

JOSEPHINE MINING CORP.
(the “Company”)

Statement of Executive Compensation on Form 51-102F6V

Under applicable securities legislation, the Company is required to disclose certain financial and other information relating to the compensation of the Chief Executive Officer, the Chief Financial Officer and the most highly compensated executive officer of the Company as at December 31, 2017 whose total compensation was more than \$150,000 for the financial year of the Company ended December 31, 2017 (collectively the “**Named Executive Officers**”) and for the directors of the Company.

Summary Compensation Table

The following table provides a summary of compensation paid, directly or indirectly, for each of the two most recently completed financial years to the Named Executive Officers and the directors of the Company:

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 (\$)
Robert L. Russell ⁽¹⁾ <i>President, Chief Executive Officer and Director</i>	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil
James T. O’Neil ⁽³⁾ <i>Director</i>	2016	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Mr. Russell ceased to be a director and officer of the Company on January 29, 2019.
- (2) Mr. O’Neil ceased to be a director of the Company on September 1, 2016.

Stock Options and Other Compensation Securities

No compensation securities were issued to any Named Executive Officer or director of the Company during the most recently completed financial year. None of the Named Executive Officers or directors of the Company exercised any compensation securities during the most recently completed financial year of the Company.

Stock Option Plan and other Incentive Plans

The Company has in place a stock option plan (the “**Option Plan**”) pursuant to which the Company may grant incentive stock options to directors, officers, employees and consultants of the Company or any subsidiary thereof. The total number of shares issuable pursuant to the Option Plan is up to a maximum of 10% of the issued and outstanding common shares of the Company at the time of the grant of the

options. As at the date hereof, there are nil common shares reserved for issuance under the Option Plan. Any common shares subject to an option which is exercised, or for any reason is cancelled or terminated prior to exercise, will be available for a subsequent grant under the Option Plan. The exercise price of each stock option is to be determined in the discretion of the Board of Directors at the time of the granting of the stock option, as is the term and vesting policies, provided that the exercise price shall not be lower than the market price or such discounted market price as may be permitted by the stock exchange on which the common shares are listed and provided that no stock option shall have a term exceeding five years (or such longer period as is permitted by the stock exchange on which the common shares are listed), subject to earlier termination upon the termination of the optionee's employment, upon the optionee ceasing to be an employee, officer, director or consultant of the Company or any of its subsidiaries or ceasing to have a designated relationship with the Company, as applicable, or upon the optionee retiring, becoming permanently disabled or dying.

There may not be issued to insiders within a one-year period, a number of common shares exceeding 10% of the issued and outstanding shares and no one eligible optionee can receive stock options entitling the eligible optionee to purchase more than 5% of the total common shares. Finally, there may not be issued to any one insider and such insider's associates, within a one-year period, a number of common shares of the Company exceeding 5% of the issued and outstanding shares.

The options are non-transferable. The Option Plan contains provisions for adjustment in the number of common shares issuable thereunder in the event of a subdivision, consolidation, reclassification or change of the common shares, a merger or other relevant changes in the Company's capitalization. Subject to shareholder approval in certain circumstances, the Board of Directors may from time to time amend or revise the terms of the Option Plan or may terminate the Option Plan at any time. The Option Plan does not contain any provision for financial assistance by the Company in respect of options granted under the Option Plan. The Company expects the shareholders of the Company to approve the Option Plan at the next annual general meeting of shareholders.

The Company has no equity compensation plans other than the Option Plan.

Employment, Consulting and Management Agreements

The Company does not, and did not during the most recently completed financial year, have in place any employment agreements between the Company or any subsidiary or affiliate thereof and any of its Named Executive Officers or directors.

Oversight and Description of Director and Named Executive Officer

Compensation of Directors

The following description of the compensation practices of the Company is intended to reflect general practices. As the Company has been subject to crease trade orders for the last two financial years no officers or directors of the Company have received any compensation.

The Board of Directors, at the recommendation of the management of the Company, determines the compensation payable to the directors of the Company and reviews such compensation periodically throughout the year. For their role as directors of the Company, each director of the Company who is not a Named Executive Officer may, from time to time, be awarded stock options under the provisions of the Option Plan. There are no other arrangements under which the directors of the Company who are not Named Executive Officers were compensated by the Company or its subsidiaries during the two most recently completed financial years for their services in their capacity as directors of the Company.

Compensation of Named Executive Officers

The Board of Directors determines the compensation to be paid or awarded to the Named Executive Officers of the Company. The Board of Directors seeks to encourage advancement of exploration projects and growth in reserves, in order to enhance shareholder value. To achieve these objectives, the Company believes it is critical to create and maintain compensation programs that attract and retain committed, highly qualified personnel by providing appropriate rewards and incentives and that align the interest of the officers of the Company with those of the shareholders to provide incentive to the officers to enhance shareholder value. However, as a junior exploration company the Company is constrained by the amount of capital it has available to it.

