



## **BIG SKY PETROLEUM CORPORATION**

1177 West Hastings Street, Suite 2288  
Vancouver, BC V6E 2K3

Form 51-102F6V

### **STATEMENT OF EXECUTIVE COMPENSATION – VENTURE ISSUERS (for financial years ended December 31, 2018, 2017, 2016 and 2015)**

#### **GENERAL**

The following information, dated as of June 25, 2019, is provided as required under Form 51-102F6V – *Statement of Executive Compensation*, for Venture Issuers (the “**Form**”), as such term is defined in National Instrument 51-102.

For the purposes of this Statement of Executive Compensation:

“**Company**” means Big Sky Petroleum Corporation;

“**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, 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;
- (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.

#### **DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION**

Director and NEO Compensation, Excluding Options and Compensation Securities

During the financial year ended December 31, 2018, based on the definition above, the NEOs of the Company were: Sean Bromley, CEO, Mark Brown, former CEO and Corporate Secretary from April 25, 2014 to December 3, 2018, Yana Popova, CFO and Corporate Secretary, Winnie

Wong former, CFO from April 25, 2014 to December 3, 2018. The directors of the Company who were not NEOs during the financial year ended December 31, 2018 were Desmond Balakrishnan.

During the financial year ended December 31, 2017, based on the definition above, the NEOs of the Company were: Mark Brown, CEO and Corporate Secretary and Winnie Wong, CFO. The directors of the Company who were not NEOs during the financial year ended December 31, 2017 were Desmond Balakrishnan and T. Arden McCracken.

During the financial year ended December 31, 2016, based on the definition above, the NEOs of the Company were: Mark Brown, CEO and Corporate Secretary and Winnie Wong, CFO. The directors of the Company who were not NEOs during the financial year ended December 31, 2016 were Desmond Balakrishnan and T. Arden McCracken.

During the financial year ended December 31, 2015, Mark Brown, CEO and Corporate Secretary and Winnie Wong, CFO. The directors of the Company who were not NEOs during the financial year ended December 31, 2015 were Desmond Balakrishnan, T. Arden McCracken and George Robinson.

The Company is authorized to issue an unlimited number of Common Shares without par value, each carrying the right to one vote. The Company's Common Shares are listed on the TSX Venture Exchange under stock symbol "BSP".

The following table of compensation, excluding options and compensation securities, provides a summary of the compensation paid by the Company to NEOs and directors of the Company for the financial years ended December 31, 2018, 2017, 2016 and 2015. Options and compensation securities are disclosed under the heading "**Stock Options and Other Compensation Securities**" in this Form.

<b>Table of compensation excluding compensation securities</b>							
<b>Name and position</b>	<b>Year</b>	<b>Salary, consulting fee, retainer or commission (\$)</b>	<b>Bonus (\$)</b>	<b>Committee or meeting fees (\$)</b>	<b>Value of perquisites (\$)</b>	<b>Value of all other compensation (\$)</b>	<b>Total compensation (\$)</b>
Sean Bromley, CEO	2018	18,900	nil	nil	nil	nil	18,900
	2017	-	-	-	-	-	-
	2016	-	-	-	-	-	-
	2015	-	-	-	-	-	-
Yana Popova, CFO & Corporate Secretary	2018	24,150	nil	nil	nil	nil	24,150
	2017	-	-	-	-	-	-
	2016	-	-	-	-	-	-
	2015	-	-	-	-	-	-
Mark Brown, former CEO & Corporate Secretary	2018	10,870	Nil	Nil	Nil	Nil	10,870
	2017	47,000	Nil	Nil	Nil	Nil	47,000
	2016	60,000	Nil	Nil	Nil	Nil	60,000
	2015	61,143	Nil	Nil	Nil	Nil	61,143

<b>Table of compensation excluding compensation securities</b>							
<b>Name and position</b>	<b>Year</b>	<b>Salary, consulting fee, retainer or commission (\$)</b>	<b>Bonus (\$)</b>	<b>Committee or meeting fees (\$)</b>	<b>Value of perquisites (\$)</b>	<b>Value of all other compensation (\$)</b>	<b>Total compensation (\$)</b>
Winnie Wong, former CFO	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil
Desmond Balakrishnan, Director	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil
T. Arden McCracken, Former Director	2018	-	-	-	-	-	-
	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil
George Robinson, Former Director	2018	-	-	-	-	-	-
	2017	-	-	-	-	-	-
	2016	-	-	-	-	-	-
	2015	Nil	Nil	Nil	Nil	Nil	Nil

Notes

- (1) Mr. Bromley was appointed CEO on December 3, 2018.
- (2) Ms. Popova was appointed CFO and Corporate Secretary on December 3, 2018.
- (3) Mr. Brown was appointed CEO and Corporate Secretary on April 25, 2014 and resigned on December 3, 2018.
- (4) Ms. Wong was appointed CFO on April 25, 2014 and resigned on December 3, 2018.
- (5) Mr. Balarishnan was appointed to the Board of Directors on November 30, 2011.
- (6) Ms. McCracken was appointed to the Board of Directors on November 19, 2012 and resigned on October 30, 2017.
- (7) Mr. Robinson was appointed to the Board of Directors on November 30, 2011 and resigned on August 16, 2015.

