

**CONTINENTAL GOLD INC.
DEFERRED SHARE UNIT PLAN**

**ARTICLE ONE
DEFINITIONS AND INTERPRETATION**

Section 1.01 **Definitions:** For purposes of this Deferred Share Unit Plan, unless such word or term is otherwise defined herein or the context in which such word or term is used herein otherwise requires, the following words and terms with the initial letter or letters thereof capitalized shall have the following meanings:

- (a) "Act" means the *Business Corporations Act* (Ontario) or its successor, as amended from time to time;
- (b) "Affiliate" means any corporation that is an Affiliated Entity of the Company;
- (c) "Affiliated Entity" means with respect to the Company, a person or company that controls or is controlled by the Company or that is controlled by the same person or company that controls the Company. A company shall be deemed to be controlled by another person or company or by two or more companies if,
 - (i) voting securities of the first-mentioned company carrying more than 50 per cent of the votes for the election of directors are held, otherwise than by way of security only, by or for the benefit of the other person or company or by or for the benefit of the other companies; and
 - (ii) the votes carried by such securities are entitled, if exercised, to elect a majority of the board of directors of the first-mentioned company.
- (d) "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;
- (e) "Base Compensation" has the meaning ascribed thereto in Section 3.02 of this Deferred Share Unit Plan;
- (f) "Board" means the board of directors of the Company from time to time;
- (g) "Change of Control" means the occurrence of any one or more of the following events:
 - (i) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Company or any of its Affiliates and another corporation or other entity, as a result of which the holders of Common Shares immediately 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 Company and/or any of its Subsidiaries which have an aggregate book value greater than 30% of the book value of the assets, rights and properties of the Company and its Subsidiaries on a consolidated basis to any other person or entity, other than a disposition to a wholly-owned Subsidiary of the Company in the course of a reorganization of the assets of the Company and its Subsidiaries;
 - (iii) a resolution is adopted to wind-up, dissolve or liquidate the Company;
 - (iv) any person, entity or group of persons or entities acting jointly or in concert (an "Acquiror") acquires or acquires control (including, without limitation, the right to vote or direct the voting) of Voting Securities of the Company which, when added to the Voting Securities owned of record or beneficially by the Acquiror or which the Acquiror has the right to vote or in respect of which the Acquiror has the right to direct the voting, would entitle the Acquiror and/or Associates and/or affiliates of the Acquiror (as such terms are defined in the Act) to cast or to direct the casting of 20% or more of the votes attached to all of the Company's outstanding Voting Securities which may be cast to elect directors of the Company or the successor corporation (regardless of whether a meeting has been called to elect directors);
 - (v) as a result of or in connection with: (A) a contested election of directors, or; (B) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisitions involving the Company or any of its affiliates and another corporation or other entity, the nominees named in the most recent management information circular of the Company for election to the Board (or replacements designated by such nominees) 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.
- (h) "Committee" means the Board or if the Board so determines in accordance with Section 2.03 of this Deferred Share Unit Plan, the committee of the Board authorized to administer this Deferred Share Unit Plan, which may include any compensation committee of the Board;

