

**GEODRILL®**



**GEODRILL LIMITED**  
**Ragnall House (South Suite), 18 Peel Road**  
**Douglas, Isle of Man IM1 4LZ**

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

**NOTICE IS HEREBY GIVEN** that an Annual and Special Meeting of Shareholders (the “**Meeting**”) of Geodrill Limited (the “**Corporation**”) will be held at the offices of DQ Advocates, The Chambers, 5 Mount Pleasant, Douglas, Isle of Man, IM1 2PU on Wednesday, May 13, 2020, at 3:00 p.m. (BST) for the following purposes:

1. to receive and consider the audited consolidated financial statements of the Corporation for the financial years ended December 31, 2019 and 2018 together with the report of the auditors thereon;
2. to elect directors of the Corporation for the ensuing year;
3. to re-appoint Pricewaterhouse Coopers LLP, Chartered Professional Accountants, as the auditor of the Corporation for the ensuing year and to authorize the directors to fix their remuneration;
4. to consider, with or without variation, a special resolution of the shareholders of the Corporation permitting the Corporation to purchase its own Ordinary Shares in the manner as more particularly described in the accompanying management information circular;
5. to re-approve the stock option plan of the Corporation as more particularly described in the accompanying management information circular prepared for the Meeting, which was previously approved on May 8, 2017; and
6. to transact such other business as may properly come before the Meeting or any adjournment or adjournments thereof.

This notice is accompanied by a management information circular and form of proxy. The board of directors of the Corporation has by resolution fixed the close of business on April 6, 2020 as the record date, being the date for the determination of the registered holders of ordinary shares entitled to notice of and to vote at the Meeting and any adjournment(s) thereof.

**Shareholders who are unable to attend the Meeting in person are requested to complete, date, sign and return the enclosed form of proxy so that as large a representation as possible may be had at the Meeting.** If you are a registered shareholder, whether or not you are able to attend the Meeting in person, we ask you to complete, sign and return the enclosed proxy. Included in the enclosed proxy form are instructions on how to complete and return your proxy. Our transfer agent, TSX Trust Company, must receive your proxy no later than May 11, 2020 at 3:00 p.m. (BST), or, if the Meeting is adjourned, no later than 48 hours (excluding Saturdays, Sundays and holidays) before any adjourned Meeting.

You must send your proxy to our transfer agent by mailing the proxy to Geodrill Limited c/o TSX Trust Company, 301 - 100 Adelaide Street West, Toronto, Ontario, M5H 4H1, Canada. You may also vote by facsimile at 1-416-595-9593 no later than May 11 2020 at 3:00 p.m. (BST). In addition, you may personally deliver your completed, dated and signed proxy to TSX Trust Company at 301 - 100 Adelaide Street West, Toronto, Ontario, M5H 4H1, Canada no later than May 11, 2020 at 3:00 p.m. (BST).

**Late proxies may be accepted or rejected by the Chair of the Meeting in his or her discretion, and the Chair is under no obligation to accept or reject any particular late proxy.**

If you are a non-registered shareholder (for example, if you hold ordinary shares in an account with an intermediary), you should follow the voting procedures described in the form of proxy or voting instruction form provided by your intermediary or call your intermediary for information on how you can vote your ordinary shares. Note that the deadlines set by your intermediary for submitting your form of proxy or voting instruction form may be earlier than the dates described above, and non-registered shareholders wishing to vote by telephone must do so no later than May 11, 2020 at 3:00 p.m. (BST).

**DATED** at Douglas, Isle of Man, on April 9, 2020.

**BY ORDER OF THE BOARD OF DIRECTORS**

*“Dave Harper”*

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Dave Harper  
President and Chief Executive Officer

## GEODRILL LIMITED

### MANAGEMENT INFORMATION CIRCULAR

#### SOLICITATION OF PROXIES

**This management information circular (the “Circular”) is furnished in connection with the solicitation of proxies by the management of Geodrill Limited (the “Corporation”) for use at the Annual and Special Meeting of Shareholders (the “Meeting”) of the Corporation referred to in the accompanying Notice of Annual and Special Meeting of Shareholders (the “Notice”) to be held on May 13, 2020, at the time and place and for the purposes set forth in the Notice.** References in this Circular to the Meeting include any adjournment(s) thereof. It is expected that the solicitation will be primarily by mail; however, proxies may also be solicited personally or by telephone by regular employees of the Corporation at nominal cost. The cost of such solicitation will be borne by the Corporation.

The board of directors of the Corporation (the “**Board**”) has by resolution fixed the close of business on April 6, 2020 as the record date, being the date for the determination of the registered holders of ordinary shares of the Corporation (the “**Ordinary Shares**”) entitled to notice of and to vote at the Meeting and any adjournment(s) thereof.

Unless otherwise stated, the information contained in this Circular is given as of April 9, 2020 and, all dollar amount references are expressed in U.S. dollars. All references herein to the Corporation shall include its subsidiaries as the context may require.

#### APPOINTMENT AND REVOCATION OF PROXIES

**The persons named in the enclosed form of proxy are officers and/or directors of the Corporation. Each shareholder has the right to appoint a person or company, who need not be a shareholder of the Corporation, other than the persons named in the enclosed form of proxy, to represent such shareholder at the Meeting or any adjournment(s) thereof.** Such right may be exercised by inserting such person’s name in the blank space provided and striking out the names of management’s nominees in the enclosed form of proxy or by completing another proper form of proxy. All proxies must be executed by the shareholder or his or her attorney duly authorized in writing or, if the shareholder is a corporation, by an officer or attorney thereof duly authorized. The completed form of proxy must be deposited at the office of the Corporation’s transfer agent, TSX Trust Company (“**TSX Trust**”) at 301 - 100 Adelaide Street West, Toronto, Ontario, M5H 4H1, Canada, no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment(s) thereof.

**Late proxies may be accepted or rejected by the Chair of the Meeting in his or her discretion. The Chair is under no obligation to accept or reject any particular late proxy. The time limit for deposit of proxies may be waived or extended by the Chair of the Meeting at his or her discretion, without notice.**

If your Ordinary Shares are registered in more than one name, all registered persons must sign the proxy. If your Ordinary Shares are registered in a company’s name or any name other than your own, you may be required to provide documents proving your authorization to sign the proxy for that company or name. For any questions about the proper supporting documents, contact TSX Trust before submitting your proxy.

A shareholder forwarding the enclosed form of proxy may indicate the manner in which the appropriate appointee is to vote with respect to any specific item by checking the appropriate space. If the shareholder giving the proxy wishes to confer a discretionary authority with respect to any item of business, then the

space opposite the item is to be left blank. The Ordinary Shares represented by the proxy submitted by a shareholder will be voted in accordance with the directions, if any, given in the proxy.

A shareholder who has given a proxy has the power to revoke it as to any matter on which a vote has not already been cast pursuant to the authority conferred by such proxy and may do so either: by depositing an instrument in writing revoking the proxy executed by him or her with TSX Trust at the address noted above at any time up to and including 4:00 p.m. (Toronto Time) on the last business day preceding the day of the Meeting, or any adjournment thereof, or in any other manner permitted by law.

### **EXERCISE OF DISCRETION BY PROXIES**

Ordinary Shares represented by properly executed proxies in favour of the persons named in the enclosed form of proxy will be either voted or withheld from voting, as applicable, in accordance with the instructions given by the shareholder on any ballot that may be called for and, if the shareholder specifies a choice with respect to any matter to be acted upon, the Ordinary Shares will be voted accordingly. **Where shareholders have properly executed proxies in favour of the persons named in the enclosed form of proxy and have not specified in the form of proxy the manner in which the named proxies are required to vote the Ordinary Shares represented thereby, such Ordinary Shares will be voted in favour of the passing of the matters set forth in the Notice.** The enclosed form of proxy confers discretionary authority with respect to amendments or variations to the matters identified in the Notice and with respect to other matters that may properly come before the Meeting. At the date hereof, management of the Corporation knows of no such amendments, variations or others matters to come before the Meeting. However, if any other matters which at present are not known to management of the Corporation should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgement of the named proxies.

### **NON-REGISTERED SHAREHOLDERS**

Registered holders of Ordinary Shares or the persons they validly appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Ordinary Shares beneficially owned by a person (a “**Non-Registered Holder**”) are registered either: (i) in the name of an intermediary (an “**Intermediary**”) (including banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans) that the Non-Registered Holder deals with in respect of the Ordinary Shares, or (ii) in the name of a clearing agency (such as the Canadian Depository for Securities Limited) of which the Intermediary is a participant.

### **Distribution to NOBOs**

In accordance with the requirements of the Canadian Securities Administrators and National Instrument 54-101, *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), the Corporation will have caused TSX Trust to distribute copies of the Notice and this Circular (collectively, the “**meeting materials**”) as well as a proxy directly to those Non-Registered Holders who have provided instructions to an Intermediary that such Non-Registered Holder does not object to the Intermediary disclosing ownership information about the beneficial owner (“**Non-Objecting Beneficial Owner**” or “**NOBO**”).

These meeting materials are being sent to both registered holders of Ordinary Shares and Non-Registered Holders of Ordinary Shares. If you are a Non-Registered Holder, and TSX Trust has sent these meeting materials directly to you, your name, address and information about your holdings of Ordinary Shares has

been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf.

By choosing to send these meeting materials to you directly, the Corporation (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering these meeting materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the enclosed proxy.

The meeting materials distributed by TSX Trust to NOBOs include a proxy. Please carefully review the instructions on the proxy for completion and deposit.

### **Distribution to OBOs**

In addition, the Corporation will have caused TSX Trust to deliver copies of the meeting materials to the clearing agencies and Intermediaries for onward distribution to those Non-Registered Holders who have provided instructions to an Intermediary that the Non-Registered Holder objects to the Intermediary disclosing ownership information about the Non-Registered Holder (“**Objecting Beneficial Owner**” or “**OBO**”).

Intermediaries are required to forward the meeting materials to OBOs unless an OBO has waived his or her right to receive them. Intermediaries often use service companies such as Broadridge to forward the meeting materials to OBOs. Generally, those OBOs who have not waived the right to receive meeting materials will either:

1. be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile stamped signature), which is restricted as to the number of Ordinary Shares beneficially owned by the OBO, but which is otherwise uncompleted. This form of proxy need not be signed by the OBO. In this case, the OBO who wishes to submit a proxy should properly complete the form of proxy and deposit it with TSX Trust in the manner set out above in this Circular, with respect to the Ordinary Shares beneficially owned by such OBO; or
2. more typically, be given a voting instruction form which is not signed by the Intermediary and which, when properly completed and signed by the OBO and returned to the Intermediary or its service company, will constitute authority and instructions (a “**Voting Instruction Form**”) which the Intermediary must follow. Typically, the Voting Instruction Form will consist of a one page pre-printed form. The purpose of this procedure is to permit the OBO to direct the voting of the Ordinary Shares he or she beneficially owns.

**Should a Non-Registered Holder who receives one of the above forms wish to vote at the Meeting in person, the Non-Registered Holder should strike out the names of the persons named in the form and insert the Non-Registered Holder’s name in the blank space provided. In either case, Non-Registered Holders should carefully follow the instructions, including those regarding when and where the proxy or Voting Instruction Form is to be delivered.**

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

No director or officer of the Corporation, nor any person who has held such a position since the beginning of the last completed financial year-end of the Corporation, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any of the foregoing persons, has any material

interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter of business to be acted upon at the Meeting, other than the election of directors of the Corporation, the Stock Option Plan Resolutions, and as may otherwise be set out herein.

## VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

Each holder of Ordinary Shares of record at the close of business on April 6, 2020 (the “**Record Date**”) is entitled to receive notice of and to vote at the Meeting or at any adjournment(s) thereof. The Corporation will prepare a list of holders of Ordinary Shares as of such Record Date. Each holder of Ordinary Shares named in the list will be entitled to vote the Ordinary Shares shown opposite his/her name on the list at the Meeting, subject to compliance with the procedures specified herein. All such holders of record of Ordinary Shares are entitled to either attend and vote thereat in person the Ordinary Shares held by them or, provided a completed and duly executed form of proxy shall have been delivered to TSX Trust within the time specified in the attached Notice, to attend and vote thereat by proxy the Ordinary Shares held by them, all in accordance with the procedures specified herein. The list of Ordinary Shares of the Corporation created as of the Record Date is final and no new persons who become shareholders of the Corporation following such Record Date will be entitled to notice of or vote at the Meeting.

The Corporation does not have an authorized share capital and may issue an unlimited number of no par value shares. The Corporation may issue shares of different classes of shares. As of April 9, 2020, the Corporation had an aggregate of 44,473,300 Ordinary Shares issued and outstanding. Each Ordinary Share carries the right to one vote on all matters to be acted upon at the Meeting. The outstanding Ordinary Shares are listed on the Toronto Stock Exchange (the “**TSX**”) under the symbol “**GEO**”.

To the knowledge of the directors and executive officers of the Corporation, as of April 9, 2020, no persons or companies own, or exercise control or direction over, directly or indirectly, voting securities of the Corporation carrying 10% or more of the voting rights attached to any class of voting securities of the Corporation, other than as set forth below.

Name and Municipality of Residence	Approximate Number of Voting Shares Owned, Controlled or Directed	Percentage of Voting Shares as of April 9, 2020
Dave Harper <sup>(1)</sup> Accra, Ghana	17,754,100	39.9%
Sustainable Capital Africa Alpha Fund <sup>(2)</sup> Cybercity, Mauritius	6,829,900	15.4%

**Note:**

<sup>(1)</sup> 17,500,000 Ordinary Shares are held by The Harper Family Settlement of which Mr. Harper is the sole beneficiary and 254,100 Ordinary Shares are held directly by Dave Harper.

<sup>(2)</sup> This information was provided to the Corporation by Sustainable Capital Africa Alpha Fund.

## COMPENSATION DISCUSSION AND ANALYSIS

### *Compensation Philosophy and Objectives*

The Corporation’s long-term strategy is central to all of its business decisions, including decisions regarding executive compensation. The Corporation’s executive compensation philosophy is to balance the need to be competitive with peer companies in the drilling industry and comparably sized companies doing business in hardship locations in order to attract and retain talented, high-calibre executives critical to the Corporation’s success with the need to provide compensation programs that are fair and reasonable from

the perspective of its shareholders. The Corporation achieves its executive compensation philosophy by considering the following key objectives when designing its executive compensation programs:

*1. Recruiting and Retaining High-Calibre Executive Management*

The Corporation's success is due in large part to the entrepreneurial drive of its executive management team. Therefore the Corporation structures executive compensation to maintain that spirit so that it can continue to attract, hold and motivate key talent in a highly competitive environment through the following elements: (i) a competitive cash compensation program, consisting of base salary, a hardship location allowance, a cash bonus and certain perquisites, which are generally above average for comparable companies; and (ii) providing an opportunity to participate in the Corporation's growth through the grant of stock options.

