

EXECUTIVE COMPENSATION

The Named Executive Officers (“NEOs”) for the year ended December 31, 2015 were Greg Pendura, Chief Executive Officer (“CEO”), Don Weatherbee, Chief Financial Officer (“CFO”) effective September 2, 2015 to present; Michael Nayyar, Chief Financial Officer (“CFO”) and Rick Gliege, Executive Director Corporate Development.. Mr. Nayyar resigned as CFO on March 1, 2015 and Mr. Gliege assumed the position of interim CFO on March 6, 2015 until Mr. Weatherbee took over on September 2, 2015.

NEO means a CEO, CFO, each of the three most highly compensated executive officers other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 for that financial year, and each individual who would be an NEO but for the fact that the individual was neither an executive officer at the end of that financial year.

Compensation Discussion and Analysis

The compensation program of the Corporation is designed to attract, motivate, reward and retain knowledgeable and skilled executives required to achieve the Corporation’s corporate objectives and to increase shareholder value. The main objective of the compensation program is to recognize the contribution of the NEOs to the overall success and strategic growth of the Corporation. The philosophy of the Corporation is to pay the management a total compensation amount that is competitive with other Canadian junior resource companies and is consistent with the experience and responsibility level of the management. The purpose of executive compensation is to reward the executives for their contributions to the achievements of the Corporation on both an annual and long term basis.

The compensation program provides incentives to its NEOs and Board to achieve long term objectives through grants of stock options pursuant to the Plan. Increasing the value of the common shares increases the value of the stock options. This incentive closely links the interests of the NEOs and directors to Shareholders. The allocation of options pursuant to the Plan is determined by the Board which considers such factors as previous grants to individuals, overall corporate performance, share price performance, the role and performance of the individuals and, in the case of grants to non-executive directors, the amount of time directed to the Corporation’s affairs. The Corporation believes that participation by the NEOs in the Plan aligns the interests of the NEOs with the Shareholders, as the NEOs are rewarded for the Corporation’s performance as evidenced by share price appreciation.

The Board has not considered the implications of the risks associated with the Corporation’s compensation policies and practices. Neither a NEO nor a director are 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 NEO or director.

Summary Compensation Table

The following table sets forth all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly to the NEOs during the last completed financial year. The Corporation does not have any share-based award plans, non-equity long-term incentive plans, or any defined benefit or defined contribution pension plans.

Name and Principal Position	Year Ended Dec 31	Salary	Option-Based Awards ¹	All Other Compensation ²	Total Compensation
Greg Pendura, CEO	2015	Nil	\$186,000	\$168,250	\$354,250
	2014	Nil	\$85,266	\$144,000	\$229,266
	2013	Nil	\$63,008	\$156,000	\$219,008
Don Weatherbee	2015	\$14,000	\$28,016	\$37,500	\$79,516
Michael Nayyar, CFO ³	2015	Nil	\$6,000	\$64,000	\$70,000
	2014	Nil	\$33,206	\$71,000	\$104,206
Rick Gliege, Director (CFO)	2015	Nil	\$42,000	\$108,000	\$150,000

Name and Principal Position	Year Ended Dec 31	Salary	Option-Based Awards ¹	All Other Compensation ²	Total Compensation
Rick Gliege, CFO	2014	Nil	\$53,291	\$108,000	\$161,291
	2013	Nil	\$47,256	\$112,000	\$159,256

¹Option-based award amounts are non-cash amounts, and are the fair value estimates of options granted during the year, calculated using the Black-Scholes pricing model, whereby the fair value of stock options is determined on the grant date and recorded as compensation expense over the period that the stock options vest. The Black-Scholes model is an industry accepted valuation method.

²Compensation was paid pursuant to consulting agreements with Mr. Pendura and Mr. Gliege.

³Mr. Nayyar was appointed CFO in March, 2014. He resigned effective March 1, 2015.

Narrative Discussion

Calculating the value of stock options using the Black-Scholes option pricing model is very different from a simple “in-the-money” value calculation. In fact, stock options that are well out-of-the-money can still have a significant “grant date fair value” based on a Black-Scholes option pricing model, especially where, as in the case of the Corporation, the price of the share underlying the option is highly volatile. Accordingly, caution must be exercised in comparing grant date fair value amounts with cash compensation or an in-the-money option value calculation.

