

NASS VALLEY GATEWAY LTD.
(the “Company”)
Form 51-102F6
STATEMENT OF EXECUTIVE COMPENSATION
(for the year ended December 31, 2015)

General

For the purposes of this Statement of Executive Compensation:

“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;

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

- (a) a CEO;
- (b) a CFO;
- (c) each of the three most highly compensated executive officers of the Company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year and whose total compensation was, individually, more than \$150,000 as determined in accordance with applicable securities laws; and
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity at the end of the most recently completed financial year.

Based on the foregoing definition, during the last completed fiscal year of the Company, the Company had two NEOs, namely, Dieter Peter, CEO, and Andrew von Kursell as Interim CFO.

Compensation Discussion and Analysis

As the Directors are actively involved in the operations of the Company and the size of the Company’s operations did not warrant a larger board of Directors, the Board will elect a Human Resources and Corporate Governance Committee in due course. The Company presently does not have a Compensation Committee. The Board of Directors has the responsibility for determining compensation for the Directors and senior management.

To determine compensation payable, the independent Directors review compensation paid for Directors and senior management of companies of similar size and stage of development in the junior industrial industry and determine an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the Directors and senior management while taking into account the financial and other resources of the Company. The Company has presently no employment contracts with any Named Executive Officers. In evaluating the Administrative Services, the independent Directors annually review the performance of the CEO and CFO in light of the Company’s objectives and the progress of its projects and consider other factors that may have impacted the success of the Company in achieving its objectives.

Elements of Compensation

The Company's executive compensation consists of long-term incentives in the form of stock options granted under the Company's Stock Option Plan.

Compensation Policies and Risk Management

The Board of Directors considers the implications of the risks associated with the Company's compensation policies and practices when determining rewards for its officers. Commencing in 2012, the Board of Directors reviews at least once annually the risks, if any, associated with the Company's compensation policies and practices at such time.

The Company's executive compensation is long-term ownership in the Company through the Company's Stock Option Plan. The present compensation structure ensures that the executive compensation (stock options) is both long-term and "at risk" and, accordingly, is directly linked to the achievement of business results and the creation of long term shareholder value. As the benefits of such compensation, if any, are not realized by officers until a significant period of time has passed, the ability of officers to take inappropriate or excessive risks that are beneficial to their compensation at the expense of the Company and the shareholders is extremely limited. As a result, it is unlikely an officer would take inappropriate or excessive risks at the expense of the Company or the shareholders when their long-term compensation might be put at risk from their actions.

Due to the small size of the Company and the current level of the Company's activity, the Board of Directors did not establish a Human Resource Committee as the Board of Directors is able to closely monitor and consider any risks which may be associated with the Company's compensation policies and practices. Risks, if any, may be identified and mitigated through regular Board meetings during which financial and other information of the Company are reviewed. No risks have been identified arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

Hedging of Economic Risks in the Company's Securities

The Company has not adopted a policy prohibiting Directors or officers from purchasing financial instruments that are designed to hedge or offset a decrease in market value of the Company's securities granted as compensation or held, directly or indirectly, by Directors or officers. However, the Company is not aware of any Directors or officers having entered into this type of transaction.

Option-Based Awards

The Company's Stock Option Plan has been and will be used to provide share purchase options which are granted in consideration of the level of responsibility of the executive as well as his or her impact or contribution to the longer-term operating performance of the Company. In determining the number of options to be granted to the executive officers, the Board takes into account the number of options, if any, previously granted to each executive officer, and the exercise price of any outstanding options to ensure that such grants are in accordance with the policies of the CSE, and closely align the interests of the executive officers with the interests of shareholders.

The Board of Directors as a whole has the responsibility to administer the compensation policies related to the executive management of the Company, including option-based awards.

Compensation Governance

Options are granted at the discretion of the Board of Directors, which considers factors such as how other junior industrial companies grant options and the potential value that each optionee is contributing to the Company and the various board committees. The number of options granted to an individual is based on such considerations.

Summary Compensation Table

The following table (presented in accordance with National Instrument Form 51-102F6 “**Statement of Executive Compensation**” (the “**Form 51-102F6**”)) sets forth all annual and long term compensation for services in all capacities to the Company for the most recently completed financial year (to the extent required by Form 51-102F6) in respect of each of the individuals comprised of the CEO and the CFO as at December 31, 2015 and each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, (other than the CEO and the CFO), as at December 31, 2015 whose total compensation was, individually, more than \$150,000 for the financial year and any individual who would have satisfied these criteria but for the fact that individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of the most recently completed financial year (collectively the “**Named Executive Officers**” or “**NEOs**”).

