STATEMENT OF EXECUTIVE COMPENSATION
As at December 31, 2015

This Statement of Executive Compensation is furnished by the management of AM Gold Inc. (the "Company").

Named Executive Officers

In this section "Named Executive Officer" ("**NEO**") means the Chief Executive Officer ("**CEO**"), the Chief Financial Officer ("**CFO**") and each of the three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers at the end of the most recently completed financial year and whose total compensation was more than $150,000 as well as any additional individuals for whom disclosure would have been provided except that the individual was not serving as an executive officer of the Company at the end of the most recently completed financial year.

John Fiorino, CEO, and Nick Corea, former CFO, are each an "NEO" of the Company for the purposes of the following disclosure. Nick Corea resigned as CFO on May 12, 2014. Rick Low was appointed as CFO, replacing Nick Corea, on May 12, 2014.

Compensation Discussion and Analysis

As at December 31, 2015, the Compensation Committee is composed of the following members: Dennis B. Goldstein and Dr. Stewart Jackson. All of the members of the compensation committee are financially literate.

The function of the Compensation Committee generally is to assist the Company's board of directors (the "**Board**") in carrying out its responsibilities relating to executive and director compensation, including reviewing and recommending director compensation, overseeing the Company's base compensation structure and equity-based compensation programs, recommending compensation of the Company's officers and employees, and evaluating the performance of officers generally and in light of annual goals and objectives.

The Board assumes responsibility for reviewing and monitoring the long-range compensation strategy for the senior management of the Company although the Compensation Committee guides it in this role. The Company's Compensation Committee receives independent competitive market information on compensation levels for executives and provides surveys of industry standard NEO compensation. The Company uses these standards as a benchmark.

The Compensation Committee has not proceeded to a formal evaluation of the implications of risks associated with the Company's compensation policies and practices. Commencing in 2012, the Compensation Committee intends to review the risks at least once annually, if any, associated with the Company's compensation policies and practices at such time.

Executive compensation is comprised of short-term compensation in the form of a base salary and long-term ownership through the Company's Share Option Plan. This structure ensures that a significant portion of executive compensation (stock options) is both long-term and "at risk" and, accordingly, is directly linked to the achievement of business results and the creation of long-term shareholder value. As the benefits of such compensation, if any, are not realized by officers until a significant period of time has passed, the ability of officers to take inappropriate or excessive risks that are beneficial to their compensation at the expense of the Company and the shareholders is extremely limited. Furthermore, the short-term component of the executive compensation (base salary) represents a relatively small part of the total compensation. As a result, it is unlikely that an officer would take inappropriate or excessive risks at the expense of the Company or the shareholders that would be beneficial to their short-term compensation when their long-term compensation might be put at risk from their actions.

Due to the small size of the Company and the current level of the Company's activity, the Compensation Committee is able to closely monitor and consider any risks which may be associated with the Company's compensation policies and practices. Risks, if any, may be identified and mitigated through regular meetings of the Compensation Committee during which financial and other information of the Company are reviewed. No risks have been identified arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

<u>Philosophy and Objectives</u>

The compensation program for the senior management of the Company is designed to ensure that the level and form of compensation achieves certain objectives, including:

(a) attracting and retaining talented, qualified and effective executives;

(b) motivating the short and long-term performance of these executives; and

(c) better aligning their interests with those of the Company's shareholders.

In compensating its senior management, the Company has employed a combination of base salary, bonus compensation and equity participation through its stock option plan.

<u>Base Salary</u>

In the Board's view, paying base salaries which are competitive in the markets in which the Company operates is a first step to attracting and retaining talented, qualified and effective executives. Competitive salary information on comparable companies within the industry is compiled from a variety of sources, including surveys conducted by independent consultants and national and international publications.

<u>Bonus Incentive Compensation</u>

The Company's objective is to achieve certain strategic objectives and milestones. The Board will consider executive bonus compensation dependent upon the Company meeting those strategic objectives and milestones and sufficient cash resources being available for the granting of bonuses. The Board approves executive bonus compensation dependent upon compensation levels based on recommendations of the Compensation Committee, and such recommendations are generally based on survey data provided by independent consultants.

<u>Actions, Decisions or Policies Made After December 31, 2013</u>

Nick Corea resigned as Chief Financial Officer on May 12, 2014. Rick Low was appointed as Chief Financial Officer, replacing Nick Corea, on May 12, 2014.