*2. Providing Fair and Competitive Compensation*

The Corporation has established executive compensation principles and formalized a compensation policy for its executive officers. The executive compensation program is designed to meet the goal of providing fair and competitive compensation through the following elements: (i) the review of the cash compensation, performance and overall compensation package for each executive on an annual basis; (ii) a formal policy, through which the Compensation Committee established a formal comparator group of peer companies and compares its executive compensation packages against those awarded by the companies in the comparator group; and (iii) the consideration of comparable market data from third-party surveys to provide additional reference points for determining compensation levels.

*3. Balancing the Interests of Executive Management and Shareholders of the Corporation*

The executive compensation program aligns the interests of executive management with the interests of the Corporation's shareholders through the following elements: (i) the opportunity to achieve annual bonuses based on a measure of the Corporation's profitability, with the goal being that both executives and shareholders will benefit from these achievements; and (ii) the grant of stock options, with the goal being that if the price of the Corporation's Ordinary Shares increases over time, both executives and shareholders will benefit.

*4. Rewarding Performance for Achieving Corporate Goals*

The executive compensation program has been designed to meet the goal of rewarding performance for corporate achievements through the annual variable cash bonus which rewards executives for achieving measurable goals as determined against specific financial performance criteria. The objective set out above was used to establish the goals and financial performance criteria of the Corporation's formal compensation program which are set out in greater detail below. The financial performance criteria ties corporate goals to the Corporation's financial targets and corporate development achievements.

***Principles of the Elements of the Compensation Program***

The Compensation Committee and the Board take a holistic view of the compensation elements in determining executive compensation, which consists primarily of five elements: (i) base salary; (ii) hardship location allowance; (iii) annual variable cash bonus; (iv) other annual compensation such as perquisites; and (v) long term compensation in the form of stock options.



### *Base Salary*

Base salaries form an essential component of the Corporation's compensation mix as they are the first base measure to compare and remain competitive relative to peer companies in the drilling industry and comparably sized companies doing business in hardship locations. Base salaries are rewarded at varying levels depending on the: (i) particular responsibilities related to the position; (ii) experience level; (iii) recent and long-term performance; (iv) expected future contribution; and (v) retention concerns. As the Corporation's base salaries are fixed, they are used as the first element when determining other compensation elements that may be rewarded. Please see "*Comparator Group*" below for details regarding the Corporation's analysis in determining the base salaries of its executives.

### *Hardship Location Allowance*

The hardship location allowance is paid in addition to base salary to reward the executive for residing and working in West Africa. This element assists the Corporation in attracting and retaining high-calibre executives. The hardship location allowance has been set at 25% of base salary. Please see "*Comparator Group*" below for details regarding the Corporation's analysis in determining that the hardship location allowance should be set at 25% of base salary.

### *Annual Cash Bonus*

Annual cash bonuses are a variable component of compensation designed to reward the executives for achieving corporate goals as measured against the criteria set out in the Corporation's short term incentive policy. This compensation element assists the Corporation in attracting and retaining high-calibre executives and aligning the interests of executives and shareholders of the Corporation.

The Corporation has established measurable goals with financial performance criteria to be used to determine the amount of executive bonuses. The Corporation's short term incentive policy for 2019 had set an executive bonus pool of 6% of EBITDA<sup>1</sup> to be allocated amongst the executive management group. The pool is then adjusted either favourably or unfavourably depending upon a modifier based on increasing or decreasing net cash.

Corporate goals are made up of the following elements: (i) EBITDA pool (being 6% of EBITDA); (ii) net cash modifier (being a 10% sliding scale both positively and negatively comparing current year's net cash to current year's budgeted net cash) to a maximum of 30%.

The executives achieved and were awarded a bonus pool of \$1.56 million based on the Corporation generating EBITDA of \$20 million at 6% which was then multiplied by 1.3x based on the net cash modifier as the Corporation had net cash of \$7.2 million which was significantly higher than the budgeted net cash of \$1.4 million.

The Compensation Committee also has the ability to award a discretionary bonus in instances where it determines that the executive management has significantly exceeded the corporate goals.

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<sup>1</sup> EBITDA is a non-IFRS financial measure and is defined as Earnings before Interest, Taxes, Depreciation and Amortization. The Corporation believes that EBITDA is a useful element for one of the corporate goals because it is frequently used by securities analysts, investors and other interested parties in evaluating companies in the same industry and is an important indicator of the Corporation's ability to generate liquidity through operating cash flow to fund future working capital needs, service outstanding debt and fund any future capital expenditures.

Effective for Fiscal 2020, the determination of executive bonuses will be based on 10% of budgeted EBITDA less tax. If actual EBITDA less tax is less than 60% of the budgeted EBITDA less tax then the bonus pool will be zero. If actual EBITDA less tax is between 60% and 120% of budgeted EBITDA less tax, then the bonus pool will be 10% of that amount. If actual EBITDA less tax is above 120% of budgeted EBITDA less tax then the bonus pool will be 10% of the amount up to 120% and 20% for every incremental dollar above 120%. There will be no modifier to the bonus pool in 2020.

### Overall Bonus Results

In 2019, Messrs. Harper, Borsk, Burling and Rodger all received an annual bonus. The annual bonuses are awarded based on pre-determined measurable goals, as set out above, and therefore are not affected by the payment of other compensation elements.

### *Other Compensation – Perquisites*

Perquisites such as health and life insurance plans, housing, dependant tuition and transportation allowances and other usual perquisites may be provided for executives in accordance with local practices in order to ensure that the Corporation's compensation packages are competitive. See "*Employment Agreements*" for the significant details regarding the perquisites for the NEOs (as defined below).

### *Stock Options*

The Corporation provides long-term incentives by granting stock options to executive officers, which is a variable component of compensation intended to reward the executive officers for the Corporation's success in achieving sustained, long-term profitability and increases in share value. The objective of granting stock options is to encourage executives to acquire an ownership interest in the Corporation over a period of time, which acts as a financial incentive for such executive to consider the long-term interests of the Corporation and its shareholders.

The stock options granted permit executives to acquire Ordinary Shares at an exercise price that shall not be less than the volume weighted average trading price of the Ordinary Shares on the TSX for the five trading days immediately preceding the day the stock option is granted.

In determining the number of stock options to be granted under the Corporation's stock option plan (the "**Stock Option Plan**"), the Compensation Committee gives consideration to, among other things, the individual's current and potential contribution to the success of the Corporation, the relative position of the individual within the Corporation, previous stock option grants and the number of stock options granted to executive officers of companies of similar size and market capitalization.

### *Comparator Group*

When the Corporation was considering executive compensation in connection with the listing of the Ordinary Shares on the TSX, the Corporation was provided with information regarding executive compensation for a comparator group of peer companies on an informal basis. The Board considered this information and used it as a guideline to establish the initial executive compensation program.

In 2017, the Compensation Committee completed a review with Tandehill Human Capital ("**Tandehill**") to review and provide recommendations to the Corporation regarding its compensation structure. Tandehill reviewed the current compensation strategy, conducted interviews with senior management, identified appropriate comparative companies to provide an industry benchmark, obtained market information and

then made recommendations to the Board accordingly. As part of this review, the Compensation Committee considered comparable market data from third party surveys to provide an initial reference point for determining future compensation levels. Peer companies utilized for compensation comparables, to the extent that relevant information was available, included Boart Longyear Limited, Major Drilling Group International Inc., Ausdrill Limited, Capital Drilling Ltd., Foraco International SA, Orbit Garant Drilling Inc., Swick Mining Services Ltd. and Energold Drilling Corp. Tandehill also obtained market information from the Economic Research Institute (ERI) for comparable executive jobs both in the USA and Canada based on composite results of executive compensation surveys, proxy statements, and annual reports.

As a result of the review with Tandehill, the Corporation increased the base salary for Mr. Harper, Mr. Borsk and Mr. Burling. These changes to the compensation program became effective April 1, 2017. The Tandehill review also assessed the appropriateness of the Board's compensation package utilizing peer companies as identified above resulting in a change to the Board's compensation effective April 1, 2017.

Effective August 11 2017, Mr Rodger was appointed to the position of Executive General Manager and his compensation was increased to reflect the appointment.

#### ***Executive Compensation-Related Fees***

The aggregate fees billed by Tandehill in 2019 amounted to \$9,500 and \$18,355 in 2017. There were no fees paid to Tandehill in 2018.

#### ***Compensation Review Process***

The Compensation Committee reviews on an annual basis the cash compensation, performance and overall compensation package for each of the President and Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and the Executive General Manager. It then submits to the Board recommendations with respect to the basic salary, bonus and participation in the Stock Option Plan for such executive officers. The Compensation Committee agrees annually and on an as needed basis with input from management, on the specific work to be undertaken by the Compensation Committee. The compensation of Mr. Rodrigue, Zone Manager – FWA (Francophone West Africa), is reviewed and approved annually by the Executive General Manager.

The Compensation Committee has discussed the implications of the risks associated with the Corporation's compensation policies and practices. The Compensation Committee works with management of the Corporation to determine the risk oversight principles. The Audit and Disclosure Committee and Board institute policies and procedures, including the Code of Business Conduct and Ethics (the "Code") and Whistleblower Policy (as each discussed below), to identify risks that are reasonably likely to have a material adverse effect on the Corporation and identify and mitigate compensation policies and practices that could encourage a NEO (as defined below) to take inappropriate or excessive risks. The Governance, Safety and Nominating Committee periodically discusses relevant matters with management to ensure satisfactory compliance with the Code and Whistleblower Policy. The Audit and Disclosure Committee is responsible for reviewing such policies and procedures on an annual basis and making any updates, as necessary.

Executive officers and directors of the Corporation are not permitted to purchase financial instruments, including, 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 executive officer or director.

## STATEMENT OF EXECUTIVE COMPENSATION

“**Named Executive Officer**” or “**NEO**” means the President and Chief Executive Officer, the Chief Financial Officer and each of the three most highly compensated individuals acting in a similar capacity (other than the President and Chief Executive Officer and Chief Financial Officer) at the end of the relevant financial year whose total compensation was more than CDN\$150,000 for that financial year. The NEOs for the year ending December 31, 2019 are Dave Harper, President and Chief Executive Officer; Greg Borsk, Chief Financial Officer; Terry Burling, Chief Operating Officer; Greig Rodger, Executive General Manager, and Stephan Rodrigue, Zone Manager – FWA (Francophone West Africa).

The following table provides information for the most recently completed financial year of the Corporation ended December 31, 2019 regarding all compensation paid to or earned by the Named Executive Officers.

## Summary Compensation Table

Name and Principal Position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual Incentive Plans	Long-term incentive plans			
Dave Harper President and Chief Executive Officer	2019	425,000	Nil	16,238 <sup>(1)</sup>	600,000	Nil	Nil	314,882 <sup>(3)(4)(5)(6)</sup>	1,323,120
	2018	425,000	Nil	Nil	375,250	Nil	Nil	289,940	1,090,190
	2017	397,763	Nil	176,400 <sup>(2)</sup>	397,200	Nil	Nil	291,317	1,262,679
Greg Borsk Chief Financial Officer	2019	300,000	Nil	12,178 <sup>(1)</sup>	320,000	Nil	Nil	118,750 <sup>(3)(4)(5)</sup>	750,928
	2018	300,000	Nil	Nil	200,669	Nil	Nil	93,000	593,669
	2017	291,161	Nil	132,300 <sup>(2)</sup>	212,400	Nil	Nil	83,790	709,651
Terry Burling Chief Operating Officer	2019	300,000	Nil	12,178 <sup>(1)</sup>	320,000	Nil	Nil	127,276 <sup>(3)(4)(5)(7)</sup>	759,454
	2018	300,000	Nil	Nil	200,669	Nil	Nil	104,400	605,069
	2017	276,852	Nil	132,300 <sup>(2)</sup>	212,400	Nil	Nil	99,047	720,599
Greig Rodger Executive General Manager	2019	300,000	Nil	12,178 <sup>(1)</sup>	320,000	Nil	Nil	118,750 <sup>(3)(4)(5)</sup>	750,928
	2018	300,000	Nil	Nil	200,669	Nil	Nil	93,000	593,669
	2017	268,903	Nil	132,300 <sup>(2)</sup>	212,400	Nil	Nil	77,313	690,916
Stephan Rodrigue Zone Manager – FWA (Francophone West Africa)	2019	225,782 <sup>(8)</sup>	Nil	4,059 <sup>(1)</sup>	75,360 <sup>(8)</sup>	Nil	Nil	4,500	309,701
	2018	232,640	Nil	Nil	57,884	Nil	Nil	Nil	290,524
	2017	230,476	Nil	66,150 <sup>(2)</sup>	60,000	Nil	Nil	Nil	356,626

### Notes:

- (1) The stock options to purchase Ordinary Shares for the 2019 fiscal year were valued using the Black-Scholes valuation model with the following assumptions: the closing price of the Ordinary Shares as at March 15, 2019 of CDN\$1.40 per Ordinary Share, option exercise price of CDN\$1.36 per Ordinary Share, expected life of five years, risk free interest rate of 1.54% and expected annual volatility of 42%.
- (2) The stock options to purchase Ordinary Shares for the 2017 fiscal year were valued using the Black-Scholes valuation model with the following assumptions: the closing price of the Ordinary Shares as at May 12, 2017 of CDN\$2.23 per Ordinary Share, option exercise price of CDN\$2.14 per Ordinary Share, expected life of five years, risk free interest rate of 1.04% and expected annual volatility of 50%.
- (3) Messrs. Harper, Borsk, Burling and Rodger each received hardship location allowances as outlined in their respective employment agreements. See “*Employment Agreements*” for the further details.
- (4) Messrs. Harper, Borsk, Burling and Rodger each received contributions to their designed savings scheme as outlined in their respective employment agreements. See “*Employment Agreements*” for the further details.
- (5) Messrs. Harper, Borsk, Burling and Rodger each had taxes paid on their behalf.
- (6) Dave Harper received \$40,000 for services provided as a director of the Corporation and receives an allowance for housing and dependant tuition fees.
- (7) Mr. Burling received an amount for dependant tuition fees.
- (8) As at December 31, 2019, the average annual exchange rate as reported by the Bank of Canada was U.S.\$1.00 = CDN\$1.3269 or CDN\$1.00 = U.S.\$0.7536. Mr. Rodrigue receives all of his salary in Canadian dollars.

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

Set forth in the table below is a summary of all share-based and option-based awards held by each of the Named Executive Officers outstanding as of December 31, 2019.

