

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

“Named Executive” or “NEO” means each of the following individuals:

- (a) each individual who, in respect of Captor Capital Corp. (the “**Corporation**”), 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 Corporation, 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 Corporation and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) above at the end of the most recently completed financial year whose total compensation was more than \$150,000;
- (d) each individual who would be a named executive officer under paragraph (c) above, but for the fact that the individual was not an executive officer of the Corporation, and was not acting in a similar capacity, at the end of that financial year;

The Named Executives who are the subject of this Statement of Executive Compensation are Chief Executive Officer, Henry Kloeppe, President, John Zorbas and Chief Financial Officer, Jing Peng.

The Compensation Committee of the board of directors of the Corporation during the fiscal year ended March 31, 2019 was comprised of John Zorbas, Henry Kloeppe, Kyle Appleby and Alex Dementev. Alex Dementev resigned as a director on November 12, 2019. The compensation of the Corporation’s Named Executives and directors was determined by the Corporation’s board of directors as a whole, after having received recommendations from the Compensation Committee who have monitored the Corporation’s compensation practices to ensure that the Corporation maintains its competitiveness and that it appropriately recognizes reward, growth and change within the organization, along with the Corporation’s current state of development and financial position. Compensation of the Corporation’s Named Executives and directors is reviewed by the Compensation Committee and the board of directors on an annual basis. In the event a Named Executive Officer may be entitled to a discretionary bonus, the Compensation Committee reviews that individual’s performance, their contribution to the advancement of the Corporation’s goals and objectives and the financial performance and position of the Corporation. The Compensation Committee makes bonus recommendations to the board of directors annually and the board, as a whole, makes decisions with respect to any discretionary bonuses. Named Executives are not permitted to participate in the discussion or vote in connection with their own compensation.

Compensation for Named Executives is composed of three components, namely, base salary, participation in the Corporation’s Stock Option Plan, and non-equity incentives. When determining such compensation, the board of directors has taken into consideration individual performance, level of expertise, responsibilities, length of service to the Corporation and contribution to the financial health of the Corporation.

The general compensation philosophy of the Corporation for executive officers is to provide a level of compensation that is fair and competitive within the marketplace, that will attract and retain individuals with the experience and qualifications critical to the success of the Corporation and the enhancement of shareholder value, and that will reward the performance of those executives whose actions have a direct and identifiable impact on the performance of the Corporation. From time to time, the Corporation grants incentive stock options as well as non-equity incentives as part of total compensation to its Named Executive Officers.

Base Salary

The base salaries paid to the Corporation's Named Executives are based upon the Corporation's assessment of the salaries required to attract and retain the calibre of executives it needs to achieve its desired growth and performance targets.

Stock Options

The Corporation's Stock Option Plan is intended to assist in attracting, retaining and motivating directors, officers, employees and service providers of the Corporation to closely align the personal interests of such directors, officers, employees and service providers with those of the shareholders by providing them with the opportunity, through options, to acquire Common Shares.

Decision to grant stock options is made by the board of directors and is done in compliance with the Stock Option Plan and the rules and policies of the CSE. When the board of directors of the Corporation considers granting stock options, the board will take into consideration (i) the relative contributions of the individuals who are eligible to receive options; and (ii) the availability of options for issuance, general market conditions, and the Corporation's recent share performance.

Non-Equity Incentives

Non-equity incentives are a variable element of the total compensation package, and though there is no formal plan in place at the current time and no non-equity incentive compensation (other than salary) was paid to Named Executives or directors of the Corporation during the fiscal year ended March 31, 2016.

Summary Compensation Table

The following table sets forth all compensation for services rendered in all capacities to the Corporation for the fiscal years ended March 31, 2019 and March 31, 2018 in respect of the Named Executives of the Corporation. The Corporation had no other executive officers, or individuals acting in a similar capacity, whose total compensation during the fiscal year ended March 31, 2019 exceeded \$150,000.

Table of compensation excluding compensation securities							
Name and Principal Position	Year Ended	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee of meeting fees (\$)	Value of perquisites (\$)	Value of all other Compensation (\$)	Total Compensation (\$)
Henry Kloepper Director ⁽¹⁾	Mar 31/19	Nil	Nil	Nil	Nil	Nil	Nil
	Mar 31/18	84,000	Nil	Nil	Nil	Nil	84,000
John Zorbas CEO and Director ⁽²⁾	Mar 31/19	219,996	880,000	Nil	Nil	Nil	1,099,996
	Mar. 31/18	219,996	Nil	Nil	Nil	Nil	219,996
Jing Peng, CFO ⁽³⁾	Mar 31/19	18,000	Nil	Nil	Nil	Nil	18,000
	Mar. 31/18	18,000	Nil	Nil	Nil	Nil	18,000
Alexander Dementev Director ⁽⁴⁾	Mar 31/19	72,000	Nil	Nil	Nil	Nil	72,000
	Mar. 31/18	9,000	Nil	Nil	Nil	Nil	9,000