### **Stock options and Other Compensation Securities**

A number of Common Shares equal to ten (10%) percent of the issued and outstanding Common Shares in the capital stock of the Company from time to time are reserved for the issuance of stock options pursuant to the Company's Share Option Plan dated June 7, 2012 (the "Plan") which was first approved by shareholders at the annual meeting held on June 7, 2012. During the Company's financial years ended December 31, 2018, 2017, 2016 and 2015 options have been granted and remain outstanding to purchase an aggregate of 240,000 Common Shares.

The Plan complies with the current policies of the TSXV and the amendments to the Income Tax Act (Canada) which impose withholding obligations on taxable benefits arising at the time options are exercised. The Plan is subject to annual approval of the TSXV and the shareholders of the Company. The Plan was established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Plan is administered by the Board and provides that options will be issued to directors, officers, employees or consultants of the Company or a subsidiary of the Company. The Plan also provides that the number of Common Shares issuable under the Plan, together with all of the Company's other previously established or proposed share compensation arrangements, may

not exceed 10% of the total number of issued and outstanding Common Shares. Pursuant to the Plan all options expire on a date not later than 10 years after the date of grant of an option.

### Outstanding Compensation Securities

The following table sets forth details of all stock options granted to NEOs or directors of the Company during the financial years ended December 31, 2018, 2017, 2016 and 2015.

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
Sean Bromley, CEO	Options	200,000	June 22, 2018	\$0.088	\$0.0875	\$0.08	June 22, 2023
Yana Popova, CFO & Corporate Secretary	Options	200,000	June 22, 2018	\$0.088	\$0.0875	\$0.08	June 22, 2023
Mark Brown, former CEO and Corporate Secretary	-	-	-	-	-	-	-
Winnie Wong, former CFO	-	-	-	-	-	-	-
Desmond Balakrishnan, Director	-	-	-	-	-	-	-
T. Arden McCracken, Former Director	-	-	-	-	-	-	-
George Robinson, Former Director	-	-	-	-	-	-	-

### Exercise of Compensation Securities by Directors and NEOs

During the years ended December 31, 2018, 2017, 2016 and 2015 no compensation securities were exercised by any director or NEO during the most recently completed financial year.

## **Employment, consulting and management agreements**

The Company has not entered into any other contract, agreement, plan or arrangement that provides for payments to a NEO or a director at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement a change in control of the Company or a change in an NEOs or directors responsibilities.

### **OVERSIGHT AND DESCRIPTION OF DIRECTOR AND NEO COMPENSATION**

The Company does not pay any compensation to its directors other than the issuance of stock options. Compensation paid to the Company's CEO and President is determined by the compensation committee and then recommended to the Board and the Board approves such compensation, including the issuance of stock options. Other than the consulting agreements with its NEOs and the stock options granted to its NEOs and directors, the Company does not presently have other compensation arrangements for its NEOs. The NEOs and directors are not allowed to hedge risk of the Company's securities.

In addition to the audit committee, the Company has appointed a compensation committee. The members of the compensation committee are Sean Bromley and Desmond Balakrishnan.

The primary goal of the Company's executive compensation process is to attract and retain the key executives necessary for the Company's long term success, to encourage executives to further the development of the Company and its operations, and to motivate qualified and experienced executives. The key elements of executive compensation awarded by the Company are base salary and incentive stock options. The compensation committee and the Board are of the view that the two elements should be considered together when determining executive compensation.

Salaries for NEOs are determined by evaluating the time, effort and responsibilities of an NEO, with a view to the competitive marketplace. The compensation committee seeks to set base salary at a level competitive enough to represent a fair compensation in the marketplace while ensuring such compensation reflects the development stage of the Company. For all employees, including NEOs, salary adjustments are considered by the compensation committee annually but any adjustments to base salary are not guaranteed and any adjustment includes consideration for individual performance and market conditions.

As the Company grows, and its operations and management structure became more complex, the Board expects it will constitute other formal standing committees, such as a Corporate Governance Committee and a Nominating Committee, and will ensure that such committees are governed by written charters and are composed of at least a majority of independent directors.

### **Philosophy and Objectives**

The Company is a small, junior oil and gas company. The compensation program for the senior management of the Company is designed within this context with a view that the level and form of compensation achieves certain objectives, including:

1. attracting and retaining qualified executives;

2. motivating the short and long-term performance of these executives; and
3. better aligning their interests with those of the Company's shareholders.

In compensating its senior management, the Company has employed a combination of base salary and equity participation through its stock option plan. Recommendations for senior management compensation are presented by the compensation committee to the Board for review.

### Base Salary

In the view of the compensation committee and the Board, paying base salaries which are reasonable in relation to the level of service expected while remaining competitive in the markets in which the Company operates is a first step to attracting and retaining qualified and effective executives.

### Bonus Incentive Compensation

The Company's objective is to achieve certain strategic objectives and milestones. The Board will consider executive bonus compensation dependent upon the Company meeting those strategic objectives and milestones and sufficient cash resources being available for the granting of bonuses. The Board approves executive bonus compensation dependent upon compensation levels based on recommendations of the CEO and the compensation committee. Such recommendations are generally based on information provided by issuers that are similar in size and scope to the Company's operations.

### Equity Participation

The Company believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation is accomplished through the Company's stock option plan. Stock options are granted to executives and employees taking into account a number of factors, including the amount and term of options previously granted, base salary and bonuses and competitive factors. The amounts and terms of options granted are determined by the Board based on recommendations put forward by the CEO and the compensation committee. Due to the Company's limited financial resources, the Company emphasises the provisions of option grants to maintain executive motivation.

### **Pension Disclosure**

The company does not have a pension plan that provides for payments or benefits to the neos or directors at, following, or in connection with retirement.