

PHYTO EXTRACTIONS INC.
(the “Company”)

STATEMENT OF EXECUTIVE COMPENSATION
Form 51-102F6V
Statement of Executive Compensation – Venture Issuers

General

“**Company**” means Phyto Extractions Inc.;

“**compensation securities**” includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the Company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries;

“**named executive officer**” or “**NEO**” means each of the following individuals:

- (a) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief executive officer (“**CEO**”), including an individual performing functions similar to a CEO;
- (b) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief financial officer (“**CFO**”), including an individual performing functions similar to a CFO;
- (c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000 for that financial year; and
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year;

“**plan**” includes any plan, contract, authorization or arrangement, whether or not set out in any formal document, where cash, compensation securities or any other property may be received, whether for one or more persons; and

“**underlying securities**” means any securities issuable on conversion, exchange or exercise of compensation securities.

Notice Regarding Share Consolidation

Effective at the open of the Canadian Securities Exchange (the “**Exchange**”) on April 9, 2021, the outstanding common shares were consolidated on the basis of three (3) pre-consolidation common shares for each one (1) post-consolidation common share (the “**Consolidation**”). All numbers with respect to common shares and securities convertible into common shares and

stock prices in this Statement of Executive Compensation are presented on a post-Consolidation basis.

Director and NEO Compensation, Excluding Compensation Securities

The following table sets forth all compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Company or any subsidiary thereof to each NEO and each director of the Company, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or director for services provided and for services to be provided, directly or indirectly, to the Company or any subsidiary thereof for each of the two most recently completed financial years, other than stock options and other compensation securities:

Table of Compensation Excluding Compensation Securities							
Name and Position	Year ⁽¹⁾	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites ⁽²⁾ (\$)	Value of all other Compensation (\$)	Total Compensation (\$)
Andrew Hale ⁽³⁾ Former CEO, President and Director	2020	180,091	Nil	Nil	Nil	Nil	180,091
	2019	120,115	Nil	Nil	Nil	Nil	120,115
Stephen Brohman ⁽⁴⁾ CFO, Corporate Secretary and Director	2020	150,900 ⁽⁵⁾	Nil	Nil	Nil	Nil	150,900 ⁽⁵⁾
	2019	107,298 ⁽⁵⁾	Nil	Nil	Nil	Nil	107,298 ⁽⁵⁾
Blaine Bailey ⁽⁶⁾ Former CFO and Director	2020	N/A	Nil	Nil	Nil	Nil	N/A
	2019	N/A	Nil	Nil	Nil	Nil	N/A
George Routhier ⁽⁷⁾ Director	2020	2,500 ⁽⁸⁾	Nil	Nil	Nil	Nil	2,500 ⁽⁸⁾
	2019	17,500 ⁽⁸⁾	Nil	Nil	Nil	Nil	17,500 ⁽⁸⁾
Phillip Thomas ⁽⁹⁾ Former CEO, President and Director	2020	N/A	N/A	N/A	N/A	N/A	N/A
	2019	N/A	Nil	Nil	Nil	Nil	N/A
Andrew Jarvis ⁽¹⁰⁾ Former Director	2020	N/A	N/A	N/A	N/A	N/A	N/A
	2019	N/A	Nil	Nil	Nil	Nil	N/A
Betty Ann Loy ⁽¹¹⁾ Former Secretary	2020	N/A	N/A	N/A	N/A	N/A	N/A
	2019	N/A	Nil	Nil	Nil	Nil	N/A

(1) For the year ended December 31.

(2) "Perquisites" include perquisites provided to an NEO or director that are not generally available to all employees and that, in aggregate, are: (a) \$15,000, if the NEO or director's total salary for the financial year is \$150,000 or less, (b) 10% of the NEO or director's salary for the financial year if the NEO or director's total salary for the financial year is greater than \$150,000 but less than \$500,000, or (c) \$50,000 if the NEO or director's total salary for the financial year is \$500,000 or greater.

- (3) Andrew Hale was appointed CEO, President and a director of the Company on December 19, 2019. Mr. Hale resigned from all positions with the Company on February 26, 2021.
- (4) Stephen Brohman was appointed as a director of the Company on September 2, 2014 and CFO and Corporate Secretary on December 19, 2019.
- (5) The Company was charged by Donaldson Brohman Martin CPA Inc., a firm in which Mr. Brohman is a principal, for accounting and tax services, in the amount of \$150,900 in 2020 and \$107,298 and 2019.
- (6) Blaine Baily was appointed CFO on June 21, 2005, Secretary on April 5, 2007, and a director of the Company on February 3, 2014. Mr. Bailey resigned as Secretary on August 20, 2007, CFO on December 19, 2019 and as a director of the Company on March 26, 2021.
- (7) George Routhier was appointed as a director of the Company on December 19, 2019.
- (8) Paid to Pipedreemz Inc., a company controlled by Mr. Routhier.
- (9) Phillip Thomas was appointed Vice President, Exploration on January 18, 2012, a director of the Company on June 13, 2012, and President and CEO on February 3, 2014. Mr. Thomas resigned as Vice President, Exploration on February 3, 2014 and from all other positions with the Company on December 19, 2019.
- (10) Andrew Jarvis was appointed a director of the Company on January 6, 2012 and resigned on December 19, 2019.
- (11) Betty Ann Loy was appointed Secretary on August 20, 2007 and resigned on December 19, 2019.

