

ROCKSHIELD CAPITAL CORP.
(the “Company”)

FORM 51-102F6V
STATEMENT OF EXECUTIVE COMPENSATION – Venture Issuers
(For Financial Years ended November 30, 2017 and November 30, 2016)

GENERAL

The following information, dated as of May 28, 2018, is provided as required under Form 51-102F6V for Venture Issuers (the “Form”), as such term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations*.

For the purposes of this Form:

“Company” means Rockshield Capital Corp.;

“**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;

“**NEO**” or **named executive officer**” 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 (“CEO”), including an individual performing functions similar to a CEO;
- (b) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief financial officer (“CFO”), including an individual performing functions similar to a CFO;
- (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, 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.

During the financial year ended November 30, 2017, the NEOs of the Company were: Mr. David Doherty, President, CEO and director and Nick DeMare, CFO, Corporate Secretary and director. The directors of the Company who were not NEOs during financial year ended November 30, 2017 were Marc Cernovitch, Luke Norman, Frank Taggart and Zula Kropivnitski. Mr. Taggart and Ms. Kropivnitski resigned as directors of the Company on November 9, 2017.

During the financial year ended November 30, 2016, the NEOs of the Company were: Mr. David Doherty, President, CEO and director and Nick DeMare, CFO and director, and Mr. Frank Taggart, former President and CEO. Frank Taggart resigned as President and CEO of the Company on June 1, 2016. The directors of the Company who were not NEOs during financial year ended November 30, 2016 were Marc Cernovitch, Luke Norman, Frank Taggart and Zula Kropivnitski.

DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

Director and NEO Compensation, Excluding Options and Compensation Securities

The following table of 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 November 30, 2017 and November 30, 2016. Options and compensation securities are disclosed under the heading “**Stock Options and Other Compensation Securities**” below.

**Table of Compensation, Excluding Compensation Securities in Financial Years ended November 30, 2017
and November 30, 2016**

Table of Compensation, Excluding Compensation Securities							
Name and position	Year ⁽¹⁾	Salary, consulting fee, retainer or commission (\$) ⁽²⁾	Bonus (\$) ⁽²⁾	Committee or meeting fees (\$) ⁽²⁾	Value of perquisites (\$) ⁽²⁾	Value of all other compensation (\$) ⁽²⁾	Total compensation (\$) ⁽²⁾
David Doherty ⁽³⁾ President, CEO and Director	2017	119,128	Nil	Nil	Nil	Nil	119,128
	2016	47,427	Nil	Nil	Nil	Nil	47,427
Nick DeMare CFO, Corporate Secretary and Director	2017	40,000	Nil	Nil	Nil	33,950 ⁽⁴⁾	73,950
	2016	30,000	Nil	Nil	Nil	38,000 ⁽⁴⁾	68,000
Marc Cernovitch Director	2017	25,000	Nil	Nil	Nil	Nil	25,000
	2016	30,000	Nil	Nil	Nil	Nil	30,000
Luke Norman Director	2017	8,500	Nil	Nil	Nil	Nil	8,500
	2016	19,500	Nil	Nil	Nil	Nil	19,500
Frank Taggart ⁽³⁾ former President, former CEO and former Director	2017	27,500	Nil	Nil	Nil	Nil	27,500
	2016	75,086	Nil	Nil	Nil	4,756 ⁽⁵⁾	79,842
Zula Kropivnitski ⁽⁶⁾ former Director	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil

NOTES:

- (1) Financial years ended November 30.
- (2) All amounts shown were paid in Canadian currency, the reporting currency of the Company.
- (3) On June 1, 2016 Mr. Doherty was appointed CEO and President of the Company following the resignation of Mr. Taggart as CEO and President. Mr. Taggart remained as a director until November 9, 2017.
- (4) Incurred or paid to Chase Management Ltd. ("**Chase**"), a private company owned by Mr. DeMare, for accounting, secretarial and management services performed by Chase staff, other than Mr. DeMare.
- (5) Charged by Mr. Taggart for office rent in Panama.
- (6) Ms. Kropivnitski served as director from November 23, 2016 until November 9, 2017.

External Management Companies

Other than as disclosed herein, management functions of the Company are substantially performed by directors or senior officers (or private companies controlled by them, either directly or indirectly) of the Company and not, to any substantial degree, by any other person with whom the Company has contracted.