Name	Option-Based Awards				Share-Based Awards		
	Number of securities underlying unexercised stock options (#)	Option exercise price (CDN\$)	Option expiration date	Value of unexercised in-the-money stock options (CDN\$) <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 (\$)
Dave Harper	60,000	0.51	May 19, 2020	55,800	Nil	N/A	N/A
	270,000	0.79	March 14, 2021	175,500			
	60,000	1.62	June 30, 2021	N/A			
	360,000	2.14	May 12, 2022	N/A			
	60,000	1.36	May 15, 2024	4,800			
Greg Borsk	45,000	1.62	June 30, 2021	N/A	Nil	N/A	N/A
	270,000	2.14	May 12, 2022	N/A			
	45,000	1.36	May 15, 2024	3,600			
Terry Burling	96,600	0.79	March 14, 2021	62,790	Nil	N/A	N/A
	45,000	1.62	June 30, 2021	N/A			
	270,000	2.14	May 12, 2022	N/A			
	45,000	1.36	May 15, 2024	3,600			
Greig Rodger	270,000	2.14	May 12, 2022	N/A	Nil	N/A	N/A
	45,000	1.36	May 15, 2024	3,600			
Stephan Rodrigue	15,000	1.62	June 30, 2021	N/A	Nil	N/A	N/A
	135,000	2.14	May 12, 2022	N/A			
	15,000	1.36	May 15, 2024	1,200			

**Note:**

<sup>(1)</sup> The market price of CDN\$1.44 used to calculate the value of unexercised in-the-money stock options was the December 31, 2019 closing price.

## Incentive Plan Awards – Value Vested During the Year

Set forth below is a summary of the value vested during the financial year of the Corporation ended December 31, 2019 in respect of all option-based and share-based awards and non-equity incentive plan compensation granted to the Named Executive Officers.

Name	Option-based awards – value vested during the year (CDN\$) <sup>(1)</sup>	Share-based awards – value vested during the year (\$)	Non-equity incentive plan compensation – value earned during the year (\$)
Dave Harper	2,400	Nil	Nil
Greg Borsk	1,800	Nil	Nil
Terry Burling	1,800	Nil	Nil
Greig Rodger	1,800	Nil	Nil
Stephan Rodrigue	600	Nil	Nil

**Note:**

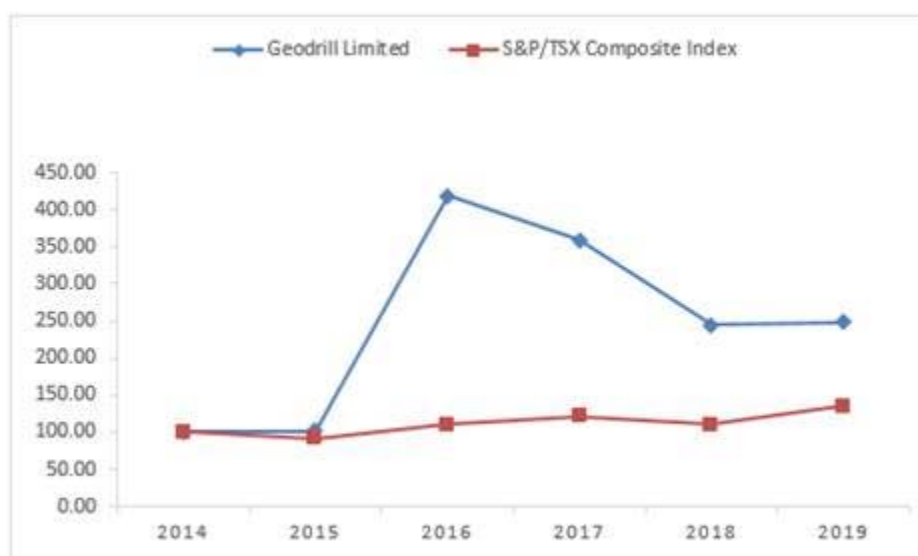
<sup>(1)</sup> The market price used to calculate the value vested during the year was the closing market price on May 14, 2019 of CDN\$1.40 being the last trading day prior to the vesting date for stock options issued on May 15, 2019

For further details concerning the incentive plans of the Corporation, please see “*Summary of Stock Option Plan*”.

## Performance Graph

The following table and graph compares the cumulative total shareholder return for CDN\$100 invested in Ordinary Shares on December 31, 2014 against the cumulative total shareholder return of the S&P/TSX Composite Index.

	2014	2015	2016	2017	2018	2019
<b>Geodrill Limited</b>	100.00	101.72	418.97	358.62	244.83	248.28
<b>S&amp;P/TSX Composite Index</b>	100.00	91.68	111.01	121.11	110.34	135.59



The Corporation, like other companies in the drilling industry, was affected by the industry wide slowdown in 2014-2015. Based on the continued increase in the Corporation's drilling activity level, the stabilization of prices and the continued strength in the types of offered drilling services, the Corporation believes that the industry wide slowdown reversed as the Corporation experienced strong demand across its client base and strong demand for a multitude of drilling services throughout 2016, 2017, 2018 and 2019. In 2014, the NEO's did not achieve 100% of their corporate and personal goals and accordingly they did not receive their target bonus amounts for these years. In 2015, 2016, 2017 and 2018 the NEO's were able to achieve in excess of their targeted bonus amounts. In 2019 the Corporation achieved \$20M in EBITDA and ended December 31, 2019 with net cash of \$7.2M and as a result the NEOs exceeded their targeted bonus. These achievements have positioned the Corporation financially and operationally so that it can maintain its strong presence in West Africa and pursue new client opportunities and possibly expand into other African jurisdictions. In recognition of the need to reward NEO achievements of pre-determined performance goals and retaining high-calibre executives, the NEO's were awarded in excess of their targeted bonuses in 2019. See "*Compensation Discussion and Analysis - Principles of the Elements of the Compensation Program*" for details regarding bonus targets, corporate goals and the measurable objectives for those goals.

### **Employment Agreements**

The employment agreements for each of Messrs. Harper, Borsk, Burling and Rodger set salaries and target annual incentive bonuses as well as addressing other matters such as long-term incentives, termination and change of control payments. These agreements also provide such NEOs with the right to various benefits that the Corporation makes available generally to the Corporation's senior executives. Mr. Rodrigue had entered into a consulting agreement with the Corporation as further described below. The Compensation Committee reviews the compensation of the President and Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and Executive General Manager on an annual basis. The compensation of Mr. Rodrigue is reviewed and approved annually by the Executive General Manager.

#### ***Dave Harper – President and Chief Executive Officer***

The Corporation has entered into an employment agreement with Dave Harper, President and Chief Executive Officer, which has an indefinite term. With effect from January 1, 2020, Mr. Harper receives an annual base salary of \$475,000 plus a hardship location allowance of \$118,750 (total \$593,750), subject to annual adjustments by the Compensation Committee, and an annual bonus (with a target of 66% of base salary) designed to compensate him for personal and corporate performances, as determined at the discretion of the Compensation Committee. The Corporation has also agreed to make an annual contribution of 6% of Mr. Harper's base salary to a designated saving scheme as directed by Mr. Harper and has agreed to provide Mr. Harper with certain expatriate allowances in conjunction with Mr. Harper residing in Ghana. Mr. Harper is also eligible to participate in the Corporation's long-term incentive plans.

#### ***Greg Borsk – Chief Financial Officer***

The Corporation has entered into an employment agreement with Greg Borsk, Chief Financial Officer, which has an indefinite term. With effect from April 1, 2017, Mr. Borsk receives an annual base salary of \$300,000 plus a hardship location allowance of \$75,000 (total \$375,000), subject to annual adjustments by the Compensation Committee, and an annual bonus (with a target of 50% of base salary) designed to compensate him for personal and corporate performances, as determined at the discretion of the Compensation Committee. The Corporation has also agreed to make an annual contribution of 6% of Mr. Borsk's base salary to a designated saving scheme as directed by Mr. Borsk. The Corporation provides certain benefits when Mr. Borsk resides on site in Ghana. Mr. Borsk is also eligible to participate in the Corporation's long-term incentive plans.



### ***Terry Burling – Chief Operating Officer***

The Corporation has entered into an employment agreement with Terry Burling, Chief Operating Officer, which has an indefinite term. With effect from April 1, 2017, Mr. Burling receives an annual base salary of \$300,000 plus a hardship location allowance of \$75,000 (total \$375,000), subject to annual adjustments by the Compensation Committee, and an annual bonus (with a target of 50% of base salary) designed to compensate him for personal and corporate performances, as determined at the discretion of the Compensation Committee. The Corporation has also agreed to make an annual contribution of 6% of Mr. Burling's base salary to a designated saving scheme as directed by Mr. Burling and has agreed to provide Mr. Burling with certain expatriate allowances in conjunction with Mr. Burling residing in Ghana. Mr. Burling is eligible to participate in the Corporation's long-term incentive plans.

### ***Greig Rodger – Executive General Manager***

The Corporation has entered into an employment agreement with Greig Rodger, Executive General Manager, which has an indefinite term. With effect from August 11, 2017, Mr. Rodger receives an annual base salary of \$300,000 plus a hardship location allowance of \$75,000 (total \$375,000), subject to annual adjustments by the Compensation Committee, and an annual bonus (with a target of 50% of base salary) designed to compensate him for personal and corporate performances, as determined at the discretion of the Compensation Committee. The Corporation has also agreed to make an annual contribution of 6% of Mr. Rodger's base salary to a designated saving scheme as directed by Mr. Rodger. The Corporation provides certain benefits when Mr. Rodger resides on site in Ghana. Mr. Rodger is also eligible to participate in the Corporation's long-term incentive plans.

### **Consulting Agreement**

#### ***Stephan Rodrigue – Zone Manager – FWA (Francophone West Africa)***

The Corporation has entered into a consulting agreement with Rodrigs Consultants Inc. for Mr. Stephan Rodrigue, Zone Manager – FWA (Francophone West Africa), which became effective on January 1, 2013 and is renewable annually by mutual agreement between the parties. Rodrigs Consultants Inc. receives CDN\$25,000 per month. Mr. Rodrigue is provided certain benefits and allowances in conjunction with working in West Africa and designed to compensate him for residing and working in West Africa. Mr. Rodrigue is eligible to participate in the Corporation's long-term incentive plans.

### **Non-Competition Agreements with Executives**

As part of their respective employment agreements, each of Mr. Harper, Mr. Borsk, Mr. Burling and Mr. Rodger have agreed that, while employed with the Corporation and for two years, in respect of Mr. Harper, Mr. Burling and Mr. Rodger and for one year, in respect of Mr. Borsk, after the date of termination of employment, that he shall not, directly or indirectly, in any manner whatsoever, including either individually, or in partnership, jointly or in conjunction with any other person, or as employee, principal, agent, trustee, consultant, contractor, director, officer, shareholder, investor, lender or otherwise: (i) carry on or be engaged in an undertaking that competes with the business of the Corporation or its affiliates as conducted at the time of the cessation of his employment; (ii) have any financial or other interest, including an interest by way of royalty or other compensation arrangements, in or in respect of an undertaking that competes with the Corporation or its affiliates as conducted at the time of the cessation of his employment; or (iii) advise, manage, lend money to, or guarantee the debts or obligations of or permit his name to be used by, an undertaking that competes with the business of the Corporation or its affiliates as conducted at the time of the cessation of his employment or during the six-month period prior to such date.

It shall not be considered a violation of the agreement for the executive to be a passive owner of not more than 20% of the outstanding stock of any class of a corporation which is publicly traded, so long as the executive has no active participation in the business of such corporation.

Mr. Rodrigue's consulting agreement does not include a non-competition provision.

### **Incentive Plan Awards**

See "*Summary Compensation Table*" for details regarding stock options granted to each of the NEOs.

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

The employment agreements with each of Mr. Harper, Mr. Borsk, Mr. Burling and Mr Rodger provide for the following termination and change of control benefits: (a) if the Corporation terminates the executive's employment other than for cause; or (b) if the terms of the executive's employment are materially changed and the executive elects to resign within 12 months of a change of control, the executive is entitled to (i) the sum of two times his annual base salary, two times his average annual incentive bonus (if any) of the two previous fiscal years, plus accrued but unused vacation to the date of termination; (ii) continue to participate in the Corporation's benefit plans for 24 months or until alternative coverage is obtained, or if such participation is not permitted, the Corporation shall pay the executive an amount sufficient to enable him to obtain equivalent benefit coverage; and (iii) immediate vesting of the executive's stock options, where the stock options shall remain exercisable until the earlier of, the termination date of such stock option, or the date which is 24 months from the date of such termination.

The consulting agreement with Rodrigns Consultants Inc. does not award any incremental payments pursuant to termination by the Corporation or upon a change of control of the Corporation.

### ***Estimated Incremental Payment on Change of Control or Termination***

The following table provides details regarding the estimated incremental payments from the Corporation to each of the NEOs upon termination in connection with a change of control in accordance with the above provisions, or upon termination without cause, assuming a triggering event occurs on December 31, 2019.

<b>Name</b>	<b>Severance Period (# of months)</b>	<b>Base Salary (\$)</b>	<b>Bonus Target Value (\$)</b>	<b>Benefits Uplift (\$)</b>	<b>Total Incremental Payment (\$)</b>
Dave Harper	24 months	850,000	975,250	499,600 <sup>(1)</sup>	2,324,850
Greg Borsk	24 months	600,000	520,669	189,600 <sup>(2)</sup>	1,310,269
Terry Burling	24 months	600,000	520,669	248,790 <sup>(3)</sup>	1,369,459
Greig Rodger	24 months	600,000	520,669	189,600 <sup>(4)</sup>	1,310,269
Stephan Rodrigue	N/A	N/A	N/A	N/A	N/A
<b>TOTAL</b>		2,650,000	2,537,257	1,127,590	6,314,847

Notes:

- (1) The 810,000 stock options granted to Mr. Harper would remain exercisable until the earlier of, the expiration date of such stock option, or the date which is 24 months from the date of such change of control. Included in this figure is an amount of \$212,500 relating to hardship allowance, an amount of \$51,000 relating to superannuation and an amount of \$236,100 relating to the value of unexercised in-the-money stock options.
- (2) The 360,000 stock options granted to Mr. Borsk would remain exercisable until the earlier of, the expiration date of such stock option, or the date which is 24 months from the date of such change of control. Included in this figure is an amount of \$150,000 relating to hardship allowance, an amount of \$36,000 relating to superannuation and an amount of \$3,600 relating to the value of unexercised in-the-money stock options.
- (3) The 456,600 stock options granted to Mr. Burling would remain exercisable until the earlier of, the expiration date of such stock option, or the date which is 24 months from the date of such change of control. Included in this figure is an amount of \$150,000 relating to hardship allowance, an amount of \$36,000 relating to superannuation and an amount of \$62,790 relating to the value of unexercised in-the-money stock options.
- (4) The 315,000 stock options granted to Mr. Rodger would remain exercisable until the earlier of, the expiration date of such stock option, or the date which is 12 months from the date of such change of control. Included in this figure is an amount of \$150,000 relating to hardship allowance and an amount of \$36,000 relating to superannuation and an amount of \$3,600 relating to the value of unexercised in-the-money stock options.