- (i) "Common Shares" means the common shares of the Company to be issued from treasury, as adjusted in accordance with the provisions of Article Five of this Deferred Share Unit Plan;
- (j) "Company" means Continental Gold Inc., a corporation existing under the Act;
- (k) "Deferred Share Unit" means the agreement by the Company to pay, and the right of the Participant to receive, a Deferred Share Unit Payment for each Deferred Share Unit held, evidenced by way of book-keeping entry in the books of the Company and administrated pursuant to this Deferred Share Unit Plan;
- (l) "Deferred Share Unit Grant Date" has the meaning ascribed thereto in Section 3.02 of this Deferred Share Unit Plan;
- (m) "Deferred Share Unit Grant Letter" has the meaning ascribed thereto in Section 3.03 of this Deferred Share Unit Plan;
- (n) "Deferred Share Unit Payment" means, subject to any adjustment in accordance with Section 5.06 of this Deferred Share Unit Plan, the issuance to a Participant of one previously unissued Deferred Share for each whole Deferred Share Unit credited to such Participant;
- (o) "Deferred Share Unit Plan" means this deferred share unit plan, as further described in Article Three hereof;
- (p) "Deferred Shares" means the Common Shares issuable in satisfaction of Deferred Share Units;
- (q) "Designated Affiliate" means the subsidiaries of the Company designated by the Committee from time to time for the purposes of this Deferred Share Unit Plan;
- (r) "Eligible Directors" means the directors of the Company and the directors of any Designated Affiliate from time to time;
- (s) "Eligible Employees" means full-time and part-time employees, including officers, whether directors or not, of the Company or any Designated Affiliate;
- (t) "Insider" shall have the meaning ascribed thereto 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 Subsidiary of the Company and any Associate of an Insider;
- (u) "Market Value" means the average closing price of the Common Shares on the Stock Exchange on the five trading days immediately prior to the date as of which Market Value is determined. If the Common Shares are not trading on the Stock Exchange, then the Market Value shall be determined based on the trading price on such stock exchange or over-the-counter market on which the Common Shares are listed and posted for trading as may be selected for such purpose by the Committee on the date as of which Market Value is determined. In the event that the Common Shares are not listed and posted for trading on any stock exchange or over-the-counter market, the Market Value shall be the fair market value of such Common Shares as determined by the Committee in its sole discretion;
- (v) "non-employee Eligible Director" means an Eligible Director of the Company who is not also an officer of the Company;
- (w) "Notice of Redemption" means written notice, on a prescribed form, by the Participant, or the administrator or liquidator of the estate of a Participant, to the Corporation of the Participant's wish to redeem his or her Deferred Share Units;
- (x) "Participant" means each Eligible Director and Eligible Employee to whom Deferred Share Units are granted;
- (y) "Retirement" in respect of a Participant means the Participant ceasing to hold any employment (including any directorships) with the Company or any Designated Affiliate after attaining a stipulated age in accordance with the Company's normal retirement policy, or earlier with the Company's consent;
- (z) "Retirement Date" means the date that a Participant ceases to hold any employment (including any directorships) with the Company or any Designated Affiliate pursuant to such Participant's Retirement or Termination;
- (aa) "Stock Exchange" means, the Toronto Stock Exchange;
- (bb) "Subsidiary" means a corporation which is a subsidiary of the Company as defined under the Act;
- (cc) "Termination" means: (i) in the case of an Eligible Employee, the termination of the employment of the Eligible Employee with or without cause by the Company or a Designated Affiliate or cessation of employment of the Eligible Employee with the Company or a Designated Affiliate as a result of resignation or otherwise, other than the Retirement of the Eligible Employee; and (ii) in the case of an Eligible Director, the removal of or failure to re-elect the Eligible Director as a director of the Company or a Designated Affiliate; and

- (dd) “Voting Securities” means Common Shares and/or any other securities (other than debt securities) that carry a voting right either under all circumstances or under some circumstances that have occurred and are continuing.

Section 1.02 **Headings:** The headings of all articles, Sections, and paragraphs in this Deferred Share Unit Plan are inserted for convenience of reference only and shall not affect the construction or interpretation of this Deferred Share Unit Plan.

Section 1.03 **Context, Construction:** Whenever the singular or masculine are used in this Deferred Share Unit Plan, the same shall be construed as being the plural or feminine or neuter or vice versa where the context so requires.

Section 1.04 **References to this Deferred Share Unit Plan:** The words “hereto”, “herein”, “hereby”, “hereunder”, “hereof” and similar expressions mean or refer to this Deferred Share Unit Plan as a whole and not to any particular article, Section, paragraph or other part hereof.

