

STATEMENT OF EXECUTIVE COMPENSATION

General

The following information, dated as of December 31, 2020, 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, 2019, the Company had two NEOs, namely:

- (i) Kelly Abbott, Chief Executive Officer since September 8, 2016; and
- (ii) Devon Brown, Chief Financial Officer since December 4, 2017.

Director and NEO Compensation, Excluding Options and Compensation Securities

The following table (presented in accordance with National Instrument Form 51-102F6 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, 2019 and 2018. 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 (\$)	Total compensation (\$)
Kelly Abbott, CEO and Director	2019	96,000	-	-	-	-	96,000
	2018	75,875	-	-	-	-	75,875
Devon Brown, CFO and Director	2019	36,000	-	-	-	-	36,000
	2018	32,000	-	-	-	-	32,000
Peter Hinam, Director	2019	48,000	-	-	-	-	48,000
	2018	4,000	-	-	-	-	4,000
Ian Tostenson, Director	2019	Nil	-	-	-	-	Nil
	2018	Nil	-	-	-	-	Nil
Brian Storseth ⁽¹⁾ , Director	2019	Nil	-	-	-	-	Nil
	2018	N/A	N/A	N/A	N/A	N/A	N/A
Alex Nuttall ⁽²⁾ , Director	2019	Nil	-	-	-	-	Nil
	2018	N/A	N/A	N/A	N/A	N/A	N/A
Robert Faissal ⁽³⁾ , Director	2019	Nil	-	-	-	-	Nil
	2018	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

- 1) Brian Storseth became a director on February 11, 2019.
- 2) Alex Nuttall became a director on October 14, 2019.
- 3) Robert Faissal became a director on October 14, 2019.

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, 2019, 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
Kelly Abbott, CEO and Director	N/A	NIL	N/A	N/A	N/A	N/A	N/A
Devon Brown, CFO and Director	N/A	NIL	N/A	N/A	N/A	N/A	N/A
Peter Hinam, Director	N/A	NIL	N/A	N/A	N/A	N/A	N/A
Ian Tostenson, Director	N/A	NIL	N/A	N/A	N/A	N/A	N/A
Brian Storseth ⁽¹⁾ , Director	N/A	NIL	N/A	N/A	N/A	N/A	N/A
Alex Nuttall ⁽²⁾ , Director	N/A	NIL	N/A	N/A	N/A	N/A	N/A
Robert Faissal ⁽³⁾ , Director	Options	50,000	May 2, 2019	0.27	0.27	0.1050	May 2, 2024

Notes:

- 1) Brian Storseth became a director on February 11, 2019.
- 2) Alex Nuttall became a director on October 14, 2019.
- 3) Robert Faissal became a director on October 14, 2019 and was granted options under a Consulting Services Agreement.

The following table provides a summary of each exercise of compensation securities by each NEO and director of the Company for the fiscal year ended December 31, 2019:

Exercise of Compensation Securities by Directors and NEOs							
Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Kelly Abbott, CEO and Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Devon Brown, CFO and Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Peter Hinam, Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Ian Tostenson, Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Brian Storseth ⁽¹⁾ , Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Alex Nuttall ⁽²⁾ , Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Robert Faissal ⁽³⁾ , Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A

Notes:

- 1) Brian Storseth became a director on February 11, 2019.
- 2) Alex Nuttall became a director on October 14, 2019.
- 3) Robert Faissal became a director on October 14, 2019.

Share-Based and Option-Based Awards

The Company does not grant share-based awards. The Board is responsible for granting options to the NEOs. Stock option grants are designed to reward the NEOs for success on a similar basis as the shareholders of the Company, but these rewards are highly dependent upon the volatile stock market, much of which is beyond the control of the NEOs. When new options are granted, the Board takes into account the previous grants of options, the number of stock options currently held, position, overall individual performance, anticipated contribution to the Company's future success and the individual's ability to influence corporate and business performance. The purpose of granting such stock options is to assist the Company in compensating, attracting, retaining and motivating the officers, directors and employees of the Company and to closely align the personal interest of such persons to the interest of the shareholders. The

exercise price of the stock options granted is generally determined by the market price at the time of grant, less any allowable discount.

At the meeting of shareholders held August 23, 2018 a resolution was passed approving amendments to the Stock Option Plan changing the existing Stock Option Plan from a “rolling” plan to a “fixed” plan. The aggregate fixed number of Common Shares that may be issued upon the exercise of all options granted under the plan is 13,269,142 Common Shares.

The limits to the number of Common Shares which can be reserved for issuance for grants made under the amended Stock Option Plan is limited to: (a) the aggregate number of Common Shares reserved for issuance under options issued to insiders may exceed 10% of the issued and outstanding Common Shares; (b) the aggregate number of Common Shares reserved for issuance under options may exceed 5% of the issued and outstanding Common Shares in any twelve month period; (c) the aggregate number of Common Shares reserved for issuance under options granted to any one consultant of the Company, or any subsidiary of the Company, shall not exceed 2% of the issued and outstanding Common Shares in any twelve month period, and (d) the aggregate number of Common Shares reserved for issuance under stock options granted to any one employee of the Company or any subsidiary of the Company, which is engaged in Investor Relation Activities shall not exceed 2% of the issued and outstanding Common Shares in any twelve month period with no more than one quarter of such options vesting in any three month period.

Employment, Consulting and Management Agreements

Other than as set forth below, for the completed financial year ended December 31, 2019 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 consulting agreement, (the “Consulting Agreement”) with Kelly Abbott whereby Mr. Abbott was paid a salary of \$3,333 per month (payable bi-weekly in equal installments) in consideration of providing his services as Chief Executive Officer to the Company. The initial term of the Consulting Agreement was for 90 days following which it is automatically renewed for successive terms of one month until the termination of the Consulting Agreement. Either party may terminate the Consulting Agreement for any breach of the Consulting Agreement by the other party, if that breach is not remedied within seven days after the non-defaulting party delivers written notice thereof to the defaulting party. In addition, either party may terminate the Consulting Agreement at any time by giving the other party at least seven days' written notice prior to the effective date of the termination.

Oversight and Description of Director and NEO Compensation

The Board of Directors' (the “Board”) compensation program is designed to provide competitive levels of compensation, a significant portion of which is dependent upon individual and corporate performance and contribution to increasing shareholder value. The Board recognizes the need to provide a total compensation package that will attract and retain qualified and experienced executives as well as align the compensation level of each executive to that executive's level of responsibility. In general, a NEO's compensation is comprised of contractor payments and stock option grants. The objectives and reasons for this system of compensation are generally to allow the Company to remain competitive compared to its peers in attracting and retaining experienced personnel. All salaries and/or consulting fees are to be set on a basis of a review and comparison of compensation paid to executives at similar companies.

The Board has not formally considered the risks associated with the Company's compensation policies and practices. The Company has attempted to minimize those compensation practices and policies that expose the Company to inappropriate or excessive risks.

The Company has not adopted any specific policies or practices to determine the compensation for the Company's directors and officers, other than disclosed above. Given the Company's current stage of development, the Company does not currently have an active compensation committee in place. 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.

The Company's NEOs and directors are not permitted to purchase financial instruments, 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 market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

Pension

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