## COMPENSATION OF DIRECTORS

In 2017, the Compensation Committee completed an assessment with Tandehill to review and provide recommendations to the Corporation's compensation structure on the appropriateness of the Board's compensation package which was changed effective April 1, 2017.

One of Tandehill's recommendations was to increase the Board's fees earned category while reducing its option-based awards amount, thereby, leaving more options available to executive management and other management. As a result of the recommendations, the annual retainer fee for each Board member (other than the Chairman) was increased from \$25,000 per annum to \$30,000 per annum, effective April 1, 2017. Directors will also be reimbursed for all reasonable travel and other expenses incurred by them in the performance of their duties.

Effective for Fiscal 2020, the calculation of the Board's fees was changed whereby directors will no longer be compensated on a per meeting basis and directors will no longer be awarded stock options pursuant to the Stock Option Plan. Dave Harper who is the President and Chief Executive Officer of the Corporation will no longer receive any director fees for acting as a director and accordingly his annual salary for 2020 was increased by \$50,000. Each independent director will be awarded an annual retainer fee of \$75,000. The Chairman of the Board will receive an additional fee of \$25,000, the Chairman of the Audit and Disclosure Committee will receive an additional fee of \$15,000 and the Chairman of the Governance, Safety and Nominating Committee and the Chairman of the Compensation Committee will each receive an additional fee of \$5,000. Directors will also be reimbursed for all reasonable travel and other expenses incurred by them in the performance of their duties.

## Director Compensation

The following table provides a summary of all annual and long-term compensation for services rendered in all capacities to the Corporation for the fiscal year ended December 31, 2019, in respect of the individuals who were, during the fiscal year ended December 31, 2019, directors of the Corporation, other than the Named Executive Officers.

Name	Fees Earned (\$)	Share-based awards (\$)	Option-based awards <sup>(1)(2)</sup> (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
John Bingham	97,000	Nil	8,156	Nil	Nil	Nil	105,156
Ron Sellwood	92,000	Nil	5,438	Nil	Nil	Nil	97,438
Johnny Ciampi	34,000	Nil	5,438	Nil	Nil	Nil	39,438
Colin Jones <sup>(3)</sup>	27,000	Nil	Nil	Nil	Nil	Nil	27,000
Daniel Im <sup>(4)</sup>	61,500	Nil	5,438	Nil	Nil	Nil	66,938
Adrian Reynolds <sup>(4)</sup>	49,500	Nil	5,438	Nil	Nil	Nil	54,938

**Notes:**

<sup>(1)</sup> As at December 31, 2019, the average annual exchange rate as reported by the Bank of Canada was U.S.\$1.00 = CDN\$1.3269 or CDN\$1.00 = U.S.\$0.7536

<sup>(2)</sup> The stock options to purchase Ordinary Shares for the 2019 fiscal year were valued using the Black-Scholes valuation model with the following assumptions: the closing price of the Ordinary Shares as at March 15, 2019 of CDN\$1.40 per Ordinary Share, option exercise price of CDN\$1.36 per Ordinary Share, expected life of five years, risk free interest rate of 1.54% and expected annual volatility of 42%.

<sup>(3)</sup> Colin Jones resigned on May 8, 2019.

<sup>(4)</sup> Daniel Im and Adrian Reynolds resigned on August 3, 2019.

For further details concerning the Stock Option Plan, please see “*Summary of Stock Option Plan*”.

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

Set forth in the table below is a summary of all share-based and option-based awards held by each of the directors of the Corporation other than the Named Executive Officers as of December 31, 2019.

Option-Based Awards					Share-Based Awards		
Name	Number of securities underlying unexercised stock options (#)	Option exercise price (CDN\$)	Option expiration date	Value of unexercised in-the-money stock options (CDN\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
John Bingham	45,000	0.51	May 19, 2020	41,850	Nil	N/A	N/A
	202,500	0.79	March 14, 2021	131,625			
	45,000	1.62	June 30, 2021	N/A			
	30,000	2.14	May 12, 2022	N/A			
	30,000	2.00	May 16, 2023	N/A			
	30,000	1.36	May 16, 2024	2,400			
Ron Sellwood	20,000	2.14	May 12, 2022	N/A	Nil	N/A	N/A
	20,000	2.00	May 16, 2023	N/A			
	20,000	1.36	May 16, 2024	1,600			
Johnny Ciampi	20,000	1.36	May 16, 2024	1,600	Nil	N/A	N/A
Colin Jones <sup>(2)</sup>	30,000	1.62	June 30, 2021	N/A	Nil	N/A	N/A
	20,000	2.14	May 12, 2022	N/A			
	20,000	2.00	May 16, 2023	N/A			

Daniel Im <sup>(3)</sup>	89,100	0.79	March 14, 2021	57,915	Nil	N/A	N/A
	30,000	1.62	June 30, 2021	N/A			
	20,000	2.14	May 12, 2022	N/A			
	20,000	2.00	May 16, 2023	N/A			
	20,000	1.36	May 16, 2024	1,600			

**Note:**

<sup>(1)</sup> The market price of CDN\$1.44 used to calculate the value of unexercised in-the-money stock options was the December 31, 2019 closing price.

<sup>(2)</sup> Colin Jones resigned on May 8, 2019.

<sup>(3)</sup> Daniel Im resigned on August 3, 2019.

### Incentive Plan Awards – Value Vested During the Year

Set forth below is a summary of the value vested during the financial year of the Corporation ended December 31, 2019 in respect of all option-based and share-based awards and non-equity incentive plan compensation granted to the directors of the Corporation, other than the Named Executive Officers.

Name	Option-based awards – value vested during the year (CDN\$) <sup>(1)</sup>	Share-based awards – value vested during the year (\$)	Non-equity incentive plan compensation – value earned during the year (\$)
John Bingham	1,200	N/A	N/A
Ron Sellwood	800	N/A	N/A
Johnny Ciampi	800	N/A	N/A
Daniel Im <sup>(2)</sup>	800	N/A	N/A
Adrian Reynolds <sup>(2)</sup>	800	N/A	N/A

**Notes:**

<sup>(1)</sup> The market price used to calculate the value vested during the year was the closing market price on May 14, 2019 of CDN\$1.40 being the last trading day prior to the vesting date for stock options issued on May 15, 2019.

<sup>(2)</sup> Daniel Im and Adrian Reynolds resigned on August 3, 2019.

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Set forth below is a summary of securities issued and issuable under all equity compensation plans of the Corporation as at December 31, 2019. As at December 31, 2019, the Stock Option Plan was the only equity compensation plan of the Corporation. See also “*Summary of Stock Option Plan*”.

Plan Category	Number of securities to be issued upon exercise of outstanding stock options	Weighted-average exercise price of outstanding stock options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the first column)
Equity compensation plans approved by security holders	3,370,700	CDN\$1.58	1,072,340 <sup>(1)</sup>
Total	3,370,700	CDN\$1.58	1,072,340

**Notes:**

<sup>(1)</sup> Calculated based upon 10% of the number of issued and outstanding Ordinary Shares as at December 31, 2019 (44,430,400 Ordinary Shares), less the number of stock options outstanding as at such date.

Set forth below is a summary of securities issued and issuable under all equity compensation plans of the Corporation as at April 9, 2020. As at April 9, 2020, the Stock Option Plan was the only equity compensation plan of the Corporation. See also “*Summary of Stock Option Plan*”.

Plan Category	Number of securities to be issued upon exercise of outstanding stock options	Weighted-average exercise price of outstanding stock options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the first column)
Equity compensation plans approved by security holders	4,060,700	CDN\$1.63	386,630 <sup>(1)</sup>
Total	4,060,700	CDN\$1.63	386,630

**Notes:**

<sup>(1)</sup> Calculated based upon 10% of the number of issued and outstanding Ordinary Shares as at April 9, 2020 (44,473,300 Ordinary Shares), less the number of stock options outstanding as at such date.

The following table provides details of the burn rate under the Stock Option Plan for the three financial years ended December 31, 2019, 2018 and 2017.

Financial Year Ended	Burn Rate(1)	Number of Stock Options Granted	Weighted Average Number of Ordinary Shares Outstanding
December 31, 2019	0.8%	365,000	44,016,667
December 31, 2018	0.2%	110,000	43,527,853
December 31, 2017	0.7%	1,615,000	43,214,427

**Notes:**

<sup>(1)</sup> Calculated by dividing the number of stock options granted under the Stock Option Plan during the applicable period by the weighted average number of Ordinary Shares outstanding for the applicable period.

## STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Corporate governance refers to the way the business and affairs of a reporting issuer are managed and relates to the activities of the Board, the members of whom are elected by and are accountable to the shareholders. Corporate governance takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Corporation. The Board is committed to sound corporate governance practices which are both in the interest of its shareholders and contribute to effective and efficient decision-making.

In June 2005, National Policy 58-201 *Corporate Governance Guidelines* (“**NP 58-201**”) and National Instrument 58-101 *Disclosure of Corporate Governance Practices*, as amended (“**NI 58-101**”) were adopted by the securities regulatory authorities in Canada. NP 58-201 establishes corporate governance guidelines which apply to all public companies and the Corporation has implemented its own corporate governance practices in light of these guidelines. NI 58-101 mandates the disclosure of corporate governance practices in accordance with Form 58-101F1, which disclosure is set out below.

### Board of Directors

Pursuant to National Instrument 52-110 – *Audit Committees*, (“**NI 52-110**”) a director is independent if the director has no direct or indirect relationship with the issuer 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 judgment. Certain directors are deemed to have a material relationship with the issuer by virtue of their position or relationship with the Corporation. The Board is currently comprised of four members, three of whom the Board has determined are independent. In assessing whether a director is independent for these purposes, the circumstances of each director have been examined in relation to a number of factors.

Mr. Harper is not considered independent as he is the President and Chief Executive Officer of the Corporation. Messrs. Bingham, Sellwood and Ciampi are considered to be independent pursuant to NI 52-110.

Mr. John Bingham has been appointed as Chairman of the Board.

The following directors of the Corporation currently hold directorships in the following reporting issuers (or equivalent in a foreign jurisdiction) as noted below:

Director	Independent	Other Reporting Issuer	Stock Exchange
John Bingham	Yes	No	N/A
Ron Sellwood	Yes	No	N/A
Johnny Ciampi	Yes	Premium Brands Holding Corporation Diversified Royalty Corporation Valdy Investments Limited	TSX: PBH TSX: DIV TSXV: VLDY.P
Dave Harper	No	No	N/A

During 2019, the independent directors of the Corporation held regular quarterly meetings at which non-independent directors and members of management of the Corporation were not in attendance.

### Director Attendance

The attendance record of each director for all Board and Committee meetings held during the fiscal year ended December 31, 2019, while the relevant director was on the Board is as follows:

Director	Board Meetings	Audit and Disclosure Committee Meetings	HSE Committee Meetings	Corporate Governance Committee Meetings	Compensation Committee Meetings	Independent Director Meetings
John Bingham	5 of 5	7 of 7	1 of 1	1 of 1	5 of 5	4 of 4
Ron Sellwood	5 of 5	7 of 7		5 of 5	5 of 5	4 of 4
Johnny Ciampi	3 of 3	2 of 2		1 of 1	1 of 1	2 of 2
Dave Harper	5 of 5		1 of 1			
Colin Jones	1 of 1		1 of 1		2 of 2	1 of 1
Daniel Im	3 of 3	5 of 5		2 of 2		3 of 3
Adrian Reynolds	3 of 3		1 of 1	4 of 4	1 of 1	3 of 3

The Audit and Disclosure Committee, comprised of independent directors shall meet at the end of each Audit and Disclosure Committee meeting without management and non-independent directors present to facilitate open and candid discussion. The Compensation Committee, also comprised of independent directors, also holds in camera sessions without the presence of management. The results of these discussions are reported to the Board at the next Board meeting. The independent directors shall appoint a chairman to chair these meetings.

### Board Mandate

The Board has adopted a comprehensive written mandate in which it assumes responsibility for the stewardship and development of the Corporation, which includes: (i) ensuring the implementation of an effective system of accountability by management to the Board and by the Board to the shareholders of the

Corporation; (ii) satisfying itself with respect to the integrity of the President and Chief Executive Officer and other senior officers and ensuring that such senior officers create a culture of integrity throughout the Corporation; (iii) adopting a strategic planning process that will be approved annually which identifies principal risks of the Corporation's business as well as ensuring the implementation of an appropriate strategy to manage such risks; (iv) succession planning; (v) ensuring the integrity of internal control and management information systems; (vi) appointing the various committees of the Board; and (vii) ensuring appropriate standards of corporate conduct including adopting the Code. A copy of the Board Mandate is available under the Corporation's SEDAR profile at [www.sedar.com](http://www.sedar.com).

### **Position Descriptions**

The Board has adopted a position description for the Chairman and the chair of each committee of the Board, as detailed below. The mandate of the Board states the Chairman's main responsibilities include providing leadership to the Board, ensuring that the responsibilities of the Board are well understood by both management and the Board, ensuring the Board works as a cohesive team with open communication and ensuring that the resources available to the Board are adequate to support its work.

The Board has adopted a position description for the Chief Executive Officer. The Chief Executive Officer is responsible for: (i) the management of the Corporation in an effective, efficient and forward-looking manner; and (ii) strategic planning and providing quality leadership, with a view to increasing shareholder value and providing support, coordination and guidance to various responsible officers and managers of the Corporation. The Chief Executive Officer is responsible to the Board.

### **Orientation and Continuing Education**

New directors of the Corporation are provided with comprehensive information about the Corporation and are invited and encouraged to meet with established directors as well as the Corporation's legal counsel in order to familiarize themselves with the Corporation's business and better understand their role and responsibilities as a director of the Corporation. As required, individual members of the Board will be provided with continuing education opportunities to ensure that each member maintains the skills and knowledge necessary to meet their obligations as directors.

### **Ethical Business Conduct**

In fulfilling its mandate and approving various decisions put forth by management, the Board ensures that the measures taken by management comply with Canadian securities regulations and other applicable legislation. Members of the Board are also keenly aware of their fiduciary role with the Corporation as well as their individual fiduciary duties in their capacity as directors, all of which are set out in corporate legislation. In exercising their powers and discharging their duties, the Board is required to act honestly and in good faith with a view to the best interests of the Corporation, and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

The Board has implemented the Code to encourage and promote a culture of ethical business conduct amongst the directors, officers and employees of the Corporation. The purpose of the Code is to, among other things: (i) promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships; (ii) promote avoidance of conflicts of interest, including disclosure to an appropriate person of any material transaction or relationship that reasonably could be expected to give rise to such a conflict; (iii) promote fair dealing with the Corporation's security holders, customers, suppliers, competitors and employees; (iv) promote compliance with applicable governmental laws, rules and regulations; and (v) promote the prompt internal reporting to an



appropriate person of violations of the Code. In accordance with the memorandum and articles of association of the Corporation (the “Articles of Association”), in the event that the Board is to consider a transaction or agreement in respect of which a director may have a material interest, that director must announce his or her conflict or potential conflict and recuse him or herself from all discussions on the issue. Further, the Corporation requires that if any director becomes aware of the fact that he or she has a conflict of interest in a matter or transaction entered into, or which is to be entered into by the Corporation, such director shall not vote on any such matter or transaction.

