendments to the Share-Based Compensation Plan:

- each person who has been a director or executive officer of the Company at any time since January 1, 2014;
- the nominees for director; or
- any associate or affiliate of any of the above.

## Interest of informed persons in material transactions

We are not aware of any informed person (as defined in National Instrument 51-102 – *Continuous Disclosure Obligations*) of the Company, or any proposed director, or any associate or affiliate of the foregoing, who has a direct or indirect material interest in any transaction we entered into since January 1, 2014 or any proposed transaction, which has materially affected or would materially affect the Company or its subsidiaries other than as described below.

On June 20, 2013, we completed the June 2013 Private Placement of 8,386,264 units of the Company at a price of \$0.70 per unit, for aggregate gross proceeds of approximately \$5.9 million. In connection with the June 2013 Private Placement, in order to assist our management to build direct equity ownership in the Company and further align the interests of shareholders and management, we advanced short-term loans (the “**Loans**”) in the aggregate amount of \$892,500 to members of our senior management team and an employee to allow them to participate in the June 2013 Private Placement. The full amount of each Loan was used by each recipient to subscribe for units under the June 2013 Private Placement on the same premium to market terms as other investors. The Loans bear interest at a rate prescribed by the Canada Revenue Agency for corporate taxpayers’ overpaid remittances on Harmonized Sales Tax. During the three months ended March 31, 2015, the Loan recipients repaid 50% of the outstanding principal amounts on their respective Loans (plus the relevant interest on such Loans), resulting in the Company receiving, in aggregate, \$454,043. As of the Record Date, the balance of the Loans, together with the interest payable thereon, is \$456,099. Effective as of June 30, 2015, the remaining balance owed under each Loan is due upon demand by the Company.

As security for the Loans, each recipient granted the Company a securities pledge agreement constituting a first priority encumbrance over all securities that the recipient purchased in the June 2013 Private Placement. As a result of the Loan re-payments that occurred during the three months ended March 31, 2015, the Company’s security over a total of 637,500 Common Shares and 637,500 warrants that the Loan recipients subscribed for under the June 2013 Private Placement was discharged, and such Common Shares and warrants were released by the Company to the Loan recipients. The Company maintains its security interest over the remaining 637,500 Common Shares and 637,500 warrants that the Loan recipients subscribed for under the June 2013 Private Placement.

For additional details regarding the Loans, see “Indebtedness of directors and executive officers” below.

## Voting

### Who can vote

You are entitled to receive notice of and vote at the Meeting if you held Common Shares as of the close of business on August 10, 2015, the Record Date for the Meeting.

### How to vote

You can vote by proxy or you can attend the Meeting and vote your Common Shares in person.

Voting by proxy is the easiest way to vote because you’re appointing someone else (called *your proxyholder*) to attend the Meeting and vote your Common Shares for you.

There are different ways to submit your voting instructions, depending on whether you are a registered or non-registered shareholder.

### Registered shareholders

You are a registered shareholder if you hold a share certificate in your name.

### ***Voting by proxy***

Greg Johnson, President, Chief Executive Officer and Director, failing him, Jeffrey R. Mason, Chief Financial Officer, or failing him, John Sagman, Senior Vice President and Chief Operating Officer, have agreed to act as the Wellgreen Platinum proxyholders.

**You can appoint someone other than Wellgreen Platinum proxyholders to represent you at the Meeting and vote on your behalf.** If you want to appoint someone else, print the name of the person you want as your proxyholder in the space provided on the enclosed **GREEN** proxy form. This person need not be a shareholder.

**Your proxyholder must vote your Common Shares or withhold your vote, as applicable, according to your instructions on any ballot that may be called for and, if you specify a choice on any matter to be acted upon, your Common Shares will be voted accordingly.** If there are other items of business that properly come before the Meeting, or amendments or variations to the items of business, your proxyholder has the discretion to vote as he or she sees fit.

**If you appoint the Wellgreen Platinum proxyholders but do not tell them how to vote your Common Shares, your Common Shares will be voted as follows:**

- **FOR** fixing the number of directors at five;
- **FOR** electing the five nominated directors listed on the **GREEN** proxy form and in this Circular;
- **FOR** re-appointing Manning Elliott as the independent auditor and **FOR** authorizing the Board to set the auditor's pay;
- **FOR** approving the amendments to the Share-Based Compensation Plan;
- **FOR** approving the amendments to the June 2013 Insider Warrants; and
- **FOR** approving the amendments to the notice of articles and articles of Wellgreen Platinum necessary to create a class of preferred shares.

This is consistent with the voting recommendations by management and the Board. **If there are other items of business that properly come before the Meeting, or amendments or variations to the items of business, the Wellgreen Platinum proxyholders will vote according to management's recommendation.**

If you appoint someone other than the Wellgreen Platinum proxyholders to be your proxyholder, that person must attend and vote at the Meeting for your vote to be counted.

A proxy will not be valid unless it is signed by the registered shareholder, or by the registered shareholders' attorney with proof that they are authorized to sign. If you represent a registered shareholder who is a corporation or association, your **GREEN** proxy should have the seal of the corporation or association, and must be executed by an officer or an attorney who has written authorization. If you execute a proxy as an attorney for an individual registered shareholder, or as an officer or attorney of a registered shareholder who is a corporation or association, you must include

**The voting process is different depending on whether you are a registered or non-registered shareholder.**

You're a registered shareholder if your name appears on your share certificate.

You're a non-registered shareholder if your bank, trust company, securities broker, trustee or other financial institution holds your Common Shares (your *nominee*). This means the Common Shares are registered in your nominee's name, and you are the *beneficial* shareholder.

the original or a notarized copy of the written authorization for the officer or attorney, with your **GREEN** proxy form.

If you are voting by proxy, you may vote:

- by telephone;
- by fax;
- by mail; or
- on the internet.

Computershare must receive your **GREEN** proxy by 10:00 a.m. (Eastern Standard Time) on September 23, 2015 or at least 48 hours (excluding Saturdays, Sundays and statutory holidays in the province of Ontario) prior to the time set for any adjournment or postponement of the Meeting. The chairman of the Meeting has the discretion to accept late proxy forms without notice.

#### By telephone

You may vote your Common Shares using the telephone by dialling the following toll-free number from a touch tone telephone: 1.866.732.8683. If you vote using the telephone, you will need your 15-digit control number, which appears on your **GREEN** proxy form.

#### By fax or mail

Complete your **GREEN** proxy form, including the section on declaration of residency, sign and date it, and send it to Computershare by fax to 1.866.249.7775 (within North America) or 1.416.263.9524 (outside North America) or mail it to:

Computershare Investor Services Inc.  
Attention: Proxy Department  
100 University Avenue  
8<sup>th</sup> Floor  
Toronto, ON M5J 2Y1

#### On the internet

Go to [www.investorvote.com](http://www.investorvote.com) and follow the instructions on the screen. If you vote using the internet, you will need your 15-digit control number, which appears on your **GREEN** proxy form.

#### ***Attending the Meeting and voting in person***

Do not complete the enclosed **GREEN** proxy form if you want to attend the Meeting and vote in person. Simply register with a representative from Computershare when you arrive at the Meeting.

#### **Non-registered shareholders**

Only registered shareholders of Wellgreen Platinum, or the persons they appoint as their proxy holders, are permitted to vote at the Meeting. Most shareholders of Wellgreen Platinum are *non-registered shareholders* because the Common Shares they own are not registered in their names. Common Shares beneficially owned by a non-registered shareholder are registered either:

- (i) in the name of an intermediary ("**Intermediary**") that the non-registered shareholder deals with in respect of the non-registered shareholder's 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

- (ii) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc. or The Depository Trust & Clearing Corporation) of which the Intermediary is a participant.

In accordance with applicable securities law requirements, Wellgreen Platinum has distributed copies of the Notice and Access notification, the Meeting Materials and the form of proxy (which includes a place to request copies of this Circular and annual and/or interim financial statements and MD&A or to waive the receipt of such documents) to the Intermediaries and clearing agencies for distribution to non-registered shareholders.

Intermediaries are required to forward the Notice and Access notification to non-registered shareholders unless a non-registered shareholder has requested paper copies (in which case the Intermediary will forward the Meeting Materials to the non-registered shareholder). Intermediaries often use service companies to forward the Notice and Access notification and Meeting Materials to non-registered shareholders.

### ***Voting using the voting instruction form or proxy form***

Generally non-registered shareholders who have not waived the right to receive the Meeting Materials will either:

- (i) be given a voting instruction form which is not signed by the Intermediary and which, when properly completed and signed by the non-registered shareholder and returned to the Intermediary or its service company, will constitute your voting instructions (often called a “voting instruction form”) which the Intermediary must follow. Typically, the voting instruction form will consist of a one or two page pre-printed form; or
- (ii) be given a proxy form **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of Common Shares beneficially owned by the non-registered shareholder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the non-registered shareholder when submitting the proxy.

In either case, the purpose of these procedures is to enable non-registered shareholders to direct the voting of the Common Shares of Wellgreen Platinum that they beneficially own.

If you do not plan to attend the Meeting and vote in person, **carefully follow the instructions of your Intermediary in order to submit the voting instructions for your Common Shares, including those regarding when and where the completed voting instruction form or proxy form (as applicable) is to be delivered.**

Your Intermediary may have also provided you with the option of voting by telephone or fax or through the internet.

### ***Attending the Meeting and voting in person***

If you wish to vote in person at the Meeting, insert your name in the space provided for the proxyholder appointment in the voting instruction form or proxy form (as applicable), and return it as instructed by your Intermediary. Do not complete the voting section of the voting information form or proxy form, since you will vote in person at the Meeting.

Your Intermediary may have also provided you with the option of appointing yourself or someone else to attend and vote on your behalf at the Meeting through the internet. When you arrive at the Meeting, make sure you register with a representative from Computershare so your voting instructions can be taken at the Meeting.

Your Intermediary must receive your voting instructions in sufficient time for your Intermediary to act on them. Computershare must receive proxy vote instructions from your Intermediary by no later than 10:00 a.m. (Eastern Standard Time) on September 23, 2015, or at least 48 hours (excluding Saturdays, Sundays and statutory holidays in the province of Ontario) prior to the time set for any adjournment or postponement of the Meeting.

## **Changing your vote**

### **Registered shareholders**

You can revoke your proxy by sending a new completed **GREEN** proxy form with a later date, or a written notice of revocation signed by you, or by your attorney if he or she has your written authorization. You can also revoke your proxy in any manner permitted by law.

If you represent a registered shareholder who is a corporation or association, your written notice of revocation must have the seal of the corporation or association, and must be executed by an officer or an attorney who has their written authorization. The written authorization must accompany the written notice of revocation.

We must receive the written notice of revocation any time up to and including the last business day before the day of the Meeting, or the day the Meeting is reconvened if it was postponed or adjourned.

Send the signed written notice to:

Wellgreen Platinum Ltd.  
c/o Cassels Brock & Blackwell LLP  
Suite 2200, 885 West Georgia Street  
Vancouver, British Columbia V6C 3E8  
Attention: Deepak S. Gill

You can also give your written notice to the chairman of the Meeting on the day of the Meeting. If the Meeting has already started, your new voting instructions can only be executed for items that have not yet been voted on.

If you've sent in your completed proxy form and since decided that you want to attend the Meeting and vote in person, you need to revoke the proxy form before you are able to vote at the Meeting.

### **Non-registered shareholders**

You can revoke your prior voting instructions by providing new instructions on a voting instruction form or proxy form with a later date, or at a later time in the case of voting by telephone or through the internet, provided that your new instructions are received by your Intermediary in sufficient time for your Intermediary to act on them before 10:00 a.m. (Eastern Standard Time) on September 23, 2015 or at least 48 hours (excluding Saturdays, Sundays and statutory holidays in the province of Ontario) prior to the time set for any adjournment or postponement of the Meeting.

Non-registered shareholders should follow the instructions on the forms they receive and contact their intermediaries promptly if they need assistance.

#### Processing the votes

Our transfer agent, Computershare, or its authorized agents count and tabulate the votes on our behalf.

## Particulars of the matters to be acted upon

#### Receipt of audited consolidated financial statements

The audited consolidated annual financial statements of the Company for the financial year ended December 31, 2014 and the auditor's report thereon will be presented to the Meeting. A copy is available on our website at [www.wellgreenplatinum.com](http://www.wellgreenplatinum.com) and on SEDAR at [www.sedar.com](http://www.sedar.com).

The audited consolidated annual financial statements of the Company (together with the auditor's report thereon) and the accompanying management's discussion and analysis for the financial year ended December 31, 2014 have been mailed to registered shareholders who have indicated to us that they wish to receive these documents.

#### Election of directors

Our Board presently consists of five directors and we propose to fix the number of directors at five for the ensuing year. If there are more nominees for election than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected until all such vacancies have been filled.

**In the absence of instructions to the contrary, the Wellgreen Platinum proxyholders will vote the Common Shares represented by each GREEN form of proxy, properly executed, FOR fixing the number of directors at five for the ensuing year.**

We have nominated four of the five current directors of the Company and a new independent director as the five individuals to stand for re-election as directors, based on their mix of skills and experience that we believe are necessary to effectively fulfill the Board's duties and responsibilities. In keeping with generally recognized principles of good corporate governance, we have decided to recommend increasing the proportion of non-management directors on our Board. As a result, and contingent on each management nominee being elected as a director, Mr. Mason, our Chief Financial Officer, will be stepping down as a director effective as of the date of the Meeting. The Company would like to thank Mr. Mason for his valuable contributions to the Board during his tenure as a director, and we look forward to the continued support that Mr. Mason will provide to the Board in his continuing role as the Company's Chief Financial Officer.

In Mr. Mason's place, we are putting forward an independent director, Michele S. Darling, who we believe will contribute meaningfully to our Board based on her previous experience in the mining industry and her years of experience with human resources and compensation matters.

Each of our directors is elected annually and holds office until the end of the next annual general meeting of shareholders, unless that person ceases to be a director before then. Each of the nominated directors has confirmed his or her willingness to serve on the Board for the next year.

In the absence of instructions to the contrary, the Wellgreen Platinum proxyholders will vote the Common Shares represented by each **GREEN** form of proxy, properly executed, FOR each of the five director nominees listed herein.

**About the nominated directors**

The following provides information on the five director nominees including:

- their province or state and country of residence;
- their position with the Company;
- the period or periods during which each has served as a director of the Company;
- their membership on committees of the Board;
- their principal occupation, business or employment; and
- the current equity ownership consisting of Common Shares beneficially owned, or controlled or directed, directly or indirectly, of each director and of each director’s associates or affiliates.

**Michele S. Darling**, Niagara, Ontario, Canada



*New director nominee*  
Principal area of expertise: human resources and corporate governance

**Present principal occupation, business or employment for past five years**<sup>(1)</sup>

President and CEO, Michele Darling and Associates, Inc. (management consulting business) from January 2003 to present

Founder and Chair of The Halo Foundation (children’s charity) from January 2003 to present

Director, Hewitt Equipment Limited (Caterpillar dealer) from May 2004 to present

Director, The Denihan Hospitality Group (New York) (hotel company) from May 2007 to present

Benefactor of The Darling Home For Kids (respite home for children) from June 2008 to present

Governor and member of the Executive Committee of The Shaw Festival Theatre (theatre company) from January 2011 to present

Director, Trillium Health Partners (hospital) from June 2015 to present

Director, Osisko Mining Corporation (resource company) from June 2012 to June 2014

Director, The Pickseed Group of Companies (seed company) from May 2012 to July 2013

Chair of The Credit Hospital Foundation (healthcare foundation) from June 2011 to June 2013

<b>Board committees</b>	<b>Director election voting results</b> <sup>(2)</sup>
N/A	N/A

**Securities beneficially owned, or controlled or directed, directly or indirectly**<sup>(1)</sup>  
None



**Wesley J. Hall, ICD.D.,**  
Toronto, Ontario, Canada



Director (since August 7, 2012)

Principal area of expertise: corporate governance; finance; and corporate communication

**Present principal occupation, business or employment for past five years<sup>(1)</sup>**

Corporate director of Wellgreen Platinum as of August 2012

Director, SickKids Foundation (healthcare) from June 2013 to present

Founder, President and Chief Executive Officer, Kingsdale Partners LP (proxy advisory company) from 2003 to present

Chairman of the Board, Difference Capital Financial Inc. (finance company) from June 2010 to July 2014

Director and member of Governance and Compensation Committee and Executive Search Committee, Equity Financial Holdings Inc. (financial services company) from February 2014 to May 2014

Director, Longford Energy Inc. (oil and gas company) from September 2012 to June 2013

Director, Caldera Geothermal Inc. (geothermal company) from September 2010 to February 2013; Director, Genesis Land Development Corp. (real estate development company) from May to June 2010

Director and member of Audit Committee, Metallic Ventures Gold Inc. (resource company) from May 2009 to February 2010

Director, Exempt Market Dealers Association of Canada (association of firms in the exempt market) from January 2009 to December 2010

<b>Board committees</b>	<b>Director election voting results<sup>(2)</sup></b>		
	<i>Year</i>	<i>For</i>	<i>Withheld</i>
Audit Committee			
Compensation Committee (chair)	2014	99.87%	0.13%
Corporate Governance and Nominating Committee (chair)	2013	99.69%	0.31%

**Securities beneficially owned, or controlled or directed, directly or indirectly<sup>(1)</sup>**

<i>Common shares</i>	<i>Options</i>	<i>SARs</i>	<i>Warrants</i>
850,149	100,000	325,000	332,469

**Greg Johnson**, Burnaby,  
British Columbia,  
Canada



Director (since November  
30, 2012)

President and CEO

Principal area of  
expertise: geology; and  
finance

**Present principal occupation, business or employment for past five years** <sup>(1)</sup>

Assumed current position as President and Chief Executive Officer of Wellgreen Platinum as of November 2012

Director, TNR Gold Corp. (resource company) from April 2008 to present;

Director, Northern Freegold Ltd. (resource company) from February 2009 to present;

Director, Namibia Rare Earths Inc. (resource company) from December 2010 to July 2013;

President and Chief Executive Officer, South American Silver Corp. (resource company) from April 2010 to August 2012

Co-founder and Executive, NovaGold Resources Inc. (resource company) from March 1998 to March 2010

Board committees	Director election voting results <sup>(2)</sup>		
	<i>Year</i>	<i>For</i>	<i>Withheld</i>
None	2014	99.89%	0.11%
	2013	99.69%	0.31%

**Securities beneficially owned, or controlled or directed, directly or indirectly** <sup>(1)</sup>

<i>Common shares</i>	<i>Options</i>	<i>SARs</i>	<i>Warrants</i>
1,220,000	800,000	1,500,000	700,000

**Myron G. Manternach**,  
Philadelphia,  
Pennsylvania, United  
States



Chairman of the Board  
(since September 19, 2014)

Director (since July 10,  
2012)

Principal area of  
expertise: finance

**Present principal occupation, business or employment for past five years** <sup>(1)</sup>

Corporate director of Wellgreen Platinum as of July 2012

Director, Rathdowney Resources Ltd. from August 2014 to present

Director, Lithium Americas Corp. from June 2014 to present

President of Castle Grove Capital, LLC (financial and strategic consulting firm) from July 2013 to present

Consultant to the investment committee of Geologic Resource Partners, LLC (investment fund specializing in the mining and metals sector) from August 2013 to June 2015

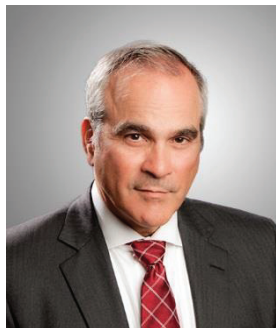
Managing Director, Octavian Advisors, LP (global investment fund) from April 2006 to December 2011

Board committees	Director election voting results <sup>(2)</sup>		
	<i>Year</i>	<i>For</i>	<i>Withheld</i>
Audit Committee (chair)	2014	99.91%	0.09%
Compensation Committee	2013	99.70%	0.30%
Corporate Governance and Nominating Committee			

**Securities beneficially owned, or controlled or directed, directly or indirectly** <sup>(1)</sup>

<i>Common shares</i>	<i>Options</i>	<i>SARs</i>	<i>Warrants</i>
20,000	100,000	350,000	20,000

**Mike Sylvestre, M.Sc.,  
P.Eng., ICD.D,** Las Palmas,  
Canary Islands, Spain



Director (since February 3,  
2012)

Principal area of  
expertise: mine  
engineering; exploration;  
operations; management;  
and corporate governance

**Present principal occupation, business or employment for past five years** <sup>(1)</sup>

Corporate director of Wellgreen Platinum as of February 2012, and chairman of the Board from December 2013 to September 2014

Regional Vice-President, Africa, Kinross Gold Corporation from November 2014 to present

Director, Castle Resources Inc. (resource company) from June 2011 to March 2015, and Chairman of the Board of Castle Resources Inc. from December 2014 to March 2015

President and Chief Executive Officer, Castle Resources Inc. (resource company) from July 2011 to November 2014

Director, James Bay Resources Ltd. (resource company) from June 2010 to June 2014

President and Chief Operating Officer, Castle Resources Inc. from July 2010 to July 2011

Interim Chief Executive Officer, Claude Resources Inc. from April 2014 to November 2014

Director, Claude Resources Inc. (resource company) from June 2011 to February 2015, and Chairman of Claude Resources Inc. from May 8, 2014 to December 2014

Chief Operating Officer, Linear Gold Corp. (resource company) from September 2009 to July 2010

<b>Board committees</b>	<b>Director election voting results</b> <sup>(2)</sup>		
	<i>Year</i>	<i>For</i>	<i>Withheld</i>
Audit Committee	2014	99.91%	0.09%
Compensation Committee	2013	99.70%	0.30%
Corporate Governance and Nominating Committee			

**Securities beneficially owned, or controlled or directed, directly or indirectly** <sup>(1)</sup>

<i>Common shares</i>	<i>Options</i>	<i>SARs</i>	<i>Warrants</i>
60,000	200,000	275,000	60,000

(1) The information as to principal occupation, business or employment and securities beneficially owned, or controlled or directed, directly or indirectly, is not within the knowledge of the management of the Company and has been furnished by the respective nominees.

(2) Annual voting results for the last two years in which the nominee was nominated for election to the Board.

We note that our proposed nominees for director, together with our senior management team, hold, in the aggregate, 5,516,149 Common Shares, representing approximately 5% of our issued and outstanding Common Shares as at the date of this Circular (on an undiluted basis).

**Director profiles**

The following section provides further details regarding the background and experience of each of the five director nominees:

- Michele S. Darling (*new nominee*) – Ms. Darling has over thirty years of global business experience with particular expertise in Human Resources Management and Corporate Governance. She is the President of Michele Darling and Associates Inc., a management consulting business that provides human resources and strategic planning consulting services to Canadian and American businesses. Prior to establishing her consulting practice, Ms. Darling was the Executive Vice President, Corporate Governance with Prudential Financial, Inc. from 1996 to 2002. She played a very significant role in the transformation of Prudential Financial from a mutual company into a public company, and was honoured as Human Resources

Executive of the Year in 2000. From 1991 to 1996, she was the Executive Vice President, Human Resources at Canadian Imperial Bank of Commerce, having joined the bank in corporate banking. Ms. Darling also held various Human Resources positions during her ten years with The Oshawa Group Limited. Ms. Darling is currently a member of the Board of Advisors for Hewitt Equipment Limited, and The Denihan Hospitality Group (New York). She is also a member of the Board of Directors of Trillium Health Partners, and is Chair Emeritus of Trillium Health Partners Foundation. She is the Benefactor of The Darling Home For Kids, and is a Governor of The Shaw Festival Theatre. Ms. Darling holds a Bachelor of Arts (Honours) degree from the University of Sydney and obtained her Master's degree in Education from the University of Toronto. Ms. Darling is a certified Human Resources Professional, and she is also a graduate of the directors' education program offered by the Institute of Corporate Directors (ICD) in partnership with the Rotman School of Management, University of Toronto.

- Wesley J. Hall – Mr. Hall has over 20 years of experience in corporate governance and shareholder communications. He started Kingsdale Shareholder Services Inc. in 2003 and Kingsdale Communications Inc. in 2009 to provide clients with best-in-class services for communicating with shareholders and managing investor-relations communications. Mr. Hall is one of Canada's foremost experts in proxy solicitation, depositary, corporate governance and other shareholder-related initiatives. Prior to forming Kingsdale, he was Vice President, National Sales, for Georgeson Shareholder Communications Canada, Inc., and a Senior Manager for a major Canadian transfer agent. Mr. Hall is currently a director of SickKids Foundation and Wellgreen Platinum. He is the former chairman of the board of Difference Capital Financial Inc., and a former director of Equity Financial Holdings Inc., Longford Energy Inc., Caldera Geothermal Inc., Metallic Ventures Gold Inc. and the Exempt Market Dealers Association of Canada. In October 2009, Mr. Hall received the Ernst & Young Entrepreneur of the Year 2009 Award in the Financial Services category in Ontario for his extraordinary success in the areas of innovation, financial performance and personal commitment to his businesses and communities. He has successfully completed the directors' education program offered by the Institute of Corporate Directors (ICD) in partnership with the Rotman School of Management, University of Toronto.
- Greg Johnson – Mr. Johnson has over 25 years of experience in the exploration and development of large scale projects in the mining industry and, through his global network of contacts, has been involved in raising over \$650 million in project financing. Previously President and Chief Executive Officer at South American Silver Corp., he led the significant advancement and expansion of two development stage projects – a period in which the company's market capitalization increased from \$20 million to a peak of \$350 million. A co-founder and executive at NovaGold Resources Inc., Mr. Johnson was a key member of the executive team that led NovaGold Resources Inc. from a \$50-million market capitalization to more than \$2-billion and oversaw the expansion of the company's resource base to over 30 million ounces of gold. Over his 12 years with NovaGold Resources Inc., Mr. Johnson played a prominent role in the acquisition and advancement of three world-class deposits, including the completion of three feasibility studies. Mr. Johnson began his career with Placer Dome Inc. (now Barrick Gold Corporation), where he held various senior roles in domestic and international exploration in projects from early discovery stage to feasibility and operations in Alaska, Canada, Africa, Australia and Russia. He holds an honours degree in Geology from Western Washington University.

- Myron G. Manternach (Chairman) – Mr. Manternach is President of Castle Grove Capital, LLC, a consulting firm that provides strategic and financial advice to investment funds and portfolio companies in the mining and metals and technology sectors. He has over 20 years of experience in corporate finance, mergers and acquisitions and capital management, including as Managing Director with Octavian Advisors, Vice President with Robeco Investment Management, Senior Analyst with EagleRock Capital and Vice President of investment banking with JPMorgan. Mr. Manternach is a director of Lithium Americas Corp. and Rathdowney Resources Ltd., and served as a consultant to the investment committee of Geologic Resource Partners, LLC, an investment firm specializing in the mining and metals sector, from August 2013 to June 2015. Mr. Manternach holds an MBA from the Wharton School of the University of Pennsylvania and a B.Sc. in Electrical Engineering with Distinction from Iowa State University.
- Mike Sylvestre – Mr. Sylvestre is currently the Regional Vice-President, Africa for Kinross Gold Corporation, and a director of Wellgreen Platinum. For most of his career, Mr. Sylvestre worked with Inco Ltd. where he held senior management positions domestically and internationally. Most notably, he was the Chief Executive Officer of Vale Inco, New Caledonia, the President of Vale Inco, Manitoba Operations and the Vice President of Operations PT Inco, Indonesia. Mr. Sylvestre was also previously the President and Chief Executive Officer of Castle Resources Inc. and the Interim Chief Executive Officer of Claude Resources Inc. Mr. Sylvestre brings over 40 years of mining experience to Wellgreen Platinum. Mr. Sylvestre holds a M.Sc. and a B.Sc. in Mining Engineering from McGill University and Queen’s University, respectively. He is a member of the Professional Engineers of Ontario and the Canadian Institute of Mining. Mr. Sylvestre is also a graduate of the directors’ education program offered by the Institute of Corporate Directors (ICD) in partnership with the Rotman School of Management, University of Toronto.

#### Cease trade orders, bankruptcies, penalties or sanctions

No proposed director:

- is, as of the date of this Circular, or has been within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including ours) that: (a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (an “**order**”) that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or (b) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;
- is, as of the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company (including ours) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- has within 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any

proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

None of the proposed directors:

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

### Skills and experience

We believe that it is important for directors to have experience in senior management, governance, compensation, finance, environment, health and safety, and to participate with public company boards as an advisor, director or member of management to effectively fulfill their duties and responsibilities as a member of our Board.

The Board reviews the slate of nominated directors every year to determine whether it still reflects the mix of skills, background and experience it believes is necessary for fulfilling its duties and responsibilities in overseeing the Company's strategic direction, management and affairs.

We believe that the directors who have been nominated for election at the Meeting are well qualified to represent the interests of shareholders and appropriately address our business needs, and we recommend that shareholders vote **FOR** the five director nominees set out herein.

### Advance Notice

On November 2, 2012, the Board approved an advance notice policy (the "**Advance Notice Policy**") for the purpose of providing shareholders, directors and management of the Company with a clear framework for nominating directors. The Advance Notice Policy fixes a deadline by which holders of record of Common Shares must submit director nominations to the Company prior to any annual or special meeting of shareholders and sets forth the information that a shareholder must include in the notice to the Company for the notice to be in proper written form in order for any director nominee to be eligible for election at any annual or special meeting of shareholders. No director nominations were received pursuant to the Advance Notice Policy as of the date hereof. The Advance Notice Policy was ratified, confirmed and approved by shareholders at the Company's 2012 annual general meeting held on November 30, 2012 (the "**2012 AGM**"). A copy of the Advance Notice Policy is attached as Schedule "A" to the Company's management information circular in respect of the 2012 AGM, which is available on SEDAR at [www.sedar.com](http://www.sedar.com).

### Majority Voting Policy

The Board has adopted a majority voting policy. Unless there is a contested election, a director who receives more withhold votes than votes "for", will immediately submit his or her resignation to the Board. The Corporate Governance and Nominating Committee will review the matter and recommend to the Board whether to accept the resignation. The resignation will be effective when accepted by the Board. The director will not participate in any deliberations on the matter. We expect to accept the resignation unless there is some special circumstance that warrants the director stay on the Board. In any case, the Board shall determine whether or not to accept the resignation within 90 days of the relevant annual shareholders' meeting and the Company will promptly issue a news release with the

Board's decision. If the Board determines not to accept a resignation, the news release will fully state the reasons for that decision.