External Management Companies

The Company has not engaged the services of an external management company to provide executive management services to the Company, directly or indirectly.

Stock Options and Other Compensation Securities

The following table sets out all compensation securities granted or issued to each director and NEO by the Company or any subsidiary thereof in the year ended December 31, 2020 for services provided, or to be provided, directly or indirectly, to the Company or any subsidiary thereof:

Compensation Securities							
Name and Position	Type of Compensation Security	Number of Compensation Securities/Number of Underlying Securities /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
Andrew Hale ⁽¹⁾ Former CEO, President and Director	Stock Options	666,666 / 666,666 / 16%	Jan 30, 2020	\$1.35	\$1.35	\$1.38	Jan 30, 2025
	Stock Options	483,333 / 483,333 / 11.6%	Aug 4, 2020	\$2.34	\$2.38	\$1.38	Aug 4, 2025
Stephen Brohman ⁽²⁾ CFO, Corporate Secretary and Director	Stock Options	333,333 / 333,333 / 8%	Jan 30, 2020	\$1.35	\$1.35	\$1.38	Jan 30, 2025
	Stock Options	250,000 / 250,000 / 6%	Aug 4, 2020	\$2.34	\$2.38	\$1.38	Aug 4, 2025
Blaine Bailey ⁽³⁾ Former CFO and Director	Stock Options	50,000 / 50,000 / 1.2%	Jan 30, 2020	\$1.35	\$1.35	\$1.38	Jan 30, 2025
	Stock Options	33,333 / 33,333 / 0.8%	Aug 4, 2020	\$2.34	\$2.38	\$1.38	Aug 4, 2025
George Routhier ⁽⁴⁾ Director	Stock Options	83,333 / 83,333 / 2%	Jan 30, 2020	\$1.35	\$1.35	\$1.38	Jan 30, 2025
	Stock Options	33,333 / 33,333 / 0.8%	Aug 4, 2020	\$2.34	\$2.38	\$1.38	Aug 4, 2025

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Phillip Thomas ⁽⁵⁾ Former CEO, President and Director	Stock Options	Nil	N/A	N/A	N/A	N/A	N/A
Andrew Jarvis ⁽⁶⁾ Former Director	Stock Options	Nil	N/A	N/A	N/A	N/A	N/A
Betty Ann Loy ⁽⁷⁾ Former Secretary	Stock Options	Nil	N/A	N/A	N/A	N/A	N/A

- (1) As at December 31, 2020, Andrew Hale, the former CEO, President and a director of the Company, owned an aggregate of 1,150,000 compensation securities, comprised solely of stock options, 666,666 of which are exercisable into one common share at a price of \$1.35 per common share until January 30, 2025 and 483,333 of which are exercisable into one common share at a price of \$2.34 per common share until August 4, 2025.
- (2) As at December 31, 2020, Stephen Brohman, the CFO, Corporate Secretary and a director of the Company, owned an aggregate of 583,333 compensation securities, comprised solely of stock options, 333,333 of which are exercisable into one common share at a price of \$1.35 per common share until January 30, 2025 and 250,000 of which are exercisable into one common share at a price of \$2.34 per common share until August 4, 2025.
- (3) As at December 31, 2020, Blaine Bailey, the former CFO and a director of the Company owned an aggregate of 83,333 compensation securities, comprised solely of stock options, 50,000 of which are exercisable into one common share at a price of \$1.35 per common share until January 30, 2025 and 33,333 of which are exercisable into one common share at a price of \$2.34 per common share until August 4, 2025.
- (4) As at December 31, 2020, George Routhier, a director of the Company owned an aggregate of 116,666 compensation securities, comprised solely of stock options, 83,333 of which are exercisable into one common share at a price of \$1.35 per common share until January 30, 2025 and 33,333 of which are exercisable into one common share at a price of \$2.34 per common share until August 4, 2025.
- (5) As at December 31, 2020, Phillip Thomas, former CEO, President and a director of the Company did not own any compensation securities.
- (6) As at December 31, 2020, Andrew Jarvis, a former director of the Company did not own any compensation securities.
- (7) As at December 31, 2020, Betty Ann Loy, former Secretary did not own any compensation securities.