Each of the Corporation’s new employees, officers and directors will be required to acknowledge that they have read and agree to the Code. The Corporation posts the Code in common areas for employees to easily review. Management monitors compliance with the Code on a day to day basis and periodically discusses compliance matters with various levels of employees. The Governance, Safety and Nominating Committee also periodically discusses relevant matters with management to ensure satisfactory compliance with the Code. If any member of the Corporation observes or becomes aware of an actual or potential violation of the Code, they are encouraged to report the violation to the Corporation. A copy of the Code is available under the Corporation’s SEDAR profile at [www.sedar.com](http://www.sedar.com).

### **Whistleblower Policy**

In addition to the Code, the Corporation has adopted a Whistleblower Policy. The purpose of the Whistleblower Policy is to state clearly and unequivocally that the Corporation prohibits discrimination, harassment and/or retaliation against any employee, director or officer who: (i) reports complaints to the Governance, Safety and Nominating Committee regarding accounting, internal controls, auditing matters or violations of the Code; or (ii) provides information or otherwise assists in an investigation or proceeding regarding any conduct which he or she reasonably believes to be a violation of employment or labour laws, applicable securities laws or regulations, laws regarding fraud or the commission or possible commission of a criminal offence.

If an employee, director or officer of the Corporation legitimately and in good faith provides information or otherwise assists in an investigation regarding any conduct which violates the Code, the Corporation will not discharge, demote, suspend, threaten, harass or otherwise discriminate or retaliate against him or her in the terms or conditions of employment because of that activity.

### **Governance, Safety and Nominating Committee**

The remit of the Corporate Governance and Nominating Committee changed with effect from August 3<sup>rd</sup> 2019 to include matters and issues relating to Health, Safety and the Environment and to exclude matters relating to nomination. This changed again with effect from February 29<sup>th</sup>, 2020 to include matters relating to Nominating.

The Governance, Safety and Nominating Committee is comprised of Johnny Ciampi (Chairman from August 3<sup>rd</sup> 2019 until November 11<sup>th</sup> 2019 and remaining as a current member) Ron Sellwood (Member), John Bingham (Member from August 3<sup>rd</sup> 2019 and Chairman from November 11<sup>th</sup> 2019), all of whom are independent. The Governance, Safety and Nominating Committee is responsible for: (i) developing the Corporation’s strategic planning process including overseeing the preparation and compilation of relevant materials by the Senior Executive Team; (ii) reviewing the Corporation’s strategic plan on a quarterly basis; (iii) reviewing and assessing the adequacy of the Corporation’s corporate governance system on an annual basis and reporting to the Board; (iv) performing an annual evaluation of the effectiveness of the Board; (v) ensuring there is a majority of independent and unrelated directors on the Board, reviewing the composition and size of the Board and assessing the effectiveness of the Board and its individual members; (vi)

implementing processes to ensure directors can function independently of management; (vii) establishing an orientation and continuing education program for current and future members of the Board and providing continuing education opportunities; (viii) overseeing the implementation of a compliance program for the Code; (ix) approving and monitoring related party transactions; (x) overseeing and monitoring litigation (xi) assisting the Board in developing health, safety and environmental policies (xii) overseeing health, safety and environmental matters and investigating any deficiencies (xiii) overseeing disclosure relating to health, safety and environmental matters, (xiv) developing and adopting a nominating process for: (a) assessing the competencies and skills that the Board requires as a whole; (b) assessing what competencies and skills each existing director possesses; and (c) assessing the appropriate size of the Board, with a view to facilitating effective decision-making; and (xv) identifying and recommending new nominees as directors of the Corporation, based upon the following considerations: (a) the competencies and skills necessary for the Board as a whole to possess; (b) the competencies and skills necessary for each individual director to possess; (c) competencies and skills which each new nominee to the Board is expected to bring; and (d) whether the proposed nominees to the Board will be able to devote sufficient time and resources to the Corporation.

The Governance, Safety and Nominating Committee has adopted a position description for its Chairman. The amended Governance, Safety and Nominating Committee Charter, adopted by the Board on February 29<sup>th</sup>, 2020 states the Chairman's main responsibilities include: (i) providing leadership to the Governance, Safety and Nominating Committee; (ii) ensuring that a process is in place by which the effectiveness of the Board, its committees and the contribution of each individual director is assessed at least annually; (iii) ensuring the Governance, Safety and Nominating Committee works as a cohesive team with open communication; (iv) ensuring that the resources available to the Governance, Safety and Nominating Committee are adequate to support its work; (v) ensuring that a process is in place by which complaints with respect to the Code or the Whistleblower Policy are handled in a confidential and effective manner; (vi) encouraging and supporting management in developing short and long term health, safety and environmental policies and (vii) reviewing and submitting to the Board recommendations for proposed appointments.

The Governance, Safety and Nominating Committee annually undertakes assessments for each Board member and for the Board as a whole by requiring each Board member to complete a questionnaire assessing their individual and peer contributions. The Governance, Safety and Nominating Committee analyzes the results and reports to the Board with its findings.

### **Director Term Limits and Female Representation in Management and on the Board**

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

The Corporation has adopted a diversity policy to ensure that the Corporation is continually able to attract the highest quality candidates. The diversity policy promotes the benefits of, and need for, extending opportunities to all internal personnel and outside candidates, without distinction as to gender, race, colour,

religion, sexual orientation, family or marital status, political belief, age, national or ethnic origin, citizenship, disability, or any other basis and will strive for diversity of experience, perspective and education. The diversity policy focuses on the best quality individuals for the position and encourages representation of women on the Board and in executive officer positions.

The Corporation currently has four Board members and four executive officers, none of whom are women. The Corporation has not considered the level of representation of women in its executive officer positions or on its Board in previous nominations (including a targeted number or percentage). The Corporation's focus has always been, and will continue to be, working to attract the highest quality executive officers and Board candidates with special focus on the skills, experience, character and behavioural qualities of each candidate.

### **Compensation Committee**

The remit of the Compensation Committee changed with effect from August 3<sup>rd</sup> 2019 to include matters relating to nomination. This changed again with effect from February 29<sup>th</sup>, 2020 to exclude matters relating to nominating.

The Compensation Committee is comprised of three independent directors; namely John Bingham (Chairman until November 11<sup>th</sup>, 2019 and remaining member), Ron Sellwood (Member), Johnny Ciampi (Member from August 3<sup>rd</sup>, 2019 and Chairman from November 11<sup>th</sup>, 2019) The members of the Compensation Committee are experienced in making decisions regarding the suitability of the Corporation's compensation policies and practices.

*Johnny Ciampi:* Mr. Ciampi is the co-founder and managing partner of the Maxam Opportunities Funds – private equity funds, which focus on structured investments in both publicly traded and private companies. Mr. Ciampi is also a shareholder and director of Maxam Capital Management Ltd., a Vancouver based investment management firm which manages an event driven long/short fund, Maxam Diversified Strategies Fund. Prior to forming the Maxam Opportunities Funds, Mr. Ciampi was the Executive Vice President and Chief Financial Officer of Gibralt Capital and a partner of Second City Capital Partners, Vancouver based private equity groups. Mr. Ciampi is a graduate of the University of British Columbia with a degree in Commerce and holds a Chartered Professional Accountant designation.

*John Bingham:* Mr. Bingham has over 20 years of experience in banking, serving as a senior executive of one of the UK's largest financial institutions. During his over 15 years of experience working within the corporate and trust industry he has held many board positions across a wide range of sectors. Mr. Bingham has current experience working within regulated environments and has experience liaising with and reporting to regulators in relation to companies' financial and compensation reporting requirements.

*Ronald Sellwood:* Mr. Sellwood is a Chartered Accountant and has more than 20 years of international and senior business experience including as Chief Financial Officer at several publicly listed companies in the mining industry.

The Compensation Committee is responsible for, among other things: (i) establishing and administering policies with respect to the compensation to be paid to the Chief Executive Officer, Chief Financial Officer and Chief Operating Officer of the Corporation; (ii) reviewing and overseeing the administration by management of the Corporation's general compensation and benefits programs and assessing the extent to which the programs are meeting their intended objectives; (iii) reviewing and approving the corporate goals and objectives relevant to the compensation to be paid to the Chief Executive Officer annually in the context of the Corporation's strategic plan; (iv) evaluating the performance of the Chief Executive Officer in light

of the aforesaid goals and objectives and setting the compensation level of the Chief Executive Officer based on this evaluation; (v) determining the compensation to be paid to the Corporation's executive officers, including wages, bonus payments, stock option grants, long-term incentives and medical and insurance coverage; (vi) reviewing and recommending compensation for non-management Directors; (vii) periodically conducting an industry peer review and (viii) administering the Stock Option Plan;

The Compensation Committee has adopted a position description for its Chairman. The amended Compensation Committee Charter, adopted by the Board on February 29<sup>th</sup>, 2020, states the Chairman's main responsibilities include: (i) providing leadership to the Compensation Committee; (ii) providing information and making recommendations to the Board regarding matters concerning overall compensation and benefits, philosophies and programs for employees and management (iii) ensuring the Compensation Committee works as a cohesive team with open communication and (iv) ensuring that the resources available to the Compensation Committee are adequate to support its work.

### **Disclosure, Confidentiality and Insider Trading Policy**

The Corporation adopted an amended Disclosure, Confidentiality and Insider Trading Policy on August 3<sup>rd</sup> 2019, which ensures that, among other things: (i) the Corporation complies with its timely disclosure obligations as required under applicable securities laws; (ii) the Corporation prevents the selective disclosure of material changes to analysts, institutional investors, market professionals and others; (iii) documents released by the Corporation or public oral statements made by a person with actual, implied or apparent authority to speak on behalf of the Corporation that relate to the business and affairs of the Corporation do not contain misstatements; and (iv) all appropriate parties who have undisclosed material information are prohibited from trading in securities of the Corporation on such information and disclosing such information to third parties outside the necessary course of business under applicable laws and regulations. The Audit and Disclosure Committee has responsibility for overseeing the Corporation's disclosure policies.

Each of the Corporation's new officers, directors and certain employees are required to acknowledge that they have read and agree to the Disclosure, Confidentiality and Insider Trading Policy. The Corporation's officers and directors must sign the Disclosure, Confidentiality and Insider Trading Policy annually.

### **Assessments**

As previously mentioned, the Governance, Safety and Nominating Committee is responsible for ensuring that a process is in place for assessing the effectiveness of the Board and each of its committees, along with assessing the contribution of each individual director at least on an annual basis.

## **AUDIT AND DISCLOSURE COMMITTEE**

The remit of the Audit Committee changed with effect from August 3<sup>rd</sup>, 2019 to include matters relating to disclosure. The Corporation has provided the required disclosure under National Instrument 52-110, *Audit Committees* in the Annual Information Form ("AIF") dated March 30, 2020. The AIF is available under the Corporation's SEDAR profile at [www.sedar.com](http://www.sedar.com), and upon request by any securityholder of the Corporation, a copy of the AIF will be promptly provided free of charge.

## **INDEMNIFICATION OF DIRECTORS AND OFFICERS**

The Articles of Association provide that, to the maximum extent permitted by law, the Corporation shall indemnify a director or officer of the Corporation, a former director or officer of the Corporation, or another individual who acts or acted at the Corporation's request as a director or officer, or an individual acting in a similar capacity, of another entity, against all costs, charges and expenses, including any amount paid to

settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of that association with the Corporation or other entity, where the individual: (i) acted honestly and in good faith with a view to the best interests of the Corporation or other entity for which the individual acted as director or officer or in a similar capacity at the Corporation's request, as the case may be; and (ii) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, had reasonable grounds for believing that the individual's conduct was lawful. The Articles of Association further provide that the Corporation shall advance moneys to a director, officer or other individual for the costs, charges and expenses of a proceeding referred to above, provided that such individual shall repay the moneys if the individual does not fulfill the conditions set forth in items (i) and (ii) above.

The provisions for indemnification contained in the Articles of Association are not deemed exclusive of any other rights to which any person seeking indemnification may be entitled under any agreement, vote of shareholders or directors or otherwise, both as to action in the individual's official capacity and as to action in another capacity, and continue as to a person who has ceased to be a director, officer, employee or agent, and ensure to the benefit of the heirs and legal representatives of such a person.

#### **DIRECTORS' AND OFFICERS' LIABILITY INSURANCE**

The Corporation maintains liability insurance for the directors and officers of the Corporation that is in effect until March 31, 2021. An annual premium has been paid by the Corporation. No portion of the premium is directly paid by any of the directors or officers of the Corporation. The aggregate insurance coverage under the policy for both directors and officers is limited to \$20,000,000 per claim and \$20,000,000 in the aggregate per policy period with no deductible. No claims have been made or paid to date under such policy.

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

Other than as noted below, none of the Corporation's directors, executive officers, employees, former executive officers, former directors, former employees, currently or formerly proposed nominees for election as a director, nor any associate of any such individual, is at the date hereof, or has been since the commencement of the financial year of the Corporation ended December 31, 2019, indebted to the Corporation or any subsidiary of the Corporation in connection with the purchase of securities or otherwise. In addition, no indebtedness of these individuals to another entity has been the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding of the Corporation or any of its subsidiaries either as at the date of this Circular or at any time since the commencement of the financial year of the Corporation ended December 31, 2019.

#### **Employee Loans**

The Corporation provides loans to its employees as an advance of the salaries payable to its employees, which are generally used by the employees to assist with sundry purchases and advance housing rental costs in Ghana. Under the rental system in Ghana, it is typical for landlords to require an advance deposit of up to three years' rent. Geodrill Ghana Limited has set up a separate account out of which these loans are made and subsequent repayments are deposited back into this account. As of the date hereof, the aggregate amount of employee loans outstanding was \$9,000.

## INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as noted below, no informed person of the Corporation, proposed director of the Corporation, or any associate or affiliate of an informed person or proposed director, has or had any material interest, direct or indirect, in any transaction since the commencement of the financial year of the Corporation ended December 31, 2019 or any proposed transaction which has materially affected or will materially affect the Corporation or any of its subsidiaries.