Notes:

- 1) Mr. Kloepper was appointed CEO on December 20, 2013 and resigned in August of 2018. Mr. Kloepper provided resigned his services as CEO through 2249872 Ontario Ltd., a corporation wholly owned by Mr. Kloepper. The management fees paid to 2249872 Ontario Ltd. were for the CEO function performed by Mr. Kloepper. Included in accounts payable is \$47,190 in respect of accrued but unpaid management fees to 2249872 Ontario Ltd. incurred during the year ended March 31, 2018. The Corporation has no other ongoing contractual obligation or commitment to 2249872 Ontario Ltd.
- 2) All compensation shown above for Mr. Zorbas' services were payable to Alegana Enterprises Ltd. ("Alegana"), a company wholly owned by John Zorbas through which Mr. Zorbas provides his services to the Corporation. The services of John Zorbas as CEO are provided through Alegana. Alegana receives consulting fees of \$220,000 a year in consideration for the services provided by John Zorbas under the terms of a written contract that runs for an indefinite term. The consulting fees paid to Alegana are for the function of the President which include, but are not limited to, managing the operations of the Corporation. Alegana may receive, at the sole discretion of the board of directors, a performance bonus of up to 400% of the annual consulting fee payable by the Corporation to Alegana. All amounts payable by the Corporation to Alegana during the fiscal year ended March 31, 2019 have been deferred by Alegana until the Corporation is in a better financial position. Included in accounts payable and accrued liabilities as at March 31, 2019 owing to Alegana was \$1,431,364 (March 31, 2018 - \$669,150). Upon termination of Alegana by the Corporation without cause or a termination following a change of control, the Corporation is obligated to pay Alegana: (a) 1.5 times Alegana's annual consulting fee; and (b) an amount equal to 1.5 times the amount of all bonuses John Zorbas received for the most recent calendar year ended prior to the termination date or 2 times the amount of Alegana's annual consulting fee should John Zorbas not have received a bonus for the most recent calendar year ended prior to the termination date. Upon termination of Alegana under any other circumstances, the Corporation is not obligated to pay Alegana any penalty.
- 3) Mr. Jing Peng, the Chief Financial Officer ("CFO"), is a senior employee of MSSI. The management fees paid to MSSI relate to CFO function performed by Mr. Peng which includes the reporting of financial information and the safeguard of the

Corporation's assets. Included in accounts payable and accrued liabilities as at March 31, 2019 was \$2,930 (March 31, 2018 – \$8,042) owing to MSSSI. The Corporation has no ongoing contractual obligation or commitment to MSSSI.

- 4) Mr. Dementev was a director of the Corporation and resigned on November 12, 2019. The consulting fees paid to Mr. Dementev relate to his position as a director and consulting services performed by Mr. Dementev. . Included in accounts payable and accrued liabilities as at March 31, 2019 was \$5,660 (March 31, 2018 – \$nil) owing to Mr. Dementev. The Corporation has no ongoing contractual obligation or commitment to Mr. Dementev.

Director and Named Executive Officer Stock Options and Other Compensation Securities

The table below reflects all option-based awards for each Named Executive Officer outstanding as at March 31, 2019. The Corporation does not have any other equity incentive plans other than the Stock Option Plan.

NEO OPTION-BASED AWARDS OUTSTANDING AS AT MARCH 31, 2019				
Name of Named Executive Officer	Number of Securities Underlying Unexercised Options ⁽¹⁾	Option Exercise Price (CDN\$/Security)	Option Expiration Date	Value of Unexercised In-the-Money Options (CDN\$)
Jing Peng	15,000	\$2.00	November 29, 2019	Nil
	25,000	\$6.00	August 8, 2020	Nil
Henry Kloepper	25,000	\$2.00	November 29, 2019	Nil
	25,000	\$6.00	August 8, 2020	Nil
Alex Dementev.	32,500	\$2.00	November 29, 2019	Nil
	25,000	\$6.00	August 8, 2020	Nil
Kyle Appleby	37,500	\$2.00	November 29, 2019	Nil
	50,000	\$6.00	August 8, 2020	Nil
John Zorbas	100,000	\$2.00	November 29, 2019	Nil
	250,000	\$6.00	August 8, 2020	Nil

(1) All stock options shown above for Mr. Zorbas have been granted to Alegana Enterprises Ltd. ("Alegana"), a company wholly owned by John Zorbas through which Mr. Zorbas provides his services to the Corporation.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table provides information concerning the incentive award plans of the Corporation with respect to each Named Executive Officer during the fiscal year ended March 31, 2019. The only incentive award plan of the Corporation during fiscal 2019 was the Stock Option Plan.