Generally, compensation for the Named Executive Officers will consist of the three elements: base salary, bonus, and long-term equity incentives. The following provides an overview of the elements of compensation.

Compensation Element	Type of Compensation	Name of Plan	Performance Period	Form of Payment
Base Salary	Annual - Fixed Pay	Salary Program	1 year	Cash
Bonus	Annual - Variable Pay	Employee Bonus Plan	1 year	Cash or shares
Long-Term Equity Incentives	Long Term - Variable Pay	Option Plan	up to 5 years	shares

During the fiscal year ended December 31, 2017, the Board of Directors had no formal meetings dedicated to compensation.

The Board of Directors uses all the data available to ensure that the Company is maintaining a level of compensation that is both commensurate with the size of the Company and sufficient to retain personnel it considers essential to the success of the Company. In reviewing comparative data, the Board of Directors does not engage in benchmarking for the purpose of establishing compensation levels relative to any predetermined point. In the Board of Directors' view, external and third-party survey data provides an insight into external competitiveness, but it is not an appropriate single basis for establishing compensation levels. This is primarily due to the differences in the size of comparable companies and the lack of sufficient appropriate matches to provide statistical relevance.

In the process used by the Board of Directors to establish and adjust executive compensation levels, third-party survey data may be considered, along with an assessment of individual performance, experience and potential to contribute to operations and growth of the Company. The Board of Directors can exercise both positive and negative discretion in relation to the compensation awards and its allocation between cash and non-cash awards.

The Chief Executive Officer of the Company makes recommendations to the Board of Directors regarding total compensation to the Named Executive Officers of the Company (excluding the Chief Executive Officer), including base salaries, bonuses, long-term equity incentive grants. These recommendations are considered by the Board of Directors against information derived from publicly available information and adjusted, as applicable, for inflation and anticipated increases in the current year.

Salary. Base salary represents the fixed element of the Named Executive Officer's cash compensation. The base salary reflects economic considerations for each individual's level of responsibility, expertise, skills, knowledge and performance. Base salaries for the Named Executive Officers of the Company are reviewed annually by the Board of Directors.

Annual Cash Bonus Awards. The Board of Directors has the authority, based upon management recommendations, to award discretionary annual bonuses to the executive officers. The annual discretionary bonuses are intended to compensate officers for achieving superior financial and operational goals of the Company. The discretionary annual bonus may be paid in cash or shares in an amount reviewed with management and recommended by the Board of Directors and approved by the Board of Directors. The actual amount of bonus is determined following a review of each executive's individual performance.

Bonuses awarded by the Board of Directors are intended to be competitive with the market while rewarding senior executives for meeting qualitative goals, including delivering near-term financial and operating results, developing long-term growth prospects, improving the efficiency and effectiveness of business operations and building a culture of teamwork focused on creating long-term shareholder value. Consistent with a flexible nature of the annual bonus program, the Board of Directors does not assign any specific weight to any particular performance goal nor is any specific weight assigned to the performance goals in the aggregate. The Board of Directors considers not only the Company's performance during the year with respect to the qualitative goals, but also with respect to market and economic trends and forces, extraordinary internal and market-driven events, unanticipated developments and other extenuating circumstances. In sum, the Board of Directors analyzes the total mix of available information on a qualitative, rather than quantitative, basis in making bonus determinations. No bonuses were awarded to the Named Executive Officers for the year ended 2017 due to the financial condition of the Company.

Long-Term Incentive Programs. The allocation of stock options and the terms designed in those options are an integral component of the compensation package of the senior officers of the Company. The Company has a stock option plan in place for the purpose of providing stock options to the officers. The Board of Directors believes that the grant of options to the executive officers and share ownership by such officers serves to motivate achievement of the Company's long-term strategic objectives and the result will benefit all shareholders of the Company. Stock options are awarded to employees of the Company by the Board of Directors based upon the recommendation of the Chief Executive Officer, who bases his decision upon the level of responsibility and contribution of the individuals toward the Company's goal and objectives. Also, the Board of Directors considers the overall number of stock options that are outstanding relative to the number of outstanding common shares of the Company in determining whether to make any new grants of stock options and the size of such grants. The granting of these specific options is reviewed by the Board of Directors for final recommendation to the Board of Directors for approval.

Pension Disclosure

There are no pension plan benefits in place for the Named Executive Officers or the directors of the Company.