#### **Appointment of auditor**

Manning Elliott has been our external auditor since September 2006.

**In the absence of instructions to the contrary, the Wellgreen Platinum proxyholders will vote the Common Shares represented by each GREEN form of proxy, properly executed, FOR re-appointing Manning Elliott as our independent auditor for the ensuing year, and FOR authorizing the directors to fix the auditor's pay.**

#### **Approval of Amendments to the Share-Based Compensation Plan**

At the Meeting, shareholders will be asked to approve certain amendments to the Share-Based Compensation Plan, which was initially approved by shareholders on December 17, 2013.

Effective December 4, 2014, the Company completed its graduation from the TSX Venture Exchange to the TSX. On August 14, 2015, our Board approved certain amendments to the Share-Based Compensation Plan (subject to the approval of the TSX), including amendments designed to bring the Share-Based Compensation Plan in-line with the policies of the TSX.

These amendments (collectively, the "**Share-Based Compensation Plan Amendments**") are described below.

#### **Number of Common Shares Available for Awards**

Pursuant to the Share-Based Compensation Plan Amendments, a 12.5% "rolling" plan would be implemented such that the number of Common Shares that may be issued under the Share-Based Compensation Plan, together with the 2012 Option Plan (as defined below), may not exceed 12.5% of the total issued and outstanding Common Shares at the time of any grant. Accordingly, if the Share-Based Compensation Plan Amendments are made effective, based on the number of our Common Shares that are issued and outstanding as of the date of this Circular, the number of Common Shares issuable under the Share-Based Compensation Plan and the 2012 Option Plan would be 14,046,008 Common Shares. This would result in us having 1,383,992 less Common Shares to issue under the Share-Based Compensation Plan, given that the maximum number of Common Shares that we currently can issue under the Share-Based Compensation Plan and the 2012 Option Plan is 15,430,000 Common Shares.

In addition, if the Share-Based Compensation Plan Amendments are made effective, the maximum number of Bonus Shares (as defined therein) that may be issued under the Share-Based Compensation Plan in a calendar year may not exceed 2% of the issued and outstanding Common Shares as of January 1 of such calendar year. Currently, there is no maximum with respect to the issuance of Bonus Shares under the Share-Based Compensation Plan.

#### **Maximum Award Grants**

Pursuant to the Share-Based Compensation Plan Amendments, the Share-Based Compensation Plan will no longer contain limitations on the maximum number of Awards (as defined therein) that may be granted to: (a) Consultants (as defined therein); or (b) persons retained to provide investor relations activities, under the Share-Based Compensation Plan.

In addition, pursuant to the Share-Based Compensation Plan Amendments, the maximum number of Common Shares reserved for issuance to any one Eligible Person (as defined therein), at any time, under the Share-Based Compensation Plan and under the 2012 Option Plan, will not exceed 5% of the issued

Common Shares; previously this Award grant limitation restricted the maximum number of Common Shares reserved for issuance to any one Eligible Person to 5% during any 12 month period.

The Share-Based Compensation Plan will also be revised to include the following limits on the maximum number of Awards that may be granted to non-employee directors:

- The aggregate number of Common Shares reserved for issuance to non-employee directors at any time, under the Share-Based Compensation Plan and under the 2012 Option Plan, shall not exceed (i) for all non-employee directors, a maximum of 1% of the issued Common Shares, and (ii) on an individual non-employee director basis, grants of Common Shares and/or Awards per non-employee director in any one calendar year having a maximum aggregate value of \$100,000 at the time of the grant of Common Shares or Awards (other than grants of Common Shares or Awards under the Share-Based Compensation Plan to a non-employee director in the year of his or her initial appointment to the board of directors).

### **Stock Appreciation Rights: Tandem Stock Appreciation Rights and Free-Standing Stock Appreciation Rights**

The Share-Based Compensation Plan will be revised to allow for the grant of: (i) stock appreciation rights in tandem with a related Option (as defined therein) or as an addition to a previously granted Option (“**Tandem SARs**”); and (ii) free-standing stock appreciation rights that are not Tandem SARs (“**Free-Standing SARs**”); previously, the Share-Based Compensation Plan provided only for the issuance of Free-Standing SARs.

The Share-Based Compensation Plan Amendments will provide that Tandem SARs may be exercised for all or part of the Common Shares subject to the related Option upon the surrender of the right to exercise the equivalent portion of the related Option. A Tandem SAR will be exercisable only when and to the extent the related Option is exercisable and may be exercised only with respect to the Common Shares for which the related Option is then exercisable. A Tandem SAR will entitle a Participant (as defined therein) to elect, in the manner set forth in the Share-Based Compensation Plan and the applicable Option agreement entered into in respect of such grant, in lieu of exercising his or her unexercised related Option for all or a portion of the Common Shares for which such Option is then exercisable pursuant to its terms, to surrender such Option to the Company with respect to any or all of such Common Shares and to receive from the Company in exchange therefor a payment described below on page 55. An Option with respect to which a Participant has elected to exercise a Tandem SAR will, to the extent of the Common Shares covered by such exercise, be cancelled automatically and surrendered to the Company. Such Option will thereafter remain exercisable according to its terms only with respect to the number of Common Shares as to which it would otherwise be exercisable, less the number of Common Shares with respect to which such Tandem SAR has been so exercised.

Additionally, the Share-Based Compensation Plan Amendments will provide for the inclusion of certain additional provisions relating to SARs (as defined below), including, among other things:

- a Free-Standing SAR may be exercised upon whatever terms and conditions the Compensation Committee, in its sole discretion, in accordance with the Share-Based Compensation Plan, determines and sets forth in the SAR agreement entered into in respect of such grant;
- the term of a SAR will be, subject to the requirements of the TSX, determined by the Compensation Committee, in its sole discretion, provided that no SAR shall be exercisable later than the tenth (10<sup>th</sup>) anniversary date of its grant (the “**SAR Expiry Date**”), provided that the



SAR Expiry Date shall be accelerated in the same manner as the Option Expiry Date (as defined therein) pursuant to the Share Based Compensation Plan;

- where the SAR Expiry Date for a SAR occurs during a blackout period, the SAR Expiry Date for such SAR shall be extended to the date which is 10 business days following the end of such blackout period, provided that, the SAR Expiry Date for a SAR will not be extended if the Eligible Person or the Company is subject to a cease trade order (or similar order under securities laws) in respect of the Company's securities;
- except as determined from time to time by the Compensation Committee, all SARs will cease to vest as at the date upon which the Participant ceases to be an Eligible Person which, in the case of an employee or consultant of the Company or its subsidiaries, shall be the date on which active employment or engagement, as applicable, with the Company or its subsidiaries terminates, specifically without regard to any period of reasonable notice or any salary continuance); and
- in the event of the death of a Participant prior to the Participant ceasing to be an Eligible Person, all SARs of such Participant shall become immediately vested.

### **Performance Share Units**

The Share-Based Compensation Plan Amendments will also provide for the grant of performance share units of the Company ("**PSUs**") to any Eligible Person with the specific terms and conditions to be as provided in the Share-Based Compensation Plan and in the PSU agreement entered into in respect of such grant. The PSU agreement in respect of the PSUs granted will set out, at a minimum, the number of PSUs granted, the Performance Period (as defined therein), the performance-based criteria and the multiplier(s).

In addition, the Share-Based Compensation Plan Amendments will provide, among other things, that:

- subject to the provisions of the Share-Based Compensation Plan, each PSU awarded to a Participant for services performed during the year in which the PSU is granted will entitle the Participant to receive payment in an amount equal to the PSU Fair Market Value (as defined therein) on the day immediately prior to the last day of the applicable Performance Period multiplied by the applicable multiplier(s), to be determined on the last day of the Performance Period;
- the Compensation Committee, in its sole discretion, may determine that if and when distributions are paid on any Common Shares, additional PSUs will be credited to the Participant as of such distribution payment date. The number of additional PSUs (including fractional PSUs) to be credited to the Participant will be determined by dividing the dollar amount of the distribution payable in respect of the Common Shares underlying the PSUs by the PSU Fair Market Value on the date the distribution is paid. Fractional PSUs to two decimal places will be credited to the Participant;
- if a Participant ceases to be an Eligible Person during the Performance Period because of Retirement or Termination (each as defined therein) of the Participant, all PSUs previously awarded to the Participant will be forfeited and cease to be credited to the Participant on the

date of the Retirement or Termination, as the case may be; however, the Compensation Committee will have the absolute discretion to modify the grant of the PSUs to provide that the Performance Period would end at the end of the calendar quarter immediately before the date of the Retirement or Termination, as the case may be, and the amount payable to the Participant will be calculated as of such date;

- in the event of the death or total disability of a Participant during the Performance Period, the Performance Period will be deemed to end at the end of the calendar quarter immediately before the date of death or total disability of the Participant and the amount payable to the Participant or its executors, as the case may be, will be calculated as of such date;
- in the event that (a) a Change of Control (as defined therein) and (b) a Triggering Event (as defined therein) occurs and within 12 months following such Triggering Event the Participant advises the Company of his or her intention to terminate his or her employment as a result thereof, the Performance Period will be deemed to end at the end of the calendar quarter immediately before the Change of Control and the amount payable to the Participant will be calculated as of such date;
- subject to the provisions of the Share-Based Compensation Plan (which could result in shortening any such period), the Performance Period in respect of a particular award will be one year from the date of grant of the applicable PSU, provided that the Compensation Committee may, in its sole discretion, determine the Performance Period to be greater than one year, to a maximum of three years from the date of grant of the applicable PSU; and
- subject to the terms of the amended Share-Based Compensation Plan, the Compensation Committee, in its sole discretion, may pay earned PSUs in the form of cash or in Common Shares issued from treasury (or in a combination thereof) equal to the value of the PSUs at the end of the applicable Performance Period. The determination of the Compensation Committee with respect to the form of payout of such PSUs will be set forth in the PSU agreement for the grant of the PSUs or reserved for later determination. In no event will delivery of such Common Shares or payment of any cash amounts be made later than 2½ months after the end of the year in which such conditions or restrictions were satisfied or lapsed.

### **Restricted Share Units**

The Share-Based Compensation Plan Amendments will also provide for the grant of restricted share units of the Company (“**RSUs**”) to any Eligible Person as a discretionary payment in consideration of past services to the Company, subject to the Share-Based Compensation Plan and with the specific terms and conditions thereof to be as provided in the Share-Based Compensation Plan and in the RSU agreement entered into in respect of such grant. At the end of the Restricted Period (as defined therein) applicable to a RSU and without the payment of additional consideration or any other further action on the part of the Participant, the Company will issue to the Participant one Common Share for each RSU held by the Participant for which the Restricted Period has expired. No Restricted Period will be longer than three years from the date of grant, subject to the Share-Based Compensation Plan.

In addition, the Share-Based Compensation Plan Amendments will provide, among other things, that:

- subject to the provisions of the Share-Based Compensation Plan, each RSU awarded to a Participant will entitle the Participant to receive on the Participant's RSU Entitlement Date (as defined therein) fully paid Common Shares, as determined by the Compensation Committee;
- the Compensation Committee, in its sole discretion, may determine that if and when distributions are paid on any Common Shares, additional RSUs shall be credited to the Participant as of such distribution payment date. The number of additional RSUs to be credited to the Participant shall be determined by dividing the dollar amount of the distribution payable in respect of the Restricted Shares (as defined therein) underlying the RSUs by the RSU Fair Market Value (as defined therein), if any, shall be the same as the Restricted Period, if any, for the RSUs;
- in the event of the Retirement or Termination of a Participant during the Restricted Period, any RSUs held by the Participant shall immediately terminate and be of no further force or effect; provided, however, that the Compensation Committee shall have the absolute discretion to modify the grant of the RSUs to provide that the Restricted Period shall terminate immediately prior to a Participant's Termination or Retirement;
- in the event of: (a) the death of a Participant, the Restricted Period in respect of any RSUs held by such Participant will be accelerated and will expire on the date of death of such Participant and the Restricted Shares represented by the RSUs held by such Participant will be issued to the Participant's estate as soon as reasonably practical thereafter, but in any event no later than 90 days thereafter; and (b) the disability of a Participant (determined in accordance with the Company's normal disability practices), the Restricted Period in respect of any RSUs held by such Participant will be accelerated and will expire on the date in which such Participant is determined to be totally disabled and the Restricted Shares represented by the RSUs held by the Participant will be issued to the Participant as soon as reasonably practical, but in any event no later than 30 days following receipt by the Company of notice of disability;
- in the event that (a) a Change of Control and (b) a Triggering Event occurs and within 12 months following such Triggering Event the Participant advises the Company by written notice of his or her intention to terminate his or her employment as a result thereof, the Restricted Period in respect of all RSUs held by such Participant shall expire on the date such written notice is received by the Company notwithstanding the Restricted Period; and
- unless otherwise determined by resolution of the Compensation Committee, in the event that any Restricted Period expires during a blackout period, such expiry will be extended to the day immediately following the end of the blackout period, provided that the expiry will not be extended if the Eligible Person or the Company is subject to a cease trade order (or similar order under securities laws) in respect of the Company's securities.

## Options

Pursuant to the Share-Based Compensation Plan Amendments, the exercise price per Common Share under each Option will be revised such that the exercise price will not be less than the trading price at which the Common Shares traded on the TSX as of close of market on the day immediately prior to the date such Option is granted; previously, the Option Exercise Price was as determined by the Compensation Committee, provided that such price could not be less than the discounted market price

or such other minimum price as permitted by law. In addition, the Share-Based Compensation Plan will be amended to remove the vesting requirements for persons performing investor relations activities.

In addition, pursuant to the Share-Based Compensation Plan Amendments the maximum amount of time by which the Compensation Committee can extend the Option Expiry Date in the event that a Participant ceases to be an Eligible Person for any reason, other than death or termination for cause, is one year from the date of termination of the Participant's employment with the Company, or the date the Participant ceased to be a director, officer or Consultant, as applicable.

### **Non-Transferability of Awards**

Pursuant to the Share-Based Compensation Plan Amendments, except pursuant to a will or by the laws of descent and distribution, no Awards and no other right or interest of a Participant are transferable or assignable; previously the Share-Based Compensation Plan provided that Awards were not transferrable or assignable except in accordance with stock exchange rules.

### **Termination**

Pursuant to the Share-Based Compensation Plan Amendments, the Share-Based Compensation Plan will no longer terminate on the 10<sup>th</sup> anniversary of the Effective Date (as defined therein).

### **Limitations of Compensation Committee**

The Share-Based Compensation Plan Amendments will provide a more detailed description of the amendments or changes to Awards under the Share-Based Compensation Plan that require shareholder approval. In particular, the Compensation Committee will not have the right to, without obtaining the prior approval of shareholders (which must be disinterested shareholder approval in the case of (i), (ii), (iii) and (v) below and in the case of (vi) below, where the amendment will disproportionately benefit one or more insiders over other Participants) and except as permitted pursuant to the adjustment provisions of the Share-Based Compensation Plan, (i) extend the term of an Award held by an insider; (ii) reduce the exercise price per Common Share under any Award held by an insider; (iii) cancel any Award held by an insider and replace such Award within three months of the cancellation; (iv) cancel any Award held by a non-insider and replace such Award within three months of the cancellation; (v) amend the Share-Based Compensation Plan to remove or exceed the insider participation limits; (vi) increase the maximum number of Common Shares issuable pursuant to the Share-Based Compensation Plan; or (vii) amend the suspension or amendment provisions, the non-transferability provisions or the non-employee director maximum grant limitations of the Share-Based Compensation Plan. In addition, the Share-Based Compensation Plan Amendments will provide that the Compensation Committee will not have the right to set the exercise price of any Option or SAR below the Option Fair Market Value (as defined therein) or the SAR Fair Market Value (as defined therein), respectively, on the date of grant; previously, the Share-Based Compensation Plan indicated that the exercise price could not be set below the discounted market price.

### **Other Amendments**

In addition to certain minor housekeeping revisions, the Share-Based Compensation Plan amendments include: updating the "Accounting for Awards" section; modifying the insider participation limits to reflect TSX rules; removing the concept of "Investor Relations Activities" and of a discounted market

price in respect of the determination of an Option exercise price or the Bonus Share issue price; adding a hold period provision with respect to Bonus Shares; revising certain tax-related provisions; and revising certain definitions including “Award”, “Award Agreement”, “Change in Control”, “Consultant”, “Disinterested Shareholder Approval”, “Employee”, “Insider”, “Option Agreement” and “Stock Exchange”.

For further details regarding the Share-Based Compensation Plan Amendments, see the full text of the Share-Based Compensation Plan attached hereto as Appendix “B”.

Accordingly, at the Meeting, shareholders will be asked to consider, and if deemed advisable, to pass an ordinary resolution approving, confirming and ratifying the Share-Based Compensation Plan Amendments as follows:

“BE IT RESOLVED as an ordinary resolution THAT:

1. subject to TSX approval, the amendments to the Share-Based Compensation Plan, as described in the Company’s management information circular dated August 17, 2015, are hereby approved, confirmed and ratified;
2. the Company be and is hereby authorized to grant awards under the Share-Based Compensation Plan until September 25, 2018, being the date that is three years from the date that this resolution was passed by shareholders of the Company;
3. all unallocated entitlements under the Share-Based Compensation Plan are hereby authorized and approved; and
4. any one director or officer of the Company be and is hereby authorized, for and on behalf of the Company, to execute and deliver all other documents and instruments and do all such acts or things, and making all necessary filings with applicable regulatory bodies and stock exchanges, as such director or officer may determine to be necessary or desirable to carry out the foregoing resolutions.”

We believe that the Share-Based Compensation Plan Amendments are in the Company’s best interests and recommend that shareholders vote **FOR** the resolution set out above approving the Share-Based Compensation Plan Amendments.

**In the absence of instructions to the contrary, the Wellgreen Platinum proxyholders will vote the Common Shares represented by each GREEN form of proxy, properly executed, FOR approving the Share-Based Compensation Plan Amendments.**

#### **Approval of Amendments to the June 2013 Insider Warrants**

In connection with the June 2013 Private Placement, we issued 8,386,264 units, at a price of \$0.70 per unit, with each unit comprised of one “flow-through” common share and one common share purchase warrant. Each of the 8,386,264 warrants that were issued by the Company in connection with the June 2013 Private Placement (each a “**June 2013 PP Warrant**”) has an exercise price of \$0.90 and an expiry date of June 21, 2015. In March 2014, 300,000 June 2013 PP Warrants were exercised early by the holders of such warrants, and as of the date of this Circular, there were 8,086,264 June 2013 PP Warrants outstanding.

In order to adjust the economics of the terms of the 8,086,264 June 2013 PP Warrants to more closely reflect current market conditions, on June 16, 2015, our Board approved the following amendments, subject, in all cases, to TSX approval and, in the case of the June 2013 Insider Warrants, to disinterested shareholder approval:

- reducing the exercise price of the 8,086,264 June 2013 PP Warrants from \$0.90 to \$0.60;
- extending the expiry date of the 8,086,264 June 2013 PP Warrants from June 21, 2015 to June 21, 2017 (the “**Expiry Date**”); and
- adding an acceleration provision to each of the 8,086,264 June 2013 PP Warrants such that the Company shall have the right to accelerate the Expiry Date to a date that is not less than 30 days following delivery of a notice by the Company to the warrant holder (indicating its intention to exercise this right) if the closing price of the Common Shares equals or exceeds \$0.90 for a period of 10 consecutive trading days on the TSX,

(collectively, the “**Warrant Amendments**”).

As 2,750,925 of the 8,086,264 June 2013 PP Warrants are held by insiders of the Company (the June 2013 Insider Warrants), pursuant to the requirements of the TSX, disinterested shareholder approval is required in order for the Warrant Amendments with respect to the June 2013 Insider Warrants to be effective. The insiders of the Company who hold June 2013 Insider Warrants are as follows:

<b>Name of Insider</b>	<b>Number of June 2013 Insider Warrants</b>	<b>Original Exercise Price</b>	<b>Original Expiry Date</b>
Ernesto Echavarria	925,925	\$0.90	June 21, 2015
Jeffrey Mason	825,000	\$0.90	June 21, 2015
Greg Johnson	500,000	\$0.90	June 21, 2015
John Sagman	325,000	\$0.90	June 21, 2015
Robert Bruggeman	100,000	\$0.90	June 21, 2015
Samir Patel	75,000	\$0.90	June 21, 2015

Accordingly, at the Meeting, disinterested shareholders will be asked to consider, and if deemed advisable, to pass an ordinary resolution approving, confirming and ratifying the Warrant Amendments with respect to the 2,750,925 June 2013 Insider Warrants set out in the table above as follows:

“BE IT RESOLVED as an ordinary resolution THAT:

1. subject to TSX approval, the Warrant Amendments (as defined in the management information circular of the Company dated August 17, 2015) with respect to the common share purchase warrants that were issued by the Company on June 20, 2013 to each of Ernesto Echavarria (925,925 warrants), Jeffrey Mason (825,000 warrants), Greg Johnson (500,000 warrants), John Sagman (325,000 warrants), Robert Bruggeman (100,000 warrants) and Samir Patel (75,000 warrants) (collectively, the “**June 2013 Insider Warrants**”), are hereby approved, confirmed and ratified;

2. the execution by the Company of amending agreements with each of the holders of the June 2013 Insider Warrants in respect of the Warrant Amendments, is hereby approved, confirmed and ratified; and
3. any one director or officer of the Company be and is hereby authorized, for and on behalf of the Company, to execute and deliver all other documents and instruments and do all such acts or things, and making all necessary filings with applicable regulatory bodies and stock exchanges, as such director or officer may determine to be necessary or desirable to carry out the foregoing resolutions.”

(collectively, the “**Warrant Amendments Resolution**”).

In accordance with the rules and procedures of the TSX, 18,380,725 votes of interested parties will be excluded from the results of the Warrant Amendments Resolution.

We believe that the Warrant Amendments are in the Company’s best interests and recommend that disinterested shareholders vote **FOR** the Warrant Amendments Resolution set out above approving the Warrant Amendments with respect to the June 2013 Insider Warrants.

**In the absence of instructions to the contrary, the Wellgreen Platinum proxyholders will vote the Common Shares represented by each GREEN form of proxy, properly executed, FOR approving the Warrant Amendments Resolution.**

#### **Creation of Class of Preferred Shares**

Our notice of articles and articles currently provide for only one kind of shares – Common Shares without par value.

We are proposing that the Company create a new class of preferred shares (the “**Preferred Shares**”) without par value and issuable in series. We believe the Preferred Shares could provide management with increased flexibility in structuring future capital issuances and transactions. We do not intend to use the Preferred Shares as a defensive measure in respect of any potential take-over offer that may be made in relation to the Company. A copy of the special rights and restrictions attached to the Preferred Shares is set out in Appendix “D”.

Pursuant to the Company’s articles, the creation of a new class of shares requires the approval of the shareholders of the Company by a special resolution. Accordingly, shareholders will be asked to approve the following special resolution in order to alter the authorized share capital of the Company:

“BE IT RESOLVED as a special resolution THAT:

1. the authorized share structure of the Company be altered by creating an unlimited number of preferred shares without par value (the “**Preferred Shares**”);
2. the notice of articles and articles of the Company be altered to reflect the altered authorized share structure of the Company;
3. there be attached to the class of Preferred Shares without par value the special rights and restrictions as set out in the articles of the Company and as attached as Appendix “D” to the management information circular of the Company dated August 17, 2015;
4. the Preferred Shares without par value may be issued in series on such terms as determined by the directors of the Company in accordance with the class rights and restrictions;
5. the articles and notice of articles of the Company be altered accordingly;

6. any director or officer of the Company be authorized to instruct its agents to file a Notice of Alteration to the notice of articles of the Company to reflect the creation of the Preferred Shares without par value; and
7. the directors be authorized to delay or abandon the implementation of these resolutions in their discretion.”

(collectively, the “**Preferred Shares Resolution**”).

We believe that the creation of the Preferred Shares is in the Company’s best interests and recommend that shareholders vote **FOR** the Preferred Shares Resolution set out above. In order for the resolution to pass, the resolution must be approved by not less than two-thirds of the votes cast in person or represented by proxy at the Meeting.

**In the absence of instructions to the contrary, the Wellgreen Platinum proxyholders will vote the Common Shares represented by each **GREEN** form of proxy, properly executed, FOR approving the Preferred Shares Resolution.**

#### **Other business**

As of the date of this Circular, we are not aware of any other items of business to be considered at the Meeting other than as set forth above. If other items of business are properly brought before the Meeting, the Wellgreen Platinum proxyholders intend to vote on such items in accordance with management’s recommendation.

### **Corporate governance**

National Policy 58-201 – *Corporate Governance Guidelines* establishes corporate governance guidelines that apply to all public companies. National Instrument 58-101 – *Disclosure of Governance Practices* requires us to disclose in this Circular certain information regarding our corporate governance guidelines. That disclosure is set out below.

#### **Board Mandate**

A copy of the Board’s written mandate (the “**Board Mandate**”), which sets out the responsibilities and duties of our directors, is attached as Appendix “C” to this Circular.

#### **Board of directors**

The mandate of our Board is to act in the best interests of the Company and to supervise management. The Board is responsible for approving long-term strategic plans and annual operating budgets recommended by management. As set out in the Board Mandate, the Board is responsible for developing position descriptions for the Chairman of the Board, the chair of each Board committee, as well as for the CEO. Board consideration and approval is also required for material contracts, business transactions and debt and all equity financing transactions. Any responsibility which is not delegated to management or to Board committees remains the responsibility of the Board. As set out in the Board Mandate, the Board meets on a regular basis consistent with the state of our affairs and also from time to time as deemed necessary to enable it to fulfill its responsibilities.

#### **Independence of members of the Board**

The Board is currently comprised of five directors. As at the date of this Circular, the following three directors are considered to be independent for the purposes of National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”): Messrs. Hall, Manternach and Sylvestre. Our President and Chief Executive



Officer, Mr. Johnson and our Chief Financial Officer, Mr. Mason are not considered to be independent, nor do they collect any fees for serving on the Board.

In keeping with generally recognized principles of good corporate governance, we have decided to recommend increasing the proportion of non-management directors on our Board. As a result, and contingent on each management nominee being elected as a director, Mr. Mason, our Chief Financial Officer, will be stepping down as a director effective as of the date of the Meeting. The Company would like to thank Mr. Mason for his valuable contributions to the Board during his tenure as a director, and we look forward to the continued support that Mr. Mason will provide to the Board in his continuing role as the Company's Chief Financial Officer.

In Mr. Mason's place, we are putting forward an independent director, Michele S. Darling, who we believe will contribute meaningfully to our Board based on her previous experience in the mining industry and her years of experience with human resources and compensation matters.

The independent directors are able to meet at any time without members of management (including the non-independent directors) present. Further supervision of management is performed through the Audit Committee, which meets with our auditor without management in attendance.

#### Other directorships

The following is a list of each current and proposed director of the Company who is also a director of other reporting issuers (or equivalent) in a Canadian or foreign jurisdiction:

<b>Name of director</b>	<b>Name of other reporting issuer</b>
Greg Johnson	Northern Freegold Ltd. TNR Gold Corp.
Myron G. Manternach	Lithium Americas Corp. Rathdowney Resources Ltd.

#### Meeting attendance

As set out in the Board Mandate, each director is expected to attend all Board meetings. All of the directors who have been nominated for re-election attended the Company's September 19, 2014 annual general meeting of shareholders (the "2014 AGM").

The following table below shows director attendance at Board and Board committee meetings held since the 2014 AGM:

Director	Committee meetings <sup>(1)</sup>			
	Board meetings	Audit Committee	Corporate Governance, Compensation and Nominating Committee	Special Committee
Wesley J. Hall	6 out of 6	3 out of 4	5 out of 5	1 out of 1
Greg Johnson	6 out of 6	N/A	N/A	N/A
Myron G. Manternach	6 out of 6	4 out of 4	5 out of 5	1 out of 1
Jeffrey Mason	6 out of 6	N/A	N/A	N/A
Mike Sylvestre	5 out of 6	3 out of 4	5 out of 5	1 out of 1

(1) The following directors served as committee chairs since the 2014 AGM:

- Mr. Hall – chair of the Corporate Governance, Compensation and Nominating Committee; and
- Mr. Manternach – chair of the Audit Committee.

#### Orientation and continuing education

When new directors are appointed, they receive orientation, commensurate with their previous experience, on our properties, business and industry and on the responsibilities of directors. Board meetings may also include presentations by our management and employees to give the directors additional insight into our business.

#### Ethical business conduct

Our Board has adopted a Code of Business Conduct and Ethics (the “**Code**”) to be followed by the directors, officers, employees and principal consultants of the Company and its subsidiaries. The Code is also to be followed, where appropriate, by our agents and representatives, including consultants where specifically required. The purpose of the Code is, among other things, to promote honest and ethical conduct, avoid conflicts of interest, protect confidential or proprietary information and comply with applicable laws and securities rules and regulations. The Corporate Governance and Nominating Committee is responsible for reviewing, periodically updating and ensuring compliance with the Code.

#### Director Term Limits and Board Renewal

We have not adopted term limits for directors on the Board or other mechanisms of Board renewal. The Company and the Board have considered term limits and believe that:

- longer tenure does not impair a director’s ability to act independently of management;
- imposing term limits could result in the loss of contributions of longer serving directors who have developed significant depth of knowledge and understanding of the Company;
- regular evaluation of Board skills and experience, as set out in our Board Mandate, rather than arbitrary term limits, will result in better Board performance; and
- experience of Board members is a valuable asset to shareholders because of the complex issues that the Board faces.

The Board currently assesses each director in order to ensure that the Board is balanced between highly experienced directors with long-term knowledge and those with a fresh perspective. The Board will periodically consider whether term limits or other mechanisms of Board renewal should be adopted and will implement changes when necessary.

### **Diversity**

In 2014, amendments to the continuous disclosure regime in Canada were adopted requiring new disclosure regarding the representation of women on boards and in executive officer positions. As at the date of this Circular, we have not adopted a written policy specifically relating to the identification and nomination of women directors or executive officers, nor does the Board specifically consider the level of representation of women when making executive officer appointments or set targets regarding women on the Board or in executive positions. However, informally, we value diversity, including, without limitation, diversity of experience, perspective, education, race, gender and national origin as part of our overall business strategy.