Section 1.05 **Canadian Funds:** Unless otherwise specifically provided, all references to dollar amounts in this Deferred Share Unit Plan are references to lawful money of Canada.

ARTICLE TWO

PURPOSE AND ADMINISTRATION OF THE DEFERRED SHARE PLAN

Section 2.01 **Purpose of the Deferred Share Unit Plan:** This Deferred Share Unit Plan strengthens the alignment of interests between the shareholders of the Company and the employees and directors of the Company and its Designated Affiliates by linking a portion of annual compensation to the future value of the Common Shares. In addition, the Deferred Share Unit Plan advances the interests of the Company through the motivation, attraction and retention of employees and directors of the Company and its Designated Affiliates, it being generally recognized that deferred share unit plans aid in attracting, retaining and encouraging employees and directors commitment and performance by offering them the opportunity to receive compensation in line with the value of the Common Shares.

Section 2.02 **Administration of the Deferred Share Unit Plan:** This Deferred Share Unit Plan shall be administered by the Committee and the Committee shall have full authority to administer this Deferred Share Unit Plan, including the authority to interpret and construe any provision of this Deferred Share Unit Plan and to adopt, amend and rescind such rules and regulations for administering this Deferred Share Unit Plan as the Committee may deem necessary in order to comply with the requirements of this Deferred Share Unit Plan. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and conclusive and shall be binding on the Participants and the Company. No member of the Committee shall be personally liable for any action taken or determination or interpretation made in good faith in connection with this Deferred Share Unit Plan and all members of the Committee shall, in addition to their rights as directors of the Company, be fully protected, indemnified and held harmless by the Company with respect to any such action taken or determination or interpretation made. The appropriate officers of the Company are hereby authorized and empowered to do all things and execute and deliver all instruments, undertakings and applications and writings as they, in their absolute discretion, consider necessary for the implementation of this Deferred Share Unit Plan and of the rules and regulations established for administering this Deferred Share Unit Plan. All costs incurred in connection with this Deferred Share Unit Plan shall be for the account of the Company.

Section 2.03 **Delegation to Committee:** All of the powers exercisable hereunder by the Board may, to the extent permitted by applicable law and as determined by resolution of the Board, be exercised by a committee of the Board comprised of not less than three directors, including any compensation committee of the Board.

Section 2.04 **Record Keeping:** The Company shall maintain a register in which shall be recorded:

- (a) the name and address of each Participant in this Deferred Share Unit Plan;
- (b) the number of Deferred Share Units granted to each Participant under this Deferred Share Unit Plan;
- (c) the number of Deferred Share Units credited to each Participant pursuant to Section 3.06 of this Deferred Share Unit Plan;
- (d) the number of Deferred Shares issued to each Participant under this Deferred Share Unit Plan;
- (e) the date on which Deferred Share Units were granted or credited to each Participant; and
- (f) the date of redemption of the Deferred Share Units.

Section 2.05 **Determination of Participants and Participation:** The Committee shall from time to time determine the Participants who may participate in this Deferred Share Unit Plan.

Section 2.06 **Maximum Number of Shares:**

- (a) The maximum number of Common Shares made available for this Deferred Share Unit Plan shall be 250,000 Common Shares, subject to adjustments pursuant to Section 5.06.
- (b) The aggregate number of Common Shares issuable to Insiders pursuant to Deferred Share Units and all other security based compensation arrangements, at any time, shall not exceed 10% of the total number of Common Shares then outstanding. The aggregate number of Common Shares issued to Insiders pursuant to Deferred Share Units and all other security based compensation arrangements, within a one year period, shall not

exceed 10% of the total number of Common Shares then outstanding. The aggregate number of Common Shares reserved for issuance upon the exercise of Deferred Share Units to any one person or entity within any one year period under all security based compensation arrangements shall not exceed 5% of the total number of Common Shares then outstanding.