Employment and Consulting Contracts

During the year-ended December 31, 2015, the Corporation had a written agreement with Mr. Pendura for his consulting services which include, as CEO, providing leadership and vision to manage the Corporation in the best interests of the Shareholders; serving as external spokesman; providing strategic planning; and risk management in addition to other appropriate duties and responsibilities assigned by the Board. The Corporation had a written agreement with Mr. Gliege for his consulting services which include, as CFO (to September 2015) and Vice President - Corporate Development, responsibility for the financial activities of the Corporation and ensuring that corporate governance policies are followed.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth details of all option-based awards outstanding for each NEO as of December 31, 2015. The Corporation does not have any share-based award plans for its NEOs.

Option-Based Awards				
Name	Number of Securities Underlying Unexercised Options	Option Exercise Price	Option Expiration Date	Value of Unexercised in-the-money Option ^{1, 2}
Greg Pendura	200,000	\$0.10	September 1, 2016	Nil
	600,000	\$0.10	March 14, 2017	Nil
	800,000	\$0.10	February 15, 2018	Nil
	800,000	\$0.13	January 2, 2019	Nil
	800,000	\$0.10	June 20, 2020	Nil
	2,300,000	\$0.10	December 17, 2020	Nil
Don Weatherbee	500,000	\$0.10	September 8, 2020	Nil
Michael Nayyar	100,000	\$0.10	February 15, 2018	Nil
	100,000	\$0.13	January 2, 2019	Nil
	200,000	\$0.13	March 27, 2019	Nil
	100,000	\$0.10	June 20, 2020	Nil
Rick Gliege	100,000	\$0.10	September 1, 2016	Nil
	500,000	\$0.10	March 14, 2017	Nil
	600,000	\$0.10	February 15, 2018	Nil
	500,000	\$0.13	January 2, 2019	Nil
	400,000	\$0.10	June 20, 2020	Nil
	300,000	\$0.10	December 17, 2020	Nil

¹Unexercised “in-the-money” options refer to the options in respect of which the market value of the underlying securities as at the financial year end exceeds the exercise or base price of the option.

²As at December 31, 2015, the market value of the common shares on the TSX Venture Exchange was \$0.10.

Incentive Plan Awards - Value Vested or Earned During the Year

The following table sets forth the value of option-based awards which vested or were earned during the most recently completed financial year for each NEO. The Corporation does not have any share-based award plans for its NEOs.

Name	Option-Based Awards - Value vested during the year
Greg Pendura	Nil
Don Weatherbee	Nil
Michael Nayyar	Nil
Rick Gliege	Nil

¹Based on the difference between the market price of the options at the vesting date and the exercise price of \$0.10

Narrative Discussion

The Corporation's only long-term incentive plan is the Plan pursuant to which the Board may, at their discretion, grant options to participants. The purpose of the Plan is to provide compensation opportunities to participants which align their interests with those of Shareholders and which assist in attracting and retaining individuals of exceptional ability. Significant terms of the Plan are: (i) options may be granted in such numbers and with such vesting provisions as the Board may determine; (ii) the Board would fix the exercise price at which common shares may be acquired upon the exercise of such option provided that such exercise price shall not be less than Exchange policy allows; (iii) options may be granted for a maximum term of ten years; (iv) options are not transferable or assignable; (v) the maximum number of common shares reserved for issue under the Plan shall not exceed 20% of the issued and outstanding common shares; (vi) the maximum number of common shares reserved for issue to any one person shall not exceed 5% of the outstanding common shares as at the date of the grant.

Pension Plan Benefits

The Corporation does not have any deferred compensation plan or pension plan that provides for payments or benefits at, following or in connection with retirement.