We believe that employing and engaging a diverse workforce enhances our effectiveness by leveraging access to a wide array of experiences, skills, talents and knowledge. We recognize the benefits of creating and maintaining a diverse and inclusive culture within our workforce, including exposure to different perspectives. Therefore, while opportunities and appointments will be primarily based on performance, skill and merit, due consideration will be given to diversity in all aspects of employment and engagement by an employee, officer or director with the Company, including selection, recruitment, hiring, promotion, compensation, termination, training and development. For clarity, “diversity” means any element or quality that can be used to differentiate groups and people from one another, including differences based on race, colour, religion, gender and gender identity, sexual orientation, family or marital status, political belief, age, national or ethnic origin, citizenship or physical or mental disability and any other protected ground.

The presence of women in our workforce and in senior positions is growing. With the continued support of management and the Board, we expect this trend to continue in the years ahead.

The Board intends to consider whether it should adopt specific policies and practices regarding the representation of women on the Board and in executive positions, including the setting of targets for such representation.

### **Corporate governance and nominating committee**

We have established a Corporate Governance and Nominating Committee that is currently made up of the following directors, all of whom are independent:

- Wesley J. Hall (chair);
- Myron G. Manternach; and
- Mike Sylvestre.

For a summary of the relevant experience of each of the members of the Corporate Governance and Nominating Committee and the Compensation Committee, see the heading below entitled “Audit committee – Relevant education and experience”.

The Corporate Governance and Nominating Committee’s mandate is to develop our approach to corporate governance and to make recommendations to the Board on the implementation and assessment of effective corporate governance principles. This committee is also normally responsible for assisting the Board in respect of the nomination of directors for appointment to the Board. In identifying and considering new candidates for board nomination, the Corporate Governance,

Compensation and Nominating Committee considers, among other factors, the impact of the number of directors upon the effectiveness of the Board and the appropriate number of directors to facilitate more effective decision making. The Corporate Governance and Nominating Committee also considers the competencies that the Board, as a whole, should possess, and the skills, experience and reputation of each current director.

Our Corporate Governance and Nominating Committee is, among other things, also responsible for:

- overseeing the effective functioning of the Board, in collaboration with the Chairman of the Board;
- annually reviewing the Board's relationship with management to ensure the Board is able to, and in fact does, function independently of management;
- developing, annually updating and recommending to the Board for approval, a long term plan for Board composition;
- annually reviewing the charters of the Board and each Board committee, consulting with each committee and making relevant recommendations to the Board regarding amendments;
- reviewing, updating and ensuring compliance with the Code; and
- overseeing policies and practices relating to shareholder engagement with the Board.

### **Compensation Committee**

We have established a Compensation Committee that is currently made up of the following directors, all of whom are independent:

- Wesley J. Hall (chair);
- Myron G. Manternach; and
- Mike Sylvestre.

The Board believes that the members of the Compensation Committee, collectively, have the knowledge, experience and background required to fulfill their mandate. For additional information regarding the members of the Compensation Committee, see "Particulars of the matters to be acted upon – Election of Directors – Director profiles" and "Audit Committee – Relevant education and experience".

The Compensation Committee's mandate, adopted by the Board, is to assist the Board in fulfilling its responsibilities relating to compensation matters by, among other things:

- making recommendations to the Board on all matters relating to the compensation of directors, members of the various Board committees and the Chairman of the Board;
- ensuring that we have an executive compensation plan that is both motivational and competitive so that it will attract, retain and reward performance of our executive officers of a quality and nature that will enhance our growth; and
- administering any equity-based compensation plan, including but not limited to, any plan that provides for the award of stock options, stock appreciation rights, bonus shares, restricted or deferred share units, performance share units, long-term incentives or any other security-based compensation, and recommending to the Board any necessary changes to such plans.

For the year ended December 31, 2014, the Compensation Committee did not retain a compensation consultant to assist it in assessing the compensation of the Company's executive officers. Subsequent to the year ended December 31, 2014, the Compensation Committee retained the Hay Group to conduct a compensation assessment and analysis of the compensation received by the Company's executive officers. As of the date of this Circular, this assessment is still in process, and the results of the

assessment (including the peer group of companies used for the assessment) is expected to be disclosed by the Company in our management proxy circular for our 2016 annual general meeting.

### **Board committees**

Other than the Corporate Governance and Nominating Committee and the Compensation Committee described above, and the Audit Committee described below, there are no other committees of the Board.

### **Assessments**

The Board is committed to evaluating its own performance on an annual basis, and intends to conduct a self-evaluation process from this year onwards in order to assess its own effectiveness and the effectiveness and contribution of each Board committee member and director. The evaluation process, as set out in the Board Mandate, will assist the Board in assessing its contribution as a whole, and in identifying areas in which the Board could be strengthened through the addition of new skills and expertise, based on our needs at a particular time.

### **Audit committee**

NI 52-110 requires our Audit Committee to meet certain requirements. It also requires us to disclose in this Circular certain information regarding the Audit Committee. That disclosure is set out below.

#### **Overview**

The Audit Committee is principally responsible for:

- recommending to the Board the external auditor to be nominated for election by the shareholders at each annual general meeting and negotiating the compensation of such external auditor;
- overseeing the work of the external auditor;
- reviewing our annual and interim financial statements, MD&A and press releases regarding earnings before they are reviewed and approved by the Board and publicly disseminated; and
- reviewing our financial reporting procedures and internal controls to ensure adequate procedures are in place for our public disclosure of financial information extracted or derived from our financial statements.

#### **Audit committee charter**

A copy of the Audit Committee charter is attached as Appendix “A” hereto.

#### **Composition of the audit committee**

Our Audit Committee is made up of the following three directors, all of whom are independent and financially literate, as defined, in each case, under NI 52-110:

- Wesley J. Hall;
- Myron Manternach (chair); and
- Mike Sylvestre.

#### **Relevant education and experience**

The following table contains a description of the skills and experience of each member of the Audit Committee that is relevant to the performance of their responsibilities as a member of the Audit Committee:

Name of Audit Committee member	Relevant Education and Experience
Wesley J. Hall	<ul style="list-style-type: none"> <li>• Corporate director of Wellgreen Platinum since August 2012.</li> <li>• Director, SickKids Foundation (healthcare) from June 2013 to present.</li> <li>• Founder, President and Chief Executive Officer, Kingsdale Partners LP (proxy advisory company) from 2003 to present.</li> <li>• Former positions include: Chairman of the Board, Difference Capital Financial Inc. (finance company) from June 2010 to July 2014; Director and member of Governance and Compensation Committee and Executive Search Committee, Equity Financial Holdings Inc. (financial services company) from February 2014 to May 2014; Director, Longford Energy Inc. (oil and gas company) from September 2012 to June 2013; Director, Caldera Geothermal Inc. (geothermal company) from September 2010 to February 2013; Director, Genesis Land Development Corp. (real estate development company) from May to June 2010; Director and member of Audit Committee, Metallic Ventures Gold Inc. (resource company) from May 2009 to February 2010; and Director, Exempt Market Dealers Association of Canada (association of firms in the exempt market) from January 2009 to December 2010.</li> </ul>
Myron G. Manternach (chair)	<ul style="list-style-type: none"> <li>• Corporate director of Wellgreen Platinum since July 2012.</li> <li>• Director, Rathdowney Resources Ltd. from August 2014 to present.</li> <li>• Director, Lithium Americas Corp. from June 2014 to present.</li> <li>• President of Castle Grove Capital, LLC (financial and strategic consulting firm) from July 2013 to present.</li> <li>• Consultant to the investment committee of Geologic Resource Partners, LLC (investment fund specializing in the mining and metals sector) from August 2013 to June 2015.</li> <li>• Former positions include: Managing Director, Octavian Advisors, LP (global investment fund) from April 2006 to December 2011.</li> </ul>

Name of Audit Committee member	Relevant Education and Experience
Mike Sylvestre	<ul style="list-style-type: none"> <li>• Corporate director of Wellgreen Platinum since February 2012, and Chairman of the Board from December 2013 to September 2014.</li> <li>• Regional Vice-President, Africa, Kinross Gold Corporation from November 2014 to present.</li> <li>• Former positions include: Director, Castle Resources Inc. (resource company) from June 2011 to March 2015, and Chairman of the Board of Castle Resources Inc. from December 2014 to March 2015; Director, Claude Resources Inc. (resource company) from June 2011 to February 2015, and Chairman of Claude Resources Inc. from May 8, 2014 to December 2014; Interim Chief Executive Officer, Claude Resources Inc. from April 2014 to November 2014; President and Chief Executive Officer, Castle Resources Inc. from July 2011 to November 2014; Director, James Bay Resources Ltd. (resource company) from June 2010 to June 2014; Chief Operating Officer, Castle Resources Inc. from 2010 to 2011; Chief Operating Officer, Linear Gold Corp. (resource company) from 2009 to 2010; and Chief Executive Officer, Vale Inco New Caledonia (resource company) from 2008 to 2009.</li> </ul>

#### Audit committee oversight

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

#### Reliance on certain exemptions

Since the commencement of our most recently completed financial year, we have not relied on the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110 or on an exemption from NI 52-110, in whole or in part, granted by a securities regulator under Part 8 (*Exemptions*) of NI 52-110.

#### Pre-approval policies and procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.

### External auditor service fees (by category)

The table below shows the fees earned by Manning Elliott for services for the fiscal periods ended December 31, 2013 and December 31, 2014.

	<b>Nine Months Ended December 31, 2013</b>	<b>Year Ended December 31, 2014</b>	
<b>Audit fees</b>	\$59,000	\$52,000	Total fees for audit services. Audit fees include fees necessary to perform the annual audit and quarterly reviews of our consolidated financial statements, fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements and audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
<b>Audit-related fees</b>	\$21,650	\$58,250	Audit-related fees include services that are traditionally performed by the auditor and include fees for employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and auditor or attest services not required by legislation or regulation. An increase in audit-related fees for the year ended December 31, 2014 is due to the audit-related work that our auditor was requested to perform in connection with our filing of a base shelf prospectus on May 12, 2014.
<b>Tax fees</b>	\$19,750	\$25,750	Fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for ruling or technical advice from tax authorities. Special work included rationalization of corporate structure, flow through assessments and part 12.6 tax review.
<b>All other fees</b>	Nil	Nil	Fees for all other “non-audit services”.
<b>Total</b>	<b>\$100,400</b>	<b>\$136,000</b>	



## Statement of executive compensation

### Compensation discussion and analysis

#### Compensation philosophy, objectives and process

The primary goal of our executive compensation process is to attract and retain the key executives necessary for the Company's long term success, to encourage executives to further the development of the Company and its operations, and to motivate top quality and experienced executives. Our Board meets to discuss and determine management compensation, with reference to relevant objectives, criteria and analysis. The general objectives of our compensation strategy are to:

- compensate management in a manner that encourages and rewards a high level of performance and results with a view to increasing long-term shareholder value;
- align management's interests with the long-term interests of shareholders;
- provide a compensation package that is commensurate with other comparable mineral exploration/development stage companies to enable us to attract and retain talent; and
- ensure that the total compensation package is designed in a manner that takes into account the constraints that the Company is under by virtue of the fact that it is a junior mineral exploration company without a history of earnings. Our Board, as a whole, ensures that total compensation paid to all NEOs (as defined below) is fair and reasonable.

Our Board relies on the experience of its members, as officers and directors with other mining companies, and public compensation data in assessing compensation levels.

#### Analysis of elements

The key elements of executive compensation awarded by the Company are:

- base salary and/or management fees;
- cash or share bonus awards;
- incentive stock options and/or stock appreciation rights ("**SARs**")

There are no formal policies regarding cash and non-cash elements of our compensation program. The directors are of the view that all elements should be considered, rather than any single element. We do not currently provide the executive officers with personal benefits. We do not provide any additional compensation to the NEOs for serving as directors or as members of other committees.

NEOs and directors of the Company are not permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

#### Option-based awards

The Compensation Committee recognizes that the Company operates in a competitive environment and that its performance depends on the quality of its employees. The Compensation Committee has the responsibility to administer compensation policies related to executive management of the Company, including option-based awards.

Other than stock options granted under the Company's previous stock option plan approved by shareholders on April 15, 2011 and November 30, 2012 (the "**2012 Option Plan**"), all stock options and other share-based awards, including SARs, granted by the Company are issued under, and governed by, the Share-Based Compensation Plan. The Share-Based Compensation Plan provides compensation to

participants and an additional incentive to work toward long-term Company performance. See “Description of equity compensation plans – Share-Based Compensation Plan” and “Description of equity compensation plans – 2012 Option Plan” below.

Executive compensation is based upon the need to provide a compensation package that will allow the Company to attract and retain qualified and experienced executives, balanced with a pay-for-performance philosophy. Under the Share-Based Compensation Plan, options, bonus shares and SARs are granted based on the level of responsibility of the executive, as well as his or her impact and/or contribution to the longer-term operating performance of the Company. Performance-based criteria include (but are not limited to): the completion of major milestones, including with respect to technical work on our Wellgreen PGM and nickel project, and financing transactions; the implementation of policies, practices and procedures aimed at enhancing Company-wide risk management; and managing relationships with key community constituents.

In determining the number of options or other share-based awards to be granted to the executive officers, our Board (after receiving recommendations of the Compensation Committee) takes into account the number of options, if any, previously granted to each executive officer and the exercise price of any outstanding options to ensure that such grants comply with the policies of the TSX, and closely align the interests of the executive officers with the interests of the Company’s shareholders.

#### **Risk assessment and oversight**

As is commensurate with companies of a similar size and at a similar stage of development, during our financial year ended December 31, 2014, the Board did not consider the implications of the risks associated with the Company’s compensation policies and practices.

#### **Our share trading policy**

The Board has adopted a share trading policy (the “**Share Trading Policy**”) that applies to all directors, officers and employees of the Company and its subsidiaries (collectively, “**Company Personnel**”), and to any and all transactions by them concerning the Company’s securities. Pursuant to the Share Trading Policy, Company Personnel may not:

- purchase or sell any securities of the Company while aware of any material non-public information concerning the Company; or
- purchase or sell any securities of another company while aware of any material non-public information concerning such other company which was learned in the course of his or her service as a director, officer or employee of the Company.

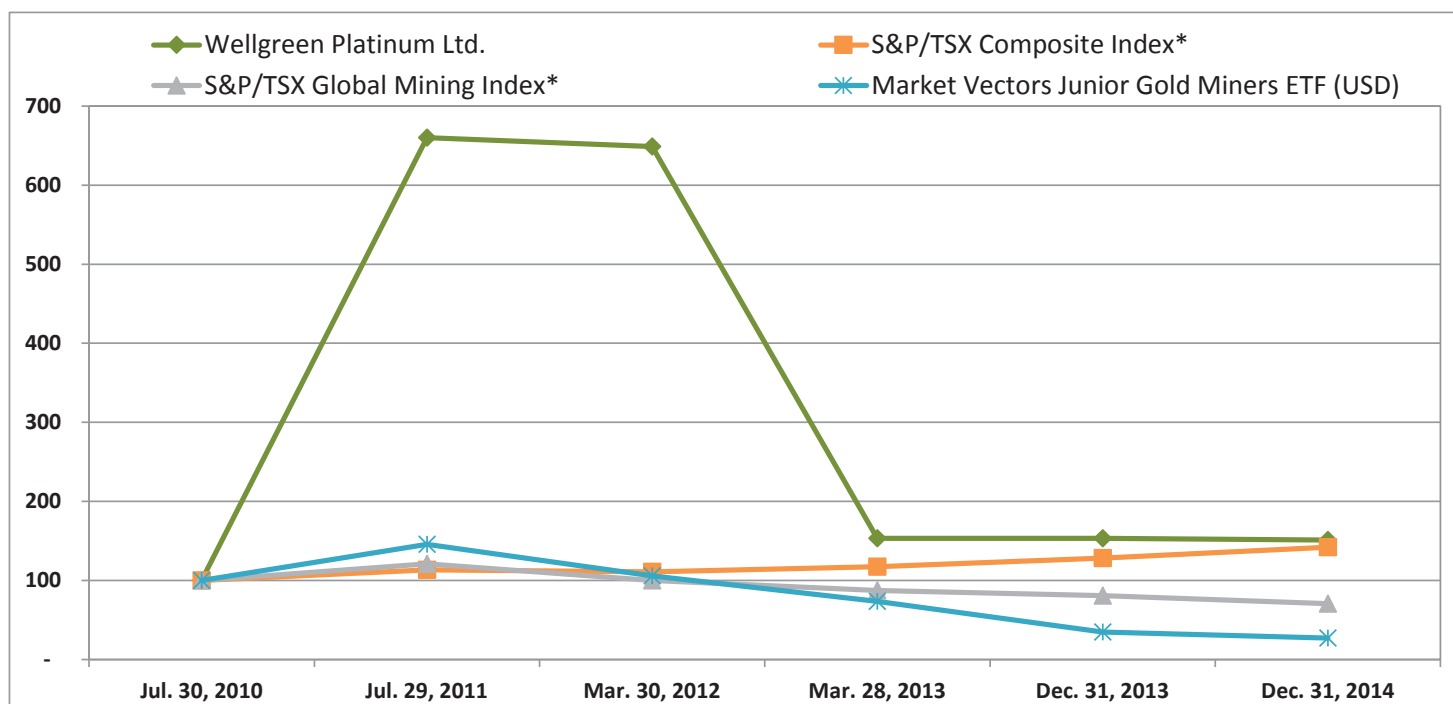
Trading blackout periods may be prescribed from time to time by the Board or the Chief Executive Officer as a result of special circumstances relating to the Company when Company Personnel or certain Company Personnel are precluded from trading in the Company’s securities. Company Personnel who are notified of a trading blackout period shall not trade in securities of the Company during such trading blackout period, except in accordance with certain exceptions permitted under the Share Trading Policy.

Other restrictions on trading under the Share Trading Policy include a prohibition on short-term speculation and a restriction on the number of securities of the Company that can be sold by Company Personnel in any one day. Company Personnel are required to advise the Chief Executive Officer (or a person designated by the Chief Executive Officer) whenever he or she intends to trade, directly or indirectly, in the Company’s securities.

## Performance graph

The following graph compares the cumulative total shareholder return for \$100 invested in common shares of Wellgreen Platinum from July 1, 2010 to December 31, 2014 (our five most recently completed financial years) against the cumulative total shareholder return of the S&P/TSX Composite Index, the S&P/TSX Global Mining Index and the Market Vectors Junior Gold Miners ETF (USD) for the same period, assuming the reinvestment of all dividends.

### Cumulative Value of \$100 investment from August 1, 2009 to December 31, 2014



	30-Jul-2010	Fiscal Year Ended				
		31-Jul-2011	31-Mar-2012	31-Mar-2013	31-Dec-2013	31-Dec-2014
<b>Wellgreen Platinum Ltd.</b>	100	660	649	153	153	151
% change in fiscal year		560%	-2%	-76%	0%	-1%
<b>S&amp;P/TSX Composite Index*</b>	100	113	111	117	128	142
% change in fiscal year		13%	-2%	6%	9%	11%
<b>S&amp;P/TSX Global Mining Index*</b>	100	121	100	87	81	71
% change in fiscal year		21%	-17%	-13%	-8%	-13%
<b>Market Vectors Junior Gold Miners ETF (USD)</b>	100	146	106	73	35	27
% change in fiscal year		46%	-27%	-31%	-53%	-22%

\* dividends reinvested

Generally consistent with total shareholder return over the last five years described in the graph above, compensation paid to our executives over the same period has remained relatively flat overall, other

than variances resulting from changes in the Black Scholes values related to option grants, demonstrating the alignment of executive compensation with our performance during this period.

### Summary compensation table

In accordance with the provisions of applicable securities legislation, we had four “Named Executive Officers” during the financial year ended December 31, 2014, namely: (i) Greg Johnson, President and CEO; (ii) Jeffrey R. Mason, CFO; (iii) John Sagman, Senior Vice President and COO; and (iv) Robert Bruggeman, VP Corporate Development. For the purposes of this Circular:

“**CEO**” means an individual who acted as Chief Executive Officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

“**CFO**” means an individual who acted as Chief Financial Officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

“**executive officer**” of an entity means an individual who is:

- (a) the chair of the Company, if any;
- (b) the vice-chair of the Company, if any;
- (c) the president of the Company;
- (d) a vice-president of the Company in charge of a principal business unit, division or function including sales, finance or production;
- (e) an officer of the Company (or subsidiary, if any) who performs a policy-making function in respect of the Company; or
- (f) any other individual who performs a policy-making function in respect of the Company; and

“**Named Executive Officers**” or “**NEOs**” means:

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

The following table contains a summary of the compensation paid to the NEOs for the past three financial years of the Company:

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$) <sup>(1)</sup>	Non-equity incentive plan compensation		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans (\$)	Long term incentive plans (\$)			
Greg Johnson,	Dec 31, 2014	\$363,136	Nil	\$382,663	Nil	Nil	Nil	\$1,247 <sup>(3)</sup>	\$747,046

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$) <sup>(1)</sup>	Non-equity incentive plan compensation		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans (\$)	Long term incentive plans (\$)			
<b>President and CEO</b>	Dec 31, 2013 <sup>(2)</sup>	\$293,867	Nil	\$227,795	Nil	Nil	Nil	Nil	\$521,662
	Mar 31 2013 <sup>(4)</sup>	\$154,203	Nil	\$224,211	Nil	Nil	Nil	Nil	\$378,414
<b>Jeffrey R. Mason, CFO<sup>(5)</sup></b>	Dec 31, 2014	\$280,000	Nil	\$259,686	\$28,000 <sup>(6)</sup>	Nil	Nil	\$17,892 <sup>(7)</sup>	\$585,578
	Dec 31, 2013 <sup>(8)</sup>	\$151,667	Nil	\$192,332	Nil	Nil	Nil	Nil	\$343,999
	Mar 31 2013 <sup>(9)</sup>	\$54,444	Nil	\$99,003	Nil	Nil	Nil	Nil	\$153,447
<b>John Sagman, Senior VP and COO</b>	Dec 31, 2014	\$342,000	Nil	\$250,950	\$34,200 <sup>(10)</sup>	Nil	Nil	\$26,670 <sup>(11)</sup>	\$653,820
	Dec 31, 2013 <sup>(12)</sup>	\$256,500	Nil	\$173,678	Nil	Nil	Nil	Nil	\$430,178
	Mar 31 2013 <sup>(13)</sup>	\$142,500	Nil	\$120,068	Nil	Nil	Nil	Nil	\$262,568
<b>Robert Bruggeman, VP, Corporate Development<sup>(10)</sup></b>	Dec 31, 2014	\$150,000	Nil	\$73,688	\$15,000 <sup>(14)</sup>	Nil	Nil	\$12,964 <sup>(15)</sup>	\$251,652
	Dec 31, 2013 <sup>(16)</sup>	\$112,500	Nil	\$36,287	Nil	Nil	Nil	Nil	\$148,787
	Mar 31 2013 <sup>(17)</sup>	\$93,750	Nil	\$38,275	Nil	Nil	Nil	Nil	\$132,025

(1) The figures shown are based on the fair value estimated at the date of option grant using the Black-Scholes pricing model under the following assumptions: (i) risk free weighted average interest rate is 1.44%; (ii) expected dividend yield of 0%; (iii) average expected volatility is 74%; and (iv) an expected term of 5 years. The Black-Scholes pricing model was used to estimate the fair value as it is the most accepted methodology.

(2) Due to a change in our financial year end, the amounts in this row reflect a nine month period (April 1, 2013 to December 31, 2013).

(3) This figure represents the payment by the Company of 100% of Mr. Johnson's MSP premiums.

(4) Mr. Johnson was appointed President and Chief Executive Officer on November 15, 2012, so the amounts in this row reflect compensation from that date up to and including March 31, 2013, which was our financial year end at that time.

(5) Mr. Mason was appointed Chief Financial Officer on November 13, 2012. His base salary was initially set at \$140,000 per annum. As of August 2013, Mr. Mason's base salary was adjusted to \$280,000 per annum

on a go-forward basis, reflecting that Mr. Mason now works for the Company as Chief Financial Officer on a full-time basis, as opposed to on a 50% basis, as was the case prior to this salary adjustment.

- (6) This figure represents a cash bonus of \$28,000 that was declared by the Board on December 17, 2014 and paid out to Mr. Mason in January 2015.
- (7) This figure represents \$17,061 being paid out to Mr. Mason for unused vacation and \$831 being paid by the Company with respect to MSP premiums.
- (8) Due to a change in our financial year end, the amounts in this row reflect a nine month period (April 1, 2013 to December 31, 2013).
- (9) Mr. Mason was appointed Chief Financial Officer on November 13, 2012 with a base salary of \$140,000 per annum, so the amounts in this row reflect compensation from that date up to and including March 31, 2013, which was our financial year end at that time.
- (10) This figure represents a cash bonus of \$34,200 that was declared by the Board on December 17, 2014 and paid out to Mr. Sagman in January 2015.
- (11) This figure represents \$25,164 being paid out to Mr. Sagman for unused vacation and \$1,506 being paid by the Company with respect to MSP premiums.
- (12) Due to a change in our financial year end, the amounts in this row reflect a nine month period (April 1, 2013 to December 31, 2013).
- (13) Mr. Sagman was appointed Senior Vice-President and Chief Operating Officer on November 1, 2012, so the amounts in this row reflect compensation from that date up to and including March 31, 2013, which was our financial year end at that time.
- (14) This figure represents a cash bonus of \$15,000 that was declared by the Board on December 17, 2014 and paid out to Mr. Bruggeman in January 2015.
- (15) This figure represents \$12,854 being paid out to Mr. Bruggeman for unused vacation and \$110 being paid by the Company with respect to MSP premiums.
- (16) Due to a change in our financial year end, the amounts in this row reflect a nine month period (April 1, 2013 to December 31, 2013).
- (17) Mr. Bruggeman was appointed Vice-President, Corporate Development on August 15, 2012, so the amounts in this row reflect compensation from that date up to and including March 31, 2013, which was our financial year end at that time.

#### Incentive plan awards – outstanding share-based awards and option-based awards

The following table sets forth details regarding the incentive plan awards (option-based awards) for each NEO that are outstanding as at December 31, 2014, including awards granted before the most recently completed financial year.

Name	Option-based awards				Share-based awards		
	Number of securities underlying unexercised options (#)	Option / SAR exercise price (\$)	Option / SAR expiration date	Value of unexercised in-the-money options / SARs <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Greg Johnson	800,000 options	\$1.14	November 2, 2017	Nil	N/A	N/A	N/A
	1,000,000 SARs	\$0.57	January 15, 2019	\$42,405	N/A	N/A	N/A
Jeffrey R. Mason	520,000 options	\$1.25	November 5, 2017	Nil	N/A	N/A	N/A

Name	Option-based awards				Share-based awards		
	Number of securities underlying unexercised options (#)	Option / SAR exercise price (\$)	Option / SAR expiration date	Value of unexercised in-the-money options / SARs <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
	600,000 SARs	\$0.57	January 15, 2019	\$25,443	N/A	N/A	N/A
John Sagman	500,000 options	\$1.24	October 17, 2017	Nil	N/A	N/A	N/A
	600,000 SARs	\$0.57	January 15, 2019	\$25,443	N/A	N/A	N/A
Robert Bruggeman	150,000 options	\$1.16	August 7, 2017	Nil	N/A	N/A	N/A
	200,000 SARs	\$0.57	January 15, 2019	\$8,481	N/A	N/A	N/A

(1) This amount is based on the difference between the market value of the Common Shares underlying the options / SARs as at December 31, 2014 (the last trading day of the financial year ended December 31, 2014), which was \$0.68 and the exercise price of the option / SAR.

Subsequent to our most recently completed financial year, on February 3, 2015, the Company issued an aggregate of 1,100,000 SARs at an exercise price of \$0.61 to its NEOs as follows:

Name	Number of SARs <sup>(1)</sup>
Greg Johnson	500,000
Jeffrey R. Mason	300,000
John Sagman	300,000
Robert Bruggeman	200,000

(1) The SARs vest in four stages: 25% on the grant date, 25% on June 10, 2015, 25% on December 10, 2015 and 25% on June 10, 2016.

#### Incentive plan awards – value vested or earned during the year

The following table sets forth details regarding all awards outstanding under share-based or option-based incentive plans of the Company as at December 31, 2014 for each of the NEOs. The options granted to NEOs vest 50% each year (except for Greg Johnson's options, which vest 25% every 6 months). The SARs that were granted to each of the NEOs during the year ended December 31, 2014 vest in four stages: 25% on the grant date; 25% on July 15, 2014; 25% on January 15, 2015; and 25% on July 15, 2015.

Name	Option-based awards – value vested during the year <sup>(1)</sup> (\$)	Share-based awards – value vested during the year (\$)	Non-equity incentive plan compensation – value earned during the year (\$)
Greg Johnson	\$42,405	Nil	Nil
Jeffrey R. Mason	\$25,443	Nil	\$28,000
John Sagman	\$25,443	Nil	\$34,200
Robert Bruggeman	\$8,481	Nil	\$15,000

(1) Dollar value that would have been realized is calculated by determining the difference between the market price of the underlying securities on the vesting date and the exercise or base price of the options under the option-based award.

There were no re-pricing of options or SARs under the Share Based Compensation Plan or otherwise during the financial year ended December 31, 2014.

#### Pension plan benefits

We do not have a pension plan that provides for payments or benefits to the NEOs at, following, or in connection with, retirement.

#### Termination of employment, change in responsibilities and employment agreements

Each of the NEOs, namely Greg Johnson, Jeffrey R. Mason, John Sagman and Robert Bruggeman, have entered into employment agreements with the Company.

During the financial year ended December 31, 2014, neither the Company nor any of its subsidiaries had any plan or arrangement with respect to compensation of its executive officers which would result from the resignation, retirement or any other termination of the executive officers' employment with the Company or its subsidiaries, from a change of control of the Company or any subsidiary of the Company or from a change in the executive officers' responsibilities, other than with respect to Messrs. Greg Johnson, Jeffrey R. Mason and John Sagman (as described below).