- (c) The aggregate number of securities granted under all security based compensation arrangements of the Company to any one non-employee Eligible Director within any one-year period shall not exceed a maximum value of C\$150,000 worth of securities. The value of securities granted under all security based compensation arrangements of the Company shall be determined using a generally accepted valuation model.
- (d) For the purposes of subsection (c) of this Section 2.06, the aggregate number of securities granted under all security based compensation arrangements of the Company shall be calculated without reference to the initial securities granted under the security based compensation arrangements to a person who was not previously an Insider of the Company, upon such person becoming or agreeing to become a director of the Company whereby the aggregate number of securities granted under all security based compensation arrangements of the Company in this initial grant to any one non-employee Eligible Director shall not exceed a maximum value of C\$150,000 worth of securities.
- (e) For purposes of this Section 2.06, the number of Common Shares then outstanding shall mean the number of Common Shares outstanding on a non-diluted basis immediately prior to the proposed grant of the applicable Deferred Share Units.

ARTICLE THREE

DEFERRED SHARE PLAN

Section 3.01 **Deferred Share Unit Plan:** A Deferred Share Unit Plan is hereby established for Eligible Employees and Eligible Directors.

Section 3.02 **Establishment and Payment of Base Compensation:** An annual compensation amount payable to Eligible Directors and Eligible Employees (the "Base Compensation") shall be established from time-to-time by the Board.

Each Participant may elect, subject to Committee approval, to receive in Deferred Share Units up to 100% of his or her Base Compensation by completing and delivering a written election to the Company on or before November 15th of the calendar year ending immediately before the calendar year with respect to which the election is made. Such election will be effective with respect to compensation payable for the calendar year following the date of such election.

Where an individual becomes a director or employee of the Company for the first time during a fiscal year and such individual has not previously participated in a compensation plan that is required to be aggregated with this Deferred Share Unit Plan for purposes of Section 2.06, such individual may elect to participate in the Deferred Share Unit Plan with respect to the fiscal year commencing after the Company receives such individual's written election, which election must be received by the Company no later than 30 days after such individual's appointment as a director or employee. For greater certainty, new directors and employees will not be entitled to receive Deferred Share Units pursuant to an election for the fiscal year in which they submit their first election to the Company. Elections hereunder shall be irrevocable with respect to compensation earned during the period to which such election relates.

All Deferred Share Units granted with respect to Base Compensation will be credited to the Participant's account when such Base Compensation is payable (the "Deferred Share Unit Grant Date"). The Participant's account will be credited with the number of Deferred Share Units calculated to the nearest thousandths of a Deferred Share Unit, determined by dividing the dollar amount of compensation payable in Deferred Share Units on the Grant Date by the Market Value. Fractional Deferred Shares will not be issued and any fractional entitlements will be rounded down to the nearest whole number.

The Committee may, from time to time and subject to applicable securities laws, also make additional determinations with respect to the number of Deferred Share Units to be issued (and the Deferred Share Unit Grant Date) to new Participants elected or appointed, or special grants of Deferred Share Units to Participants, in such numbers and at any time as the Committee deems appropriate. On each Deferred Share Unit Grant Date, the number of Deferred Share Units so determined by the Committee shall be granted by the Company to such Participant without any further action being required by the Committee or such Participant.

Section 3.03 **Deferred Share Unit Grant Letter:** Each grant of a Deferred Share Unit under this Deferred Share Unit Plan shall be evidenced by a Deferred Share Unit grant letter (a "Deferred Share Unit Grant Letter") issued to the Participant by the Company. Such Deferred Share Unit Grant Letter shall be subject to all applicable terms and conditions of this Deferred Share Unit Plan and may be subject to any other terms and conditions (including without limitation any recoupment, reimbursement or claw-back compensation policy as may be adopted by the Board from time to time) which are not inconsistent with this Deferred Share Unit Plan and which the Committee deems appropriate for inclusion in a Deferred Share Unit Grant Letter. The provisions of Deferred Share Unit Grant Letters issued under this Deferred Share Unit Plan need not be identical.

