

## STATEMENT OF EXECUTIVE COMPENSATION

### General

The following information, dated as of March 28, 2024, is provided as required under Form 51-102F6V for venture Issuers (the “**Form**”), as such term is defined in National Instrument 51-102.

For the purposes of this Form:

“**CEO**” means an individual who acted as chief executive officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

“**CFO**” means an individual who acted as chief financial officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

“**company**” includes other types of business organizations such as partnerships, trusts and other unincorporated business entities;

“**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;

“**external management company**” includes a subsidiary, affiliate or associate of the external management company;

“**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, including an individual performing functions similar to a chief executive officer;
- (b) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer;
- (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, as determined in accordance with subsection 1.3(5), for that financial year;
- (d) each individual who would be a named executive officer 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;

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

During the financial year ended December 31, 2022, the Company had two NEOs, namely:

- (i) Paul Andreola, who has been the Chief Executive Officer and President; and
- (ii) Natasha Tsai, who has been the Chief Financial Officer.

## Director and NEO Compensation, Excluding Options and Compensation Securities

The following table (presented in accordance with National Instrument Form 51-102F6V Statement of Executive Compensation) excluding options and compensation securities, provides a summary of the compensation paid by the Company to each NEO and director of the Company for the completed financial years ended December 31, 2022 and 2021. Options and compensation securities are disclosed under the heading “*Stock Options and Other Compensation Securities and Instruments*” below.

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 <sup>(4)</sup> (\$)	Total compensation (\$)
Paul Andreola, CEO, President and Director	2022	180,000	Nil	Nil	Nil	63,984	243,984
	2021	132,000	Nil	Nil	Nil	89,742	221,742
Natasha Tsai <sup>(1)</sup> , CFO	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
Colin Bowkett, Director	2022	180,000	Nil	Nil	Nil	63,984	243,984
	2021	132,000	Nil	Nil	Nil	89,742	221,742
Kristaps Ronka, Director	2022	Nil	Nil	Nil	Nil	63,984	63,984
	2021	Nil	Nil	Nil	Nil	69,101	69,101
Paul Kozak <sup>(2)</sup> , Director	2022	Nil	Nil	Nil	Nil	14,765	14,765
	2021	Nil	Nil	Nil	Nil	29,615	29,615
Daniel Nanson <sup>(3)</sup> , Former Director	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	15,750	Nil	Nil	Nil	Nil	15,750

### Notes:

- (1) Ms. Natasha Tsai was appointed as the Chief Financial Officer of the Company on May 31, 2018. She is an employee of Malaspina Consultants Inc., which provides accounting services to the Company. The Company paid the following amounts to Malaspina Consultants Inc. for the accounting and administrative services provided by Ms. Natasha Tsai: \$91,768 for the year ended December 31, 2022 and \$83,951 for the year ended December 31, 2021. Malaspina Consultants Inc. is a private company that provides out-sourced accounting services to junior public companies.
- (2) Mr. Kozak was appointed as a director of the Company on May 13, 2021.
- (3) Mr. Nanson was appointed as a director of the Company on March 26, 2019 and resigned on May 13, 2021.
- (4) This includes the fair value of stock options granted during each year. The Company has chosen the Black-Scholes methodology to calculate the grant date fair value of option-based awards as it is the methodology used in the Company’s financial statements. The fair value of option-based awards is determined by the Black-Scholes Option Pricing Model with the following assumptions for the year ended December 31, 2022: risk-free interest rate of 3.52%; expected dividend yield of 0%; annualized volatility of 60.86%; and expected life of 5 years. The assumptions for the year ended December 31, 2021 were: risk-free interest rate of 0.80%; expected dividend yield of 0%; annualized volatility of 65.28%; and expected life of 5 years.

## Stock Options and Other Compensation Securities and Instruments

The following table of compensation securities provides a summary of all compensation securities granted, or issued by the Company to each NEO and directors of the Company for the fiscal year ended December 31, 2022, for services provided, directly or indirectly, to the Company.