#### Greg Johnson – CEO executive employment agreement

Under the executive employment agreement entered into between Greg Johnson and the Company on November 2, 2012 (the "**Johnson Employment Agreement**"), the Company has agreed to pay Mr. Johnson a base annual salary of \$375,000 (this salary will be reviewed annually by the Board) and he is also eligible to receive an annual bonus of up to 60% of his salary (payable in cash or Common Shares), as determined by the Board in its sole discretion. In addition, Mr. Johnson was granted 800,000 stock options, is entitled to an annual option to acquire a minimum of 200,000 Common Shares, and may also receive additional stock options or other awards under the Share-Based Compensation Plan as determined by the Board in its sole discretion. Mr. Johnson is also entitled to participate in any group benefit plan(s) the Company makes available to senior executives.

The Johnson Employment Agreement also provides that:

- if Mr. Johnson's employment is terminated without cause, the Company will pay to him an amount, less deductions required by law, equal to: (a) 12 months' salary, if the termination occurs before completing two years of employment; (b) 18 months' salary, if the termination occurs on or after completing two years of employment but before completing three years of



employment; and (c) 24 months' salary if the termination occurs on or after completing three years of employment;

- if an Event of Termination (as defined below) occurs, and Mr. Johnson elects to terminate the Johnson Employment Agreement, the Company will immediately terminate his employment without cause and will pay him an amount, less deductions required by law, equal to: (a) 18 months' salary, if the Event of Termination occurs before completing three years of employment; and (b) 24 months' salary, if the Event of Termination occurs on or after completing three years of employment;
- if Mr. Johnson's employment is terminated for any reason, the Company will pay all wages owing to him up to and including the termination date;
- if Mr. Johnson's employment is terminated without cause, or due to a Change of Control (as defined below), the Company will pay him a bonus (of up to 60% of his salary) in an amount determined by the Board, prorated for the period between the beginning of the calendar year and the termination date;
- if Mr. Johnson's employment is terminated without cause, all benefit coverage will cease at the end of the month following termination or upon such earlier date as the applicable benefit plan(s) require;
- if Mr. Johnson's employment is terminated for any reason, subject to the terms of the 2012 Option Plan, he will be entitled to exercise any vested stock options for a period of 90 days following the termination date; and
- if a Change of Control occurs, any outstanding stock options held by Mr. Johnson will vest immediately and will remain exercisable for the duration of their original term if Mr. Johnson's employment is not terminated. In the Event of Termination due to a Change of Control, any outstanding stock options held by Mr. Johnson will vest immediately and he will be entitled to exercise such options for a period of 90 days following the termination date.

A "**Change of Control**" is generally defined in the Johnson Employment Agreement as: (a) a merger, amalgamation, arrangement, consolidation, reorganization or transfer in which more than 50% of the issued and outstanding Common Shares are acquired, and the Board following such transaction is composed of less than 50% of the directors of the Board prior to the transaction; (b) any person or combination of persons acting jointly or in concert acquire or hold, directly or indirectly, 50% or more of the issued and outstanding Common Shares; (c) any person or combination of persons acting jointly or in concert acquire or hold, directly or indirectly, the right to appoint a majority of the directors of the Company; or (d) the Company sells, transfers or otherwise disposes of all or substantially all of its assets.

An "**Event of Termination**" is generally defined in the Johnson Employment Agreement to mean the occurrence of any of the following events within 12 months of a Change of Control, without Mr. Johnson's written consent: (a) the termination of employment without cause; (b) a material reduction in salary, benefits, title, status, duties or responsibilities; (c) a relocation of the principal place of employment outside the lower mainland area of British Columbia; (d) a material breach by the Company of the Johnson Employment Agreement; (e) any action that would constitute constructive dismissal at common law; or (f) the failure of the Company to obtain a satisfactory agreement from a successor to assume performance of the Johnson Employment Agreement.

The Johnson Employment Agreement also contains: (a) confidentiality provisions which require Mr. Johnson to keep in strict confidence the Company's or a subsidiary's confidential information during the term of his employment and any time thereafter, subject to certain exceptions; and (b) non-

competition and non-solicitation provisions which apply during the term of his employment and for a period of 12 months following his termination.

#### Jeffrey R. Mason – CFO executive employment agreement

Under the executive employment agreement entered into between Jeffrey R. Mason and the Company on November 13, 2012 (the “**Mason Employment Agreement**”), the Company has agreed to pay Mr. Mason a base annual salary of \$140,000 (this salary will be reviewed annually by the Board) and he is also eligible to receive an annual bonus of up to 20% of his salary (payable in cash or Common Shares), as determined by the Board in its sole discretion. In addition, Mr. Mason was granted 520,000 stock options and may also receive additional stock options or other awards under the Share-Based Compensation Plan as determined by the Board in its sole discretion. Subsequent to Mr. Mason resigning from Prophecy Coal Corp. effective August 30, 2013, the Mason Employment Agreement was amended to provide for a base annual salary of \$280,000 on a go-forward basis, reflecting that Mr. Mason works for the Company as Chief Financial Officer on a full-time basis, as opposed to on a 50% basis, as was the case prior to such amendment.

The Mason Employment Agreement also provides that:

- if Mr. Mason’s employment is terminated without cause, the Company will pay to him an amount, less deductions required by law, equal to: (a) 12 months’ salary, if the termination occurs before completing two years of employment; (b) 18 months’ salary, if the termination occurs on or after completing two years of employment but before completing three years of employment; and (c) 24 months’ salary if the termination occurs on or after completing three years of employment;
- if Mr. Mason’s employment is terminated for any reason, the Company will pay all wages owing to him up to and including the termination date;
- if Mr. Mason’s employment is terminated for any reason, the Company will pay him the portion of the then declared and/or earned or accrued bonus, prorated for the corresponding number of months;
- if Mr. Mason’s employment is terminated without cause, all benefit coverage will cease at the end of the month following termination or upon such earlier date as the applicable benefit plan(s) require;
- if Mr. Mason’s employment is terminated for any reason, subject to the terms of the 2012 Option Plan, for a period of 90 days following the termination date, he will be entitled to exercise any vested stock options and any stock options that would otherwise vest under the Mason Employment Agreement during the effective time period of the severance payment, being 12, 18 or 24 months (as described above), to which such stock options shall immediately vest; and
- if an Event of Termination (as defined below) occurs, and Mr. Mason elects to terminate the Mason Employment Agreement, the Company will immediately terminate his employment without cause and will pay him the amounts, and provide him with the benefits, described above.

A “**Change of Control**” is generally defined in the Mason Employment Agreement as: (a) a merger or acquisition in which the Company is either not the surviving entity or the Company’s shareholders do not constitute initially at least 50% plus 1 of the shareholdings of the surviving entity; or (b) the sale, transfer or other disposition of all or substantially all of the Company’s assets.

An “**Event of Termination**” is generally defined in the Mason Employment Agreement to mean the occurrence of any of the following events within 12 months of a Change of Control, without

Mr. Mason's written consent: (a) a material reduction in salary, benefits, status, duties or responsibilities; (b) a relocation of the principal place of employment outside the lower mainland area of British Columbia; (c) a material breach by the Company of the Mason Employment Agreement; or (d) any action that would constitute constructive dismissal at common law.

The Mason Employment Agreement also contains: (a) confidentiality provisions which require Mr. Mason to keep in strict confidence the Company's or a subsidiary's confidential information during the term of his employment and any time thereafter, subject to certain exceptions; and (b) non-competition and non-solicitation provisions which apply during the term of his employment and for a period of 24 months following his termination.

#### **John E. Sagman – Sr. Vice President and COO executive services agreement**

Under the executive services agreement entered into between John E. Sagman and the Company on November 1, 2012 (the "**Sagman Employment Agreement**"), pursuant to which Mr. Sagman is classified as a consultant of the Company, the Company has agreed to pay Mr. Sagman a base annual salary of \$342,000 (this salary will be reviewed periodically by the Company) and he is also eligible to receive an annual bonus of up to 20% of his salary (payable in cash or Common Shares), as determined by the Board in its sole discretion. In addition, Mr. Sagman was granted 500,000 stock options and may also receive additional stock options or other awards under the Share-Based Compensation Plan as determined by the Company in its sole discretion. Mr. Sagman is also entitled to participate in any group benefit plan(s) the Company makes available to senior executives.

The Sagman Employment Agreement also provides that:

- if Mr. Sagman's employment is terminated involuntarily and without cause, the Company will pay to him an amount, less deductions required by law, equal to: (a) a fee of: (i) 18 months' salary, if the termination occurs before completing three years of employment; and (ii) 24 months' salary if the termination occurs on or after completing three years of employment; (b) the prorated proportion of any declared and/or earned or accrued bonus; (c) any outstanding vacation pay; and (d) all reasonable repatriation expenses of returning to the Lower Mainland if that is done within a period of three months from the date of termination;
- if Mr. Sagman's employment is terminated involuntarily and without cause, all benefit coverage will continue for six months from the date of termination;
- if Mr. Sagman's employment is terminated involuntarily and without cause, the Company will, subject to regulatory authority and stock exchange restrictions, allow Mr. Sagman to exercise any unexercised and fully vested portion of his stock options on the termination date at any time during the 90 days from the termination date;
- if Mr. Sagman's employment is terminated for any reason, the Company will pay all wages owing to him up to and including the termination date;
- if a Change of Control (as defined below) occurs, and Mr. Sagman elects to terminate the Sagman Employment Agreement, the Company will pay him an amount, less deductions required by law, equal to: (a) a fee of: (i) 18 months' salary, if the termination occurs before completing three years of employment; and (ii) 24 months' salary, if the termination occurs on or after completing three years of employment; (b) any outstanding vacation pay; and (c) all reasonable repatriation expenses of returning to the Lower Mainland if that is done within a period of three months from the date of termination; and
- if a Change of Control occurs, and Mr. Sagman elects to terminate the Sagman Employment Agreement, the Company will maintain Mr. Sagman's group benefit plan(s) for a period of one year from the effective date of termination and allow Mr. Sagman to exercise any unexercised

and fully vested portion of his stock options on the termination date at any time during the 90 days from the termination date.

A “**Change of Control**” is generally defined in the Sagman Employment Agreement as: (i) a merger, or acquisition in which the Company is either not the surviving entity or the Company’s shareholders do not constitute initially at least 50% +1 of the shareholdings in the surviving entity; or (ii) the sale, transfer or other disposition of all or substantially all of the assets of the Company.

The Sagman Employment Agreement also contains: (a) confidentiality provisions which require Mr. Sagman to keep in strict confidence the Company’s or a subsidiary’s confidential information during the term of his employment and any time thereafter, subject to certain exceptions; and (b) non-competition and non-solicitation provisions which apply during the term of his employment and for a period of 24 months following his termination.

**Robert Bruggeman –VP Corporate Development executive employment agreement**

Under the executive employment agreement entered into between Robert Bruggeman and the Company on August 15, 2012 (the “**Bruggeman Employment Agreement**”), the Company has agreed to pay Mr. Bruggeman compensation of \$12,500 per month. In addition, Mr. Bruggeman was granted 150,000 stock options of the Company and is eligible to receive additional stock option grants, subject to regulatory approval, the approval of the Board and the terms of the Share-Based Compensation Plan. Mr. Bruggeman is eligible to receive an annual cash bonus, based on the extent to which individual and Company-wide performance goals are met. Mr. Bruggeman is also entitled to participate in the Company’s group health benefits plan. If Mr. Bruggeman’s employment is terminated without cause, the Company will provide either 60 days’ notice, pay in lieu of notice, or a combination of pay and 12 months’ notice. There are no change of control provisions or incremental termination payments provided for in the Bruggeman Employment Agreement.

**Estimated incremental payment on termination**

**Termination of employment without cause**

The following table provides details regarding the estimated incremental payments from the Company to each of Greg Johnson, Jeffrey R. Mason, John Sagman and Robert Bruggeman upon termination without cause, assuming that the termination was on December 31, 2014.

<b>Name</b>	<b>Severance period</b>	<b>Salary value (\$)</b>	<b>Bonus value (\$)</b>	<b>Benefits value (\$)</b>	<b>Vested stock options / SARs value <sup>(1)</sup> (\$)</b>	<b>Total estimated incremental payment (\$)</b>
Greg Johnson	18 months	\$562,500	Nil	Nil	\$42,405	\$604,905
Jeffrey R. Mason	18 months	\$420,000	Nil	Nil	\$25,443	\$445,443
John Sagman	18 months	\$513,000	Nil	Nil	\$25,443	\$538,443
Robert Bruggeman	12 months	\$150,000	Nil	Nil	\$8,481	\$158,481

(1) This amount is calculated based on the difference between the market value of the Company’s Common Shares as at December 31, 2014 (the last trading day of the financial year ended December 31, 2014), which was \$0.68 and the exercise price of the stock option. If the stock options are not “in-the-money” no value is ascribed to such options.

### Termination of employment following Change of Control

The following table provides details regarding the estimated incremental payments from the Company to each of Greg Johnson, Jeffrey R. Mason, John Sagman and Robert Bruggeman upon termination following a Change of Control, assuming that the termination was on December 31, 2014.

Name	Severance period	Salary value (\$)	Bonus value (\$)	Benefits value (\$)	Vested stock options / SARs value <sup>(1)</sup> (\$)	Total estimated incremental payment (\$)
Greg Johnson	18 months	\$562,000	Nil	Nil	\$42,405	\$604,905
Jeffrey R. Mason	18 months	\$420,000	Nil	Nil	\$25,443	\$445,443
John Sagman	18 months	\$513,000	Nil	Nil	\$25,443	\$538,443
Robert Bruggeman	Nil	Nil	Nil	Nil	\$8,481	\$8,481

(1) This amount is calculated based on the difference between the market value of the Company's Common Shares as at December 31, 2014 (the last trading day of the financial year ended December 31, 2014), which was \$0.68 and the exercise price of the option / SAR. If the options / SARs are not "in-the-money" no value is ascribed to such options / SARs.

### Director compensation

Our Board established and adopted compensation guidelines for its independent directors, which are reviewed by us on an annual basis. The guidelines provide for the payment of fees to independent directors who are not otherwise compensated under a formal management agreement. The fees are paid to independent directors for attendance at various Board and/or Board committee meetings, the consideration of consent resolutions of the directors or Board committees and the review of related documentation. Each independent director receives fees in the amount of \$500 per month and \$500 per meeting attended (\$800 if the director chairs the meeting). We may also pay a fee for any additional services rendered by directors at the regular rates for services. In such instances, Board approval will be obtained. All directors are reimbursed by us for travel and other out-of-pocket expenses incurred in attending meetings. No director fees are paid to Messrs. Johnson or Mason for serving on the Board.

The following table sets forth all amounts of compensation provided to directors who were not Named Executive Officers for the financial year ended December 31, 2014.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards <sup>(1)</sup> (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total compensation (\$)
Wesley J. Hall <sup>(2)</sup>	\$17,900	N/A	\$68,718	N/A	N/A	Nil	\$86,618
Myron G. Manternach <sup>(3)</sup>	\$25,383	N/A	\$68,718	N/A	N/A	Nil	\$94,101
Mike Sylvestre <sup>(4)</sup>	\$23,243	N/A	\$59,153	N/A	N/A	Nil	\$82,396

(1) These figures are based on the fair value estimated at the date of option grant using the Black-Scholes pricing

model under the following assumptions: (i) risk free weighted average interest rate is 1.44%; (ii) expected dividend yield of 0%; (iii) average expected volatility is 74%; and (iv) an expected term of 5 years. The Black-Scholes pricing model was used to estimate the fair value as it is the most accepted methodology.

- (2) Mr. Hall was appointed director on August 7, 2012.
- (3) Mr. Manternach was appointed director on July 10, 2012.
- (4) Mr. Sylvestre was appointed as a director on February 3, 2012, and as Chairman of the Board on December 17, 2013.

Other than as set forth in the foregoing or elsewhere herein, no director who is not an NEO has received, during the most recently completed financial year, compensation pursuant to:

- (a) any standard arrangement for the compensation of directors for their services in their capacity as directors, including any additional amounts payable for Board committee participation or special assignments;
- (b) any other arrangement, in addition to, or in lieu of, any standard arrangement, for the compensation of directors in their capacity as directors; or
- (c) any arrangement for the compensation of directors for services as consultants or experts.

#### Incentive plan awards – outstanding share-based awards and option-based awards

The following table sets forth details regarding the incentive plan awards (option-based awards) for each director of the Company who is not a Named Executive Officer that are outstanding as at December 31, 2014, including awards granted prior to the most recently completed financial year.

Name	Option-based awards				Share-based awards		
	Number of securities underlying unexercised options /SARs (#)	Option / SAR exercise price (\$)	Option / SAR expiration date	Value of unexercised in-the-money options / SARs <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Wesley J. Hall	100,000 options	\$1.16	August 7, 2017	Nil	N/A	N/A	N/A
	200,000 SARs	\$0.57	January 15, 2019	\$8,481	N/A	N/A	N/A
Myron G. Manternach	100,000 options	\$1.16	August 7, 2017	Nil	N/A	N/A	N/A
	200,000 SARs	\$0.57	January 15, 2019	\$8,481	N/A	N/A	N/A
Mike Sylvestre	100,000 options	\$3.68	February 3, 2017	Nil	N/A	N/A	N/A
	100,000 options	\$1.16	August 7, 2017	Nil	N/A	N/A	N/A

Name	Option-based awards				Share-based awards		
	Number of securities underlying unexercised options /SARs (#)	Option / SAR exercise price (\$)	Option / SAR expiration date	Value of unexercised in-the-money options / SARs <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
	150,000 SARs	\$0.57	January 15, 2019	\$6,361	N/A	N/A	N/A

(1) This amount is based on the difference between the market value of the Common Shares underlying the options / SARs as at December 31, 2014 (the last trading day of the financial year ended December 31, 2014), which was \$0.68, and the exercise price of the option / SAR.

The following table sets forth details regarding all awards outstanding under share-based or option-based incentive plans of the Company as at December 31, 2014 to each of the non-executive directors. The options granted to directors do not have a vesting period. The SARs that were granted to each of the non-executive directors during the year ended December 31, 2014 vest in four stages: 25% on the grant date; 25% on July 15, 2014; 25% on January 15, 2015; and 25% on July 15, 2015.

Name	Option-based awards – value vested during the year <sup>(1)</sup> (\$)	Share-based awards – value vested during the year(\$)	Non-equity incentive plan compensation – value earned during the year(\$)
Wesley J. Hall	\$8,481	N/A	Nil
Myron G. Manternach	\$8,481	N/A	Nil
Mike Sylvestre	\$6,361	N/A	Nil

(1) Dollar value that would have been realized is calculated by determining the difference between the market price of the underlying securities at exercise and the exercise or base price of the options / SARs under the option-based award on the vesting date.

Subsequent to our most recently completed financial year, on February 3, 2015, the Company issued an aggregate of 400,000 SARs at an exercise price of \$0.61 to its non-executive directors as follows:

Name	Number of SARs <sup>(1)</sup>
Wesley J. Hall	125,000
Myron G. Manternach	150,000
Mike Sylvestre	125,000

- (1) The SARs granted to the directors vest in three stages: 30% on the grant date, 30% on June 10, 2015 and 40% on December 10, 2015.

### Securities authorized for issuance under equity compensation plans

#### Equity compensation plan information as at December 31, 2014

Plan category	Number of securities to be issued upon exercise of outstanding options / SARs	Weighted-average exercise price of outstanding options / SARs	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by securityholders	7,373,500 Common Shares	\$1.00	8,056,500
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
<b>Total</b>	<b>7,373,500 Common Shares</b>	<b>\$1.00</b>	<b>8,056,500</b>

#### Description of equity compensation plans

The following is a description of our Share-Based Compensation Plan as of the date of this Circular. In the event that the Share-Based Compensation Plan Amendments are approved by our shareholders at the Meeting, various provisions described below will be amended as per the amendments set out on pages 18 to 24, with the full text of the amended plan attached at Appendix “B” to this Circular.

#### Share-Based Compensation Plan

The following is a summary of certain provisions of the Share-Based Compensation Plan and is qualified in its entirety by the full text of the Share-Based Compensation Plan, a copy of which is available under the Company’s SEDAR profile at [www.sedar.com](http://www.sedar.com). At the Meeting, shareholders will be asked to approve the Share-Based Compensation Plan Amendments. For further details of the Share-Based Compensation Plan Amendments, see “Particulars of the matters to be acted upon – Approval of Amendments to the Share-Based Compensation Plan” and the full text of the amended Share-Based Compensation Plan attached hereto as Appendix “B”.

#### Purpose

Shareholders approved the Share-Based Compensation Plan at the Company’s annual general and special meeting held on December 17, 2013. The purpose of the Share-Based Compensation Plan is to promote the interests and long-term success of the Company by: providing certain employees, directors, officers and consultants with greater incentive to further develop and promote our business and financial success; furthering the alignment of interests of persons to whom Awards (as defined below) may be granted with those of the shareholders generally through a proprietary ownership interest in the Company; and assisting the Company in attracting, retaining and motivating its employees, directors, officers and consultants.

#### Eligible Persons

Awards may be granted to an employee, director, officer or consultant of the Company or any of its subsidiaries (an “**Eligible Person**”). A participant (“**Participant**”) is an Eligible Person to whom an Award has been granted. An “**Award**” means any Option, Bonus Share (each as defined below) or SAR granted under the Share-Based Compensation Plan.



### **Number of Common Shares available for Awards**

Subject to the adjustment provisions provided for in the Share-Based Compensation Plan and the applicable rules and regulations of all regulatory authorities to which the Company is subject (including the TSX), the aggregate number of Common Shares issuable pursuant to the exercise of Awards granted under the Share-Based Compensation Plan, plus the aggregate number of Common Shares issuable pursuant to the exercise of outstanding stock options granted under the 2012 Option Plan, must not exceed 15,430,000. There are currently 3,641,000 stock options outstanding under the 2012 Option Plan and 5,860,000 SARs outstanding under the Share-Based Compensation Plan (representing, in aggregate, approximately 8.5% of the total number of issued and outstanding Common Shares as of the date of this Circular). The Company currently has available for issuance an additional 5,846,861 Common Shares under the Share-Based Compensation Plan. If the Share-Based Compensation Plan Amendments (which are described under “Particulars of the matters to be acted upon – Approval of Amendments to the Share-Based Compensation Plan”) are made effective, based on the number of our Common Shares that are issued and outstanding as of the date of this Circular, the number of Common Shares issuable under the Share-Based Compensation Plan and the 2012 Option Plan would be 14,046,008 Common Shares. This would result in us having 1,383,992 less Common Shares to issue under the Share-Based Compensation Plan, given that the maximum number of Common Shares that we currently can issue under the Share-Based Compensation Plan and the 2012 Option Plan is 15,430,000 Common Shares. Common Shares available under the Share-Based Compensation Plan may be used for any Option, Bonus Share or SAR.

For purposes of the above, if an Award entitles the holder to receive or purchase Common Shares, the number of Common Shares covered by such Award or to which such Award relates will be counted on the date of grant of such Award against the aggregate number of Common Shares available for granting Awards under the Share-Based Compensation Plan as follows: (a) every Common Share subject to a stock option to purchase Common Shares granted under the Share-Based Compensation Plan (an “**Option**”) will be counted as one Common Share for every Common Share subject to such Option; (b) every Common Share that may be issued on account of a Bonus Share will be counted as one Common Share for every Common Share that may be issued on account of such Bonus Share; and (c) every Common Share that may be issued on account of a SAR will be counted as one Common Share for every Common Share that may be issued on account of such SAR.

If an outstanding Award for any reason expires or is terminated or cancelled without having been exercised or settled in full, or if Common Shares acquired pursuant to an Award subject to forfeiture or repurchase are forfeited, the Common Shares will again be available for issuance under the Share-Based Compensation Plan. Common Shares will not be deemed to have been issued pursuant to the Share-Based Compensation Plan with respect to any portion of an Award that is settled in cash.

### **Number of Common Shares under Award grant**

Subject to complying with all requirements of the TSX and the provisions of the Share-Based Compensation Plan, the number of Common Shares that may be purchased under any Award will be determined and fixed by the Corporate Governance, Compensation and Nominating Committee at the date of grant.

### **Maximum Award grant**

- (a) The aggregate number of Common Shares reserved for issuance to any one Eligible Person, within any 12 month period, under the Share-Based Compensation Plan and under the 2012 Option Plan, must not exceed 5% of the issued Common Shares (unless the Company has obtained the approval of disinterested shareholders for such grant).

- (b) The aggregate number of Common Shares reserved for issuance to any one consultant, within any 12 month period, under the Share-Based Compensation Plan and under the 2012 Option Plan, must not exceed 2% of the issued Common Shares.
- (c) The aggregate number of Common Shares reserved for issuance to all persons retained to provide Investor Relations Activities (as defined in the Share-Based Compensation Plan), within any 12 month period, under the Share-Based Compensation Plan and under the 2012 Option Plan, must not exceed 2% of the issued Common Shares.
- (d) Unless the Company has obtained the approval of disinterested shareholders: (i) the aggregate number of Common Shares reserved for issuance to insiders of the Company, at any time, under the Share-Based Compensation Plan and under the 2012 Option Plan, must not exceed 10% of the issued Common Shares; and (ii) the aggregate number of Common Shares granted to insiders of the Company, within any 12 month period, under the Share-Based Compensation Plan and under the 2012 Option Plan, must not exceed 10% of the issued Common Shares.

### **Exercise price of Options**

The exercise price per Common Share under each Option will be the fair market value of the Common Shares, as determined by the Corporate Governance, Compensation and Nominating Committee, in its sole discretion, provided that such price may not be less than the discounted market price or such other minimum price as may be permitted under the applicable rules and regulations of all regulatory authorities to which the Company is subject, including the TSX. Subject to the foregoing, the fair market value of any Common Share for the purpose of determining the exercise price for any Option will be, unless otherwise determined by the Corporate Governance, Compensation and Nominating Committee in their discretion, the trading price at which the Common Shares traded on the TSX as of the close of market on the day immediately prior to the date such Option is granted.

### **Vesting restrictions**

Options issued to persons performing Investor Relations Activities will vest in stages over a period of not less than 12 months with no more than 25% of the Options vesting in any three month period.

Except as determined from time to time by the Corporate Governance, Compensation and Nominating Committee, all Options will cease to vest as at the date upon which the Participant ceases to be an Eligible Person (which, in the case of an employee or consultant of the Company or its subsidiaries, will be the date on which active employment or engagement, as applicable, with the Company or its subsidiaries terminates, specifically without regard to any period of reasonable notice or any salary continuance).

Notwithstanding the above, in the event of the death of a Participant prior to the Participant ceasing to be an Eligible Person, all Options of such Participant will become immediately vested.

### **Term of Options and causes of cessation**

Subject to the requirements of the TSX, each Option will expire (the “**Expiry Date**”) on the earlier of:

- (a) the date determined by the Corporate Governance, Compensation and Nominating Committee and specified in the option agreement pursuant to which such Option is granted, provided that such date may not be later than the earlier of: (i) the date which is the tenth anniversary of the date on which such Option is granted, and (ii) the latest date permitted under the applicable rules and regulations of all regulatory authorities to which the Company is subject, including the TSX;
- (b) in the event the Participant ceases to be an Eligible Person for any reason, other than the death of the Participant or the termination of the Participant for cause, such period of time after the

date on which the Participant ceases to be an Eligible Person as may be specified by the Corporate Governance, Compensation and Nominating Committee, which date must not exceed three months following the termination of the Participant's employment with the Company, or in the case of Options granted to a director, officer or consultant, three months following the Participant ceasing to be a director, officer or a consultant, unless the Corporate Governance, Compensation and Nominating Committee otherwise determines, and which period will be specified in the option agreement with the Participant with respect to such Option;

- (c) in the event of the termination of the Participant as an officer, employee or consultant of the Company or a subsidiary for cause, the date of such termination;
- (d) in the event that a director is subject to any order, penalty or sanction by an applicable securities regulatory authority which relates to such director's activities in relation to the Company, and the Corporate Governance, Compensation and Nominating Committee determines that such director's Options should be cancelled, the date of such determination;
- (e) in the event of the death of a Participant prior to: (i) the Participant ceasing to be an Eligible Person; or (ii) the date which is the number of days specified by the Corporate Governance, Compensation and Nominating Committee pursuant to subparagraph (b) above from the date on which the Participant ceased to be an Eligible Person; the date which is one year after the date of death of such Participant or such earlier date as may be specified by the Corporate Governance, Compensation and Nominating Committee and which period will be specified in the option agreement with the Participant with respect to such Option; and
- (f) notwithstanding the foregoing provisions of subparagraphs (b), (c) and (d) above, the Corporate Governance, Compensation and Nominating Committee may, subject to the Share-Based Compensation Plan and to regulatory approval, at any time prior to expiry of an Option, extend the period of time within which an Option may be exercised by a Participant who has ceased to be an Eligible Person, but such an extension must not be granted beyond the earlier to occur of (i) the date that is one year from the date such extension was granted, and (ii) the original expiry date of the Option as provided for in subparagraph (a) above.

### **Share Bonus plan**

The Corporate Governance, Compensation and Nominating Committee will have the right, subject to the limitations described under the heading "Maximum Award grant" above, to issue, or reserve for issuance, for no cash consideration, to any Eligible Person, as a discretionary bonus, any number of Common Shares ("**Bonus Shares**") as the Corporate Governance, Compensation and Nominating Committee may determine. The price at which such Bonus Shares are issued will be equal to the Current Market Price or the discounted market price. The obligation of the Company to issue and deliver any Bonus Shares pursuant to an Award will be subject to receipt of all necessary approvals of any applicable securities regulatory authority and the TSX.

**"Current Market Price"** means: (a) in respect of Bonus Shares, means the most recent closing price of the Common Shares on the TSX immediately prior to the grant of the Bonus Shares; and (b) in respect of SARs which are exercised: (i) the closing price of the Common Shares on the TSX on the date the notice of exercise in respect thereof is received by the Company, if such day is a trading day and the notice of exercise is received by the Company after regular trading hours; or (ii) the closing price of the Common Shares on the TSX on the trading day immediately prior to the date the notice of exercise in respect thereof is received by the Company, if the notice of exercise is received by the Company during regular trading hours, or on a non-trading day.

## **SARs plan**

The Corporate Governance, Compensation and Nominating Committee has the right, subject to the paragraphs below, to grant to any Eligible Person SARs, with the specific terms and conditions thereof to be as provided in the Share-Based Compensation Plan and in the award agreement entered into in respect of such grant.