Section 3.04 **Redemption of Deferred Share Units and Issuance of Deferred Shares:** Each Participant shall be entitled to redeem his or her Deferred Share Units during the period commencing on the business day immediately following the Retirement Date and ending on the 90th day following the Retirement Date by providing a written Notice of Redemption to the Company.

Upon redemption, the Participant shall be entitled to receive and the Company shall issue, subject to the limitations set forth in Section 2.06 of this Deferred Share Unit Plan, a number of Deferred Shares issued from treasury equal to the number of Deferred Share Units in the Participant's account, subject to any applicable deductions and withholdings.

In the event a Participant resigns or is otherwise no longer an Eligible Director or Eligible Employee during such year, the Participant will only be entitled to a pro-rated Deferred Share Unit Payment in respect of such Deferred Share Units based on the number of days that the Participant was an Eligible Director or Eligible Employee in such year.

Any Deferred Share Unit which has been granted under the Deferred Share Unit Plan and which has been redeemed or otherwise terminated in accordance with the terms of the Deferred Share Unit Plan will again be available under the Deferred Share Unit Plan.

Section 3.05 Death or Disability of Participant: In the event of the total disability or death of a Participant, the legal personal representatives of the Participant shall provide a written Notice of Redemption to the Company in accordance with Section 3.04 of this Deferred Share Unit Plan.

Section 3.06 Payment of Dividends: Subject to the absolute discretion of the Committee, in the event that a dividend (other than share dividend) is declared and paid by the Company on the Common Shares, a Participant may be credited with additional Deferred Share Units. The number of such additional Deferred Share Units, if any, will be calculated by dividing (a) the total amount of the dividends that would have been paid to the Participant if the Deferred Share Units in the Participant's account on the dividend record date had been outstanding Common Shares (and the Participant held no other Common Shares), by (b) the Market Value on the date on which such dividends were paid.

Section 3.07 Change of Control: In the event of a Change of Control, all Deferred Share Units outstanding shall be redeemed for Deferred Shares immediately prior to the Change of Control.

Section 3.08 Necessary Approvals: This Deferred Share Unit Plan shall be subject to the approval of the shareholders of the Company to be given by a resolution passed at a meeting of the shareholders of the Company or by a written resolution of all of the shareholders of the Company in accordance with the Act and acceptance by the Stock Exchange or any regulatory authority having jurisdiction over the securities of the Company.

ARTICLE FOUR

WITHHOLDING TAXES

Section 4.01 Withholding Taxes: The Company or any Designated Affiliate may take such steps as are considered necessary or appropriate for the withholding of any taxes or other amounts which the Company or any Designated Affiliate is required by any law or regulation of any governmental authority whatsoever to withhold in connection with any Deferred Share Unit, Common Share, including, without limiting the generality of the foregoing, the withholding of all or any portion of any payment or the withholding of the issue of Common Shares to be issued under this Deferred Share Unit Plan, until such time as the Participant has paid the Company or any Designated Affiliate for any amount which the Company or Designated Affiliate is required to withhold by law with respect to such taxes or other amounts. Without limitation to the foregoing, the Committee may adopt administrative rules under the Plan, which provide for the automatic sale of Deferred Shares (or a portion thereof) in the market upon the issuance of such shares under this Deferred Share Unit Plan on behalf of the Participant to satisfy withholding obligations under the Plan.

ARTICLE FIVE

GENERAL

Section 5.01 Term of the Deferred Share Unit Plan: This Deferred Share Unit Plan shall become effective on the date on which it is approved by the shareholders of the Company and shall remain in effect until it is terminated by the Board.

Section 5.02 Amendment of the Deferred Share Unit Plan: The Committee may from time to time in the absolute discretion of the Committee (without shareholder approval) amend, modify and change the provisions of this Deferred Share Unit Plan, including, without limitation:

- (i) amendments of a house keeping nature; and
- (ii) a change to the termination provisions of a Deferred Share Unit or the Deferred Share Unit Plan.

