

## 1. PURPOSE OF THIS POLICY

The purpose of this share ownership policy (this "**Policy**") of **CONTINENTAL GOLD INC.** (the "**Company**") is to further align the interests of the Chief Executive Officer, President, Chief Operating Officer, Chief Financial Officer, Executive Vice-President and any such other executive officers as may be determined by the board of directors (the "**Board**") of the Company (collectively the "**executive officers**") and all other directors of the Company (the "**non-management directors**") with those of the Company's shareholders by requiring such persons to own a significant number of common shares of the Company ("**Common Shares**").

## 2. COMMON SHARE OWNERSHIP

For the purposes of determining Common Share ownership of a particular non-management director or executive officer, Common Shares owned directly by such individual, such individual's spouse, any minor children that share the same home as such individual, any trust in which the individual and/or the individual's spouse is a trustee with voting and investment power, and any private corporate entity which is at least 50% owned by any combination of the foregoing, are included.

Common Shares issuable upon the exercise of stock options (whether or not such stock options have vested), common share purchase warrants or any other convertible securities of the Company shall not be treated as Common Shares owned by such individual for the purposes of this Policy until the convertible securities are exercised.

## 3. OWNERSHIP REQUIREMENTS

### (a) *Non-Management Directors*

Each non-management director of the Company, during such individual's tenure as such, is required to own that number of Common Shares or deferred share units ("**DSUs**") of the Company having a value equal to at least three times the annual cash retainer paid to such non-management director. The foregoing requirement being the "Relevant Threshold" for a non-management director.

The Relevant Threshold for each non-management director is to be achieved by the later of (a) December 31, 2020; and (b) three years from the date the individual becomes a non-management director of the Company. As noted above, stock options of the Company do not count toward the Relevant Threshold. If the annual cash retainer for a non-management director is increased, such non-management director shall be required to achieve the correspondingly increased Relevant Threshold within three years of the effective date of such increase.

Each non-management director shall continue to hold such value throughout his or her tenure as a non-management director. Additionally, the Common Shares, DSUs or similar share equivalent of the Company held by a non-management director to comply with the Relevant Threshold shall not be the object of specific monetization procedures or other hedging procedures including, for greater certainty, prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in the market value of a non-executive director's holding, either directly or indirectly.

### (b) *Executive Officers*

Each executive officer, during such individual's tenure as such, is required to own that number of Common Shares, DSUs or restricted share units ("**RSUs**") of the Company having a value of at least: (a) in the case of the Chief Executive Officer, three times his/her annual base salary; or (b) in the case of any other executive officer, one times such executive officer's annual base salary. The foregoing requirements being the "Relevant Threshold" for an executive officer.

The Relevant Threshold for each executive officer must be achieved by the later of (a) December 31, 2020; and (b) three years from the date such executive officer is appointed to office with the Company. Each executive officer may designate unvested RSUs such that they will count towards the Relevant Threshold

until vesting. As noted above, stock options of the Company do not count toward the Relevant Threshold. If an executive officer's base salary is increased, such executive officer shall be required to achieve the correspondingly increased Relevant Threshold within three years of the effective date of the increase in base salary.

Each executive officer shall continue to hold such value throughout his or her tenure as an executive officer. Additionally, the Common Shares, DSUs, RSUs or similar share equivalent of the Company held by executive officers to comply with the Relevant Threshold shall not be the object of specific monetization procedures or other hedging procedures including, for greater certainty, prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in the market value of an executive officer's holding, either directly or indirectly.

#### **4. VALUATION OF SECURITIES**

Securities, including outstanding Common Shares, DSUs and RSUs, are valued at the greater of:

- (i) the aggregate price paid by the non-management director or executive officer for the Common Shares (and in the case of DSUs and RSUs, the value attributed to the security upon the date of issuance by the Company of the relevant security); and
- (ii) the deemed value of the outstanding security owned by the non-management director or executive officer, such deemed value of the security being the closing price of Common Shares on the Toronto Stock Exchange (the "TSX") on the last trading day of each year.

#### **5. COMPLIANCE**

For clarity, once the applicable ownership guideline is deemed to have been satisfied, the non-management director or executive officer shall be deemed to meet the applicable Relevant Threshold on an on-going basis, provided that such non-management director or executive officer does not dispose of Common Shares, which causes such individual to fail to meet the applicable Relevant Threshold immediately following such disposition. If a non-management director or executive officer falls below such individual's Relevant Threshold as a result of the disposition of Common Shares, the individual has two years from the end of the fiscal quarter in which the value first fell below the individual's Relevant Threshold to acquire the additional Common Shares needed to once again meet the Relevant Threshold.

Non-management directors and executive officers are required to comply with this Policy by the later of (a) December 31, 2020; and (b) the third anniversary of such individual's date of hire, appointment or election, as applicable.

If a non-management director or executive officer does not meet the share ownership guidelines by the required date, or does not continue to meet the guidelines following the required date, the Company's Corporate Governance, Nominating and Human Resources Committee (the "**CNHR Committee**") will review the reasons why this has occurred. The CNHR Committee will then recommend to the Board a course of action. The Board, in its discretion, will determine the action to be taken, if any. Some of the factors to be considered by the CNHR Committee in its review include: (i) market conditions; (ii) whether, because of the unique financial circumstances of the individual, compliance would result in an unacceptable hardship; and (iii) any other relevant reason, as determined in the sole discretion of the CNHR Committee, for why the guidelines have not been met.

For external reporting purposes in the management proxy circular, compliance will be determined based on a valuation at the end of each calendar year.

#### **6. POLICY REVIEW**

The CNHR Committee will review and evaluate this Policy on an annual basis and will recommend any changes to this Policy to the board of directors of the Company for approval.

January 15, 2018