A SAR will entitle the Participant to receive from the Company the number of Common Shares, disregarding fractions, as determined on the following basis:

$$\text{Number of Common Shares} = \text{Number of SARs} \times (\text{Current Market Price} - \text{SAR Exercise Price}), \text{ less any amount withheld on account of income taxes.}$$

The exercise price per Common Share under each SAR ("**SAR Exercise Price**") will be the fair market value of the Common Shares, expressed in terms of money, as determined by the Corporate Governance, Compensation and Nominating Committee, in its sole discretion, provided that such price may not be less than the discounted market price or such other minimum price as may be permitted under the applicable rules and regulations of all regulatory authorities to which the Company is subject, including the TSX. Subject to the foregoing, the fair market value of any Common Share for the purpose of determining the SAR Exercise Price for any SAR will be, unless otherwise determined by the Corporate Governance, Compensation and Nominating Committee in their discretion, the trading price at which the Common Shares traded on the TSX as of close of market on the day immediately prior to the date such SAR is granted.

The obligation of the Company to issue and deliver any SARs pursuant to an Award or to deliver any Common Shares pursuant to the exercise thereof, will be subject to receipt of all necessary approvals of any applicable securities regulatory authority and the TSX.

## **Procedure for amending**

Subject to the provisions of the Share-Based Compensation Plan and the requirements of the TSX, the Corporate Governance, Compensation and Nominating Committee has the right at any time to suspend, amend or terminate the Share-Based Compensation Plan, including, but not limited to, the right: (a) without approval of the shareholders, to make amendments of a clerical nature, to reflect any requirements of any regulatory authorities to which the Company is subject or to vesting provisions of Awards, to extend the term of any Award held by non-insiders of the Company, and to reduce the exercise price per Common Share under any Award held by non-insiders of the Company, or replace such Award with a lower exercise price per Common Share under such replacement Award; and (b) with approval of disinterested shareholders, to make any amendment to the Share-Based Compensation Plan, including with respect to any of the following: (i) the aggregate number of Common Shares reserved for issuance to any one Eligible Person, within any 12 month period, under the Share-Based Compensation Plan and under the 2012 Option Plan, exceeding 5% of the issued Common Shares; (ii) the aggregate number of Common Shares reserved for issuance to insiders of the Company, at any time, under the Share-Based Compensation Plan and under the 2012 Option Plan, exceeding 10% of the issued Common Shares; and (iii) the aggregate number of Common Shares reserved for issuance to insiders of the Company, within any 12 month period, under the Share-Based Compensation Plan and under the 2012 Option Plan, exceeding 10% of the issued Common Shares.

## **Other material information**

Subject to the provisions of the Share-Based Compensation Plan, appropriate adjustments to the Share-Based Compensation Plan and to Awards will be made, and will be conclusively determined, by

the Corporate Governance, Compensation and Nominating Committee, to give effect to adjustments in the number of Common Shares resulting from subdivisions, consolidations, substitutions, or reclassifications of the Common Shares, the payment of share dividends by the Company (other than dividends in the ordinary course) or other changes in the capital of the Company or from a Merger and Acquisition Transaction (as defined in the Share-Based Compensation Plan). In the event of a Merger and Acquisition Transaction, or a proposed Merger and Acquisition Transaction, the Corporate Governance, Compensation and Nominating Committee will: (a) in an appropriate and equitable manner, determine any adjustment to the number and type of Common Shares (or other securities or other property) that thereafter will be made the subject of Awards; (b) in an appropriate and equitable manner, determine the number and type of Common Shares (or other securities or other property) subject to outstanding Awards; (c) in an appropriate and equitable manner, determine the exercise price with respect to any Award, provided, however, that the number of securities covered by any Award or to which such Award relates will always be a whole number; (d) in an appropriate and equitable manner, determine the manner in which all unexercised rights granted under the Share-Based Compensation Plan will be treated including, without limitation, requiring the acceleration of the time for the exercise of such rights by the Participants, the time for the fulfillment of any conditions or restrictions on such exercise, and the time for the expiry of such rights; (e) offer any Participant the opportunity to obtain a new or replacement Award over any securities into which the Common Shares are changed or are convertible or exchangeable, on a basis proportionate to the number of Common Shares under the Award and the exercise price (and otherwise substantially upon the terms of the Award being replaced, or upon terms no less favourable to the Participant); and (f) commute for or into any other security or any other property or cash, any Award that is still capable of being exercised, upon giving to the Participant to whom such Award has been granted at least 30 days' written notice of its intention to commute such Award, and during such period of notice, the Award, to the extent it has not been exercised, may be exercised by the Participant without regard to any vesting conditions attached thereto, and on the expiry of such period of notice, the unexercised portion of the Award will lapse and be cancelled.

### **2012 Option Plan**

Shareholders approved the 2012 Option Plan at the Company's special meeting held on April 15, 2011 and subsequently approved amendments to the 2012 Option Plan at the Company's annual general and special meeting held on November 30, 2012. Other than as described above, the Company no longer has any stock options outstanding under the 2012 Option Plan.

The purpose of the 2012 Option Plan is to attract and motivate directors, officers and employees of and consultants to the Company and its subsidiaries and thereby advance the Company's interests by affording such persons with an opportunity to acquire an equity interest in the Company through the stock options.

Options granted under such a fixed plan are not required to have a vesting period (except as noted below), although the directors may grant options with vesting periods, as the circumstances require. Options granted to persons conducting investor relations activities must vest over a period of not less than 12 months with no more than 25% of the options vesting in any three month period. The 2012 Option Plan authorizes the Board to grant stock options to the optionees on the following terms:

- (a) The number of Common Shares subject to each option is determined by the Board provided that the 2012 Option Plan, together with all other previously established or proposed share compensation arrangements may not, during any 12 month period, result in:

- (i) the number of Common Shares reserved for issuance pursuant to stock options granted to any one person exceeding 5% of the issued Common Shares (unless the Company has obtained disinterested shareholder approval);
  - (ii) the issuance, within a one year period, to insiders of the Company of a number of Common Shares exceeding 10%, or to any one optionee of a number exceeding 5% (unless the Company has obtained disinterested shareholder approval), or to a consultant of a number exceeding 2%; or to a person who provides investor relations activities of a number exceeding 2% of the issued Common Shares.
- (b) The aggregate number of Common Shares which may be issued pursuant to options granted under the 2012 Option Plan may not exceed 13,505,211 Common Shares.
  - (c) The exercise price of an option may not be set at less than the closing market price during the trading day immediately preceding the date of grant of the option less a maximum discount of 25%.
  - (d) The options may be exercisable for a maximum of 10 years from the date of grant.
  - (e) The options are non-assignable, except in certain circumstances. The options can only be exercised by the optionee as long as the optionee remains an eligible optionee pursuant to the 2012 Option Plan or within a period of not more than 90 days (30 days for providers of investor relations activities) after ceasing to be an eligible optionee or, if the optionee dies, until the earlier of one year from the date of the optionee's death and the date of expiration of the term otherwise applicable.
  - (f) On the occurrence of a takeover bid, issuer bid or going private transaction, the Board will have the right to accelerate the date on which any option becomes exercisable.

## Indebtedness of directors and executive officers

The following table sets out the aggregate indebtedness of all executive officers, directors, employees and former executive officers, directors and employees of the Company or any of its subsidiaries as at the Record Date.

<b>Aggregate indebtedness (\$)</b>		
<b>Purpose</b>	<b>To the Company or its subsidiaries</b>	<b>To another entity</b>
<b>Share purchases</b>	\$455,989 <sup>(1)</sup>	Nil
<b>Other</b>	Nil	Nil

- (1) For details of the Loans provided to members of our senior management team, see: “About the Meeting – Interest of informed persons in material transactions” above. The Loans bear interest at a rate prescribed by the Canada Revenue Agency, and are repayable upon demand by the Company.

The following table sets forth each individual who is, or at any time during the most recently completed financial year was, a director or executive officer of the Company, each proposed nominee for election as a director of the Company, and each associate or affiliate of such director, executive officer or proposed nominee who is, or at any time since the beginning of our most recently completed financial year was, indebted to the Company or any of its subsidiaries.

## Indebtedness of directors and executive officers

Name and principal position	Involvement of Company or subsidiary	Largest amount outstanding at end of financial year ended December 31, 2014 (including interest)	Amount outstanding as at August 10, 2015 (including interest) <sup>(2)</sup>	Financially assisted securities purchases during financial year ended December 31, 2013	Security for indebtedness <sup>(3)</sup>	Amount forgiven during financial year ended December 31, 2014
Greg Johnson, President, Chief Executive Officer and Director (and proposed Director)	Lender	\$284,994 <sup>(1)</sup>	\$143,348	400,000 Common Shares 400,000 warrants	First priority encumbrance over all securities purchased	Nil
Jeffrey R. Mason, Chief Financial Officer and Director (and proposed Director)	Lender	\$231,558 <sup>(1)</sup>	\$116,471	325,000 Common Shares 325,000 warrants	First priority encumbrance over all securities purchased	Nil
John Sagman, Senior Vice President and Chief Operating Officer	Lender	\$231,558 <sup>(1)</sup>	\$116,471	325,000 Common Shares 325,000 warrants	First priority encumbrance over all securities purchased	Nil
Robert Bruggeman, VP Corporate Development	Lender	\$71,249 <sup>(1)</sup>	\$35,837	100,000 Common Shares 100,000 warrants	First priority encumbrance over all securities purchased	Nil
Samir Patel, Corporate Counsel and Corporate Secretary	Lender	\$53,436 <sup>(1)</sup>	\$26,405	75,000 Common Shares 75,000 warrants	First priority encumbrance over all securities purchased	Nil

(1) For details of the Loans provided to members of our senior management team, see: “About the Meeting – Interest of informed persons in material transactions” above. The Loans bear interest at a rate prescribed by the Canada Revenue Agency, and are repayable upon demand by the Company.

(2) Each of the Loan recipients listed in the table above repaid 50% of the outstanding principal amount owing on their respective Loans (plus the relevant interest on such Loans) during the three months ended March 31, 2015, and the numbers in this column reflect the remaining principal owing by each of the Loan recipients on their respective Loans, plus interest owing thereon as of August 10, 2015.

- (3) As a result of the Loan re-payments that occurred during the three months ended March 31, 2015, the Company's security over half of the Common Shares and warrants that were purchased by each Loan recipient in the June 2013 Private Placement and that are set out in the above table (a total of 637,500 Common Shares and 637,500 warrants) was discharged, and such Common Shares and warrants were released by the Company to the Loan recipients. The Company maintains its security interest over the remaining half of the Common Shares and warrants that were purchased by each Loan recipient in the June 2013 Private Placement (a total of 637,500 Common Shares and 637,500 warrants).

No guarantee, support agreement, letter of credit or other similar arrangement or understanding has been provided by us at any time since the beginning of the most recently completed financial year with respect to any indebtedness of any of the individuals named above.

## Management contracts

There are no management functions of the Company or any of its subsidiaries, which are to any substantial degree performed by a person or company other than the directors or executive officers of the Company or subsidiary.

## Additional information

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

You can find financial information relating to Wellgreen Platinum in our comparative financial statements and MD&A for the most recently completed financial year. These documents are available on our website at [www.wellgreenplatinum.com](http://www.wellgreenplatinum.com) and on SEDAR at [www.sedar.com](http://www.sedar.com).

You can also request copies free of charge by contacting us at:

Wellgreen Platinum Ltd.	<a href="mailto:info@wellgreenplatinum.com">info@wellgreenplatinum.com</a>
Suite 1128 – 1090 West Georgia Street	Telephone: 604.569.3690
Vancouver, British Columbia V6E 3V7	Facsimile: 604.428.7528

## Directors' approval

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

By order of the Board,

*"Greg Johnson"*

Greg Johnson  
President, Chief Executive Officer and Director

DATED at Vancouver, British Columbia this 17<sup>th</sup> day of August, 2015.



## Appendix “A”

### Audit Committee Charter

#### 1. PURPOSE

The main purpose of the Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Wellgreen Platinum Ltd. (“**Wellgreen Platinum**” or the “**Company**”) is to assist the Board in fulfilling its statutory responsibilities in relation to internal control and financial reporting, and to carry out certain oversight functions on behalf of the Board, including the oversight of:

- (a) the integrity of the Company’s financial statements and other financial information provided by the Company to securities regulators, governmental bodies or the public to ensure that the Company’s financial disclosures are complete, accurate, in accordance with IFRS, and fairly present the financial position and risks of the Company;
- (b) the Company’s compliance with legal and regulatory requirements;
- (c) assessing the independence, qualifications, performance and recommending the appointment of the Company’s independent auditor (the “**Auditor**”) to the Board and overseeing the non-audit services provided by the Auditor;
- (d) Executive Management responsibility for assessing and reporting on the effectiveness of internal controls;
- (e) financial matters and risk management of financial risks as delegated by the Board;
- (f) the prevention and detection of fraudulent activities; and
- (g) standards of business conduct and ethics for directors, Executive Management and employees.

The Committee provides an avenue for communication between each of the Auditor, the Company’s executive officers (“**Executive Management**”) and the Board, and has the authority to communicate directly with the Auditor. The Committee shall have a clear understanding with the Auditor that they must maintain an open and transparent relationship with the Committee. The Auditor is ultimately accountable to the Committee and the Board, as representatives of the Company’s shareholders. The Committee, in its capacity as a committee of the Board and subject to the requirements of applicable law, is directly responsible for the appointment, compensation, retention, and oversight of the Auditor.

#### 2. COMPOSITION

The Committee shall be comprised of at least three directors (and no more than five directors). Each Committee member shall:

- (a) satisfy the laws governing the Company;
- (b) be “independent” in accordance with Sections 1.4 and 1.5 of National Instrument 52-110 *Audit Committees* (“**NI 52-110**”), which is reproduced in Schedule “A” of this charter;
- (c) be “financially literate” in accordance with the definition set out in Section 1.6 of NI 52-110, which definition is reproduced in Schedule “A” of this charter;
- (d) at the time of becoming a member of the Audit Committee and prior to being re-appointed to the Audit Committee after the Company’s annual general meeting of shareholders, execute a

certificate confirming that he/she is “independent” and “financially literate” in accordance with the definitions of such terms set out in Sections 1.4 and 1.6 of NI 52-110; and

- (e) be entitled to receive remuneration for acting in such capacity as the Board may from time to time determine.

Committee members, and the chairman of the Committee (the “**Committee Chair**”), shall be appointed annually by the Board at the first Board meeting that is held after every annual general meeting of the Company’s shareholders.

The Board may remove a Committee member at any time in its sole discretion by a resolution of the Board. If a Committee member simultaneously serves on the audit committees of more than three public companies, the Committee shall seek the Board’s determination as to whether such simultaneous service would impair the ability of such member to effectively serve on the Committee and ensure that such determination is disclosed.

### **3. MEETINGS**

The Committee shall meet at least four times annually, and as many additional times as the Committee deems necessary to carry out its duties effectively.

The Committee shall meet:

- (a) within 45 days following the end of each of the first three financial quarters to review and discuss the unaudited financial results for the preceding quarter and the related management’s discussion and analysis (“**MD&A**”) prior to their filing with the applicable securities regulatory authorities; and
- (b) within 90 days following the end of the Company’s fiscal year end to review and discuss the audited financial results for the year and related MD&A prior to their filing with the applicable securities regulatory authorities.

As part of its job to foster open communication, the Committee should meet at least annually with Executive Management and the Auditor in separate executive sessions to discuss any matters that the Committee or each of these groups believe should be discussed privately. In addition, the Committee or at least the Committee Chair should meet with Executive Management quarterly to review the Company’s financial statements.

A majority of the members of the Committee shall constitute a quorum for any Committee meeting. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present.

The Committee Chair appointed by the Board each year shall preside at each Committee meeting. In the event the Committee Chair is unable to attend or chair a Committee meeting, the Committee will appoint a chair for that meeting from the other Committee members.

The Corporate Secretary of the Company, or such individual as appointed by the Committee, shall act as secretary for a Committee meeting (the “**Committee Secretary**”) and, upon receiving a request to convene a Committee meeting from any Committee member, the Auditor, the Chief Executive Officer, the Chief Financial Officer or the Chairman of the Board, shall arrange for such meeting to be held.

The Committee Chair, in consultation with the other Committee members, shall set the agenda of items to be addressed at each Committee meeting. The Committee Secretary shall ensure that the agenda and

any supporting materials for each upcoming Committee meeting are circulated to each Committee member and the Auditor in advance of such meeting.

The Committee shall report to the Board regularly with respect to each Committee meeting held.

The Committee may ask members of Executive Management or others to attend Committee meetings and provide pertinent information as necessary. For purposes of performing their audit related duties, members of the Committee shall have full access to all corporate information and shall be permitted to discuss such information and any other matters relating to the financial position of the Company with senior employees, officers, directors and the Auditor.

#### **4. DUTIES AND RESPONSIBILITIES**

Subject to the powers and duties of the Board and the Articles of the Company, in order to carry out its oversight responsibilities, the Committee shall:

##### **Financial Reporting Process**

- (a) Review with Executive Management and the Auditor any items of concern, any proposed changes in the selection or application of major accounting policies and the reasons for the change, any identified risks and uncertainties, and any issues requiring the judgement of Executive Management, to the extent that the foregoing may be material to financial reporting.
- (b) Consider any matter required to be communicated to the Committee by the Auditor under applicable generally accepted auditing standards, applicable law and listing standards, including the Auditor's report to the Committee (and the response of Executive Management thereto) on:
  - (i) all critical accounting policies and practices used by the Company;
  - (ii) all material alternative accounting treatments of financial information within generally accepted accounting principles that have been discussed with Executive Management, including the ramifications of the use of such alternative treatments and disclosures and the treatment preferred by the Auditor; and
  - (iii) any other material written communications between the Auditor and Executive Management.
- (c) Require the Auditor to present and discuss with the Committee their views about the quality, not just the acceptability, of the implementation of generally accepted accounting principles with particular focus on accounting estimates and judgements made by Executive Management and their selection of accounting principles.
- (d) Discuss with Executive Management and the Auditor:
  - (i) any accounting adjustments that were noted or proposed (i.e. immaterial or otherwise) by the Auditor but were not reflected in the financial statements;
  - (ii) any material correcting adjustments that were identified by the Auditor in accordance with generally accepted accounting principles or applicable law;
  - (iii) any communication reflecting a difference of opinion between the audit team and the Auditor's national office on material auditing or accounting issues raised by the engagement; and

- (iv) any “management” or “internal control” letter issued, or proposed to be issued, by the Auditor to the Company.
- (e) Discuss with Executive Management and the Auditor any significant financial reporting issues considered during the fiscal period and the method of resolution. Resolve disagreements between Executive Management and the Auditor regarding financial reporting.
- (f) Review with Executive Management and the Auditor:
  - (i) any off-balance sheet financing mechanisms being used by the Company and their effect on the Company’s financial statements; and
  - (ii) the effect of regulatory and accounting initiatives on the Company’s financial statements, including the potential impact of proposed initiatives.
- (g) Review with Executive Management and the Auditor and legal counsel, if necessary, any litigation, claim or other contingency, including tax assessments, that could have a material effect on the financial position or operating results of the Company, and the manner in which these matters have been disclosed or reflected in the financial statements.
- (h) Review with the Auditor any audit problems or difficulties experienced by the Auditor in performing the audit, including any restrictions or limitations imposed by Executive Management, and the response of Executive Management. Resolve any disagreements between Executive Management and the Auditor regarding these matters.
- (i) Review the results of the Auditor’s audit work including findings and recommendations, Executive Management’s response, and any resulting changes in accounting practices or policies and the impact such changes may have on the financial statements.
- (j) Review and discuss with Executive Management the audited annual financial statements and related MD&A, make recommendations to the Board with respect to approval thereof, before being released to the public, and obtain an explanation from Executive Management of all significant variances between comparable reporting periods.
- (k) Review and discuss with Executive Management and the Auditor all interim unaudited financial statements and related interim MD&A and make recommendations to the Board with respect to the approval thereof, before being released to the public.
- (l) In connection with Sections 4.1 and 5.1 of National Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings* (“**NI 52-109**”), obtain confirmation from the CEO and the CFO (and considering the Auditor’s comments, if any, thereon) to their knowledge:
  - (i) that the audited financial statements, together with any financial information included in the annual MD&A and annual information form, fairly present in all material respects the Company’s financial condition, cash flow and results of operation, as of the date and for the periods presented in such filings; and
  - (ii) that the interim financial statements, together with any financial information included in the interim MD&A, fairly present in all material respects the Company’s financial condition, cash flow and results of operation, as of the date and for the periods presented in such filings.
- (m) Review news releases to be issued in connection with the audited annual financial statements and related MD&A and the interim unaudited financial statements and related interim MD&A,

before being disseminated to the public. Discuss the type and presentation of information to be included in news releases (paying particular attention to any use of “pro-forma” or “adjusted” non-GAAP, information).

- (n) Review any news release, before being disseminated to the public, containing earnings guidance or financial information based upon the Company’s financial statements prior to the release of such statements.
- (o) Review the appointment of the CFO and have the CFO report to the Committee on the qualifications of new key financial executives involved in the financial reporting process.

### **Internal Controls**

- (a) Receive from Executive Management a statement of the Company’s system of internal controls over accounting and financial reporting.
- (b) Consider and review with Executive Management and the Auditor, the adequacy and effectiveness of internal controls over accounting and financial reporting within the Company and any proposed significant changes in them.
- (c) Consider and discuss the scope of the Auditor’s review of the Company’s internal controls, and obtain reports on significant findings and recommendations, together with Executive Management responses thereto.
- (d) Discuss, as appropriate, with Executive Management and the Auditor, any major issues as to the adequacy of the Company’s internal controls and any special audit steps in light of material internal control deficiencies.
- (e) Review annually the disclosure controls and procedures, including:
  - (i) the certification timetable and related process; and
  - (ii) the procedures that are in place for the review of the Company’s disclosure of financial information extracted from the Company’s financial statements and the adequacy of such procedures.
- (f) Receive confirmation from the CEO and the CFO of the effectiveness of disclosure controls and procedures, and whether there are any significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company’s ability to record, process, summarize and report financial information or any fraud, whether or not material, that involves Executive Management or other employees who have a significant role in the Company’s internal control over financial reporting. In addition, receive confirmation from the CEO and the CFO that they are prepared to sign the annual and quarterly certificates required by Sections 4.1 and 5.1 of NI 52-109, as amended from time to time.
- (g) Review Executive Management’s annual report and the Auditor’s report on the assessment of the effectiveness of the Company’s internal control over financial reporting.

### **The Auditor**

#### *Qualifications and Selection*

- (a) Subject to the requirements of applicable law, be solely responsible to select, retain, compensate, oversee, evaluate and, where appropriate, replace the Auditor, who must be registered with agencies mandated by applicable law. The Committee shall be entitled to

adequate funding from the Company for the purpose of compensating the Auditor for completing an audit and audit report.

- (b) Instruct the Auditor that:
  - (i) they are ultimately accountable to the Board and the Committee, as representatives of shareholders; and
  - (ii) they must report directly to the Committee.
- (c) Ensure that the Auditor has direct and open communication with the Committee and that the Auditor meets regularly with the Committee without the presence of Executive Management to discuss any matters that the Committee or the Auditor believe should be discussed privately.
- (d) Evaluate the Auditor's qualifications, performance, and independence. As part of that evaluation:
  - (i) at least annually, request and review a formal report by the Auditor describing: the firm's internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and (to assess the auditor's independence) all relationships between the Auditor and the Company, including the amount of fees received by the Auditors for the audit services and for various types of non-audit services for the periods prescribed by applicable law;
  - (ii) annually review and confirm with Executive Management and the Auditor the independence of the Auditor, including the extent of non-audit services and fees, the extent to which the compensation of the audit partners of the Auditor is based upon selling non-audit services, the timing and process for implementing the rotation of the lead audit partner, reviewing partner and other partners providing audit services for the Company, whether there should be a regular rotation of the audit firm itself, and whether there has been a "cooling off" period of one year for any former employees of the Auditor who are now employees with a financial oversight role, in order to assure compliance with applicable law on such matters; and
  - (iii) annually review and evaluate senior members of the audit team of the Auditor, including their expertise and qualifications. In making this evaluation, the Committee should consider the opinions of Executive Management.

Conclusions on the independence of the Auditor should be reported by the Committee to the Board.

- (e) Review and approve the Company's policies for the Company's hiring of employees and former employees of the Auditor. Such policies shall include, at minimum, a one-year hiring "cooling off" period.

#### *Other Matters*

- (f) Meet with the Auditor to review and approve the annual audit plan of the Company's financial statements prior to the annual audit being undertaken by the Auditor, including reviewing the year-to-year co-ordination of the audit plan and the planning, staffing and extent of the scope of the annual audit. This review should include an explanation from the Auditor of the factors

considered by the Auditor in determining their audit scope, including major risk factors. The Auditor shall report to the Committee all significant changes to the approved audit plan.

- (g) Review and approve the basis and amount of the Auditor's fees with respect to the annual audit in light of all relevant matters.
- (h) Review and pre-approve all audit and non-audit service engagement fees and terms in accordance with applicable law, including those provided to the Company's subsidiaries by the Auditor or any other person in its capacity as independent auditor of such subsidiary. Between scheduled Committee meetings, the Committee Chair, on behalf of the Committee, is authorised to pre-approve any audit or non-audit service engagement fees and terms. At the next Committee meeting, the Committee Chair shall report to the Committee any such pre-approval given. Establish and adopt procedures for such matters.

### **Compliance**

- (a) Monitor compliance by the Company with all payments and remittances required to be made in accordance with applicable law, where the failure to make such payments could render the Company's directors personally liable.
- (b) The receipt of regular updates from Executive Management regarding compliance with laws and regulations and the process in place to monitor such compliance, excluding, however, legal compliance matters subject to the oversight of the corporate governance and nominating committee of the Board. Review the findings of any examination by regulatory authorities and any observations by the Auditor relating to such matters.
- (c) Establish and oversee the procedures in the Company's Code of Business Conduct and Ethics (the "**Code**") to address:
  - (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting or auditing matters; and
  - (ii) confidential, anonymous submissions by employees of concerns regarding questionable accounting and auditing matters.
- (d) Review all proposed related party transactions and situations involving a director's, senior officer's or an affiliate's potential or actual conflict of interest that are not required to be dealt with by an "independent committee" pursuant to securities law rules, other than routine transactions and situations arising in the ordinary course of business, consistent with past practice. Between scheduled Committee meetings, the Committee Chair, on behalf of the Committee, is authorised to review all such transactions and situations. At the next Committee meeting, the Committee Chair shall report the results of such review. Ensure that political and charitable donations conform with policies and budgets approved by the Board.
- (e) Monitor management of hedging, debt and credit, make recommendations to the Board respecting policies for management of such risks, and review the Company's compliance therewith.
- (f) Approve the review and approval process for the expenses submitted for reimbursement by the CEO.
- (g) Oversee Executive Management's mitigation of material risks within the Committee's mandate and as otherwise assigned to it by the Board's corporate governance and nominating committee.

### **Financial Oversight**

- (a) Assist the Board in its consideration and ongoing oversight of matters pertaining to:
  - (i) capital structure and funding including finance and cash flow planning;
  - (ii) capital management planning and initiatives;
  - (iii) property and corporate acquisitions and divestitures including proposals which may have a material impact on the Company's capital position;
  - (iv) the Company's annual budget;
  - (v) the Company's insurance program;
  - (vi) directors' and officers' liability insurance and indemnity agreements; and
  - (vii) matters the Board may refer to the committee from time to time in connection with the Company's capital position.

### **Other**

- (a) Annually review and assess the adequacy of its charter and recommend any proposed changes to the Corporate Governance and Nominating Committee of the Company for recommendation to the Board for approval.
- (b) Review its own performance annually, and shall provide the results of such evaluation to the Board for its review.
- (c) Perform any other activities consistent with this charter, the Company's Articles and By-laws, the Company's governing laws and the regulations of stock exchanges, as the Committee or the Board deems necessary or appropriate.

## **5. AUTHORITY**

The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to:

- (a) select, retain, terminate, set and approve the fees and other retention terms of special or independent counsel, accountants or other experts, as it deems appropriate; and
- (b) obtain appropriate funding to pay, or approve the payment of, such approved fees, without seeking approval of the Board or Executive Management.

## **6. ACCOUNTABILITY**

The Committee Chair shall make periodic reports to the Board, as requested by the Board, on audit and financial matters relating to the Company.

The Committee shall report its discussions to the Board by maintaining minutes of its meetings and shall provide an oral report to the Board at the next Board meeting that is held after a Committee meeting.

The minutes of all Committee meetings shall be filed with the Company's Corporate Secretary.



## Schedule "A"

### Definitions from National Instrument 52-110 Audit Committees

#### **Section 1.4 Meaning of Independence**

- (1) An audit committee member is independent if he or she has no direct or indirect material relationship with the issuer.
- (2) For the purposes of subsection (1), a "material relationship" is a relationship which could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of a member's independent judgement.
- (3) Despite subsection (2), the following individuals are considered to have a material relationship with an issuer:
  - (a) an individual who is, or has been within the last three years, an employee or executive officer of the issuer;
  - (b) an individual whose immediate family member is, or has been within the last three years, an executive officer of the issuer;
  - (c) an individual who:
    - (i) is a partner of a firm that is the issuer's internal or external auditor,
    - (ii) is an employee of that firm, or
    - (iii) was within the last three years a partner or employee of that firm and personally worked on the issuer's audit within that time;
  - (d) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:
    - (i) is a partner of a firm that is the issuer's internal or external auditor,
    - (ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or
    - (iii) was within the last three years a partner or employee of that firm and personally worked on the issuer's audit within that time;
  - (e) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the issuer's current executive officers serves or served at that same time on the entity's compensation committee; and
  - (f) an individual who received, or whose immediate family member who is employed as an executive officer of the issuer received, more than \$75,000 in direct compensation from the issuer during any 12 month period within the last three years.
- (4) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because
  - (a) he or she had a relationship identified in subsection (3) if that relationship ended before March 30, 2004; or

- (b) he or she had a relationship identified in subsection (3) by virtue of subsection (8) if that relationship ended before June 30, 2005.
- (5) For the purposes of clauses (3)(c) and (3)(d), a partner does not include a fixed income partner whose interest in the firm that is the internal or external auditor is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior service with that firm if the compensation is not contingent in any way on continued service.
- (6) For the purposes of clause (3)(f), direct compensation does not include:
  - (a) remuneration for acting as a member of the board of directors or of any board committee of the issuer, and
  - (b) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.
- (7) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because the individual or his or her immediate family member
  - (a) has previously acted as an interim chief executive officer of the issuer, or
  - (b) acts, or has previously acted, as a chair or vice-chair of the board of directors or of any board committee of the issuer on a part-time basis.
- (8) For the purpose of section 1.4, an issuer includes a subsidiary entity of the issuer and a parent of the issuer.