The Harper Family Settlement and Dave Harper currently holds or controls, directly or indirectly, 17,754,100 Ordinary Shares representing approximately 39.9% of the Corporation's issued and outstanding Ordinary Shares. On October 1, 2015, the Corporation entered into lease agreements with The Harper Family Settlement for the Anwiankwanta property and for the Accra property, both for a five year term at rates consistent with those determined pursuant to the October 1, 2014 rent review. The material terms of the five year lease agreements include: (i) the annual rent payable shall be reviewed on an upward only basis every two years; and (ii) only the Corporation can terminate the leases by giving twelve months' notice. On October 1, 2016, in conjunction with the rent review, the Corporation agreed to the increase in rent for the Anwiankwanta property to \$186,000 per annum and the increase in rent for the Accra property to \$78,000 per annum. It was also agreed that all future rent increases will be based on USA inflation data. On August 17, 2018, the lease agreements were updated to arrange for appropriate property damage and liability insurance but all other terms and conditions remained unchanged. On October 1, 2018, in conjunction with the rent review, the Corporation agreed to the increase in rent for the Anwiankwanta property to \$194,000 per annum and the increase in rent for the Accra property to \$82,000 per annum.

The Corporation has paid fees to Clearwater Fiduciary Services Limited during the year ended December 31, 2019 of \$13,873 (2018: \$13,893). One of the directors of Clearwater Fiduciary Services Limited is also a director of the Corporation.

## PARTICULARS OF MATTERS TO BE ACTED UPON

### 1. Financial Statements

The audited consolidated financial statements of the Corporation as at and for the year ended December 31, 2019 together with the related management's discussion and analysis and the report of the auditor thereon will be placed before the shareholders at the Meeting. The financial statements and management's discussion and analysis were filed under the Corporation's SEDAR profile at [www.sedar.com](http://www.sedar.com). Copies may be obtained from the Secretary of the Corporation upon request and will be available at the Meeting.

### 2. Election of Directors

The number of directors to be elected at the Meeting is four (4). **Unless authority to do so is withheld, the persons named in the accompanying proxy intend to vote FOR the election of all four nominees whose names are set forth below (the "Nominees").** Management of the Corporation does not contemplate that any of the Nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, it is intended that discretionary authority shall be exercised by the persons named in the enclosed form of proxy to vote the proxy for the election of any other person or persons in place of any Nominee(s) unable to serve. Each director elected will hold office until the close of the first annual meeting of shareholders of the Corporation following his election unless his office is earlier vacated in accordance with the Articles of Association.

### ***Majority Voting for Directors***

The Board has adopted a policy stipulating that if the votes in favour of the election of a director nominee at a shareholders' meeting represent less than a majority of the Ordinary Shares voted and withheld, the nominee will submit his or her resignation promptly after the meeting, for the Governance, Safety and Nominating Committee's consideration. The Governance, Safety and Nominating Committee will make a recommendation to the Board after reviewing the matter, and within 90 days of the meeting of shareholders, the Board will make a decision to accept or reject the resignation offer, which will be disclosed to the public. The nominee will not participate in any Governance, Safety and Nominating Committee or Board deliberations on the resignation offer. The policy does not apply in circumstances involving contested director elections.

The following table sets out the name, province or state and country of residence of each of the Nominees, the year in which each was first elected a director of the Corporation, the principal occupation or employment of each them for the past five years, and the approximate number of Ordinary Shares beneficially owned, directly or indirectly, or over which direction or control is exercised by the Nominees, which is in each instance based on information furnished by the person concerned as of April 9, 2020.

<b>Name and Municipality of Residence</b>	<b>Director Since</b>	<b>Present Principal Occupation and Positions Held During Last Five Years</b>	<b>Number of Ordinary Shares Owned, Controlled or Directed</b>
John Bingham <sup>(1)(2)(3)</sup> Chairman of the Board of Directors Douglas, Isle of Man	September 28, 2004	Director of Clearwater Fiduciary Services Ltd. (a licensed fiduciary services company)	175,000 (0.4%)
Ron Sellwood <sup>(1)(2)(3)</sup> Director Utah, U.S.A.	November 5, 2011	Principal of Rondi Consulting LLC and Rondi Investments LLC	255,000 (0.6%)
Johnny Ciampi <sup>(1)(2)(3)</sup> Director British Columbia, Canada	May 13, 2019	Managing Partner, Maxam Capital Corp since February 2008	3,937,400 <sup>(4)</sup> (8.9%)
Dave Harper President, Chief Executive Officer and Director Accra, Ghana	November 1, 2010	President and Chief Executive Officer of the Corporation	17,754,100 <sup>(5)</sup> (39.9%)

**Notes:**

- <sup>(1)</sup> Member of the Audit and Disclosure Committee. Mr. Sellwood is the Chairman of the Audit and Disclosure Committee.
- <sup>(2)</sup> Member of the Governance, Safety and Nominating Committee. Mr. Bingham is the Chairman of the Governance, Safety and Nominating Committee.
- <sup>(3)</sup> Member of the Compensation Committee. Mr. Ciampi is the Chairman of the Compensation Committee.
- <sup>(4)</sup> 3,160,500 Ordinary Shares are held by Maxam Opportunities Fund II Limited Partnership. Maxam Diversified Strategies Fund further owns 776,900 Ordinary Shares.
- <sup>(5)</sup> 17,500,000 Ordinary Shares are held by The Harper Family Settlement of which Mr. Harper is the sole beneficiary. Mr. Harper holds 254,100 Ordinary Shares directly.

### ***Corporate Cease Trade Orders***

To the Corporation's knowledge, no proposed director of the Corporation is, as at 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 the Corporation) that:

- (a) was subject to a cease trade order or similar 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 that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or

- (b) was subject to a cease trade order or similar 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, 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.

### ***Bankruptcies***

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

- (a) is, as at the date of this Circular, or has been within the 10 years before the date of this Circular, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the 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 its assets.

### ***Penalties or Sanctions***

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

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

### **3. Re-Appointment of Auditors**

PricewaterhouseCoopers LLP, Chartered Professional Accountants, ("PWC"), PWC Tower, 18 York Street, Suite 2600, Toronto, Ontario M5J 0B2 will be nominated at the Meeting for re-appointment as the auditor of the Corporation for the financial year ending December 31, 2020 at a remuneration to be fixed by the directors of the Corporation.

**Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the re-appointment of PWC as the auditor of the Corporation to hold office until the next annual meeting of the shareholders and authorize the directors of the Corporation to fix PWC's remuneration.**



#### **4. Consent for Corporation to the purchase its own Ordinary Shares**

On May 13, 2019, the shareholders of the Corporation approved its Normal Course Issuer Bid (“NCIB”) to allow the Corporation to purchase up to 5% of the issued and outstanding Ordinary Shares on the open market in accordance with the policies of the Toronto Stock Exchange (the “TSX Rules”). The Corporation implemented its NCIB on June 7, 2019, and from June 7, 2019 to April 9, 2020 a total of 17,100 Ordinary Shares were repurchased and cancelled under the NCIB. The Corporation paid the prevailing market price at the time of each repurchase of Ordinary Shares (with a maximum purchase price of not more than 105% above the 5-day volume weight average trading price of the Ordinary Shares). The NCIB terminates on June 6, 2020.

Pursuant to Clause 6.2 of the Articles of Association, the Corporation is again seeking shareholder approval to authorize the Corporation to purchase its own Ordinary Shares through its NCIB, in accordance with the TSX Rules and other relevant legislation. provided that:

- (i) the maximum number of Ordinary Shares authorized to be acquired is 2,223,665 (representing 5% of the issued share capital of the Corporation as of the date hereof);
- (ii) the minimum price that may be paid for each Ordinary Share is CDN\$0.01;
- (iii) the maximum price (exclusive of expenses) that may be paid for each Ordinary Share is an amount equal to 105% of the average of the market value of an Ordinary Share as derived from the TSX for the five business days immediately preceding the day on which the Ordinary Shares are contracted to be purchased by the Corporation;
- (iv) the authority conferred shall expire at the conclusion of the next Meeting, unless such authority is renewed prior to such time; and
- (v) should the Corporation make a contract to acquire its Ordinary Shares under the authority conferred by a 75% Resolution (as defined below) prior to the expiration of such authority, as such contract will or may be executed wholly or partly after such authority is expired, the Corporation may purchase its Ordinary Shares in pursuance of any such contract.

#### ***Rationale***

The Board may desire to purchase the Ordinary Shares, from time to time, if it believes that the market price of the Ordinary Shares is attractive and that the purchase would be an appropriate use of corporate funds and in the best interests of the Corporation. The Board believes that having the ability to acquire Ordinary Shares will present an attractive opportunity to utilize the Corporation’s funds and is intended to permit the Corporation to reduce its total number of outstanding Ordinary Shares, thereby benefiting all shareholders by increasing their relative equity interest in the Corporation.

#### ***Authority for Corporation to purchase its own Ordinary Shares***

Pursuant to Clause 6.2 of the Articles of Association, the Corporation may purchase, redeem or otherwise acquire its Ordinary Shares through either an offer to all shareholders that, if accepted, would not materially impact the rights of the shareholders, or an offer to one or more shareholders that is consented to in writing by all other shareholders. However, if the Corporation wishes to purchase the Ordinary Shares on the open market pursuant to an offer, offers or issuer bid (which for certainty includes the NCIB), all shareholders must consent in writing, or a majority of at least seventy-five percent (75%) of shareholders who exercise their voting rights must approve a resolution relating thereto (a “75% Resolution”). A quorum at meetings of the Corporation’s shareholders is duly constituted if there are present, in person or by proxy, at least 25%

of the voting rights entitled to be exercised, and so long as at least two shareholders are present. The 75% Resolution shall grant a general authority to the directors to exercise all the powers of the Corporation to repurchase Ordinary Shares up to a maximum number of Ordinary Shares as (i) the shareholders may authorise; and (ii) as the Corporation may be permitted to purchase under any relevant TSX Rules or other applicable legislation.

A 75% Resolution was passed by the shareholders of the Corporation at the last annual and special meeting of shareholders of the Corporation held on May 13, 2019, which was in force until:

- (i) the conclusion of the Corporation's first general meeting following the passing of a 75% Resolution approving the authority; or
- (ii) the revocation of the authority by a subsequent 75% Resolution; or
- (iii) expiry of the term for which the authority was first granted and approved

The Corporation hereby requests the shareholders of the Corporation consider consenting to another 75% Resolution at the Meeting, which will enable the Corporation to consider purchasing additional Ordinary Shares as it deems appropriate.

The repurchased Ordinary Shares may be cancelled by the Corporation or, at the discretion of the Board, may be held by the Corporation in accordance with the *Companies Act 2006* (Treasury Shares), Regulations 2014 or such other applicable laws and regulations that may be in force from time to time.

Decisions regarding any repurchases of Ordinary Shares will be made on a case-by-case basis, and the Board will rely on market conditions, share price, best use of available cash, and other factors in formulating its purchasing decisions. If the Board intends to repurchase any amount of the Corporation's Ordinary Shares, the directors must pass a resolution stating that, in their opinion, the offer(s) benefit the remaining shareholders and the terms of the offer(s) are fair and reasonable to the Corporation and its remaining shareholders.

Following receipt of regulatory approval, purchases will be made by the Corporation in accordance with TSX requirements or other relevant legislation. Ordinary Shares will be purchased through the facilities of the TSX or other alternative Canadian marketplaces at prevailing market prices at the time of purchase in accordance with the applicable TSX Rules.

**Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the granting of consent to the Corporation purchasing its Ordinary Shares in the manner and pursuant to the terms set forth in the resolution attached as Schedule "A" hereto.**

## **5. Re-Approval of the Stock Option Plan**

The Board of the Corporation originally approved the Stock Option Plan on November 15, 2010, in the form attached as Schedule "B" hereto and the Stock Option Plan was last approved by the shareholders on May 8, 2017. Stock options may be granted in respect of authorized and unissued Ordinary Shares, provided that the aggregate number of Ordinary Shares reserved for issuance upon the exercise of all stock options granted under the Stock Option Plan shall not exceed 10% of the total number of Ordinary Shares issued and outstanding from time to time. Underlying Ordinary Shares in respect of which stock options are not exercised because the relevant stock options expire or are cancelled, shall be available for issue upon the exercise of subsequent grants of stock options.

As of the date hereof an aggregate of 4,060,700 stock options are currently outstanding under the Stock Option Plan. Accordingly, 4,060,700 Ordinary Shares (representing approximately 9.13% of the issued and outstanding Ordinary Shares) are currently issuable pursuant to stock options granted under the Stock Option Plan and the Corporation may grant an additional 386,630 stock options under the Stock Option Plan (representing approximately 0.87% of the issued and outstanding Ordinary Shares as of the date hereof). Of such stock options, 3,823,200 stock options are issued to existing Insiders (as such term is defined in the Stock Option Plan, and which represents approximately 8.6% of the currently issued and outstanding Ordinary Shares). See “*Summary of Stock Option Plan*” below.

Pursuant to Section 613 of the TSX Company Manual, the Corporation is required to obtain the approval of its shareholders after institution and every three years after institution for all security based compensation arrangements which do not have a fixed maximum number of securities issuable (such as the Stock Option Plan). Accordingly, at the Meeting, shareholders will be invited to consider and, if thought fit, approve the resolutions substantially in the form attached as Schedule “C” hereto (the “**Stock Option Plan Resolutions**”) re-approving the Stock Option Plan as the stock option plan of the Corporation and confirming the issuance thereunder of such number of Ordinary Shares as is equal to 10% of the aggregate number of Ordinary Shares issued and outstanding from time to time. The Stock Option Plan Resolutions will be approved upon the affirmative vote of a majority of the votes cast at the Meeting.

The Board has concluded that the Stock Option Plan is in the best interest of the Corporation and its shareholders. Accordingly, the Board recommends that shareholders vote in favour of the Stock Option Plan Resolutions. **Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote for the approval of the Stock Option Plan Resolutions.**

#### SUMMARY OF STOCK OPTION PLAN

The Corporation’s Board approved the Stock Option Plan on November 15, 2010 and the Corporation’s shareholders re-approved the Stock Option Plan on May 8, 2017. The Stock Option Plan is intended to aid in attracting, retaining and motivating certain eligible individuals, being the Corporation’s officers, directors, employees, consultants and advisers, as well as certain affiliates, through the grant of stock options.

Stock options granted under the Stock Option Plan are non-transferable, except in limited circumstances as provided in the Stock Option Plan. The Board will establish the exercise price of the stock option at the time such stock option is granted, provided that such price shall not be less than the volume weighted average trading price of the Ordinary Shares on the TSX, or another stock exchange where the majority of the trading volume and value of the Ordinary Shares occurs, for the five trading days immediately preceding the day the stock option is granted. The stock options will be exercisable for a period not to exceed five years from the date of grant.

Subject to increase by the Board and the receipt of all necessary approvals, the maximum aggregate number of Ordinary Shares reserved for issuance pursuant to the Stock Option Plan shall not exceed 10% of the total number of Ordinary Shares then outstanding. The maximum number of Ordinary Shares issued to insiders of the Corporation (each an “**Insider**”), within any one year period, pursuant to the Stock Option Plan and any other security based compensation arrangements of the Corporation is 10% of the total number of Ordinary Shares then outstanding. The maximum number of Ordinary Shares issuable to Insiders, at any time, pursuant to this Stock Option Plan and any other security based compensation arrangements of the Corporation is 10% of the total number of Ordinary Shares then outstanding.