Name and principal position	Year ending	Salary (\$)	Share-based awards (\$)	Option-based awards (\$) ⁽¹⁾⁽²⁾	Non-equity incentive plan compensation		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Dieter Peter <i>CEO & President</i>	2015	Nil	Nil	12,248	Nil	Nil	Nil	Nil	12,248
	2014	Nil	Nil	534	Nil	Nil	Nil	Nil	534
	2013	Nil	Nil	9,344	Nil	Nil	Nil	Nil	9,344
Andrew von Kursell <i>Interim CFO (Jun 17, 2014)</i>	2015	Nil	Nil	24,946	Nil	Nil	Nil	Nil	24,946
	2014	Nil	Nil	66	Nil	Nil	Nil	Nil	66
	2013	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

- (1) These amounts represent the value of stock options granted to the respective Named Executive Officer. The methodology used to calculate these amounts was the Black-Scholes model. This is consistent with the accounting values used in the Company’s financial statements. The dollar amount in this column represents the total value ascribed to the stock options.
- (2) On August 18, 2015 the trading of common stock was halted due to a potential deal of acquisition. The Company decided to extend the life of all options that had expired in 2015 by the number of days the stock was halted.

Incentive Plan Awards

The Company does not have any incentive plans, pursuant to which compensation that depends on achieving certain goals or similar conditions within a specified period is awarded, earned, paid or payable to the Named Executive Officers.

Outstanding Share-Based Awards and Option-Based Awards

The following table provides information regarding the incentive plan awards for each Named Executive Officer outstanding as at December 31, 2015.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options	Option Exercise Price (\$)	Option Expiration Date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Dieter Peter, <i>CEO & President</i>	137,500	\$0.10	Apr 28, 2018	31,625	Nil	Nil	Nil
Andrew von Kursell, <i>Interim CFO</i>	145,000 50,000 ⁽²⁾	\$0.10 \$0.10	Apr 28, 2018 Nov 12, 2016	33,350 11,500	Nil Nil	Nil Nil	Nil Nil

(1) Calculated using the closing price of the Common Shares on the CSE on December 31, 2015 of \$0.33 and subtracting the exercise price of in-the-money stock options. These stock options have not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the Common Shares on the date of exercise. As the stock had been halted on August 18, 2015 the closing price of that date was used in calculating the value of unexercised options.

(2) On August 18, 2015 the trading of common stock was halted due to a potential deal of acquisition. The Company decided to extend the life of all options that were due to expire in 2015 by the number of days the stock was halted.

The following table provides information regarding the value on pay-out or vesting of incentive plan awards for each Named Executive Officer for the financial year ended December 31, 2015.

Value Vested or Earned During the Financial Year Ended December 31, 2015

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Dieter Peter ⁽¹⁾ <i>CEO & President</i>	Nil	Nil	Nil
Andrew von Kursell <i>Interim CFO</i> ⁽²⁾	Nil	Nil	Nil

(1) 52,500 options at \$0.10 vested on Apr 28, 2015 when the Company's share price was \$0.07. No value would have been realized had the options been exercised on the vesting date.

(2) 72,500 options at \$0.10 vested on Apr 28, 2015 when the Company's share price was \$0.07. No value would have been realized had the options been exercised on the vesting date.

The following table provides details regarding stock options exercised and sold by the Named Executive Officers during the financial year ended December 31, 2015.

Option Exercised During the Financial Year Ended December 31, 2015

Name	Number of options exercised and sold	Option exercise price	Value realized (\$)
Dieter Peter, <i>CEO & President</i> ⁽¹⁾	337,500	\$0.10	Nil
Andrew von Kursell, <i>Interim CFO</i>	Nil	Nil	Nil

(1) Dieter Peter exercised 100,000 options on Jul 09, 2015 when the share price was \$0.08; 100,000 options on Jul 10, 2015 when the share price was \$0.07; 85,000 options on Jul 13, 2015 when the share price was \$0.10; and 52,500 options on Jul 15, 2015 when the share price was \$0.10. Therefore no value was realized had the shares been sold.

Pension Plan Benefits

The Company does not have a pension plan that provides for payments or benefits to the Named Executive Officers at, following, or in connection with retirement.

Termination and Change of Control Benefits

The Company and its subsidiaries have not entered into any employment contracts with the Named Executive Officers.

The Company and its subsidiaries do not have any contracts, agreements, plans or arrangements that provide for payments to a Named Executive Officer following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, a change of control of the Company or its subsidiaries or a change in responsibilities of the Named Executive Officer following a change in control.