### **1.5 Additional Independence Requirements**

- (1) Despite any determination made under section 1.4, an individual who
  - (a) accepts, directly or indirectly, any consulting, advisory or other compensatory fee from the issuer or any subsidiary entity of the issuer, other than as remuneration for acting in his or her capacity as a member of the board of directors or any board committee, or as a part-time chair or vice-chair of the board or any board committee; or
  - (b) is an affiliated entity of the issuer or any of its subsidiary entities, is considered to have a material relationship with the issuer.
- (2) For the purposes of subsection (1), the indirect acceptance by an individual of any consulting, advisory or other compensatory fee includes acceptance of a fee by
  - (a) an individual's spouse, minor child or stepchild, or a child or stepchild who shares the individual's home; or
  - (b) an entity in which such individual is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the issuer or any subsidiary entity of the issuer.
- (3) For the purposes of subsection (1), compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.

**1.6**      ***Meaning of Financial Literacy***

For the purposes of this Instrument, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the issuer's financial statements.

## Appendix “B”

### Share-Based Compensation Plan

(Attached)



**Wellgreen Platinum Ltd.**

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**SHARE-BASED  
COMPENSATION PLAN**

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# Wellgreen Platinum Ltd.

(the “Company”)

## SHARE-BASED COMPENSATION PLAN

(the “Plan”)

### 1. PURPOSE OF THIS PLAN

**1.1 Purpose of this Plan.** The purpose of this Plan is to promote the interests and long-term success of the Company by:

- (a) furnishing certain Employees, directors, officers and Consultants of the Company, or its Subsidiaries, and other Persons as the Compensation Committee may determine, with greater incentive to further develop and promote the business and financial success of the Company;
- (b) furthering the alignment of interests of Persons to whom Awards may be granted with those of the shareholders of the Company generally through a proprietary ownership interest in the Company; and
- (c) assisting the Company in attracting, retaining and motivating its Employees, directors, officers and Consultants.

The Company believes that these purposes may best be effected by granting Awards and affording such Persons an opportunity to acquire a proprietary interest in the Company.

### 2. DEFINITIONS AND INTERPRETATION

**2.1 Definitions.** In this Plan, unless there is something in the subject matter or context inconsistent therewith, capitalized words and terms will have the following meanings:

- (a) “**2012 Option Plan**” means the Company’s stock option plan dated for reference October 26, 2012, as amended by the Board of Directors on November 30, 2012, which was most recently approved by the Company’s shareholders on November 30, 2012;
- (b) “**Affiliate**” means an affiliate as defined in the Securities Act;
- (c) “**Approval Date**” has the meaning ascribed thereto in Section 3.1;
- (d) “**Associate**” means an associate as defined in the Securities Act;
- (e) “**Award**” means any Option, Bonus Share, Stock Appreciation Right, Performance Share Unit or Restricted Share Unit granted under this Plan;

- (f) **“Award Agreement”** means (i) in respect of an Option, an Option Agreement; (ii) in respect of a PSU, a PSU Agreement; (iii) in respect of an RSU, an RSU agreement; and (iv) in respect of any other Award, an Other Award Agreement. Each Award Agreement shall be subject to the applicable provisions of this Plan and any other terms and conditions (not inconsistent with this Plan) determined by the Compensation Committee;
- (g) **“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 otherwise prohibited by law from trading any securities of the Company;
- (h) **“Board of Directors”** means the board of directors of the Company as constituted from time to time;
- (i) **“Bonus Share”** means any Common Share granted under Section 9.1;
- (j) **“Business Day”** means a day other than a Saturday, Sunday or a statutory or civic holiday in Vancouver, British Columbia;
- (k) **“Cause”**, in respect of any Participant, means:
  - (i) if “Cause” is defined in an employment agreement between such Participant and the Company, the meaning of “Cause” as provided for in such employment agreement; and
  - (ii) if “Cause” is not so defined, a circumstance that would entitle or require the Company, at law, to terminate the employment or services of such Participant at law without notice or compensation as a result of such termination;
- (l) **“Change of Control”** means the occurrence of any one or more of the following events:
  - (i) any transaction in which voting securities of the Company possessing more than 50% of the total combined voting power of the Company’s outstanding securities are transferred to a Person or Persons different from the Persons holding those securities immediately prior to such transaction;
  - (ii) as a result of or in connection with: (A) a contested election of directors of the Company; or (B) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Company or any of its Affiliates and another corporation or other entity, in each case which results in the directors of the Company prior to the event described in (A) or (B) comprising less than 50% of the number of directors following such event;

- (iii) any acquisition, directly or indirectly, by a Person or Related Group of Persons (other than a Person that is a registered dealer as described in Section 2.1(oo)(iii) and other than the Company or a Person that directly or indirectly controls, is controlled by, or is under common control with, the Company) of beneficial ownership of voting securities of the Company possessing more than 50% of the total combined voting power of the Company's outstanding securities;
- (iv) any acquisition, directly or indirectly, by a Person or Related Group of Persons of the right to appoint a majority of the directors of the Company or the right or ability to otherwise directly or indirectly control the management, affairs and business of the Company;
- (v) any sale, transfer or other disposition of all or substantially all of the assets of the Company;
- (vi) a complete liquidation or dissolution of the Company; or
- (vii) any transaction or series of transactions involving the Company or any of its Affiliates that the Board of Directors, acting reasonably, deems to be a Change of Control,

provided however, that a Change of Control shall not be deemed to have occurred if such Change of Control results solely from the issuance, in connection with a *bona fide* financing or series of financings by the Company or any of its Affiliates, of voting securities of the Company or any of its Affiliates, or any rights to acquire voting securities of the Company or any of its Affiliates which are convertible into voting securities;

- (m) “**Common Shares**” means the common shares in the capital of the Company as constituted on the Effective Date, provided that if the rights of any Participant are subsequently adjusted pursuant to Article 20 hereof, “**Common Shares**” thereafter means the shares or other securities or property which such Participant is entitled to purchase after giving effect to such adjustment;
- (n) “**Company**” means Wellgreen Platinum Ltd. and includes any successor company thereto;
- (o) “**Compensation Committee**” has the meaning ascribed thereto by Section 4.1 of this Plan;
- (p) “**Consultant**” means any individual consultant, or a company or partnership of which the individual consultant is an employee, shareholder or partner (other than an Employee, director or officer) that:
  - (i) is engaged, to provide services to the Company or any of its Affiliates;



- (ii) provides the services under a written contract between the Company or any of its Affiliates and the individual, company or partnership; and
  - (iii) spends or will spend a significant amount of time and attention on the affairs and business of the Company or any of its Affiliates;
- (q) **“Current Market Price”** means:
  - (i) in respect of Bonus Shares, the most recent closing price of the Common Shares on the Stock Exchange immediately prior to the grant of the Bonus Shares; and
  - (ii) in respect of Stock Appreciation Rights which are exercised: (A) the closing price of the Common Shares on the Stock Exchange on the date the notice of exercise in respect thereof is received by the Company, if such day is a trading day and the notice of exercise is received by the Company after regular trading hours; or (B) the closing price of the Common Shares on the Stock Exchange on the trading day immediately prior to the date the notice of exercise in respect thereof is received by the Company, if the notice of exercise is received by the Company during regular trading hours, or on a non-trading day;
- (r) **“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 the Common Shares of the Company beneficially owned by Insiders and their Associates;
- (s) **“Effective Date”** has the meaning ascribed thereto in Section 3.1;
- (t) **“Eligible Person”** means an Employee, director, officer or Consultant of the Company or any of its Subsidiaries;
- (u) **“Employee”** means an individual who is considered an employee of the Company or its Subsidiary under the Tax Act (i.e., including a person for whom income tax, employment insurance and CPP deductions must be made at source);
- (v) **“Free-Standing SAR”** means a Stock Appreciation Right granted under Section 10.1 and that is not a Tandem SAR;
- (w) **“Insider”** means a Participant who is defined as an “insider” in the Toronto Stock Exchange Company Manual;
- (x) **“Legal Representative”** has the meaning ascribed thereto in Section 8.7;
- (y) **“Merger and Acquisition Transaction”** means:
  - (i) any merger;

- (ii) any acquisition;
  - (iii) any amalgamation;
  - (iv) any offer for shares of the Company which if successful would entitle the offeror to acquire all of the voting securities of the Company; or
  - (v) any arrangement or other scheme of reorganization,
- in each case that results in a Change of Control;
- (z) **“Multiplier(s)”** means the factor(s) by which a Participant’s PSUs will be multiplied, as determined by the Compensation Committee and set out in the applicable PSU Agreement;
  - (aa) **“Notice of Exercise”** means the notice of exercise to be appended to each Option Agreement, which notice must be submitted, under, and in accordance with, the terms of the Option Agreement, to the Company by a Participant that wishes to exercise any of his or her Options under this Plan;
  - (bb) **“Option Agreement”** means an agreement evidencing an Option (with or without a Tandem SAR), entered into by and between the Company and an Eligible Person, substantially in the form appended hereto at Schedule “A”;
  - (cc) **“Option Exercise Price”** has the meaning ascribed thereto in Section 8.1, provided that if such price is adjusted pursuant to Article 20, **“Option Exercise Price”** thereafter means the price per Common Share at which such Participant may purchase Common Shares pursuant to such Option after giving effect to such adjustment;
  - (dd) **“Option Expiry Date”** has the meaning ascribed thereto in Section 8.2;
  - (ee) **“Option Fair Market Value”** has the meaning ascribed thereto in Section 8.1;
  - (ff) **“Options”** means stock options granted hereunder to purchase Common Shares from the Company, pursuant to the terms and conditions hereof and as evidenced by an Option Agreement, and **“Option”** means any one of them;
  - (gg) **“Other Award Agreement”** means an agreement evidencing a Bonus Share or Stock Appreciation Right entered into by and between the Company and an Eligible Person, substantially in the form appended hereto at Schedule “B”;
  - (hh) **“Participant”** means an Eligible Person to whom an Award has been granted;
  - (ii) **“Performance Period”** means the period provided for in Section 11.3;

- (jj) **“Person”** means and includes an individual, corporation, partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not;
- (kk) **“Plan”** means this Share-Based Compensation Plan, as the same may from time to time be supplemented or amended and in effect;
- (ll) **“PSU”** or **“Performance Share Unit”** means a bookkeeping entry evidencing the right of a Participant to receive the value of one Common Share at the time of payment, multiplied by the applicable Multiplier(s), pursuant to the terms and conditions hereof and as evidenced by a PSU Agreement;
- (mm) **“PSU Agreement”** means an agreement evidencing a Performance Share Unit entered into by and between the Company and an Eligible Person, substantially in the form appended hereto at Schedule **“C”**;
- (nn) **“PSU Fair Market Value”** means, on any particular date, the trading price at which the Common Shares traded on the Stock Exchange as of the close of market on the day immediately prior to such date;
- (oo) **“Related Group of Persons”** means:
  - (i) Persons and any one or more of their respective Associates and Affiliates; and
  - (ii) any two or more Persons who have an agreement, commitment or understanding, whether formal or informal, with respect to:
    - (A) the acquisition of or the intention to acquire, directly or indirectly, beneficial ownership of, or control and direction over, Voting Shares; or
    - (B) the exercise of voting rights attached to the securities of the Company beneficially owned by such Persons, or over which such Persons have control and direction, on matters regarding the appointment of directors or control of the management, affairs and business of the Company;
  - (iii) notwithstanding Section 2.1(oo)(ii)(A) above, a registered dealer acting solely in an agency capacity for a person or Related Group of Persons in connection with the acquisition of beneficial ownership of, or control and direction over, securities of the Company, and not executing principal transactions for its own account or performing services beyond customary dealer’s functions, shall not be deemed solely by reason of such agency relationship to be a related person for the purposes of the definition of Related Group of Persons;

- (pp) **“Restricted Period”** means any period of time that a Restricted Share Unit is not exercisable and the Participant holding such Restricted Share Unit remains ineligible to receive Restricted Shares, determined by the Compensation Committee in its absolute discretion, however, such period of time may be reduced or eliminated from time to time and at any time and for any reason as determined by the Compensation Committee, including but not limited to, circumstances involving death or disability of a Participant;
- (qq) **“RSU” or “Restricted Share Unit”** means a bookkeeping entry evidencing the right of a Participant to receive, on the Participant’s RSU Entitlement Date, fully paid Common Shares, as determined by the Compensation Committee;
- (rr) **“RSU Agreement”** means an agreement evidencing a Restricted Share Unit entered into by and between the Company and an Eligible Person, substantially in the form appended hereto at Schedule “D”;
- (ss) **“RSU Entitlement Date”** means the date after the expiry of the Restricted Period;
- (tt) **“RSU Fair Market Value”** means, on any particular date, the trading price at which the Common Shares traded on the Stock Exchange as of the close of market on the day immediately prior to such date;
- (uu) **“Restricted Shares”** means the Common Shares issuable upon either (a) the expiry of an applicable Restricted Period; or (b) the grant of Restricted Share Units if they are granted without any applicable Restricted Period;
- (vv) **“Retirement”** means the Participant ceasing to be an Eligible Person after attaining a stipulated age in accordance with the Company’s normal retirement policy, or earlier with the Company’s consent;
- (ww) **“SAR” or “Stock Appreciation Right”** means a right of the type described in Article 10 and includes Free-Standing SARs and Tandem SARs;
- (xx) **“SAR Exercise Price”** has the meaning ascribed thereto in Section 10.2;
- (yy) **“SAR Expiry Date”** has the meaning ascribed thereto in Section 10.3(a);
- (zz) **“SAR Fair Market Value”** has the meaning ascribed thereto in Section 10.2;
- (aaa) **“Securities Act”** means the *Securities Act* (British Columbia);
- (bbb) **“Share Premium”** has the meaning ascribed thereto in Section 10.9;
- (ccc) **“Stock Exchange”** means such stock exchange or other organized market on which the Common Shares are principally listed or posted for trading from time to time, and which, for greater certainty, is the Toronto Stock Exchange as at the Approval Date;

- (ddd) “**Subsidiary**” means a subsidiary as defined in the Securities Act;
- (eee) “**Tandem SAR**” means a Stock Appreciation Right granted under Section 10.1 in tandem with a related Option or as an addition to a previously granted and outstanding Option, and that is not a Free-Standing SAR;
- (fff) “**Tax Act**” means the *Income Tax Act* (Canada) as amended;
- (ggg) “**Termination**” means a Participant ceasing to be an Eligible Person for any reason other than the Retirement, death or disability of the Participant;
- (hhh) “**Triggering Event**” means any one of the following events which occurs in respect of a Change of Control without the express agreement in writing of the Participant;
  - (i) an adverse change in any of the duties, powers, rights, discretion, prestige, salary, benefits, perquisites of the Participant as they exist, and with respect to financial entitlements, the conditions under and manner in which they were payable, immediately prior to the Change of Control;
  - (ii) a diminution of the title of the Participant as it exists immediately prior to the Change of Control;
  - (iii) a change in the person or body to whom the Participant reports immediately prior to the Change of Control, except if such person or body is of equivalent rank or stature or such change is as a result of the resignation or removal of such person or the persons comprising such body, as the case may be, provided that this shall not include a change resulting from a promotion in the normal course of business; or
  - (iv) a change in the hours during or location at which the Participant is regularly required immediately prior to the Change of Control to carry out the terms of employment with the Company, or an increase in the amount of travel the Participant is required to conduct on behalf of the Company;
- (iii) “**trading day**” means any day on which the Stock Exchange is open for regular securities trading business; and
- (jjj) “**Voting Shares**” means a security of the Company that:
  - (i) is not a debt security; and
  - (ii) carries a voting right either under all circumstances or under some circumstances that have occurred and are continuing.

**2.2 Interpretation.** In this Plan, except as otherwise expressly provided:

- (a) any reference in this Plan to a designated “**Article**”, “**Section**” or other subdivision is a reference to the designated Article, Section or other subdivision of this Plan;
- (b) the recitals hereto are incorporated into and form part of this Plan;
- (c) the words “**herein**”, “**hereof**” and “**hereunder**” and other words of similar import refer to this Plan as a whole and not to any particular Article, Section or other subdivision of this Plan;
- (d) the headings are for convenience only and do not form a part of this Plan and are not intended to interpret, define or limit the scope, extent or intent of this Plan;
- (e) words importing the singular number only shall include the plural and vice versa and words importing the use of any gender shall include any other gender, the word “**or**” is not exclusive and the word “**including**” is not limiting whether or not non-limiting language (such as “**without limitation**” or “**but not limited to**” or words of similar import) is used with reference thereto;
- (f) unless otherwise provided, all amounts are stated and are to be paid in Canadian dollars;
- (g) where the time for doing an act falls or expires on a day which is not a Business Day, the time for doing such act is extended to the next Business Day; and
- (h) unless otherwise stated, any reference to a statute includes and is a reference to such statute and to the regulations made pursuant to it, with all amendments thereto and in force from time to time, and to any statute or regulations that may be passed which supplement or supersede such statute or regulation.

### 3. EFFECTIVE DATE OF PLAN

**3.1 Effective Date of this Plan.** The effective date (the “**Effective Date**”) of this Plan is December 17, 2013. This Plan was last approved by shareholders of the Company on ●, 2015 (the “**Approval Date**”).

### 4. ADMINISTRATION OF PLAN

**4.1 Administration of Plan.** The Board of Directors may at any time appoint a committee of the Board of Directors (the “**Compensation Committee**”) to, among other things, interpret, administer and implement this Plan on behalf of the Board of Directors in accordance with such terms and conditions as the Board of Directors may prescribe, consistent with this Plan (provided that if at any such time such a committee has not been appointed by the Board of Directors, this Plan will be administered by the Board of Directors, and in such event references herein to the Compensation Committee shall be construed to be references to the Board of

Directors). The Board of Directors will take such steps that in its opinion are required to ensure that the Compensation Committee has the necessary authority to fulfill its functions under this Plan.

**4.2 Powers of Compensation Committee.** The Compensation Committee is authorized, subject to the provisions of this Plan and the rules and policies of the Stock Exchange, to establish from time to time such rules and regulations, make such determinations and to take such steps in connection with this Plan as in the opinion of the Compensation Committee are necessary or desirable for the proper administration of this Plan. For greater certainty, without limiting the generality of the foregoing, the Compensation Committee will have the power, where consistent with the general purpose and intent of this Plan and subject to the specific provisions of this Plan and any approvals or requirements of any regulatory authorities to which the Company is subject, including the Stock Exchange:

- (a) to delegate such duties and powers as the Compensation Committee may see fit with respect to this Plan (including, for greater certainty, the powers set out in Sections 4.2(b) through (w) below, pursuant to guidelines approved by the Compensation Committee, and in such event and in respect of those powers so delegated, references herein to the Compensation Committee shall be construed to be references to those Persons to whom such powers have been so delegated);
- (b) to interpret and construe this Plan and any Award Agreement and to determine all questions arising out of this Plan and any Award Agreement, and any such interpretation, construction or determination made by the Compensation Committee will be final, binding and conclusive for all purposes;
- (c) to determine Persons who are Eligible Persons;
- (d) to grant Awards to Eligible Persons;
- (e) to determine the type or types of Awards to be granted to each Eligible Person;
- (f) to determine the time or times when Awards will be granted;
- (g) to determine the number of Common Shares covered by each Award (or the then method by which payments or other rights are to be determined in connection therewith);
- (h) to determine whether, to what extent and under what circumstances Awards may be exercised in cash, Common Shares, other securities, other Awards or other property, or cancelled, forfeited or suspended;
- (i) to enter into an Award Agreement evidencing each Award which will incorporate such additional terms as the Compensation Committee in its discretion deems consistent with this Plan;

- (j) to prescribe the form of the instruments relating to the grant, exercise and other terms and conditions of an Award;
- (k) to determine the Option Exercise Price, subject to Section 8.1;
- (l) to determine the SAR Exercise Price, subject to Section 10.2;
- (m) to determine in respect of PSUs, the Performance Period, the performance-based criteria, the Multiplier(s), and the treatment of PSUs upon a distribution being paid on Common Shares;
- (n) to determine in respect of RSUs, the Restricted Period (if any) and the entitlement to distributions being paid on Common Shares;
- (o) to determine the time or times when Options, SARs and PSUs will vest and be exercisable, to determine the time or times when the Restricted Period of RSUs will expire and to determine when it is appropriate to accelerate the time at which Options, SARs or PSUs otherwise subject to vesting may be exercised, or the time at which RSUs otherwise subject to a Restricted Period may be settled (provided that in no event shall vesting requirements which are mandated by the Stock Exchange be accelerated without the prior written approval of the Stock Exchange);
- (p) to determine if the Common Shares that are subject to an Option, SAR, PSU or RSU will be subject to any restrictions or repurchase rights upon the exercise or settlement (as applicable) of such Option, SAR, PSU or RSU, including, where applicable, the endorsement of a legend on any certificate representing Common Shares acquired on the exercise or settlement (as applicable) of any Option, SAR, PSU or RSU to the effect that such Common Shares may not be offered, sold or delivered except in compliance with the applicable Stock Exchange rules and securities laws and regulations of Canada, the United States and any other applicable country and if any rights or restrictions exist they will be described in the applicable Option Agreement, PSU Agreement, RSU Agreement or Other Award Agreement;
- (q) to determine the expiration date for each Option, subject to Article 8;
- (r) to determine the expiration date for each SAR, subject to Article 10;
- (s) to determine the treatment of PSUs upon Retirement or Termination of a Participant, subject to Article 11;
- (t) to determine the treatment of RSUs upon Retirement or Termination of a Participant, subject to Article 12;



- (u) to take such steps and require such documentation from each Eligible Person which in its opinion are necessary or desirable to ensure compliance with the rules and regulations of the Stock Exchange and all applicable laws;
- (v) to adopt such modifications, procedures and subplans as may be necessary or desirable to comply with the provisions of the laws of Canada, the United States and other countries in which the Company or its Affiliates may operate to ensure the viability and maximization of the benefits from the Awards granted to Participants residing in such countries and to meet the objectives of this Plan; and
- (w) to do all such other matters as provided for herein.

Unless otherwise expressly provided in this Plan, all designations, determinations, interpretations and other decisions under or with respect to this Plan or any Award shall be within the sole discretion of the Compensation Committee, may be made at any time and shall be final, conclusive and binding upon any Eligible Person and any holder or beneficiary of any Award.

## 5. SHARES AVAILABLE FOR AWARDS

- 5.1 Common Shares Available.** Subject to adjustment as provided in Article 20 and the applicable rules and regulations of all regulatory authorities to which the Company is subject, including the Stock Exchange, the aggregate number of Common Shares issuable pursuant to Awards granted under this Plan, plus the aggregate number of Common Shares issuable pursuant to the exercise of outstanding stock options granted under the 2012 Option Plan, shall not exceed 12.5% of the issued and outstanding Common Shares at the time of the grant. Subject to Sections 6.3 and 9.2, Common Shares available under this Plan may be used for any Option, Bonus Share, Stock Appreciation Right, Performance Share Unit or Restricted Share Unit.
- 5.2 Accounting for Awards.** For purposes of Section 5.1 and subject to Section 5.4, if an Award entitles the holder thereof to receive or purchase Common Shares, the number of Common Shares covered by such Award or to which such Award relates shall be counted on the date of grant of such Award against the aggregate number of Common Shares available for granting Awards under this Plan as follows:
- (a) every Common Share subject to an Option (and Tandem SAR, if applicable) shall be counted as one Common Share for every Common Share subject to such Option (and Tandem SAR, if applicable);
  - (b) every Common Share that may be issued on account of a Bonus Share shall be counted as one Common Share for every Common Share that may be issued on account of such Bonus Share; and
  - (c) every Common Share subject to an Award, other than an Option or a Bonus Share, shall be counted either as a whole Common Share or such greater or lesser fraction thereof as is determined at the discretion of the Compensation Committee having

due regard to such matters and considerations as it determines relevant, including any applicable rules or policies of the Stock Exchange.

**5.3 Other Accounting for Awards.** If an outstanding Award for any reason expires or is terminated or cancelled without having been exercised or settled in full, or if Common Shares acquired pursuant to an Award subject to forfeiture or repurchase are forfeited, the Common Shares shall again be available for issuance under this Plan. Common Shares shall not be deemed to have been issued pursuant to this Plan with respect to any portion of an Award that is settled in cash.

**5.4 No Fractional Shares.** No fractional Common Shares may be purchased or issued under this Plan.

## **6. GRANT OF AWARDS**

Subject to the rules set out below, the Compensation Committee (or in the case of any proposed Participant who is a member of the Compensation Committee, the Board of Directors) may from time to time grant to any Eligible Person one or more Awards as the Compensation Committee deems appropriate. A Participant, who holds any Award at the time of granting an Award, may hold more than one type of Award.

**6.1 Date Award Granted.** The date on which an Award will be deemed to have been granted under this Plan will be the date on which the Compensation Committee authorizes the grant of such Award.

**6.2 Number of Common Shares under Award Grant.** Subject to complying with all requirements of the Stock Exchange and the provisions of this Plan (including, but not limited to, Section 6.3), the number of Common Shares that may be purchased under any Award will be determined and fixed by the Compensation Committee at the date of grant.

**6.3 Maximum Award Grant.**

- (a) The aggregate number of Common Shares (i) reserved for issuance to Insiders, at any time, under this Plan, under the 2012 Option Plan and under any other share compensation arrangement of the Company, shall not exceed 10% of the issued Common Shares; and (ii) issued to Insiders, within any 12 month period, under this Plan, under the 2012 Option Plan and under any other share compensation arrangement of the Company, shall not exceed 10% of the issued Common Shares, calculated on the date of the grant to any Insider.
- (b) The aggregate number of Common Shares reserved for issuance to non-employee directors at any time, under this Plan and under the 2012 Option Plan, shall not exceed (i) for all non-employee directors, a maximum of 1% of the issued Common Shares, and (ii) on an individual non-employee director basis, grants of Common Shares and/or Awards per non-employee director in any one calendar year having

a maximum aggregate value of \$100,000 at the time of the grant of Common Shares or Awards (other than grants of Common Shares or Awards under this Plan to a non-employee director in the year of his or her initial appointment to the board of directors).

- (c) The aggregate number of Common Shares reserved for issuance to any one Eligible Person, at any time, under this Plan and under the 2012 Option Plan, shall not exceed 5% of the issued Common Shares.

**6.4 Award Agreements.** Each Award will be evidenced by an Award Agreement which may include such additional terms and conditions as the Compensation Committee in its discretion may deem appropriate and consistent with the provisions of this Plan (and the execution and delivery by the Company of an Award Agreement with a Participant shall be conclusive evidence that such Award Agreement incorporates terms and conditions and is consistent with the provisions of this Plan). Each Award Agreement will be executed by the Participant to whom the Award is granted and on behalf of the Company by any member of the Compensation Committee or any officer of the Company or such other Person as the Compensation Committee may designate for such purpose.

## 7. ELIGIBILITY

Any Eligible Person shall be eligible to be designated a Participant. In determining which Eligible Person shall receive an Award and the terms of any Award, the Compensation Committee may take into account the nature of the services rendered or to be rendered by the respective Eligible Person, their present and potential contributions to the success of the Company or such other factors as the Compensation Committee, in its discretion, deems relevant. In the case of Awards granted to Employees or Consultants, the Compensation Committee and the recipient of the Award(s) shall ensure and confirm that the recipient is a *bona fide* Employee or Consultant, as the case may be.

## 8. OPTIONS

**8.1 Exercise Price.** The exercise price per Common Share under each Option (the “**Option Exercise Price**”) shall be determined by the Compensation Committee, in its sole discretion, provided that the Option Exercise Price shall not be less than the trading price at which the Common Shares traded on the Stock Exchange as of close of market on the day immediately prior to the date such Option is granted (the “**Option Fair Market Value**”).

**8.2 Term of Options.** Subject to Section 8.3 and the requirements of the Stock Exchange, each Option will expire (the “**Option Expiry Date**”) on the earlier of:

- (a) the date determined by the Compensation Committee and specified in the Option Agreement pursuant to which such Option is granted, provided that such date may not be later than the earlier of: (i) the date which is the tenth anniversary of the

date on which such Option is granted, and (ii) the latest date permitted under the applicable rules and regulations of all regulatory authorities to which the Company is subject, including the Stock Exchange;

- (b) in the event the Participant ceases to be an Eligible Person for any reason, other than the death of the Participant or the termination of the Participant for Cause, such period of time after the date on which the Participant ceases to be an Eligible Person as may be specified by the Compensation Committee, which date shall not exceed 90 days following the termination of the Participant's employment with the Company, or in the case of Options granted to a director, officer or a Consultant, 90 days following the Participant ceasing to be a director, officer or a Consultant, unless the Compensation Committee otherwise determines (provided that in no circumstances shall the date exceed one year from the date of termination of the Participant's employment with the Company, or the date the Participant ceased to be a director, officer or a Consultant, as applicable) and which period will be specified in the applicable Option Agreement with respect to such Option;
- (c) in the event of the termination of the Participant as an officer, Employee or Consultant of the Company or a Subsidiary for Cause, the date of such termination;
- (d) in the event that a director is subject to any order, penalty or sanction by an applicable securities regulatory authority which relates to such director's activities in relation to the Company, and the Compensation Committee determines that such director's Options should be cancelled, the date of such determination;
- (e) in the event of the death of a Participant prior to: (i) the Participant ceasing to be an Eligible Person; or (ii) the date which is the number of days specified by the Compensation Committee pursuant to subparagraph (b) above from the date on which the Participant ceased to be an Eligible Person, the date which is one year after the date of death of such Participant or such earlier date as may be specified by the Compensation Committee and which period will be specified in the applicable Option Agreement with respect to such Option; and
- (f) notwithstanding the foregoing provisions of subparagraphs (b), (c) and (d) of this Section 8.2, the Compensation Committee may, subject to Article 19 and to regulatory approval, at any time prior to the expiry of an Option, extend the period of time within which an Option may be exercised by a Participant who has ceased to be an Eligible Person, but such an extension shall not be granted beyond the earlier to occur of (i) the date that is one year from the date such extension was granted; and (ii) the original expiry date of the Option as provided for in subparagraph (a) above.