Exercise of Compensation Securities by Directors and NEOs

No compensation securities were exercised by an NEO or director of the Company during the year ended December 31, 2020.

Stock Option Plans and Other Incentive Plans

The board of directors of the Company (the “Board”) adopted the Company’s current incentive stock option plan on January 30, 2020 (the “Stock Option Plan”), whereby it can grant stock options to directors, officers, employees and consultants of the Company. Unless authorized by the shareholders of the Company in accordance with applicable securities laws, the number of common shares that may be reserved for issuance under the Stock Option Plan, together with all of the Company’s other compensation or incentive mechanisms involving the issuance or potential issuance of common shares, shall not exceed ten percent (10%) of the total number of issued common shares of the Company (calculated on an undiluted basis) at the time an option is granted.

As of the date of this Statement of Executive Compensation, the Company has granted 4,166,667 stock options to its directors, officers, employees and consultants. Stock options may be granted under the Stock Option Plan to such directors, officers, employees, or consultants of the Company and its affiliates, if any, as the Board may from time to time designate. The exercise price of options will be determined by the Board, but such price will not be less than the minimum prevailing price permitted by the Canadian Securities Exchange (“CSE”). All options granted under the Stock Option Plan will expire not later than the maximum period as determined by the applicable securities laws and the policies of the CSE. Options terminate earlier as follows: (i) immediately in the event of dismissal with cause; (ii) 90 days from date of termination other than for cause; (iii) one year from the date of disability; or (iv) one year from the date of death. Options granted under the Stock Option Plan are not transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession.

The Company does not have any other incentive plans other than its Stock Option Plan.

Employment, Consulting and Management Agreements

Other than as set out herein, the Company does not have any employment, consulting or management agreements or arrangements with any of the Company’s current NEOs or directors.

Andrew Hale, former CEO, President and a director of the Company, received a fee of \$180,000 in the year ended December 31, 2020 for providing services as CEO of the Company. As such, there are no provisions or payments relating to change of control, severance, termination or constructive dismissal.

Donaldson Brohman Martin, CPA Inc. (“DBM CPA”), Chartered Professional Accountants, provided accounting services to the Company in the year ended December 31, 2020. Stephen Brohman, CFO, Corporate Secretary and a director of the Company is a principal of DBM CPA. As such, there are no provisions or payments relating to change of control, severance, termination or constructive dismissal.

Termination and Change of Control Benefits

There is no contract, agreement, plan or arrangement between the Company and its directors and NEOs that provide for payments to directors and NEOs in connection with a change of control, severance, termination or constructive dismissal.

Oversight and Description of Director and NEO Compensation

The Company’s executive compensation program during the most recently completed financial year was administered by the Board. The Board was solely responsible for determining the compensation to be paid to the Company’s directors and NEOs and evaluating their performance. The Board has not adopted any specific policies or objective for determining the amount or extent of compensation for directors or NEOs. The Board has not established a compensation committee.

The significant elements of compensation for the NEOs will be cash consulting fees, salary and stock options. The Company does not presently have a long-term incentive plan for its NEOs. There is no policy or target regarding allocation between cash and non-cash elements of the Company's compensation program. The Board reviews annually the total compensation package of each of the Company's executives on an individual basis.

Cash Consulting Fees

The Company's compensation payable to the NEOs is based upon, among other things, the responsibility, skills and experience required to carry out the functions of each position held by each NEO and varies with the amount of time spent by each NEO in carrying out his or her functions on behalf of the Company. In particular the CEO's compensation will be determined by time spent on: (i) the Company's day to day operations; (ii) reviewing potential transactions and negotiating them on behalf of the Company; and (iii) new business ventures. The CFO's compensation is primarily determined by time spent in reviewing the Company's financial statements.

Stock Options

The Stock Option Plan is intended to emphasize management's commitment to the growth of the Company. The grant of stock options, as a key component of the executive compensation package, enables the Company to attract and retain qualified executives. Stock option grants are based on the total of stock options available under the Stock Option Plan. In granting stock options, the Board reviews the total of stock options available under the Stock Option Plan and recommends grants to newly retained executive officers at the time of their appointment, and considers recommending further grants to executive officers from time to time thereafter. The amount and terms of outstanding options held by an executive are taken into account when determining whether and how new option grants should be made to the executive. The exercise periods are to be set at the date of grant. The stock option grants may contain vesting provisions in accordance to the Stock Option Plan.

Due to the Company being an early stage issuer and having limited financial resources, compensation is not tied to any performance criteria or goals. The Company is unaware of any significant events that have significantly affected compensation of its management team and directors. The Company did not make any changes to its compensation policies during or after the fiscal year ended December 31, 2020.

Pension Plan Benefits

The Company does not have any pension, defined benefit, defined contribution or deferred compensation plans in place.