Dennis B. Goldstein resigned as director on May 31, 2016. Rick Low was appointed as director, replacing Dennis B. Goldstein, on May 31, 2016.

Option-Based Awards

The Company has a stock option plan in place to create incentive for qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. Management proposes stock option grants to the Board based on such criteria as performance, previous grants, and hiring incentives. All grants require approval of the Board. The stock option plan is administered by the directors of the Company and provides that options may be issued to directors, officers, employees or consultants of the Company or a subsidiary of the Company.

DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

The compensation, excluding compensation securities, paid to the directors and NEOs during the Company's two most recently completed financial years ended December 31st is as set out below and expressed in Canadian dollars unless otherwise noted:

Table of compensation excluding compensation securities

Name and position	Year	Salary, consulting fee, retainer or commission ($)	Bonus ($)	Committee or meeting fees ($)	Value of perquisites ($)	Value of all other compensation ($)	Total compensation ($)
John Fiorino CEO & Director	2015 2014	180,000 180,000	Nil Nil	Nil Nil	Nil Nil	88,223(1) 15,000(2)	268,223 195,000
Rick Low(3) (6) CFO	2015 2014	21,000 15,650	Nil Nil	Nil Nil	Nil Nil	Nil Nil	21,000 15,650
Nick Corea(4) CFO	2014	7,000	Nil	Nil	Nil	Nil	7,000
Dennis B. Goldstein(6) Director	2015 2014	Nil Nil	Nil Nil	10,778 11,601	Nil Nil	6,694(5) Nil	17,472 11,601
Dr. Stewart A. Jackson Director	2015 2014	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil

Notes:

(1) $15,000 as to 2015 Vacation pay. $73,223 as to interest owed for unpaid salary and vacation pay.

(2) 2014 Vacation pay.

(3) Mr. Low was appointed as CFO on May 12, 2014.

(4) Mr. Corea resigned as CFO on May 12, 2014.

(5) Paid for consulting services.

(6) Dennis B. Goldstein resigned as director on May 31, 2016. Rick Low was appointed as director, replacing Dennis B. Goldstein, on May 31, 2016.

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Incentive Plan Awards - Outstanding Share-based Awards and Option-based Awards

There were no compensation securities granted or issued to the Company's NEOs and directors during the Company's most recently completed financial year ended December 31st.

The following table sets out all option-based awards and share-based awards outstanding as at December 31, 2015, for each NEO and director:

Compensation Securities							
Name and position	**Type of compensation security(1)**	**Number of compensation securities, number of underlying securities, and percentage of class**	**Date of issue or grant**	**Issue, conversion or exercise price ($)**	**Closing price of security or underlying security on date of grant ($)**	**Closing price of security or underlying security at year end ($)**	**Expiry date**
John Fiorino CEO & Director	Stock options Stock options Stock options	6,000 6,000 6,000	July 12, 2011 January 25, 2013 December 5, 2013	25.00 4.00 2.50	25.00 4.00 2.50	0.20 0.20 0.20	July 12, 2016 January 25, 2018 December 5, 2018
Rick Low CFO	Stock options	20,000	July 10, 2014	0.60	0.60	0.20	July 10, 2019
Dennis B. Goldstein(2) Director	Stock options Stock options Stock options Stock options	2,000 4,000 4,000 40,000	July 12, 2011 January 25, 2013 December 5, 2013 July 10, 2014	25.00 4.00 2.50 0.60	25.00 4.00 2.50 0.60	0.20 0.20 0.20 0.20	July 12, 2016 January 25, 2018 December 5, 2018 July 10, 2019
Dr. Stewart A. Jackson Director	Stock options Stock options Stock options Stock options	2,000 3,000 3,000 30,000	July 12, 2011 January 25, 2013 December 5, 2013 July 10, 2014	25.00 4.00 2.50 0.60	25.00 4.00 2.50 0.60	0.20 0.20 0.20 0.20	July 12, 2016 January 25, 2018 December 5, 2018 July 10, 2019

Notes:

(1) Effective February 6, 2014, the Company consolidated its share capital, stock options, and share purchase warrants on a 10-to-1 basis. Furthermore, effective January 19, 2016, the Company consolidated its share capital, stock options, and share purchase warrants on a 5-to-1 basis. All figures in the above table have been computed on a post-consolidated basis.

(2) Dennis B. Goldstein resigned as director on May 31, 2016.