Stock options issued under the Stock Option Plan vest at the discretion of the Board or committee established for the purpose of administering the Stock Option Plan, as applicable, subject to certain specified limitations.

In the event of the termination of an eligible individual under the Stock Option Plan, each stock option held by the eligible individual will cease to be exercisable within a period of 30 days after the termination date, or such longer period as determined by the Board. For greater certainty, such determination of a longer period may be made at any time subsequent to the date of grant of the stock options, provided that no stock option shall remain outstanding for any period which exceeds: (i) the expiry date of such stock option; or (ii) such earlier date as the Board may determine.

In the event of the retirement of an eligible individual under the Stock Option Plan, each stock option held by the eligible individual will cease to be exercisable within a period of 30 days after the retirement date, or such longer period as determined by the Board. For greater certainty, such determination of a longer period may be made at any time subsequent to the date of grant of the stock options, provided that no stock option shall remain outstanding for any period which exceeds: (i) the expiry date of such stock option; or (ii) such earlier date as the Board may determine.

If an eligible individual dies, the personal representatives, heirs or legatees of the deceased individual may exercise the stock options, within a period of time after the date of death as determined by the Board. For greater certainty, such determination may be made at any time subsequent to the date of grant of the stock options, provided that no stock option shall remain outstanding for any period which exceeds: (i) the expiry date of such stock option; or (ii) such earlier date as the Board may determine.

Except as otherwise set out below, the Board shall seek shareholder and regulatory approval for any amendments to the Stock Option Plan. The Board may discontinue the Stock Option Plan at any time without first obtaining shareholder approval, provided that, without the consent of an option holder, such discontinuance may not in any manner adversely affect the option holder's rights under any stock option granted under the Stock Option Plan. The Board may, subject to receipt of requisite regulatory approval, where required, and without further shareholder approval, in its sole discretion make the following amendments to the Stock Option Plan: (a) amending typographical, clerical and grammatical errors; (b) reflecting changes to applicable corporate, securities or tax laws or to accommodate changes in the rules of applicable stock exchange on which the Ordinary Shares are listed; (c) changing the termination provisions of a stock option or the Stock Option Plan which do not entail an extension beyond the original expiry date of such stock option; (d) to clarify any ambiguity or correct inconsistencies and minor errors in the Stock Option Plan; (e) including the addition of a cashless exercise feature, payable in cash or securities, which provides for a full deduction of the number of underlying securities from the Stock Option Plan reserve; and (f) ensuring that the stock options granted under the Stock Option Plan will comply with any provisions respecting income tax and other laws in force in any country or jurisdiction of which an option holder may from time to time be resident or a citizen. Notwithstanding the foregoing, the Corporation shall obtain requisite shareholder approval in respect of amendments to the Stock Option Plan to the extent such approval is required by any applicable laws or regulations.

### **ADDITIONAL INFORMATION**

Additional information concerning the Corporation is available on the Corporation's SEDAR profile at [www.sedar.com](http://www.sedar.com). Financial information concerning the Corporation is provided in the Corporation's comparative financial statements and management's discussion and analysis for the financial years ended December 31, 2019 and 2018. A shareholder wishing to obtain a copy of the Corporation's consolidated financial statements and management's discussion and analysis may contact the Corporation as follows:

**GEODRILL LIMITED**  
**Ragnall House (South Suite)**  
**18 Peel Road**  
**Douglas, Isle of Man IM1 4LZ**

**DIRECTORS' APPROVAL OF CIRCULAR**

The contents and the sending of this Circular to the shareholders of the Corporation have been approved by the Board.

**DATED** at Douglas, Isle of Man, on April 9, 2020.

**BY ORDER OF THE BOARD OF DIRECTORS**

*“Dave Harper”*

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Dave Harper  
President and Chief Executive Officer

## SCHEDULE "A"

### SPECIAL RESOLUTION IN RESPECT OF NORMAL COURSE ISSUER BID

#### BE IT HEREBY RESOLVED AS A SPECIAL RESOLUTION THAT:

1. pursuant to Clause 6.2 of the Corporation's revised memorandum and articles of association, and as described in the management information circular of the Corporation dated April 9, 2020, the Corporation is hereby authorized to purchase its outstanding ordinary shares ("**Ordinary Shares**") pursuant to an offer, offers or issuer bid (which for certainty includes a substantial issuer bid or normal course issuer bid under the Toronto Stock Exchange Company Manual), provided that:
  - a. the maximum number of Ordinary Shares authorized to be acquired is 2,223,665 (representing 5% of the issued share capital of the Corporation as of the date hereof);
  - b. the minimum price that may be paid for each Ordinary Share is CAD\$0.01;
  - c. the maximum price (exclusive of expenses) that may be paid for each Ordinary Share is an amount equal to 105% of the average of the market value of the Ordinary Share as derived from the Toronto Stock Exchange for the five business days immediately preceding the day on which the Ordinary Shares are contracted to be purchased by the Corporation;
  - d. the authority conferred herein shall expire at the conclusion of the next annual general meeting of the Corporation, unless such authority is renewed prior to such time; and
  - e. should the Corporation make a contract to acquire its Ordinary Shares under the authority conferred to herein prior to the expiration of such authority, as such contract will or may be executed wholly or partly after such authority is expired, the Corporation may purchase its Ordinary Shares in pursuance of any such contract; and
2. any director or officer of the Corporation is hereby authorized and directed, acting for, in the name of and on behalf of the Corporation, to execute or cause to be executed, under the seal of the Corporation or otherwise and to deliver or to cause to be delivered, all such other deeds, documents, instruments and assurances and to do or cause to be done all such other acts as in the opinion of such director or officer of the Corporation may be necessary or desirable to carry out the terms of the foregoing special resolution.

## SCHEDULE "B"

### STOCK OPTION PLAN

#### ARTICLE 1 GENERAL

##### 1.1 Purpose

The purpose of this Plan is to advance the interests of the Corporation by (i) providing Eligible Individuals with additional incentive; (ii) encouraging stock ownership by Eligible Individuals; (iii) increasing the proprietary interest of Eligible Individuals in the success of the Corporation; (iv) encouraging Eligible Individuals to remain with the Corporation or its Affiliates; and (v) attracting new employees and officers to the Corporation or its Affiliates.

##### 1.2 Administration

- (a) This Plan will be administered by the Board or a committee of the Board duly appointed for this purpose by the Board and consisting of not less than three directors. If a committee is appointed for this purpose, all references to the term "**Board**" will be deemed to be references to the committee.
- (b) Subject to the limitations of this Plan, the Board has the authority: (i) to grant Options to purchase Shares to Eligible Persons; (ii) to determine the terms, including the limitations, restrictions and conditions, if any, upon such grants; (iii) to interpret this Plan and to adopt, amend and rescind such administrative guidelines and other rules and regulations relating to this Plan as it may from time to time deem advisable, subject to required prior approval by any applicable regulatory authority and/or shareholders; and (iv) to make all other determinations and to take all other actions in connection with the implementation and administration of this Plan as it may deem necessary or advisable. The Board's guidelines, rules, regulations, interpretations and determinations will be conclusive and binding upon all parties.

##### 1.3 Interpretation

For the purposes of this Plan, the following terms will have the following meanings unless otherwise defined elsewhere in this Plan:

- (a) "**Affiliate**" means any corporation that is an affiliate of the Corporation as defined in Securities Act (Ontario) as may be amended from time to time;
- (b) "**Associate**", where used to indicate a relationship with any person or company, is as defined in the *Securities Act* (Ontario), as may be amended from time to time;
- (c) "**Board**" means the Board of Directors of the Corporation or a committee thereof appointed in accordance with the Plan;



- (d) **“Change of Control”** means the occurrence of any one or more of the following events:
- (i) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Corporation or any of its Affiliates and another corporation or other entity, as a result of which the holders of Shares prior to the completion of the transaction hold less than 50% of the outstanding shares of the successor corporation after completion of the transaction;
  - (ii) the sale, lease, exchange or other disposition, in a single transaction or a series of related transactions, of assets, rights or properties of the Corporation and/or any of its Affiliates which have an aggregate book value greater than 30% of the book value of the assets, rights and properties of the Corporation and its Affiliates on a consolidated basis to any other person or entity, other than a disposition to a wholly-owned Affiliate of the Corporation in the course of a reorganization of the assets of the Corporation and its Affiliates;
  - (iii) a resolution is adopted to wind-up, dissolve or liquidate the Corporation;
  - (iv) any person, entity or group of persons or entities acting jointly or in concert (an **“Acquiror”**) acquires or acquires control (including, without limitation, the right to vote or direct the voting) of Voting Securities which, when added to the Voting Securities owned of record or beneficially by the Acquiror or which the Acquiror has the right to vote or in respect of which the Acquiror has the right to direct the voting, would entitle the Acquiror and/or Associates and/or Affiliates of the Acquiror to cast or to direct the casting of 20% or more of the votes attached to all of the Corporation’s outstanding Voting Securities which may be cast to elect directors of the Corporation or the successor corporation (regardless of whether a meeting has been called to elect directors);
  - (v) as a result of or in connection with: (A) a contested election of directors, or (B) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisitions involving the Corporation or any of its Affiliates and another corporation or other entity, the nominees named in the most recent Management Information Circular of the Corporation for election to the Board shall not constitute a majority of the Board; or
  - (vi) the Board adopts a resolution to the effect that a Change of Control as defined herein has occurred or is imminent.
- For the purposes of the foregoing, **“Voting Securities”** means Shares and any other shares entitled to vote for the election of directors and shall include any security, whether or not issued by the Corporation, which are not shares entitled to vote for the election of directors but are convertible into or exchangeable for shares which are entitled to vote for the election of directors including any options or rights to purchase such shares or securities.
- (e) **“Consultant”** means, in relation to the Corporation, an individual or a consultant Corporation, other than an employee, officer or a director of the Corporation, that:

- (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Corporation or to an Affiliate of the Corporation, other than services provided in relation to a distribution;
- (ii) provides the services under a written contract between the Corporation or the Affiliate and the individual or the consultant companies;
- (iii) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or an Affiliate of the Corporation; and

has a relationship with the Corporation or an Affiliate of the Corporation that enables the individual to be knowledgeable about the business and affairs of the Corporation.

- (f) **“Corporation”** means Geodrill Limited and includes any successor corporation thereof;
- (g) **“Eligible Individual”** means any officer, director, employee or Consultant of (i) the Corporation, or (ii) any Affiliate (and includes any such person who is on a leave of absence authorized by the Board or the board of directors of any Affiliate);
- (h) **“Eligible Person”** means, subject to all applicable law, any Eligible Individual, Holding Company or Eligible Individual’s RRSP;
- (i) **“Expiry Date”** shall have the meaning ascribed to such term in paragraph 2.2(a) of this Plan;
- (j) **“Holding Company”** means a corporation wholly-owned by an Eligible Individual, the issued and outstanding voting shares of which are, and will continue to be, beneficially owned, directly or indirectly, by such Eligible Individual and/or the spouse, children and/or grandchildren of such Eligible Individual;
- (k) **“Insider”** means: (i) an insider as defined in the Securities Act (Ontario) other than a person who is an Insider solely by virtue of being a director or senior officer of a Affiliate; and (ii) an Associate of any person who is an insider by virtue of (i);
- (l) **“Market Price”** means the volume weighted average trading price of the Shares, calculated by dividing the total value by the total volume of Shares on the TSX, or another stock exchange where the majority of the trading volume and value of the Shares occurs, for the five trading days immediately preceding the day the Option is granted;
- (m) **“Option”** means a right granted to an Eligible Person to purchase Shares pursuant to the terms of this Plan;
- (n) **“Participant”** for the Plan means each Eligible Person to whom Options are granted;
- (o) **“Plan”** means the Corporation’s Stock Option Plan, as same may be amended from time to time;

- (p) “**Retirement**” means an Eligible Individual ceasing to be an employee or officer of the Corporation or an Affiliate after attaining a stipulated age in accordance with the Corporation’s normal retirement policy or earlier with the Corporation’s consent;
- (q) “**Retirement Date**” means the date on which a Participant ceases to be an Eligible Individual due to the Retirement of the Eligible Individual;
- (r) “**RRSP**” means a registered retirement savings plan;
- (s) “**Shares**” means the ordinary shares in the capital of the Corporation;
- (t) “**Termination**” means: (i) in the case of an employee, the termination of the employment of the employee with or without cause by the Corporation or an Affiliate or cessation of employment of the employee with the Corporation or an Affiliate as a result of resignation or otherwise other than the Retirement of the employee; (ii) in the case of an officer or director, the removal of or failure to re-elect or re-appoint the individual as an officer or director of the Corporation or an Affiliate (other than through the Retirement of an officer); and (iii) in the case of a Consultant, the termination of the consulting agreement with or without cause by the Corporation or an Affiliate or cessation of consulting services of the consultant to the Corporation or an Affiliate as a result of resignation or otherwise;
- (u) “**Termination Date**” means the date on which a Participant ceases to be an Eligible Individual due to the Termination of the Eligible Individual;
- (v) “**Transfer**” includes any sale, exchange, assignment, gift, bequest, disposition, mortgage, charge, pledge, encumbrance, grant of security interest or other arrangement by which possession, legal title or beneficial ownership passes from one person to another, or to the same person in a different capacity, whether or not voluntary and whether or not for value, and any agreement to effect any of the foregoing; and
- (w) “**TSX**” means the Toronto Stock Exchange.

Words importing the singular number include the plural and vice versa and words importing the masculine gender include the feminine.

This Plan is to be governed by and interpreted in accordance with the laws of the Isle of Man.

#### **1.4 Shares Reserved under the Stock Option Plan**

- (a) The aggregate maximum number of Shares available for issuance from treasury under this Plan, subject to adjustment pursuant to Section 3.3, shall not exceed 10% of the issued and outstanding Shares at the time of grant. Any Shares subject to an Option which has been granted under the Plan and which Option has been cancelled or terminated in accordance with the terms of the Plan without having been exercised will again be available under the Plan.
- (b) The maximum number of Shares issuable to Insiders, at any time, pursuant to this Plan and any other security based compensation arrangements of the Corporation is 10% of the total number of Shares then outstanding. The maximum number of Shares issued to Insiders, within any one year period, pursuant to this Plan and any other security based compensation

arrangements of the Corporation is 10% of the total number of Shares then outstanding. For purposes of this Section 1.4, the number of Shares then outstanding shall mean the number of Shares outstanding on a non-diluted basis immediately prior to the proposed grant of the applicable Option.