Termination and Change of Control Benefits

The Corporation is not a party to any contract, agreement, plan or arrangement that provides for payments to a NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Corporation, its subsidiaries or affiliates or a change in a NEOs responsibilities, except for the consulting contracts for Mr. Pendura and Mr. Gliege. The contracts state the consultants would be entitled to his base fee not yet paid up to the termination date plus a retiring allowance calculated as: one-quarter of the current annual base fee, plus an additional one-sixth of the current annual base fee for each full year that the Consultant has been retained by the Corporation (with a start date of September 20, 2010 for Mr. Pendura; and a start date of March 1, 2010 for Mr. Gliege) up to maximum retiring allowance in the amount of two times the current annual base fee.

Director Compensation

During the most recently completed financial year, the Corporation paid cash compensation to some of the directors for services rendered in their capacity as directors in addition to reimbursement of reasonable expenses.

Director Compensation Table

The following table sets forth all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Corporation to directors for the most recently completed financial year, excluding NEOs whose compensation has been previously disclosed in this Circular. The Corporation does not have share-based award plans, non-equity incentive plans or pension plans for its directors.

Name	Fees Earned	Option-Based Awards	All Other Compensation ²	Total
Duane Nelson	Nil	Nil	Nil	Nil
Akiva Borenstein	Nil	\$63,000	Nil	\$63,000
Darcy Thiele	Nil	\$63,000	Nil	\$63,000
Brent Fleischhacker	Nil	\$63,000	Nil	\$63,000
Rick Purdy	\$10,000.00	\$63,000	Nil	\$73,000
Jonathan Morley-Kirk ²	\$18,320	Nil	Nil	\$18,320
Bill Hooley ²	\$12,735	Nil	Nil	\$12,735
David Cohen ²	\$7,733	Nil	Nil	\$7,733
Ven Côté ²	Nil	Nil	Nil	Nil

¹All options are granted pursuant to the stock option plan. Option-based award amounts are non-cash amounts and are the fair value estimates of options granted during the year, calculated using the Black-Scholes pricing model, whereby the fair value of stock options is determined on the grant date and recorded as compensation expense over the period that the stock options vest. The Black-Scholes model is an industry accepted valuation method.

²Mr. Morley-Kirk, Mr. Hooley, Mr. Cohen and Mr. Cote were not re-elected as Directors at the AGM held June 4, 2015

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth for each director, other than NEOs, all option-based awards outstanding as at December 31, 2015. The Corporation does not have any share-based award plans.

Name	Option-Based Awards			
	Number of Securities Underlying Unexercised Options	Option Exercise Price	Option Expiration Date	Value of Unexercised in-the-money Option
Duane Nelson	Nil	Nil	Nil	Nil
Akiva Borenstein	300,000 750,000	\$0.10 \$0.10	June 20, 2020 December 17, 2020	Nil
Darcy Thiele	300,000 750,000	\$0.10 \$0.10	June 20, 2020 December 17, 2020	Nil
Brent Fleischhacker	300,000 750,000	\$0.10 \$0.10	June 20, 2020 December 17, 2020	Nil
Rick Purdy	300,000 750,000	\$0.10 \$0.10	June 20, 2020 December 17, 2020	Nil
Ven Côté	Nil	Nil	Nil	Nil
Jonathan Morley-Kirk	Nil	Nil	Nil	Nil
Bill Hooley	Nil	Nil	Nil	Nil
David Cohen	Nil	Nil	Nil	Nil

¹Unexercised "in-the-money" options refer to the options in respect of which the market value of the underlying securities as at the financial year end exceeds the exercise or base price of the option.

²As at December 31, 2015, the market value of the common shares on the TSX Venture Exchange was \$0.10.

Incentive Plan Awards - Value Vested or Earned During the Year

The following table sets forth for each director, other than a NEO, the value vested or earned on all option-based awards during the financial year ending December 31, 2015. The Corporation does not have non-equity incentive plans or share based aware plans for Directors.

Name	Option-Based Awards - Value vested during the year
Duane Nelson	Nil
Akiva Borenstein	Nil
Darcy Thiele	Nil
Brent Fleischhacker	Nil
Rick Purdy	Nil
Ven Côté (former Director)	Nil
Jonathan Morley-Kirk (former Director)	Nil
Bill Hooley (former Director)	Nil
David Cohen (former Director)	Nil

¹Based on the difference between the market price of the options at the vesting dates and the exercise price of \$0.10.