**8.3 Blackout Extension.** Where the Option Expiry Date for an Option occurs during a Blackout Period, the Option Expiry Date for such Option shall be extended to the

date which is 10 Business Days following the end of such Blackout Period, provided that, the Option Expiry Date for an Option will not be extended if the Eligible Person or the Company is subject to a cease trade order (or similar order under securities laws) in respect of the Company's securities.

- 8.4 Exercise of Options and Other Restrictions.** Subject to the provisions of this Plan, the Compensation Committee may impose such limitations or conditions on the exercise or vesting of any Option as the Compensation Committee in its discretion deems appropriate, including limiting the number of Common Shares for which any Option may be exercised during any period as may be specified by the Compensation Committee so long as the requirements of the Stock Exchange in regards to exercise or vesting are met. The number of Common Shares for which such Option may be exercised in any period will be specified in the applicable Option Agreement with respect to such Option.
- 8.5 Ceasing to Vest.** Except as determined from time to time by the Compensation Committee, all Options will cease to vest as at the date upon which the Participant ceases to be an Eligible Person (which, in the case of an Employee or Consultant of the Company or its Subsidiaries, shall be the date on which active employment or engagement, as applicable, with the Company or its Subsidiaries terminates, specifically without regard to any period of reasonable notice or any salary continuance).
- 8.6 Accelerated Vesting of Options Upon Death.** Notwithstanding Section 8.5 above, in the event of the death of a Participant prior to the Participant ceasing to be an Eligible Person, all Options of such Participant shall become immediately vested.
- 8.7 Exercise of Options.** Each Option Agreement will provide that the Option granted thereunder may be exercised only by a Notice of Exercise delivered to the Company and signed by the Participant, or the legal representative or committee or attorney, as the case may be (the "**Legal Representative**"), of the Participant, and accompanied by full payment for the Common Shares being purchased. Such consideration may be paid in any combination of the following: bank draft, certified cheque or wire transfer.

As soon as practicable after any exercise of an Option, a certificate or certificates will be delivered by the Company to the Participant or the Legal Representative of the Participant representing the Common Shares in respect of which such Option is exercised.

- 8.8 Hold Periods.** Options and any Common Shares issued on the exercise of the Options may be subject to resale restrictions under securities laws or Stock Exchange rules and, where appropriate, will be legended with applicable resale restrictions.

## 9. SHARE BONUS

- 9.1 Bonus Shares.** The Compensation Committee shall have the right, subject to Section 9.2, to issue, or reserve for issuance, for no cash consideration, to any Eligible Person, as a discretionary bonus, any number of Common Shares (“**Bonus Shares**”) as the Compensation Committee may determine. The price at which such Bonus Shares are issued shall be equal to the Current Market Price.
- 9.2 Limitations.** The maximum number of Bonus Shares that may be issued in a calendar year shall not exceed 2% of the issued and outstanding Common Shares as of January 1 of such calendar year. Common Shares reserved for issuance and issued under this Article 9 shall be subject to the limitations set out in Sections 5.1 and 6.3.
- 9.3 Necessary Approvals.** The obligation of the Company to issue and deliver any Bonus Shares pursuant to an Award made under this Article 9 will be subject to all necessary approvals of any applicable securities regulatory authority and the Stock Exchange.
- 9.4 Hold Periods.** Bonus Shares may be subject to resale restrictions under securities laws or Stock Exchange rules and, where appropriate, will be legended with applicable resale restrictions.

## 10. STOCK APPRECIATION RIGHTS

- 10.1 Stock Appreciation Rights.** The Compensation Committee shall have the right, subject to Section 10.3, to grant to any Eligible Person Free-Standing SARs or Tandem SARs, with the specific terms and conditions thereof to be as provided in this Plan and in the Award Agreement entered into in respect of such grant. The Compensation Committee shall have complete discretion in determining the number of Common Shares to which a SAR pertains (subject to Sections 5.1 and 6.3) and, consistent with the provisions of this Plan, in determining the terms and conditions pertaining to any SAR.
- 10.2 SAR Exercise Price.** The exercise price per Common Share under each Stock Appreciation Right (the “**SAR Exercise Price**”) shall be determined by the Compensation Committee in its sole discretion and set forth in the Option Agreement (in the case of Tandem SARs) or Other Award Agreement, as the case may be, subject to the limitations of this Section 10.2. The SAR Exercise Price for each Free-Standing SAR shall not be less than the trading price at which the Common Shares traded on the Stock Exchange as of close of market on the day immediately prior to the date such SAR is granted (the “**SAR Fair Market Value**”). The SAR Exercise Price for each Tandem SAR shall be equal to the Option Exercise Price of the related Option.

### **10.3 Term of SARs.**

- (a) Subject to Section 10.4, and to the requirements of the Stock Exchange, the term of a SAR granted under this Plan shall be determined by the Compensation Committee, in its sole discretion, provided that no SAR shall be exercisable later than the tenth (10th) anniversary date of its grant (the “**SAR Expiry Date**”).
- (b) Notwithstanding Section 10.3(a) above, to the extent that any of the events in Section 8.2(b) to (f) occur in respect of the Participant, the SAR Expiry Date shall be the date determined in accordance with Section 8.2(b) to (f), as applicable (treating the SAR as if it were an Option).

**10.4 Blackout Extension.** Where the SAR Expiry Date for a SAR occurs during a Blackout Period, the SAR Expiry Date for such SAR shall be extended to the date which is 10 Business Days following the end of such Blackout Period, provided that, the SAR Expiry Date for a SAR will not be extended if the Eligible Person or the Company is subject to a cease trade order (or similar order under securities laws) in respect of the Company’s securities.

**10.5 Ceasing to Vest.** Except as determined from time to time by the Compensation Committee, all SARs will cease to vest as at the date upon which the Participant ceases to be an Eligible Person (which, in the case of an Employee or Consultant of the Company or its Subsidiaries, shall be the date on which active employment or engagement, as applicable, with the Company or its Subsidiaries terminates, specifically without regard to any period of reasonable notice or any salary continuance).

**10.6 Accelerated Vesting of SARs Upon Death.** Notwithstanding Section 10.5 above, in the event of the death of a Participant prior to the Participant ceasing to be an Eligible Person, all SARs of such Participant shall become immediately vested.

**10.7 Exercise of Tandem SAR.** Tandem SARs may be exercised for all or part of the Common Shares subject to the related Option upon the surrender of the right to exercise the equivalent portion of the related Option. A Tandem SAR shall be exercisable only when and to the extent the related Option is exercisable and may be exercised only with respect to the Common Shares for which the related Option is then exercisable. A Tandem SAR shall entitle a Participant to elect, in the manner set forth in this Plan and the applicable Option Agreement, in lieu of exercising his or her unexercised related Option for all or a portion of the Common Shares for which such Option is then exercisable pursuant to its terms, to surrender such Option to the Company with respect to any or all of such Common Shares and to receive from the Company in exchange therefor a payment described in Section 10.9. An Option with respect to which a Participant has elected to exercise a Tandem SAR shall, to the extent of the Common Shares covered by such exercise, be cancelled automatically and surrendered to the Company. Such Option shall thereafter remain exercisable

according to its terms only with respect to the number of Common Shares as to which it would otherwise be exercisable, less the number of Common Shares with respect to which such Tandem SAR has been so exercised.

**10.8 Exercise of Free-Standing SAR.** A Free-Standing SAR may be exercised upon whatever terms and conditions the Compensation Committee, in its sole discretion, in accordance with this Plan, determines and sets forth in the Other Award Agreement.

**10.9 Receipt of Common Shares Upon Exercise.** Upon exercise of a SAR, the Participant shall receive payment from the Company in an amount determined on the following basis:

$$\text{Payment} = \text{Number of Stock Appreciation Rights} \times (\text{Current Market Price} - \text{SAR Exercise Price}), \text{ less the deduction of any applicable withholding taxes in accordance with Section 17 (the "Share Premium")} / \text{Current Market Price}$$

The Share Premium shall be paid and satisfied by the Company issuing Common Shares, the number of which shall be calculated by dividing the Share Premium by the Current Market Price of the Common Shares on the exercise date. Where the Participant is subject to taxation under the provisions of the Tax Act in respect of the Share Premium, the Company shall make the election provided for in subsection 110(1.1) of the Tax Act.

**10.10 Limitations.** The issuance of Common Shares pursuant to the exercise of Stock Appreciation Rights granted under this Article 10 shall, for greater certainty, be subject to the limitations set out in Sections 5.1 and 6.3.

**10.11 Necessary Approvals.** The obligation of the Company to issue and deliver any Stock Appreciation Rights pursuant to an Award made under this Article 10, or to deliver any Common Shares pursuant to the exercise thereof, will be subject to all necessary approvals of any applicable securities regulatory authority and the Stock Exchange.

**10.12 Hold Periods.** SARs and any Common Shares issued on the exercise of the SARs may be subject to resale restrictions under securities laws or Stock Exchange rules and, where appropriate, will be legended with applicable resale restrictions.

## **11. PERFORMANCE SHARE UNITS**

**11.1 Performance Share Units.** The Compensation Committee shall have the right to grant to any Eligible Person PSUs with the specific terms and conditions thereof to be as provided in this Plan and in the PSU Agreement entered into in respect of such grant. The PSU Agreement in respect of the PSUs granted will set out, at a minimum, the number of PSUs granted, the Performance Period, the performance-based criteria and the Multiplier(s). Subject to the provisions of this Article 11, each Performance Share Unit awarded to a Participant for services performed during the year in which



the PSU is granted shall entitle the Participant to receive payment in an amount equal to the PSU Fair Market Value on the day immediately prior to the last day of the applicable Performance Period multiplied by the applicable Multiplier(s), to be determined on the last day of the Performance Period.

- 11.2 Distributions.** The Compensation Committee, in its sole discretion, may determine that if and when distributions are paid on any Common Shares, additional Performance Share Units shall be credited to the Participant as of such distribution payment date. The number of additional Performance Share Units (including fractional Performance Share Units) to be credited to the Participant shall be determined by dividing the dollar amount of the distribution payable in respect of the Common Shares underlying the Performance Share Units by the PSU Fair Market Value on the date the distribution is paid. Fractional Performance Share Units to two decimal places shall be credited to the Participant. For greater certainty, the Performance Period and Multiplier(s), if any, shall be the same as the Performance Period and Multiplier(s), if any, for the Performance Share Units.
- 11.3 Performance Period.** Subject to Sections 11.5, 11.6 and 11.7 (which could result in shortening any such period), the Performance Period in respect of a particular award shall be one year from the date of grant of the applicable PSU, provided that the Compensation Committee may, in its sole discretion, determine the Performance Period to be greater than one year, to a maximum of three years from the date of grant of the applicable PSU.
- 11.4 Performance-Based Criteria and Multipliers.** The Compensation Committee may establish performance-based criteria which, if met by the Company, will entitle the Participant to be paid an amount in excess of or less than the PSU Fair Market Value of one Common Share for each Performance Share Unit at the end of the applicable Performance Period. The Compensation Committee, in its sole discretion, may waive the performance-based criteria if the Compensation Committee determines there were material unusual circumstances that occurred during the Performance Period (as an example only, if take-over speculation significantly affects the PSU Fair Market Value at the end of the Performance Period).
- 11.5 Retirement or Termination During Performance Period.** If a Participant ceases to be an Eligible Person during the Performance Period because of Retirement or Termination of the Participant, all Performance Share Units previously awarded to the Participant shall be forfeited and cease to be credited to the Participant on the date of the Retirement or Termination, as the case may be; however, the Compensation Committee shall have the absolute discretion to modify the grant of the PSUs to provide that the Performance Period would end at the end of the calendar quarter immediately before the date of the Retirement or Termination, as the case may be, and the amount payable to the Participant shall be calculated as of such date.

- 11.6 Death or Disability During Performance Period.** In the event of the death or total disability of a Participant during the Performance Period, the Performance Period shall be deemed to end at the end of the calendar quarter immediately before the date of death or total disability of the Participant and the amount payable to the Participant or its executors, as the case may be, shall be calculated as of such date.
- 11.7 Change of Control During Performance Period.** In the event that (i) a Change of Control and (ii) a Triggering Event occurs and within 12 months following such Triggering Event the Participant advises the Company of his or her intention to terminate his or her employment as a result thereof, the Performance Period shall be deemed to end at the end of the calendar quarter immediately before the Change of Control and the amount payable to the Participant shall be calculated as of such date.
- 11.8 Payment to Participants.** Subject to the terms of this Plan, the Compensation Committee, in its sole discretion, may pay earned Performance Share Units in the form of cash or in Common Shares issued from treasury (or in a combination thereof) equal to the value of the Performance Share Units at the end of the applicable Performance Period. The determination of the Compensation Committee with respect to the form of payout of such Performance Share Units shall be set forth in the PSU Agreement for the grant of the Performance Share Unit or reserved for later determination. In no event will delivery of such Common Shares or payment of any cash amounts be made later than 2½ months after the end of the year in which such conditions or restrictions were satisfied or lapsed.
- 11.9 Limitations.** The issuance of Common Shares pursuant to the exercise of Performance Share Units granted under this Article 11 shall, for greater certainty, be subject to the limitations set out in Sections 5.1 and 6.3.
- 11.10 Necessary Approvals.** The obligation of the Company to issue and deliver any Performance Share Units pursuant to an Award made under this Article 11, or to deliver any Common Shares pursuant to the exercise thereof, will be subject to all necessary approvals of any applicable securities regulatory authority and the Stock Exchange.
- 11.11 Hold Periods.** Common Shares issued in connection with earned PSUs may be subject to resale restrictions under securities laws or Stock Exchange rules and, where appropriate, will be legended with applicable resale restrictions.

## **12. RESTRICTED SHARE UNITS**

- 12.1 Restricted Share Units.** The Compensation Committee shall have the right to grant to any Eligible Person RSUs as a discretionary payment in consideration of past services to the Company, subject to this Plan and with the specific terms and conditions thereof to be as provided in this Plan and in the RSU Agreement entered into in respect of such grant. At the end of the Restricted Period applicable to a Restricted

Share Unit and without the payment of additional consideration or any other further action on the part of the Participant, the Company shall issue to the Participant one Common Share for each Restricted Share Unit held by the Participant for which the Restricted Period has expired.

- 12.2 Restricted Period.** Concurrent with the determination to grant Restricted Share Units to a Participant, the Compensation Committee shall determine the Restricted Period applicable to such Restricted Share Units. No Restricted Period shall be longer than three years from the date of grant, subject to Section 12.8.
- 12.3 Distributions.** The Compensation Committee, in its sole discretion, may determine that if and when distributions are paid on any Common Shares, additional Restricted Share Units shall be credited to the Participant as of such distribution payment date. The number of additional Restricted Share Units to be credited to the Participant shall be determined by dividing the dollar amount of the distribution payable in respect of the Restricted Shares underlying the Restricted Share Units by the RSU Fair Market Value on the date the distribution is to be paid. The Restricted Period applicable to such additional Restricted Share Units, if any, shall be the same as the Restricted Period, if any, for the Restricted Share Units.
- 12.4 Retirement or Termination During Restricted Period.** In the event of the Retirement or Termination of a Participant during the Restricted Period, any Restricted Share Units held by the Participant shall immediately terminate and be of no further force or effect; provided, however, that the Compensation Committee shall have the absolute discretion to modify the grant of the RSUs to provide that the Restricted Period shall terminate immediately prior to a Participant's Termination or Retirement.
- 12.5 Death or Disability During Restricted Period.** In the event of:
- (a) the death of a Participant, the Restricted Period in respect of any Restricted Share Units held by such Participant will be accelerated and will expire on the date of death of such Participant and the Restricted Shares represented by the Restricted Share Units held by such Participant will be issued to the Participant's estate as soon as reasonably practical thereafter, but in any event no later than 90 days thereafter; and
  - (b) the disability of a Participant (determined in accordance with the Company's normal disability practices), the Restricted Period in respect of any Restricted Share Units held by such Participant will be accelerated and will expire on the date in which such Participant is determined to be totally disabled and the Restricted Shares represented by the Restricted Share Units held by the Participant will be issued to the Participant as soon as reasonably practical, but in any event no later than 30 days following receipt by the Company of notice of disability.

- 12.6 Change of Control During Restricted Period.** In the event that (i) a Change of Control and (ii) a Triggering Event occurs and within 12 months following such Triggering Event the Participant advises the Company by written notice of his or her intention to terminate his or her employment as a result thereof, the Restricted Period in respect of all Restricted Share Units held by such Participant shall expire on the date such written notice is received by the Company notwithstanding the Restricted Period.
- 12.7 Settlement of Restricted Share Units.** The Company will satisfy its obligation in respect of Restricted Share Units, net of any applicable taxes and other source deductions required to be withheld by the Company, with the issue of fully paid Common Shares.
- 12.8 Blackout Extension:** Unless otherwise determined by resolution of the Compensation Committee, in the event that any Restricted Period expires during, a Blackout Period, such expiry will be extended to the day immediately following the end of the Blackout Period, provided that the expiry will not be extended if the Eligible Person or the Company is subject to a cease trade order (or similar order under securities laws) in respect of the Company's securities.
- 12.9 Limitations.** The issuance of Common Shares pursuant to the exercise of Restricted Share Units granted under this Article 12 shall, for greater certainty, be subject to the limitations set out in Sections 5.1 and 6.3.
- 12.10 Necessary Approvals.** The obligation of the Company to issue and deliver any Restricted Share Units pursuant to an Award made under this Article 12, or to deliver any Common Shares pursuant to the settlement thereof, will be subject to all necessary approvals of any applicable securities regulatory authority and the Stock Exchange.
- 12.11 Hold Periods.** Common Shares issued in connection with earned RSUs may be subject to resale restrictions under securities laws or Stock Exchange rules and, where appropriate, will be legended with applicable resale restrictions.

### **13. GENERAL TERMS OF AWARDS**

- 13.1 Consideration for Awards.** Awards may be granted for no cash consideration or for any cash or other consideration as determined by the Compensation Committee and required by applicable law.
- 13.2 Awards May Be Granted Separately or Together.** Awards may, in the discretion of the Compensation Committee, be granted either alone or in addition to, or in tandem with any other Award or any award granted under any plan of the Company or any Subsidiary. Awards granted in addition to or in tandem with other Awards or in addition to or in tandem with awards granted under any such other plan of the Company or any Subsidiary may be granted either at the same time as or at a different time from the grant of such other Awards or awards.

**13.3 Restrictions, Securities Exchange Listing.** All Common Shares or other securities delivered under this Plan pursuant to any Award or the exercise thereof shall be subject to such stop transfer orders and other restrictions as the Compensation Committee may deem advisable under this Plan, applicable Canadian provincial, or foreign securities laws and regulatory requirements, and applicable corporate law, and the Compensation Committee may direct appropriate stop transfer orders and cause other legends to be placed on the certificates for such Common Shares or other securities to reflect such restrictions. If the Common Shares or other securities are traded on the Stock Exchange, the Company shall not be required to deliver any Common Shares or other securities covered by an Award unless and until such Common Shares or other securities have been admitted for trading on the Stock Exchange.

**13.4 Income Tax.** With respect to any Award granted to a Participant who is subject to taxation under the provisions of the Tax Act in respect of such Award, the Compensation Committee shall have the right, but not the obligation, to take account of Canadian income tax considerations in determining the terms and conditions of the Award or any other amendment thereto.

#### **14. CHANGE IN STATUS**

A change in the status, office, position or duties of a Participant from the status, office, position or duties held by such Participant on the date on which the Award was granted to such Participant will not result in the termination of the Award granted to such Participant provided that such Participant remains an Eligible Person.

#### **15. NON-TRANSFERABILITY OF AWARDS**

Each Award Agreement will provide that except pursuant to a will or by the laws of descent and distribution, no Awards and no other right or interest of a Participant are transferable or assignable.

#### **16. REPRESENTATIONS AND COVENANTS OF PARTICIPANTS**

**16.1 Representations and Covenants.** Each Award Agreement will be deemed to contain representations and covenants of the Participant that:

- (a) the Participant is a *bona fide* Employee, director, officer or Consultant of the Company or its Subsidiaries or a Person otherwise determined as an Eligible Person under this Plan by the Compensation Committee;
- (b) the Participant has not been induced to enter into such Award Agreement by the expectation of employment or continued employment with the Company or its Subsidiaries;

- (c) the Participant is aware that the grant of the Award and the issuance by the Company of Common Shares thereunder are exempt from the obligation under applicable securities laws to file a prospectus or other registration document qualifying the distribution of the Awards or the Common Shares to be distributed thereunder under any applicable securities laws;
- (d) upon each exercise of an Award, the Participant, or the Legal Representative of the Participant, as the case may be, will, if requested by the Company, represent and agree in writing that the Person is, or the Participant was, an Employee, director, officer or Consultant of the Company or its Subsidiaries or a Person otherwise determined as an Eligible Person under this Plan by the Compensation Committee and has not been induced to purchase the Common Shares by expectation of employment or continued employment with the Company or its Subsidiaries, and that such Person is not aware of any commission or other remuneration having been paid or given to others in respect of the granting of the Award; and
- (e) if the Participant or the Legal Representative of the Participant exercises an Award, the Participant or the Legal Representative, as the case may be, will, prior to and upon any sale or disposition of any Common Shares purchased pursuant to the exercise of an Award, comply with all applicable securities laws and all applicable rules and regulations of all regulatory authorities to which the Company is subject, including the Stock Exchange, and will not offer, sell or deliver any of such Common Shares, directly or indirectly, in the United States or to any citizen or resident of, or any company, partnership or other entity created or organized in or under the laws of, the United States, or any estate or trust the income of which is subject to United States federal income taxation regardless of its source, except in compliance with the securities laws of the United States.

**16.2 Provisions Relating to Common Share Issuances under an Award Agreement.** Each Award Agreement will contain such provisions as in the opinion of the Compensation Committee are required to ensure that no Common Shares are issued on the exercise of an Award unless the Compensation Committee is satisfied that the issuance of such Common Shares will be exempt from all registration or qualification requirements of applicable securities laws and will be permitted under the applicable rules and regulations of all regulatory authorities to which the Company is subject, including the Stock Exchange. In particular, if required by any regulatory authority to which the Company is subject, including the Stock Exchange, an Award Agreement may provide that shareholder approval to the grant of an Award must be obtained prior to the exercise of the Award or to the amendment of the Award Agreement.

## **17. WITHHOLDING TAX**

- (a) The Participant will be solely responsible for paying any applicable taxes (for greater certainty including any tax under the Tax Act and any other applicable tax statute or regulation) arising from the grant, vesting, exercise or payment of any

Award and payment is to be made in a manner satisfactory to the Company. Notwithstanding the foregoing, prior to granting any Award, issuing any Common Shares or paying any cash amounts, the Company and/or any Subsidiary will have the right to withhold from any Award granted or Common Shares issuable pursuant to an Award or from any cash amounts otherwise due or to become due from the Company to the Participant, an amount equal to any applicable taxes due in respect of such Award, as may be necessary or appropriate, as determined by the Compensation Committee, to satisfy the obligations for the payment of such taxes.

- (b) Without limiting the generality of Section 17(a), subject to any applicable laws, a Participant may (unless disallowed by the Compensation Committee) elect to satisfy or arrange to satisfy, in whole or in part, the tax obligations incident to an Award to be satisfied by the issuance of Common Shares by having the Company sell as trustee on behalf of the Participant any Common Shares issuable to the Participant as may be reasonable to satisfy any withholding obligation.

## **18. CONDITIONS**

Notwithstanding any of the provisions of this Plan or in any Award Agreement, the Company's obligation to issue Common Shares to a Participant pursuant to an Award will be subject to, if applicable:

- (a) completion of such registration or other qualification of such Common Shares or to the approval of such governmental authority as the Company may determine to be necessary or advisable in connection with the authorization, issuance or sale thereof; and
- (b) the receipt from the Participant of such representations, agreements and undertakings, including as to future dealings in such Common Shares, as the Company or its counsel determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction.

## **19. SUSPENSION OR AMENDMENT OF PLAN**

**19.1 Suspension or Amendment of Plan.** Subject to the provisions of this Plan (including, but not limited to, Section 19.2) and the requirements of the Stock Exchange, the Compensation Committee will have the right at any time to suspend, amend or terminate this Plan, including, but not limited to, the right:

- (a) with approval of shareholders of the Company, by ordinary resolution, to make any amendment to any Award Agreement or this Plan; and
- (b) without approval of shareholders of the Company to make the following amendments to any Award Agreement or this Plan:

- (i) amendments of a clerical nature, including, but not limited to, the correction of grammatical or typographical errors or clarification of terms;
- (ii) amendments to reflect any requirements of any regulatory authorities to which the Company is subject, including the Stock Exchange; and
- (iii) amendments to vesting provisions of Awards.

Notwithstanding the foregoing, all procedures and necessary approvals required under the applicable rules and regulations of all regulatory authorities to which the Company is subject, including the Stock Exchange, shall be complied with and obtained in connection with any such suspension, termination or amendment to this Plan or amendments to any Award Agreement.

**19.2 Limitations.** In exercising its rights pursuant to Section 19.1, the Compensation Committee will not have the right to:

- (a) without obtaining prior approval of shareholders (which must be Disinterested Shareholder Approval in the case of (i), (ii), (iii) and (v) below and in the case of (vi) below, where the amendment will disproportionately benefit one or more Insiders over other Participants) and except as permitted pursuant to Article 20, (i) extend the term of an Award held by an Insider of the Company; (ii) reduce the exercise price per Common Share under any Award held by an Insider of the Company; (iii) cancel any Award held by an Insider and replace such Award within three months of the cancellation; (iv) cancel any Award held by a non-Insider and replace such Award within three months of the cancellation; (v) amend this Plan to remove or exceed the Insider participation limits; (vi) increase the maximum number of Common Shares issuable pursuant to this Plan; or (vii) amend Article 19, Article 15 or Section 6.3(b) of this Plan;
- (b) affect in a manner that is adverse or prejudicial to, or that impairs, the benefits and rights of any Participant under any Award previously granted under this Plan (except as permitted pursuant to Article 20 and except for the purpose of complying with applicable securities laws or the bylaws, rules and regulations of any regulatory authority to which the Company is subject, including the Stock Exchange);
- (c) decrease the number of Common Shares which may be purchased pursuant to any Award (except as permitted pursuant to Article 20) without the consent of such Participant;
- (d) set the Option Exercise Price of any Options below the Option Fair Market Value of such Options on the date of grant;
- (e) set the SAR Exercise Price of any Stock Appreciation Rights below the SAR Fair Market Value of such Stock Appreciation Rights on the date of grant;



- (f) set the exercise price of any Option or SAR below the Option Fair Market Value or the SAR Fair Market Value, respectively, on the date of grant;
- (g) increase the exercise price at which Common Shares may be purchased pursuant to any Award (except as permitted pursuant to Article 20) without the consent of such Participant;
- (h) extend the term of any Option or SAR beyond a period of ten years or the latest date permitted under the applicable rules and regulations of all regulatory authorities to which the Company is subject, including the Stock Exchange; or
- (i) grant any Award if this Plan is suspended or has been terminated.

**19.3 Powers of Compensation Committee Survive Termination.** The full powers of the Compensation Committee as provided for in this Plan will survive the termination of this Plan until all Awards have been exercised or settled in full or have otherwise expired.

## **20. ADJUSTMENTS**

**20.1 Adjustments.** Subject to the provisions of this Plan, appropriate adjustments to this Plan and to Awards shall be made, and shall be conclusively determined, by the Compensation Committee to give effect to adjustments in the number of Common Shares resulting from subdivisions, consolidations, substitutions, or reclassifications of the Common Shares, the payment of share dividends by the Company (other than dividends in the ordinary course) or other changes in the capital of the Company or from a Merger and Acquisition Transaction. Any dispute that arises at any time with respect to any such adjustment will be conclusively determined by the Compensation Committee, and any such determination will be binding on the Company, the Participant and all other affected parties.

**20.2 Merger and Acquisition Transaction.** Subject to the provisions of this Plan, in the event of a Merger and Acquisition Transaction or proposed Merger and Acquisition Transaction:

- (a) the Compensation Committee shall, in an appropriate and equitable manner, determine any adjustment to the number and type of Common Shares (or other securities or other property) that thereafter shall be made the subject of Awards;
- (b) the Compensation Committee shall, in an appropriate and equitable manner, determine the number and type of Common Shares (or other securities or other property) subject to outstanding Awards;
- (c) the Compensation Committee shall, in an appropriate and equitable manner, determine the exercise price with respect to any Award; *provided, however*, that the number of securities covered by any Award or to which such Award relates shall always be a whole number;

- (d) the Compensation Committee shall, in an appropriate and equitable manner, determine the manner in which all unexercised rights granted under this Plan will be treated including, without limitation, requiring the acceleration of the time for the exercise of such rights by the Participants, the time for the fulfillment of any conditions or restrictions on such exercise, and the time for the expiry of such rights;
- (e) the Compensation Committee, or any company which is or would be the successor to the Company, or which may issue securities in exchange for Common Shares upon the Merger and Acquisition Transaction becoming effective, may offer any Participant the opportunity to obtain a new or replacement Award over any securities into which the Common Shares are changed or are convertible or exchangeable, on a basis proportionate to the number of Common Shares under the Award and the exercise price (and otherwise substantially upon the terms of the Award being replaced, or upon terms no less favourable to the Participant) including, without limitation, the periods during which the Award may be exercised and the expiry date; and in such event, the Participant shall, if he or she accepts such offer, be deemed to have released his or her Award over the Common Shares and such Award shall be deemed to have lapsed and be cancelled; and
- (f) the Compensation Committee may commute for or into any other security or any other property or cash, any Award that is still capable of being exercised, upon giving to the Participant to whom such Award has been granted at least 30 days' written notice of its intention to commute such Award, and during such period of notice, the Award, to the extent it has not been exercised, may be exercised by the Participant without regard to any vesting conditions attached thereto, and on the expiry of such period of notice, the unexercised portion of the Award shall lapse and be cancelled.

Subsections (a) through (f) of this Section 20.2 may be utilized independently of, successively with, or in combination with each other and Section 20.1, and nothing therein contained shall be construed as limiting or affecting the ability of the Compensation Committee to deal with Awards in any other manner. All determinations by the Compensation Committee under this Article 20 will be final, binding and conclusive for all purposes.