There were no exercises of compensation securities by the Company's NEOs and directors during the Company's most recently completed financial year ended December 31st.

Employment Agreements

The Company entered into a three year agreement with John Fiorino dated October 1, 2015. The agreement provides that Mr. Fiorino will provide services to the Company in his role as President, CEO and a director of the Company effective October 1, 2015 for an annual salary of $180,000.

The Company does not have employment agreements with either Nick Corea (former CFO) or Rick Low (current CFO). The CFO is not employed on a full time basis and accordingly, the Company pays an annual salary of $21,000 to the CFO. The Company does not have any termination or change of control benefits for its CFO.

The Company does not have employment or consulting agreements with its directors.

Prior to Mr. Goldstein's resignation on May 31, 2016, the Company had an arrangement with Mr. Goldstein and paid him an annual director fee of US$10,000, which was subsequently changed to CDN$10,000 during 2015. The Company also paid Mr. Goldstein for consulting services at a rate that is mutually agreed upon by Mr. Goldstein and the Company's CEO.

Dr. Jackson is not compensated in cash for his services as a director.

Termination and Change of Control Benefits

The Company has entered into an agreement with John Fiorino. See "Employment Agreements" above.

Termination is divided into several categories – resignation, termination without cause, and termination with cause.

Resignation entitles Mr. Fiorino to receive any unpaid salary and to have any outstanding stock options which have vested will be entitled to 90 days not subject to blackout to exercise such options on the date the individual ceases employment.

Termination without cause entitles Mr. Fiorino to receive any unpaid salary, any unpaid and accrued vacation pay, all reimbursable expenses, and an additional lump sum amount equal to 36 months' salary (calculated based on the current salary in effect on the termination date for Mr. Fiorino).

In the event of termination without cause, any outstanding stock options shall remain in full force and effect in accordance with the original terms thereof, whether or not vested until the earlier of their normal expiry or 3 months from the termination date.

Termination with cause entitles Mr. Fiorino to receive only any unpaid salary plus an amount of any accrued unpaid vacation pay to the date of termination and the amount, if any, of any other compensation payable to him which has not been paid.

Assuming a termination without cause of Mr. Fiorino had occurred at the date of the last financial year end of the Company, he would have been entitled to $540,000.

The Company entered into change of control agreement with Dr. Stewart A. Jackson and Mr. Dennis B. Goldstein on April 23, 2013. The agreements provide Dr. Jackson and Mr. Goldstein with the right to compensation after their resignation in the event of a "change in control" of the Company. A "change in control" is defined below under "Termination after Change of Control". In the event Dr. Jackson or Mr. Goldstein resigns within 12 months after a change of control, they are entitled to receive any unpaid fees payable for services as a director plus any reimbursable expenses. They are also entitled to receive a lump sum amount equal to $30,000. They may elect within fifteen days of the resignation date to take the lump sum in cash or in common shares of the Company, subject to regulatory approval. Also, all outstanding stock options shall immediately vest as of the termination date, and the director shall be entitled to exercise all his stock options until the earlier of their normal expiry date or one year after the termination date.

Termination after Change of Control

A "**change in control**" is defined in the applicable agreement as the acquisition by a shareholder (or group of shareholders) of 60% or more of the outstanding common shares of the Company, the election or removal of more than 51% of the directors who were not incumbent directors, or a sale of all or substantially all of the assets of the Company (or a reorganization, merger or other transaction which has substantially the same effect).

In the case of a change of control, if Mr. Fiorino is terminated without cause at any time between 6 months before and 6 months after the change of control he is entitled to receive any unpaid salary, reimbursable expenses, and accrued vacation pay together with an amount equal to 36 months' then current salary.

In the case of a change of control, if Mr. Fiorino resigns during the 6 months after the change of control he is entitled to receive any unpaid salary, reimbursable expenses, and accrued vacation pay together with an amount equal to 36 months' then current salary.

In the event of a termination with cause or resignation on change of control, any outstanding stock options shall immediately vest and become exercisable, and shall remain available for exercise until the earlier of one year after the date of the resignation and the date the options would have expired had Mr. Fiorino not resigned.

Assuming the termination of Mr. Fiorino on change of control had occurred at the date of the last financial year end of the Company, he would have been entitled to $540,000.

Assuming the resignation of Dr. Jackson or Mr. Goldstein on change of control had occurred at the date of the last financial year end of the Company, they would have been entitled to $30,000 each.