DIRECTOR COMPENSATION

No compensation was provided to the Directors, who are each not also a Named Executive Officer, for the Company's most recently completed financial year.

The Company has no arrangements, standard or otherwise, pursuant to which Directors are compensated by the Company or its subsidiaries for their services in their capacity as Directors, or for committee participation, involvement in special assignments or for services as consultant or expert during the most recently completed financial year or subsequently, up to and including the date of this Statement of Executive Compensation.

The Company has a Stock Option Plan for the granting of incentive stock options to the officers, employees and Directors. The purpose of granting such options is to assist the Company in compensating, attracting, retaining and motivating the Directors of the Company and to closely align the personal interests of such persons to that of the shareholders.

Director Compensation Table

The following table sets forth all amounts of compensation provided to each Director, who is not also a Named Executive Officer, for the financial year ended December 31, 2015.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards ⁽¹⁾⁽²⁾ (\$)	Non-equity incentive plan	Pension Value	All other compensation (\$)	Total (\$)
Eric Peter-Kaiser <i>elected Sep 23, 2014</i>	Nil	Nil	18,143	Nil	Nil	Nil	\$18,143
Mel Stevens <i>until October 16, 2015</i>	Nil	Nil	\$25,963	Nil	Nil	Nil	\$25,963
Milo Filgas, <i>elected October 16, 2015</i>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
TOTAL	Nil	Nil	\$44,106	Nil	Nil	Nil	\$44,106

(1) These amounts represent the value of stock options granted to the respective Non-Executive Directors. On August 18, 2015 the trading of common stock was halted due to a potential deal of acquisition. The Company decided to extend the life of all options that were due to expire in 2015 by the number of days the stock was halted which resulted in a modification of the share based compensation.

(2) The methodology used to calculate these amounts was the Black-Scholes model. This is consistent with the accounting values used in the Company's financial statements. The dollar amount in this column represents the total value ascribed to the stock options.

Incentive Plan Awards - Outstanding Share-Based Awards and Option-Based Awards

The following table provides information regarding the incentive plan awards for each Director, who is not also a Named Executive Officer, for the financial year ended December 31, 2015.

Outstanding Share-Based Awards and Option-Based Awards

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options	Option Exercise Price (\$)	Option Expiration Date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Eric Peter-Kaiser	23,333	\$0.10	Nov 12, 2016	\$5,367	Nil	Nil	Nil
	20,000	\$0.10	Nov 12, 2016	\$4,600	Nil	Nil	Nil
	70,000	\$0.10	Apr 28, 2018	\$16,100	Nil	Nil	Nil
Mel Stevens	70,000	\$0.10	Nov 12, 2016	\$16,100	Nil	Nil	Nil
	65,000	\$0.10	Apr 28, 2018	\$14,950	Nil	Nil	Nil
Milo Filgas	Nil	N/A	N/A	Nil	Nil	Nil	Nil

⁽¹⁾ Calculated using the closing price of the Common Shares on the CSE on December 31, 2015 of \$0.33 and subtracting the exercise price of in-the-money stock options. The stock was halted on August 18, 2015 with the last trade being at \$0.33. These stock options have not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the Common Shares on the date of exercise.

The following table provides information regarding the value on pay-out or vesting of incentive plan awards for each Director, who is also not a Named Executive Officer, for the financial year ended December 31, 2015.

Value Vested or Earned During the Financial Year Ended December 31, 2015

Name	Option-based awards – Value vested during the year ⁽³⁾ (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Eric Peter-Kaiser ⁽¹⁾	Nil	Nil	Nil
Mel Stevens ⁽²⁾	Nil	Nil	Nil
Milo Filgas	Nil	Nil	Nil

⁽¹⁾ 35,000 options at \$0.10 vested on April 28, 2015 when the Company's share price was \$0.07.

⁽²⁾ 32,500 options at \$0.10 vested on April 28, 2015 when the Company's share price was \$0.07.

⁽³⁾ No value would have been realized had the options been exercised on the vesting date.

The following table provides details regarding stock options exercised and sold by each Director, who is also not a Named Executive Officer, for the financial year ended December 31, 2015.

Option Exercised During the Financial Year Ended December 31, 2015

Name	Number of options exercised and sold	Option exercise price	Value realized (\$)
Eric Peter-Kaiser	Nil	Nil	Nil
Mel Stevens	Nil	Nil	Nil
Milo Filgas	Nil	Nil	Nil