## **ARTICLE 2 OPTION GRANTS AND TERMS OF OPTIONS**

### **2.1 Option Grants**

Subject to this Plan, the Board will have the authority to determine the limitations, restrictions and conditions, if any, in addition to those set out in this Plan, applicable to the exercise of an Option, including, without limitation, the nature and duration of the restrictions, if any, to be imposed upon the sale or other disposition of Shares acquired upon exercise of the Option, and the nature of the events, if any, and the duration of the period in which any Participant's rights in respect of Shares acquired upon exercise of an Option may be forfeited. An Eligible Person may receive Options on more than one occasion under this Plan and may receive separate Options on any one occasion.

### **2.2 Option Terms**

- (a) Options granted must be exercised no later than five years after the date of grant or such lesser period as the applicable grant may require (the **"Expiry Date"**). In the event that any Option expires during, or within 48 hours after, a blackout period on trading securities of the Corporation, such Expiry Date will become the tenth day following the end of the blackout period.
- (b) The Board may determine when any Option will become exercisable and may determine that the Option will be exercisable in installments or pursuant to a vesting schedule.
- (c) No fractional Shares may be issued and the Board may determine the manner in which fractional Share value will be treated.
- (d) A minimum of 100 Shares must be purchased by a Participant upon exercise of Options at any one time, except where the remainder of Shares available for purchase pursuant to Options granted to such Participant totals less than 100.
- (e) Shares issued on the exercise of an Option may be subject to a hold period if imposed by the TSX or under applicable securities laws, in which case the certificates representing such Shares shall be legended accordingly.

### **2.3 Option Price**

The Board will establish the exercise price of an Option at the time each Option is granted, provided that such price shall not be less than the Market Price.

### **2.4 Grant to Participant's RRSP or Holding Company**

Upon written notice from an Eligible Individual, any Option that might otherwise be granted to that Eligible Individual will be granted, in whole or in part, to an RRSP or a Holding Company.

## 2.5 Termination, Retirement or Death

- (a) In the event of the Termination of an Eligible Individual, each Option held by the Eligible Individual or the Eligible Individual's Holding Company or RRSP, as applicable, will cease to be exercisable within a period of 30 days after the Termination Date, or such longer period as determined by the Board. For greater certainty, such determination of a longer period may be made at any time subsequent to the date of grant of the Options, provided that no Option shall remain outstanding for any period which exceeds: (i) the Expiry Date of such Option; or (ii) such earlier date as the Board may determine. If any portion of an Option held by a terminated Eligible Individual or such Eligible Individual's Holding Company or RRSP, as applicable, has not vested on the Termination Date, the Participant holding such Option may not, after the Termination Date, exercise such portion of the Option which has not vested, provided that the Board may determine at any time, including for greater certainty at any time subsequent to the date of grant of the Options, that such portion of the Option vests automatically or pursuant to a vesting schedule determined by the Board. Without limitation, and for greater certainty only, this subsection (a) will apply regardless of whether the Eligible Individual was dismissed with or without cause and regardless of whether the Eligible Individual received compensation in respect of dismissal or was entitled to a period of notice of termination which would otherwise have permitted a greater portion of the Option to vest.
- (b) In the event of the Retirement of an Eligible Individual, each Option held by the Eligible Individual or the Eligible Individual's Holding Company or RRSP, as applicable, will cease to be exercisable within a period of 30 days after the Retirement Date, or such longer period as determined by the Board. For greater certainty, such determination of a longer period may be made at any time subsequent to the date of grant of the Options, provided that no Option shall remain outstanding for any period which exceeds: (i) the Expiry Date of such Option; or (ii) such earlier date as the Board may determine. If any portion of an Option held by a retired Eligible Individual or such Eligible Individual's Holding Company or RRSP, as applicable, has not vested on the Retirement Date, the Participant holding such Option may not, after the Retirement Date, exercise such portion of the Option which has not vested, provided that the Board may determine at any time, including for greater certainty at any time subsequent to the date of grant of the Options, that such portion of the Option vests automatically or pursuant to a vesting schedule determined by the Board.
- (c) If an Eligible Individual dies, the personal representatives, heirs or legatees of the deceased Eligible Individual may exercise the Options held by the deceased Eligible Individual or the deceased Eligible Individual's Holding Company or RRSP, as applicable, within a period of time after the date of the Eligible Individual's death as determined by the Board, for greater certainty such determination may be made at any time subsequent to the date of grant of the Options, provided that no Option shall remain outstanding for any period which exceeds: (i) the Expiry Date of such Option; or (ii) such earlier date as the Board may determine. If any portion of an Option held by a deceased Eligible Individual or such Eligible Individual's Holding Company or RRSP, as applicable, has not vested on the Eligible Individual's date of death, the personal representatives, heirs or legatees of the deceased Eligible Individual holding such Option may not, after the date of death of the Eligible Individual, exercise such portion of the Option which has not vested, provided that the Board may determine at any time, including for greater certainty at any time subsequent to the date of grant of the Options, that such portion of the Option vests automatically or pursuant to a vesting schedule determined by the Board. If the personal representative, heir

or legatee of a deceased Eligible Individual exercises the Option of the deceased Eligible Individual in accordance with the terms of this Plan, the Corporation will have no obligation to issue the Shares until evidence satisfactory to the Corporation has been provided by the personal representative, heir or legatee that it is entitled to act on behalf of the deceased Eligible Individual to purchase the Shares under this Plan.

## **2.6 Option Agreements**

Each Option must be confirmed, and will be governed, by an agreement in a form determined by the Board and signed by the Corporation and the Eligible Individual, an RRSP of which the Eligible Individual is an annuitant, or the Eligible Individual's Holding Company, as applicable.

## **2.7 Payment of Exercise Price**

The exercise price of each Share purchased under an Option must be paid in full by bank draft, certified cheque or wire transfer at the time of exercise, and upon receipt of payment in full, but subject to the terms of this Plan, the number of Shares in respect of which the Option is exercised will be duly issued as fully paid and non-assessable. Share certificates representing the number of Shares in respect of which the Option has been exercised will be issued only upon payment in full of the relevant exercise price to the Corporation.

# **ARTICLE 3 MISCELLANEOUS**

## **3.1 Change of Control**

- (a) Notwithstanding any other provision of this Plan, in the event of a potential Change of Control, the Board will have the power, subject to any required stock exchange or regulatory approvals, but without the necessity or requirement for the agreement of any Participant: (i) to terminate, conditionally or otherwise and on such terms as it sees fit, any or all of the Options not exercised following the successful completion of such Change of Control; and (ii) subject to this Section 3.1, to accelerate the Expiry Date and/or the vesting of any or all of the Options or otherwise modify the terms of any or all of the Options to assist Participants to obtain the advantage of holding Shares during the Change of Control. The Board will promptly notify each Participant in writing of any acceleration of the Expiry Date and/or the vesting of any or all of the Options, as the case may be.
- (b) If the Board exercises its discretion under this Section 3.1 to accelerate Expiry Dates and/or the vesting of any or all Options, the Board may determine that any exercise will, until the completion of such Change of Control, be conditional. In such case, a Participant that wishes to exercise his or her Options, must deliver an exercise notice together with the aggregate exercise price in the manner specified in this Plan and the related option agreement, which will each be held in trust by the Corporation. If the Change of Control referred to in this Section 3.1 is completed at the time specified therein (as the same may be extended in accordance with applicable law), the exercise will be deemed to be unconditional and the aggregate exercise price will be applied to the purchase of Shares, which shall be deemed to occur immediately prior to the Change of Control, as specified in the exercise notice. If the Change of Control referred to in this Section 3.1 is not completed at the time specified therein (as the same may be extended in accordance with applicable law), the exercise notice and the aggregate exercise price will be returned to the Participant. The Board may make such other modifications to the Plan, including the

specific requirements of this Section 3.1, in order to facilitate the conditional exercise and participation by Participants in the Change of Control as may be necessary or advisable.

- (c) If the Change of Control referred to in this Section 3.1 is not completed within the time specified therein (as the same may be extended in accordance with applicable law), the Options that vested pursuant to this Section 3.1 will be reinstated as unvested Options and the original terms applicable to such Options will apply.

### **3.2 Prohibition on Transfer of Options**

Options are personal to each Eligible Person. No Eligible Person may deal with any Options or any interest in them or Transfer any Options now or hereafter held by the Eligible Person, except as provided in Section 2.4. If a Holding Company ceases to be wholly-owned and controlled by an Eligible Individual and/or the spouse, children and/or grandchildren of such Participant, such change in ownership or control shall be deemed to be an improper Transfer of all of the Options held by such Holding Company. An improper Transfer of any Options will not create any rights in the purported transferee, will cause the immediate termination of the Options, and the Corporation will not issue any Shares upon the attempted exercise of improperly Transferred Options.

### **3.3 Capital Adjustments**

If there is any change in the outstanding Shares by reason of a stock dividend or split, recapitalization, consolidation, combination or exchange of shares, or other fundamental corporate change, the Board will make, subject to any prior approval required of relevant stock exchanges or other applicable regulatory authorities, if any, an appropriate substitution or adjustment in (i) the exercise price of any unexercised Options under this Plan; (ii) the number or kind of shares or other securities reserved for issuance pursuant to this Plan; and (iii) the number and kind of shares subject to unexercised Options theretofore granted under this Plan; provided, however, that no substitution or adjustment will obligate the Corporation to issue or sell fractional shares. In the event of the reorganization of the Corporation or the amalgamation or consolidation of the Corporation with another corporation, the Board may make such provision for the protection of the rights of Participants as the Board in its discretion deems appropriate. The determination of the Board, as to any adjustment or as to there being no need for adjustment, will be final and binding on all parties.

### **3.4 Non-Exclusivity**

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

### **3.5 Amendment and Termination**

Except as otherwise set out below, the Board shall seek shareholder and regulatory approval for any amendments to the Plan. The Board may discontinue the Plan at any time without first obtaining shareholder approval, provided that, without the consent of a Participant, such discontinuance may not in any manner adversely affect the Participant's rights under any Option granted under the Plan.

The Board may, subject to receipt of requisite regulatory approval, where required, and without further shareholder approval, in its sole discretion make the following amendments to the Plan:

- (a) amending typographical, clerical and grammatical errors;
- (b) reflecting changes to applicable corporate, securities or tax laws or to accommodate changes in the rules of applicable stock exchange on which the Shares are listed;
- (c) changing the termination provisions of an Option or the Plan which do not entail an extension beyond the original Expiry Date;
- (d) to clarify any ambiguity or correct inconsistencies and minor errors in the Plan;
- (e) including the addition of a cashless exercise feature, payable in cash or securities, which provides for a full deduction of the number of underlying securities from the Plan reserve; and
- (f) ensuring that the Options granted under the Plan will comply with any provisions respecting income tax and other laws in force in any country or jurisdiction of which a Participant may from time to time be resident or a citizen.

Notwithstanding the foregoing, the Corporation shall obtain requisite shareholder approval in respect of amendments to the Plan to the extent such approval is required by any applicable laws or regulations.

### **3.6 Compliance with Legislation**

The Board may postpone or adjust any exercise of any Option or the issuance of any Shares pursuant to this Plan as the Board in its discretion may deem necessary in order to permit the Corporation to effect or maintain registration of this Plan or the Shares issuable pursuant thereto under the securities laws of any applicable jurisdiction, or to determine that the Shares and this Plan are exempt from such registration. The Corporation is not obligated by any provision of this Plan or any grant hereunder to sell or issue Shares in violation of any applicable law. In addition, if the Shares are listed on a stock exchange, the Corporation will have no obligation to issue any Shares pursuant to this Plan unless the Shares have been duly listed, upon official notice of issuance, on a stock exchange on which the Shares are listed for trading. The obligation of the Corporation to sell and deliver Shares in accordance with the Plan is subject to the approval of any governmental authority having jurisdiction or any stock exchanges on which the Shares are listed for trading which may be required in connection with the authorization, issuance or sale of such Shares by the Corporation. If any Shares cannot be issued to any Optionee for any reason including, without limitation, the failure to obtain such approval, then the obligation of the Corporation to issue such Shares shall terminate and any exercise price paid by an Optionee to the Corporation shall be returned to the Optionee without interest or deduction.

### **3.7 Withholding Taxes**

The exercise of each Option granted under this Plan is subject to the condition that if at any time the Corporation determines, in its discretion, that the satisfaction of withholding tax or other withholding liabilities is necessary or desirable in respect of such exercise, such exercise is not effective unless such withholding has been effected to the satisfaction of the Corporation. In such circumstances, the Corporation may require that a Participant pay to the Corporation, in addition to and in the same manner as the Option price for the Shares, such amount as the Corporation is obliged to remit to the relevant taxing authority in respect of the exercise of the Option (or alternatively, the Corporation shall have the right in its discretion to satisfy any such liability for withholding or other required deduction amounts by retaining or acquiring



any Option shares, or retaining any amount payable, which would otherwise be issued or delivered, provided or paid to a Participant under the Plan).

### **3.8 Employment**

Nothing contained in the Plan shall confer upon any Participant any right with respect to employment or continuance of employment with the Corporation or any Affiliate, or interfere in any way with the right of the Corporation or any Affiliate, to terminate the Participant's employment at any time. Participation in the Plan by an Participant is voluntary.

### **3.9 No Shareholder Rights**

An Participant shall not have any rights as a shareholder of the Corporation with respect to any of the Shares covered by an Option until the Participant exercises such Option in accordance with the terms of the Plan and the issuance of the Shares by the Corporation.

### **3.10 Effective Date**

This Plan shall be effective on November 15, 2010.  
Approval by the Board on November 15, 2010

## SCHEDULE “C”

### RESOLUTION IN RESPECT OF THE RE-APPROVAL OF THE STOCK OPTION PLAN

#### BE IT HEREBY RESOLVED THAT:

1. The stock option plan of the Corporation (the “**Stock Option Plan**”) as described in the management information circular of the Corporation dated April 9, 2020 (the “**Circular**”) be authorized, confirmed and re-approved as the stock option plan of the Corporation, and all unallocated options, rights or other entitlements thereunder be hereby authorized, confirmed and approved, and the Corporation has the ability to continue granting options under the Stock Option Plan until May 13, 2023, which is the date that is three (3) years from the date where shareholder approval is being sought, and the Corporation must subsequently seek approval again for the Stock Option Plan on or before May 13, 2023;
2. the number of ordinary shares of the Corporation issuable pursuant to the Stock Option Plan be confirmed as 10% of the total number of ordinary shares of the Corporation issued and outstanding from time to time, subject to any limitations imposed by applicable regulations, laws, rules and policies; and
3. any director or officer of the Corporation is hereby authorized and directed, acting for, in the name of and on behalf of the Corporation, to execute or cause to be executed, under the seal of the Corporation or otherwise and to deliver or to cause to be delivered, all such other deeds, documents, instruments and assurances and to do or cause to be done all such other acts as in the opinion of such director or officer of the Corporation may be necessary or desirable to carry out the terms of the foregoing resolutions.