Compensation Securities							
Name and position	Type of compensation security	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
Paul Andreola, CEO <sup>(1)</sup> , President and director	Stock Options	650,000	October 25, 2022	0.18	0.18	0.165	October 25, 2027
Natasha Tsai <sup>(2)</sup> , CFO	Stock Options	100,000	October 25, 2022	0.18	0.18	0.165	October 25, 2027
Colin Bowkett <sup>(3)</sup> , Director	Stock Options	650,000	October 25, 2022	0.18	0.18	0.165	October 25, 2027
Kristaps Ronka <sup>(4)</sup> , Director	Stock Options	650,000	October 25, 2022	0.18	0.18	0.165	October 25, 2027
Paul Kozak <sup>(5)</sup> , Director	Stock Options	150,000	October 25, 2022	0.18	0.18	0.165	October 25, 2027

### Notes:

- (1) Mr. Andreola holds a total of 1,900,000 compensation securities and underlying securities as at December 31, 2022.
- (2) The 100,000 stock options were granted to Malaspina Consultants Inc., a company in which Ms. Tsai is a managing director. Malaspina Consultants Inc. holds a total of 200,000 compensation securities and underlying securities as at December 31, 2022.
- (3) Mr. Bowkett holds a total of 1,900,000 compensation securities and underlying securities as at December 31, 2022.
- (4) Mr. Ronka holds a total of 1,250,000 compensation securities and underlying securities as at December 31, 2022.
- (5) Mr. Kozak holds a total of 400,000 compensation securities and underlying securities as at December 31, 2022.

### Exercise of Compensation Securities by Directors and NEOs

During the fiscal year ended December 31, 2022, no NEO or director of the Company exercised their compensation securities.

### Employment, Consulting and Management Agreements

Other than as set forth below, the Company has no contract, agreement, plan or arrangement that provides for payments to a Named Executive Officer, at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control of the Company or a change in the Named Executive Officer's responsibilities.

The Company entered into a management consulting agreement with Paul Andreola pursuant to which Mr. Andreola agreed to provide his services as an executive officer and, in consideration of which, the Company agreed to pay Mr. Andreola a fee of \$15,000 per month. Under the agreement, Mr. Andreola is entitled to two years severance in the event of termination without cause.

The Company entered into a consulting agreement with Colin Bowkett pursuant to which Mr. Bowkett agreed to provide his services to the Company and, in consideration of which, the Company agreed to pay Mr. Bowkett a fee of \$15,000 per month. Under the agreement, Mr. Bowkett is entitled to two years severance in the event of termination without cause.

The Company entered into an agreement with Malaspina Consultants Inc. (the "Malaspina Agreement") pursuant to which Natasha Tsai, the Company's Chief Financial Officer, agreed to provide certain consulting services to the Company. The Malaspina Agreement may be terminated by either party on 60 days written notice to the other party. Under the terms of the Malaspina Agreement, the Company agreed to pay Ms. Tsai an hourly rate and Ms. Tsai is entitled to participate in any incentive stock option plan as may be available from time to time in the amounts, on the terms and at the time determined by the Board.

#### **Oversight and Description of Director and NEO Compensation**

The Company's executive compensation program is administered by the Compensation Committee. The Compensation Committee consists of Paul Andreola, Colin Bowkett and Paul Kozak. Paul Andreola and Colin Bowkett are not independent within the meaning of NI 52-110.

The Compensation Committee's responsibilities include reviewing and making recommendations to the Board of Directors with respect to adequacy and the form of compensation to all executive officers and directors of the Company, making recommendations to the Board of Directors in respect of granting of stock options to management, directors officers and other employees and consultants of the Company, and monitoring the performance of the Company's executive officers.

Executive compensation awarded to the named executive officers consists of two components: (i) management fees and (ii) stock options. The Company does not presently have a long-term incentive plan for its named executive officers. There is no policy or target regarding allocation between cash and noncash elements of the Company's compensation program.

In setting compensation rates for named executive officers, the Company compares the amounts paid to them with the amounts paid to executives in comparable positions at other comparable companies. The peer group used to determine market pay levels included Steer Technologies Inc., Micromem Technologies, Nanalysis Scientific Corp. and Pivotree Inc., all of which are similarly-sized and publicly traded technology companies therefore is comparable to the Company. The Company's compensation payable to the named executive officers is based upon, among other things, the responsibility, skills and experience required to carry out the functions of each position held by each named executive officer and varies with the amount of time spent by each named executive officer in carrying out his or her functions on behalf 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 Option Plan. In granting stock options, the Board of Directors reviews the total of stock options available under the 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 Company's Option Plan.

Due to the Company having limited financial resources, compensation is not tied to 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, 2022.

**Pension**

The Company does not provide any pension benefits for directors or executive officers.