INCENTIVE AWARD PLANS – VALUE VESTED OR EARNED DURING THE FISCAL YEAR ENDED MARCH 31, 2018		
Name of Executive Officer	Option-Based Awards – Value Vested During Fiscal 2019 (CDN\$)	Non-Equity Incentive Plan Compensation – Value Earned During Fiscal 2019 (CDN\$)
Jing Peng	34,500	Nil
Henry Kloeppe	34,500	Nil
Alex Dementev.	34,500	Nil
Kyle Appleby	69,000	Nil
John Zorbas	345,000	Nil

Securities authorized for issuance under equity compensation plans

Set out below is information as of March 31, 2019 with respect to compensation plans under which equity securities of the Corporation are authorized for issuance. The only incentive award plan of the Corporation during fiscal 2019 was the Stock Option Plan.

Equity Compensation Plan Information

	Number of securities to be issued upon exercise of outstanding options, warrants and rights as at March 31, 2019 (a)	Weighted average exercise price of outstanding options, warrants and rights as at March 31, 2019 (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) as at March 31, 2019 (c)
Stock Option Plan	2,035,000	5.59	1,923,664

Employment Contracts

The Corporation has a consulting agreement for an indefinite term with Alegana Enterprises Ltd. (“Alegana”), through which Mr. John Zorbas provides his services to the Corporation. Alegana is controlled by Mr. John Zorbas. The consulting fees paid to Alegana are for the services Mr. Zorbas provides as President, which includes, but is not limited to, managing the capital structure and current investment portfolio of the Corporation. In accordance with the consulting agreement, Alegana is to receive \$220,000 per year for the services provided to the Corporation by John Zorbas. Alegana may receive, at the sole discretion of the board of directors, a performance bonus of up to 400% of the annual consulting fee payable by the Corporation to Alegana. Upon termination of Alegana by the Corporation without cause or termination following a change of control, the Corporation is obligated to pay Alegana: (a) 1.5 times Alegana’s annual consulting fee; and (b) an amount equal to 1.5 times the amount of all bonuses John Zorbas received for the most recent calendar year ended prior to the termination date or 2 times the amount of Alegana’s annual consulting fee should John Zorbas not have received a bonus for the most recent calendar year ended prior to the

termination date. Upon termination of Alegana under any other circumstances, the Corporation is not obligated to pay Alegana any penalty.

The Corporation does not have a written consulting agreement or employment agreement with any other Named Executive.

Summary of Stock Option Plan

The shareholders of the Corporation approved the Corporation's incentive stock option plan (the "Option Plan") on June 26, 2007 and re-confirmed such approval on June 18, 2008, June 30, 2009, June 23 2010, June 24, 2011, September 28, 2012, July 24, 2014 and January 18, 2018. The number of Common Shares reserved for issuance under the Option Plan may not exceed 10% of the total number of Common Shares issued and outstanding from time to time. As of March 31, 2019, an aggregate of 39,586,639 Common Shares were issued and outstanding. As at March 31, 2019, there were 2,035,000 stock options outstanding under the Option Plan and 1,923,664 stock options remained eligible for issuance under the Option Plan.

The purpose of the Option Plan is to attract, retain and motivate persons as key service providers to the Corporation and to advance the interests of the Corporation by providing such persons with the opportunity, through share options, to acquire a proprietary interest in the Corporation and benefit from its growth. The options are non-assignable and may be granted for a term not exceeding five years.

Options may be granted under the Option Plan only to directors, officers, employees and other service providers subject to the rules and regulations of applicable regulatory authorities and any Canadian stock exchange upon which the Common Shares may be listed or may trade from time to time. The number of Common Shares reserved for issue to any one person pursuant to the Option Plan within any one-year period may not exceed 5% of the issued and outstanding Common Shares. The maximum number of Common Shares which may be reserved for issuance to insiders under the Option Plan, any other employee stock option plans or options for services is 10% of the aggregate number of issued and outstanding Common Shares at the date of grant (on a non-diluted basis). The maximum number of Common Shares which may be issued to insiders under the Option Plan, together with any previously established or proposed share compensation arrangements, within any one-year period, is 10% of the aggregate number of issued and outstanding Common Shares. The maximum number of Common Shares which may be issued to any insider and his or her associates under the Option Plan, together with any previously established or proposed share compensation arrangements, within any one year period, is 5% of the aggregate number of issued and outstanding Common Shares at the date of grant (on a non-diluted basis). The maximum number of Common Shares which may be granted to any consultant under the Option Plan, any other employee stock option plans or options for services, within any one year period, is 2% of the aggregate number of issued and outstanding Common Shares at the date of grant (on a non-diluted basis). The maximum number of Common Shares which may be granted to any "investor relations person" under the Option Plan, any other employee stock option plans or options for services, within any one year period, is 2% of the aggregate number of issued and outstanding Common Shares at the date of grant (on a non-diluted basis).

The exercise price of options issued may not be less than the market value of the Common Shares at the time the option is granted, subject to any discounts permitted by applicable legislative and regulatory requirements.