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

- (a) materially increase the benefits of the holder under this Deferred Share Unit Plan to the detriment of the Company and its shareholders;
- (b) increase the number of Common Shares or maximum percentage of Common Shares, other than by virtue of Sections 5.06 and 5.08 of this Deferred Share Unit Plan, which may be issued pursuant to this Deferred Share Unit Plan;
- (c) reduce the range of amendments requiring shareholder approval contemplated in this Section 5.02;
- (d) change the insider participation limits which would result in shareholder approval to be required on a disinterested basis;

- (e) increase the limits imposed on non-employee Eligible Directors in subsections (c) or (d) of Section 2.06;
- (f) permit Deferred Share Units to be transferred other than for normal estate settlement purposes; or
- (g) materially modify the requirements as to eligibility for participation in this Deferred Share Unit Plan;

shall only be effective upon such amendment, modification or change being approved by the shareholders of the Company. In addition, any such amendment, modification or change of any provision of this Deferred Share Unit Plan shall be subject to the approval, if required, by any regulatory authority having jurisdiction over the securities of the Company.

Section 5.03 Non-Assignable: Except as otherwise may be expressly provided for under this Deferred Share Unit Plan or pursuant to a will or by the laws of descent and distribution, no Deferred Share Unit and no other right or interest of a Participant is assignable or transferable.

Section 5.04 Rights as a Shareholder: No holder of any Deferred Share Units shall have any rights as a shareholder of the Company by virtue of holding Deferred Share Units. Except as provided for in Section 3.06 and subject to Section 5.06, no holder of any Deferred Share Units shall be entitled to receive, and no adjustment shall be made for, any dividends, distributions or any other rights declared for shareholders of the Company.

Section 5.05 No Contract of Employment: Nothing contained in this Deferred Share Unit Plan shall confer or be deemed to confer upon any Participant the right to continue in the employment of, or to provide services to, the Company or any Designated Affiliate nor interfere or be deemed to interfere in any way with any right of the Company or any Designated Affiliate to discharge any Participant at any time for any reason whatsoever, with or without cause. Participation in this Deferred Share Unit Plan by a Participant shall be voluntary. Notwithstanding the foregoing, unless a Participant otherwise informs the Company in writing, each Participant agrees to be bound by the terms of this Deferred Share Unit Plan and any applicable Deferred Share Unit Grant Letter with respect to Deferred Share Units granted to such Participant.

Section 5.06 Adjustment in Number of Shares Subject to the Deferred Share Unit Plan: In the event there is any change in the Common Shares, whether by reason of a share dividend, consolidation, subdivision, reclassification or otherwise, an appropriate adjustment shall be made by the Committee in:

- (a) the number of Common Shares available under this Deferred Share Unit Plan; and
- (b) the number of Common Shares subject to any Deferred Share Units.

If the foregoing adjustment shall result in a fractional Common Share, the fraction shall be disregarded. All such adjustments shall be conclusive, final and binding for all purposes of this Deferred Share Unit Plan.

Section 5.07 No Representation or Warranty: The Company makes no representation or warranty as to the future market value of any Common Shares issued in accordance with the provisions of this Deferred Share Unit Plan.

Section 5.08 Compliance with Applicable Law: If any provision of this Deferred Share Unit Plan or any Deferred Share Unit contravenes any law or any order, policy, by-law or regulation of any regulatory body having jurisdiction, then such provision shall be deemed to be amended to the extent necessary to bring such provision into compliance therewith.

Section 5.09 Interpretation: This Deferred Share Unit Plan shall be governed by and construed in accordance with the laws of the Province of Ontario.

Section 5.10 Effective Date: This Deferred Share Unit Plan is effective as of May 29, 2015.