**20.3 Cancellation.** The Compensation Committee may, in its sole discretion, cancel any or all outstanding Awards and pay to the holders of any such Awards that are otherwise vested, in cash, the value of such Awards based upon the price per share of capital stock received or to be received by other shareholders of the Company in such event.

**20.4 No Limitation.** For greater certainty, the grant of any Awards will in no way affect the Company's right to adjust, reclassify, reorganize or otherwise change its capital or business structure or to merge, amalgamate, reorganize, consolidate, dissolve, liquidate or sell or transfer all or any part of its business or assets or engage in any like transaction.

**20.5 No Fractional Shares.** No adjustment or substitution provided for in this Article 20 will require the Company to issue a fractional share in respect of any or other Awards and the total substitution or adjustment with respect to each Award will be limited accordingly.

## **21. GENERAL**

**21.1 No Rights as Shareholder.** For greater certainty, nothing herein or otherwise shall be construed so as to confer on any Participant any rights as a shareholder of the Company with respect to any Common Shares reserved for the purpose of any Award.

**21.2 No Effect on Employment.** For greater certainty, nothing in this Plan or any Award Agreement will confer upon any Participant any right to continue in the employ of or under contract with the Company or its Subsidiaries or affect in any way the right of the Company or any such Subsidiary to terminate his or her employment at any time or terminate his or her consulting contract, nor will anything in this Plan or any Award Agreement be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Company or any such Subsidiaries to extend the employment of any Participant beyond the time that he or she would normally be retired pursuant to the provisions of any present or future retirement plan of the Company or its Subsidiaries or any present or future retirement policy of the Company or its Subsidiaries, or beyond the time at which he or she would otherwise be retired pursuant to the provisions of any contract of employment with the Company or its Subsidiaries. Neither any period of notice nor any payment in lieu thereof upon termination of employment shall be considered as extending the period of employment for the purposes of this Plan.

**21.3 No Fettering of Directors' Discretion.** For greater certainty, nothing contained in this Plan will restrict or limit or be deemed to restrict or limit the right or power of the Board of Directors in connection with any allotment and issuance of Common Shares which are not allotted and issued under this Plan including, without limitation, with respect to other compensation arrangements.

**21.4 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 this Plan or to the effect of the Tax Act or any other taxing statute governing the Awards or the Common Shares issuable thereunder or the tax consequences to a Participant. 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.

**21.5 Applicable Law.** This Plan and any Award Agreement granted hereunder will be governed, construed and administered in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

**SCHEDULE "A"**

**OPTION AGREEMENT**

**THIS AGREEMENT** made as of the ● day of ●, 20\_\_\_\_.

**BETWEEN:**

**WELLGREEN PLATINUM LTD.**  
(the "Company")

- and -

●  
(the "Optionee")

**WHEREAS** a share-based compensation plan (the "Plan") was most recently approved by the shareholders of the Company on ●, 2015;

**AND WHEREAS** the Optionee is a key and valuable [employee, director, officer or consultant] of the Company and an Eligible Person under the Plan;

**NOW THEREFORE THIS AGREEMENT WITNESSETH** that for, and in consideration of, the mutual covenants and agreements herein contained, and other lawful and valuable consideration, the receipt of which is hereby acknowledged, it is agreed by and between the parties hereto as follows:

1. All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Plan.
2. Pursuant to the Plan, and subject to receipt of all necessary regulatory and Stock Exchange approvals, the Company hereby grants to the Optionee ● irrevocable options (the "Options"), with each Option entitling the Optionee to purchase one common share (the "Common Shares"), at a price of \$● per Common Share (the "Exercise Price"), exercisable from the date hereof until 5:00 p.m. (Vancouver time) on ●, 20\_\_\_\_ (subject to the terms and conditions of the Plan).
3. The Options shall vest as follows: ●
4. [Pursuant to the Plan and in connection with the grant of the Options, the Optionee is hereby also granted ● stock appreciation rights (the "Tandem SARs") which may be exercised, solely to the extent that the Options are exercisable, in lieu of all or part of the Options. The number of Common Shares to which the Tandem SARs pertain shall be equal to the number of Common Shares into which the Options are exercisable, determined as of the date the Tandem SARs are exercised.

5. Each Tandem SAR entitles the Optionee to receive the increase in the value between the Exercise Price and the Current Market Price of one Common Share, less the deduction of any applicable withholding taxes (the “Share Premium”) in accordance with the terms of the Plan and the rules of the Compensation Committee in effect at the time of exercise. Such payment upon exercise of a Tandem SAR will be in Common Shares (the number of which will be calculated by dividing the Share Premium by the Current Market Price of the Common Shares on the exercise date, rounded down to the nearest whole number of Common Shares). Exercising any portion of the Tandem SARs automatically cancels the corresponding Options, and exercising any portion of the Options automatically cancels the corresponding Tandem SARs.
6. The Tandem SARs shall vest on the same terms as the Options.]
7. Options and any Common Shares issued on the exercise of the Options [or Tandem SARs] may be subject to resale restrictions under securities laws or Stock Exchange rules and, where appropriate, will be legended with applicable resale restrictions.
8. Subject to the Plan, in order to exercise any vested Options [or Tandem SARs], the Optionee must complete the Notice of Election form appended hereto at Schedule “A” and deliver it, along with full payment for the Common Shares being purchased, in the case of the exercise of Options, to the Company at the following address (or at such other head office address as may then appear on the Company’s profile at [www.sedar.com](http://www.sedar.com)):

Wellgreen Platinum Ltd.  
1128-1090 Georgia Street  
Vancouver, British Columbia  
V6E 3V7

Attention: Corporate Counsel
9. The Notice of Election must be signed by the Optionee or its Legal Representative.
10. Except pursuant to a will or by the laws of descent and distribution, no Option [or Tandem SAR] and no other right or interest of an Optionee is transferable or assignable.
11. All matters relating to the Options [, Tandem SARs,] and the Common Shares shall be governed by the Plan.
12. This agreement may be signed in counterparts, and delivered by facsimile, electronic mail or other means of electronic transmission, each of which so executed shall be deemed to be an original document and such counterparts, taken together, shall constitute one and the same document.

*[Remainder of Page Intentionally Blank. Signature Page Follows.]*

**IN WITNESS WHEREOF** this agreement has been executed by the parties hereto.

**SIGNED, SEALED & DELIVERED**      )

in the presence of:

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**WELLGREEN PLATINUM LTD.**

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

**Schedule "A"**  
**Notice of Election**

To: Wellgreen Platinum Ltd. (the "**Company**")

The undersigned, ● (the "**Optionee**"), hereby elects to exercise [**● Options/● Tandem SARs**] pursuant to the Stock Option Agreement between the Optionee and the Company dated ●, 20\_\_ (the "**Stock Option Agreement**").

All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Stock Option Agreement.

**SIGNED, SEALED & DELIVERED** )  
in the presence of: )  
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**SCHEDULE "B"**

**OTHER AWARD AGREEMENT**

**THIS AGREEMENT** made as of the ● day of ●, 20\_\_\_\_.

**BETWEEN:**

**WELLGREEN PLATINUM LTD.**  
(the "Company")

- and -

●  
(the "Awardee")

**WHEREAS** a share-based compensation plan (the "Plan") was most recently approved by the shareholders of the Company on ●, 2015;

**AND WHEREAS** the Awardee is a key and valuable [employee, director, officer or consultant] of the Company and an Eligible Person under the Plan;

**NOW THEREFORE THIS AGREEMENT WITNESSETH** that for, and in consideration of, the mutual covenants and agreements herein contained, and other lawful and valuable consideration, the receipt of which is hereby acknowledged, it is agreed by and between the parties hereto as follows:

1. All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Plan.
2. [Pursuant to the Plan, and subject to receipt of all necessary regulatory and Stock Exchange approvals, the Company hereby grants the Awardee ● common shares of the Company, for no cash consideration as a discretionary bonus (the "Bonus Shares").]
3. [The Bonus Shares shall be issued to the Awardee at a price of \$● per Bonus Share.]
4. Pursuant to the Plan, and subject to receipt of all necessary regulatory and Stock Exchange approvals, the Company hereby grants the Awardee ● free-standing stock appreciation rights (the "Free-Standing SARs") with respect to ● common shares of the Company (the "Common Shares"), with an exercise price of \$● per Free-Standing SAR (the "Exercise Price"). The Free-Standing SARs are exercisable from the date hereof until 5:00 p.m. (Vancouver time) on ●, 20\_\_\_\_ (subject to the terms and conditions of the Plan).
5. The Free-Standing SARs shall vest as follows: ●



6. Each Free-Standing SAR entitles the Awardee to receive the increase in the value between the Exercise Price and the Current Market Price of one Common Share, less the deduction of any applicable withholding taxes (the “**Share Premium**”) in accordance with the terms of the Plan and the rules of the Compensation Committee in effect at the time of exercise. Such payment upon exercise of a Free-Standing SAR will be in Common Shares (the number of which will be calculated by dividing the Share Premium by the Current Market Price of the Common Shares on the exercise date, rounded down to the nearest whole number of Common Shares).
7. **[Bonus Shares,]** SARs and any Common Shares issued on the exercise of the SARs may be subject to resale restrictions under securities laws or Stock Exchange rules and, where appropriate, will be legended with applicable resale restrictions.
8. Subject to the Plan, in order to exercise any vested Free-Standing SARs, the Awardee must complete the Notice of Election form appended hereto at Schedule “A” and deliver it to the Company at the following address (or at such other head office address as may then appear on the Company’s profile at [www.sedar.com](http://www.sedar.com)):

Wellgreen Platinum Ltd.  
1128-1090 Georgia Street  
Vancouver, British Columbia  
V6E 3V7

Attention: Corporate Counsel
9. The Notice of Election must be signed by the Awardee or its Legal Representative.
10. All matters relating to the Free-Standing SARs **[, Bonus Shares]** and the Common Shares shall be governed by the Plan.
11. Except pursuant to a will or by the laws of descent and distribution, no Free-Standing SAR **[or Bonus Share]** and no other right or interest of an Awardee is transferable or assignable.
12. This agreement may be signed in counterparts, and delivered by facsimile, electronic mail or other means of electronic transmission, each of which so executed shall be deemed to be an original document and such counterparts, taken together, shall constitute one and the same document.

*[Remainder of Page Intentionally Blank. Signature Page Follows.]*

**IN WITNESS WHEREOF** this agreement has been executed by the parties hereto.

**SIGNED, SEALED & DELIVERED** )  
in the presence of: )  
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**WELLGREEN PLATINUM LTD.**

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

**Schedule "A"**  
**Notice of Election**

To: Wellgreen Platinum Ltd. (the "**Company**")

The undersigned, ● (the "**Awardee**"), hereby elects to exercise ● Free-Standing SARs pursuant to the Award Agreement between the Awardee and the Company dated ●, 20\_\_\_\_ (the "**Award Agreement**").

All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Award Agreement.

**SIGNED, SEALED & DELIVERED** )  
in the presence of: )  
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**SCHEDULE "C"**

**PSU AGREEMENT**

**THIS AGREEMENT** made as of the ● day of ●, 20\_\_\_\_.

**BETWEEN:**

**WELLGREEN PLATINUM LTD.**  
(the "Company")

- and -

●  
(the "Awardee")

**WHEREAS** a share-based compensation plan (the "Plan") was most recently approved by the shareholders of the Company on ●, 2015;

**AND WHEREAS** the Awardee is a key and valuable [employee, director, officer or consultant] of the Company and an Eligible Person under the Plan;

**NOW THEREFORE THIS AGREEMENT WITNESSETH** that for, and in consideration of, the mutual covenants and agreements herein contained, and other lawful and valuable consideration, the receipt of which is hereby acknowledged, it is agreed by and between the parties hereto as follows:

1. All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Plan.
2. Pursuant to the Plan, and subject to receipt of all necessary regulatory and Stock Exchange approvals, the Company hereby grants to the Awardee, as of the date hereof (the "Grant Date"), ● performance share units (the "PSUs"). The number of PSUs awarded will be credited to the Awardee's account effective on the Grant Date of the PSUs.
3. Each PSU entitles the Awardee to receive a payment from the Company, calculated in accordance with the terms of the Plan on the last day of the Performance Period, multiplied by the applicable Multiplier[s] (see below), subject to any applicable terms of the Plan which provide otherwise in the circumstances. The payment shall be made in cash or in common shares of the Company equal to the value of the PSUs at the end of the Performance Period.
4. The Performance Period linked to the Awardee's PSUs is ● through ●.

5. The performance-based criteria and Multiplier[s] linked to the Awardee's PSUs over the term of the Performance Period are as follows: ●
6. Common shares issued in connection with earned PSUs may be subject to resale restrictions under securities laws or Stock Exchange rules and, where appropriate, will be legended with applicable resale restrictions.
7. All decisions made by the Compensation Committee and/or Board of Directors with regard to any questions arising in connection with the PSUs, whether of interpretation or otherwise, shall be binding and conclusive on all parties.
8. Except pursuant to a will or by the laws of descent and distribution, no PSU and no other right or interest of an Awardee is transferable or assignable.
9. All matters relating to the PSUs shall be governed by the Plan.
10. This agreement may be signed in counterparts, and delivered by facsimile, electronic mail or other means of electronic transmission, each of which so executed shall be deemed to be an original document and such counterparts, taken together, shall constitute one and the same document.

*[Remainder of Page Intentionally Blank. Signature Page Follows.]*

**IN WITNESS WHEREOF** this agreement has been executed by the parties hereto.

**SIGNED, SEALED & DELIVERED** )  
in the presence of: )  
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**WELLGREEN PLATINUM LTD.**

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

**SCHEDULE "D"**

**RSU AGREEMENT**

**THIS AGREEMENT** made as of the ● day of ●, 20\_\_\_\_.

**BETWEEN:**

**WELLGREEN PLATINUM LTD.**  
(the "Company")

- and -

●  
(the "Awardee")

**WHEREAS** a share-based compensation plan (the "Plan") was most recently approved by the shareholders of the Company on ●, 2015;

**AND WHEREAS** the Awardee is a key and valuable [employee, director, officer or consultant] of the Company and an Eligible Person under the Plan;

**NOW THEREFORE THIS AGREEMENT WITNESSETH** that for, and in consideration of, the mutual covenants and agreements herein contained, and other lawful and valuable consideration, the receipt of which is hereby acknowledged, it is agreed by and between the parties hereto as follows:

1. All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Plan.
2. Pursuant to the Plan, and subject to receipt of all necessary regulatory and Stock Exchange approvals, the Company hereby grants to the Awardee, as of the date hereof (the "Grant Date"), ● restricted share units (the "RSUs") in the following amounts and on the following terms:

Number of RSUs	Date(s) of expiry of applicable Restricted Period(s)
_____●_____	_____●_____

3. The number of RSUs awarded will be credited to the Awardee's account effective on the Grant Date of the RSUs.

4. Each RSU entitles the Awardee to receive, on the RSU Entitlement Date, fully paid common shares, as determined by the Compensation Committee.
5. Common shares issued in connection with earned RSUs may be subject to resale restrictions under securities laws or Stock Exchange rules and, where appropriate, will be legended with applicable resale restrictions.
6. All decisions made by the Compensation Committee and/or Board of Directors with regard to any questions arising in connection with the RSUs, whether of interpretation or otherwise, shall be binding and conclusive on all parties.
7. Except pursuant to a will or by the laws of descent and distribution, no RSU and no other right or interest of an Awardee is transferable or assignable.
8. All matters relating to the RSUs shall be governed by the Plan.
9. This agreement may be signed in counterparts, and delivered by facsimile, electronic mail or other means of electronic transmission, each of which so executed shall be deemed to be an original document and such counterparts, taken together, shall constitute one and the same document.

*[Remainder of Page Intentionally Blank. Signature Page Follows.]*



**IN WITNESS WHEREOF** this agreement has been executed by the parties hereto.

**SIGNED, SEALED & DELIVERED**

in the presence of:

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**WELLGREEN PLATINUM LTD.**

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

## Appendix “C”

### Board Mandate

#### 1. PURPOSE

The Board of Directors (the “**Board**”) of Wellgreen Platinum Ltd. (“**Wellgreen Platinum**” or the “**Company**”) is responsible for the stewardship of the Company and for overseeing the management of the Company. The Company’s directors must, subject to the *Business Corporations Act* (British Columbia) and the Company’s Articles, oversee the management of the Company’s business and affairs, and in doing so the directors have a fiduciary duty to act honestly and in good faith with a view to the best interests of the Company. In addition, each director must exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

The Board is responsible for:

- (a) reviewing and approving the long term goals, objectives and strategies for the Company and overseeing senior management in their implementation;
- (b) protecting shareholder interests and ensuring that the interests of the shareholders and of management are aligned; and
- (c) monitoring senior management in ensuring a culture of integrity is developed within the Company.

In addition to any matter that must, by law, be approved by the Board, the Board is required to approve the Company’s annual audited financial statements and related filings, annual operating and capital budgets, any material dispositions, acquisitions and investments outside of the ordinary course of business or not provided for in the approved budgets, long-term strategy, organizational development plans and the appointment of senior executive officers of the Company. Management is authorized to act, without Board approval, on all ordinary course matters relating to the Company’s business.

#### 2. COMPOSITION

The Board is elected by the Company’s shareholders each year at the annual general meeting (“**AGM**”) of shareholders. A majority of the directors shall be resident Canadians.

Immediately after each AGM, the Board shall hold a meeting to:

- (a) elect a chairman of the Board (the “**Chairman**”) from among its non-executive “independent” members and establish the Chairman’s duties and responsibilities;
- (b) re-appoint the Company’s CEO and establish his/her duties and responsibilities;
- (c) on the recommendation of the CEO, re-appoint the Company’s senior officers and approve the senior management structure of the Company;
- (d) re-constitute all Board committees; and
- (e) approve the mandate, duties and responsibilities of each Board committee.

A majority of the directors shall be “independent” in accordance with the independence requirements set out at Appendix “A” of this charter.

### 3. MEETINGS

The Board shall meet not less than four (4) times during each year and shall endeavour to hold one meeting in each financial quarter. The Board shall also meet at any other time at the call of the Chairman or, subject to the Memorandum and Articles of the Company, of any director.

A majority of the members of the Board shall constitute a quorum for any Board meeting. No business may be transacted by the Board except at a meeting of its members at which a quorum of the Board is present. Each director is expected to attend all Board meetings. A director who is unable to attend a Board meeting in person may, subject to the Articles of the Company, participate by telephone or teleconference.

At Board meetings, each director is entitled to one vote and questions are decided by a majority of votes of the directors present.

The Chairman shall preside at each Board meeting. In the event the Chairman is unable to attend or chair a Board meeting, a chair for that meeting shall be appointed pursuant to the Articles of the Company.

The Corporate Secretary of the Company shall act as secretary for a Board meeting (the “**Secretary**”) and, upon receiving from any director a request to convene a Board meeting, shall arrange for such meeting to be held. Notice of the time and place of each Board meeting must be given to each director either by personal delivery, electronic mail, facsimile or other electronic means not less than 48 hours before the date and time of the meeting. Board meetings may be held at any time without notice if all of the directors have waived notice of the meeting.

The Chairman, in consultation with the other directors of the Company, shall set the agenda of items to be addressed at each Board meeting. The Secretary shall ensure that the agenda and any supporting materials for each upcoming Board meeting are circulated to each Board member in advance of such meeting. Each Board member shall be required to have reviewed the materials in advance of the Board meeting and be prepared to discuss such materials at the meeting.

The Board may invite such officers, directors and employees of the Company as it may see fit from time to time to attend at one or more Board meetings and assist thereat in the discussion and consideration of any matter.

### 4. DUTIES AND RESPONSIBILITIES

The Board has specific responsibilities for the following, which do not, in any way, limit or comprehensively define its overall responsibility for the stewardship of the Company:

- (a) issuance of securities of the Company;
- (b) approving the incurrence of any debt by the Company outside the ordinary course of business;
- (c) approving annual strategic plans and monitoring corporate performance against those plans;
- (d) succession planning, including appointing, counselling and monitoring the performance of the CEO;
- (e) defining the duties and the limits of authority of senior management, and approving a position description for each of the Chairman, the CEO and each chair of a Board committee, and measuring the performance of those persons acting in such capacities against such position descriptions;

- (f) oversee the human resources policies of the Company and while taking into account the views and recommendations of the Compensation Committee, approve the compensation of the CEO and, based on the CEO's recommendations, the compensation of the Company's other executive officers;
- (g) approval of periodic capital and operating plans and monitoring corporate performance against those plans;
- (h) oversight of the policies and processes to assess and manage risks of the Company, and oversight of management's mitigation of material risks;
- (i) implement policies to require ethical behaviour of the Company and its directors, officers and employees, and compliance with applicable laws and regulations;
- (j) oversight of the policies and processes for the implementation and integrity of the Company's internal control and management information systems and its financial reporting;
- (k) assessment of the effectiveness of the Board and its committees and overseeing the establishment of an appropriate orientation program for new directors and education programs for all directors;
- (l) oversight of policies for disclosure of corporate information to facilitate effective and timely communications with shareholders, other stakeholders and the public;
- (m) oversight of health, safety and environmental policies and the systems to enable compliance with these policies and all relevant laws and regulations;
- (n) corporate governance including the relationship of the Board to management and shareholders and taking reasonable steps to ensure the Company has appropriate structures and procedures in place to permit the Board to effectively discharge its duties and responsibilities independently of management;
- (o) calling meetings of the Company's shareholders and submission to the shareholders of any question or matter requiring approval of the shareholders;
- (p) approval of directors for nomination and election, and recommendation of the auditor to be appointed at shareholders' meetings, and filling a vacancy among the directors or in the office of the auditor;
- (q) declaration of dividends and establishment of the Company's dividend policy;
- (r) approval of the annual audited financial statements and related management's discussion and analysis, management proxy circulars, takeover bid circulars, directors' circulars, prospectuses, annual information forms and other disclosure documents required to be approved by the directors of a Company under securities laws, regulations or rules of any applicable stock exchange;
- (s) adoption, amendment or repeal of the Articles of the Company;
- (t) reviewing and approving material transactions, such as material investments, dispositions and joint ventures, and approving any other major initiatives outside the scope of approved budgets;
- (u) serving as a source of advice to senior management, based on directors' particular backgrounds and experience;
- (v) other corporate decisions required to be made by the Board, or as may be reserved by the Board, to be made by itself, from time to time and not otherwise delegated to a Board committee or to the Company's management; and

- (w) reviewing this mandate and other Board policies and charters of Board committees in place from time to time and proposing modifications as applicable.

Subject to the provisions of applicable law and the Articles of the Company, the responsibilities of the Board may be delegated, from time to time, to committees of the Board on such terms as the Board may consider appropriate.

### ***Board-Management Relationship***

Management of the Company is carried out by proxy through the Company's President and Chief Executive Officer ("**CEO**"), who is charged with the day-to-day leadership and management of the Company's business operations. The CEO's prime responsibility is to lead the Company. The CEO formulates Company policies, strategic plans and goals in conjunction with the Board. The Board approves the goals of the business, the objectives and policies within which it is to be managed. Reciprocally, the CEO should keep the Board fully informed of the Company's progress towards the achievement of its goals and of all material deviations from the goals or objectives and policies established by the Board in a timely and candid manner. Once the Board has approved the goals, strategies and policies it acts in a unified and cohesive manner in supporting and guiding the CEO subject to its duty to act in the Company's best interests.

The Board expects the Company's management team to:

- (a) provide the directors, on a timely basis, with information concerning the business and affairs of the Company, including financial and operating information and information concerning industry developments as they occur, all with a view to enabling the Board to discharge its stewardship obligations effectively;
- (b) develop and implement appropriate internal controls and management systems in order to ensure the above is achieved; and
- (c) efficiently implement its strategic plans for the Company, to keep the Board fully apprised of its progress in doing so and to be fully accountable to the Board in respect to all matters for which it has been assigned responsibility.

## **Annual Performance Evaluations**

One of the most important aspects of effective governance is the relationship between the CEO and the Board. It is crucial that the Board is fully informed and that the CEO has a forum for drawing on the wisdom and experience that exists within the Board. While it is expected that full and frank dialogue will exist between the CEO and the Board, a CEO review process at least once a year will ensure that this communication takes place. It allows for a full and healthy dialogue between the Board and the CEO regarding corporate and individual performance.

The Board is committed to evaluating its own performance on an annual basis. The review process is also an opportunity to provide input to the Chairman on his or her performance. This assessment should be designed to evaluate the Board's contribution to the Company as a whole and to review areas in which the Board could be strengthened through the addition of new skills and expertise based on the needs of the Company at a particular time.

## **5. ORGANIZATION OF THE BOARD OF DIRECTORS**

### **Independence:**

The Company monitors best practices recommendations and seeks to adhere to corporate governance guidance relating to the composition and independence of Board and committee members under applicable legislation and stock exchange rules by the date of the effectiveness of such guidance and rules or earlier and, through the Corporate Governance and Nominating Committee, to identify additional qualified board candidates where needed to meet such requirements.

### **Fees:**

The Board shall establish guidelines for determining the form and amount of director compensation.

### **Committees:**

The Company has an Audit Committee, a Compensation Committee and a Corporate Governance and Nominating Committee. The Company shall have such other committees of the Board as may be required from time to time.

### **Director Share Ownership:**

As one way of helping to align the interests of the Company's directors with those of its shareholders, the Board encourages its members to own a meaningful number of shares of the Company relative to the annual fees received by the director from the Company, as the Board believes that share ownership facilitates the directors' identification with the interests of the Company's shareholders.

## APPENDIX A

### Independence Requirements

#### Meaning of Independent

A member of the Board shall be considered “**independent**” if he or she has no direct or indirect material relationship with the Company. A material relationship is a relationship which could, in the view of the Board, reasonably interfere with the exercise of a director’s independent judgment.

The following individuals are considered to have a material relationship with the Company:

- (a) an individual who is, or has been within the last three years, an employee or executive officer of the Company;
- (b) an individual whose immediate family member is, or has been within the last three years, an executive officer of the Company;
- (c) an individual who:
  - (i) is a partner of a firm that is the Company’s internal or external auditor;
  - (ii) is an employee of that firm; or
  - (iii) was within the last three years a partner or employee of that firm and personally worked on the Company’s audit within that time;
- (d) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:
  - (i) is a partner of a firm that is the Company’s internal or external auditor;
  - (ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or
  - (iii) was within the last three years a partner or employee of that firm and personally worked on the Company’s audit within that time;
- (e) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the Company’s current executive officers serves or served at the same time on the entity’s compensation committee; and
- (f) an individual who received, or whose immediate family member who is employed as an executive officer of the Company received, more than \$75,000 in direct compensation from the Company during any 12 month period within the last three years, other than as remuneration for acting in his or her capacity as a member of the Board or any Board committee, or the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service for the Company if the compensation is not contingent in any way on continued service.

In addition to the independence criteria discussed above, for audit committee purposes, any individual who:

- (a) has a relationship with the Company pursuant to which the individual may accept, directly or indirectly, any consulting, advisory or other compensatory fee from the Company or any subsidiary entity of the Company, other than as remuneration for acting in his or her capacity as a member of the Board or any board committee; or as a part-time chair or vice-chair of the Board or any board or committee, or
- (b) is an affiliated entity of the Company or any of its subsidiary entities,

is deemed to have a material relationship with the Company, and therefore, is deemed not to be independent.

The indirect acceptance by an individual of any consulting, advisory or other compensatory fee includes acceptance of a fee by:

- (a) an individual's spouse, minor child or stepchild, or a child or stepchild who shares the individual's home; or
- (b) is an entity in which such individual is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the Company or any subsidiary entity of the Company.



## Appendix “D”

### Special Rights and Restrictions – Preferred Shares

#### 27 SPECIAL RIGHTS AND RESTRICTIONS – PREFERRED SHARES

27.1 The Preferred shares without par value shall have attached thereto the following special rights and restrictions:

- (1) the holders of the Preferred shares shall be entitled to receive, and the Company shall pay thereon, if determined by the board of directors, then as and when declared by the board of directors out of the monies of the Company properly applicable to the payment of dividends, dividends which shall be in the amounts and upon the conditions that shall have been agreed upon by the board of directors at the time of issuance and sale of each such share. More specifically, the directors of the Company shall be entitled, upon agreeing to sell a Preferred share, to contract as to the rate of dividend which will be paid on the share, if any, how often the dividends are to be paid, whether they are to be accumulative and whether the rate is fixed for the life of the share or shall be subject to declaration by the board of directors each year;
- (2) the holders of the Preferred shares shall be, if the directors so provide, entitled to exchange them for common shares in the capital of the Company; provided that when the directors agree to the issuance of any such Preferred shares, the directors specify that they are so exchangeable, in which case they shall be entitled to specify the terms, conditions and rates during which and upon which the holders of these Preferred shares subject to such specifications shall be entitled to exercise these conversion privileges, and provided further that the aggregate number of Preferred shares exchangeable into common shares shall not exceed 19.9% of the outstanding common shares as of the applicable issuance date;
- (3) the Preferred shares shall be entitled to a preference over the common shares and over any other shares of the Company ranking junior to the Preferred shares, with respect to the priority in the payment of dividends and in the distribution of assets in the event of liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary. The Preferred shares of each series shall rank on a parity with Preferred shares of every other series with respect to accumulated dividends and return of capital;
- (4) in the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, the holders of the Preferred shares shall be entitled to receive, before any distribution of any part of the property and assets of the Company among the holders of any other shares, an amount equal to one hundred percent (100%) of the amount paid thereon and any dividends declared thereon and unpaid, and no more;
- (5) the directors of the Company may issue the Preferred shares in one or more series. In addition, the directors may, by resolution, alter the Notice of Articles to fix the number of shares in and to determine the designation, rights, privileges, restrictions and conditions of the shares of each series; the directors may also, by resolution, alter the Notice of Articles to create, define and attach special rights and restrictions to the shares of each series, subject to the special rights and restrictions attached to the Preferred shares; and

- (6) the rights, privileges, restrictions and conditions attaching to the Preferred shares as a class will be able to be repealed, altered, modified, amended or amplified, or otherwise varied, only with the sanction of the holders of the Preferred shares given in such manner as may then be required by law, subject to a minimum requirement that such approval be given by resolution in writing executed by all holders of Preferred shares entitled to vote on that resolution or passed by the affirmative vote of at least 66⅔% of the votes cast at a meeting of holders of Preferred shares duly called for such purpose.