Stock Option Plans and Other Incentive Plans

The Company has in place a Directors' and Officers' Deferred Share Unit Plan (the "**DSU Plan**") and a Fixed Share Option Plan ("**Option Plan**") (collectively the "**Incentive Plans**"). The Incentive Plans, as described below, were adopted by the Board on October 24, 2016 and approved by the shareholders on November 23, 2016.

A. Deferred Share Unit Plan

Share-Based Awards

The DSU Plan was put in place to assist the Company in the recruitment and retention of qualified persons to serve on the Board or as senior management of the Company and, through the issuance by the Company of Common Shares under the DSU Plan, to better align the interests of directors and officers with the long-term interests of Shareholders.

The Board, or a committee of the Board appointed for the express purpose of administering remuneration of the directors and senior officers of the Company, intends to use deferred share units (“**DSUs**”) issued under the DSU Plan, as well as stock options issued under the Company’s Option Plan (see “*Fixed Share Option Plan*” below), as part of the Company’s overall director compensation. Since the value of DSUs increase or decrease with the price of the Company’s Common Shares, DSUs reflect a philosophy of aligning the interests of directors with those of the Shareholders by tying compensation to share price performance.

The Board designates which of the Company’s directors and officers are eligible to participate in the DSU Plan (“**Participants**”), and the Board, or a committee of the Board, shall administer the DSU Plan.

On January 12, 2018, the Company granted 1,500,000 DSUs to certain directors and officers pursuant to the Company DSU Plan. The grant represents the total outstanding DSUs under the DSU plan.

Payment of DSUs

The DSU Plan provides that the annual compensation amount (the “**Annual Base Compensation**”) payable to Participants under the DSU Plan, as determined from time to time by the Board, will be reported annually in the Company’s management information circular. The Annual Base Compensation is payable quarterly, such payments to be pro-rated if Board service commences or terminates during the fiscal quarter.

Participants may elect to receive DSUs up to 100% of his or her Annual Base Compensation. All DSUs granted with respect to Annual Base Compensation will be credited to the individual Director’s or Officer’s DSU Account when such Annual Base Compensation is payable (the “**Grant Date**”). The Director’s or Officer’s DSU Account will be credited with the number of DSUs calculated to the nearest thousandth of a DSU, determined by dividing the dollar amount of compensation payable in DSUs on the Grant Date by the Share Price. The Share Price is the average of the five (5) closing trade prices of the Common Shares on the CSE over the five (5) consecutive trading days immediately preceding (a) in the case of a Grant, the date when all DSUs granted with respect to Annual Base Compensation to be credited to the Director’s or Officer’s Account when such Annual Base Compensation is payable, or (b) in the case of a redemption, the Redemption Date, as applicable, or in the event such Common Shares are not traded on the CSE, the fair market value of such Common Shares as determined by the Board acting in good faith. Fractional Common Shares will not be issued and any fractional entitlements will be rounded down to the nearest whole number.

In addition, the Board may award such additional number of DSUs to a Participant as the Board deems advisable to provide the Participant with appropriate equity-based compensation for the services he or she renders to the Company, and the date of granting of such additional DSUs and of crediting same to an account for the Participant (the “**Participant’s Account**”) shall be determined by the Board.

Redemption

Each Participant shall be entitled to redeem his or her DSUs during the period commencing on the business day immediately following the Termination Date, being the date upon which the Participant ceases to hold any position as a director of the Company and its subsidiaries, including in the event of death, or retirement, or loss of office of the Participant; and ending on the 90th day following the Termination Date by providing a written notice of redemption to the Company. In the case of a U.S. Eligible Participant the redemption will be deemed to be made on the earlier of: (i) “separation from service” within the meaning of Section 409A of U.S. Internal Revenue Codes, or (ii) within 90 days of the U.S. Eligible Participant’s death.

All redemptions under the DSU Plan shall require the Company to provide to the Participant: (i) subject to shareholder approval of the DSU Plan and the maximum Common Share limits of the DSU Plan, a number of Common Shares issued from treasury equal to the number of DSUs in the Participant’s Account, net of any applicable deductions and withholdings; (ii) subject to and in accordance with any applicable governing statutes and regulatory requirements, a

number of Common Shares purchased by an independent administrator of the DSU Plan in the open market for the purposes of providing Common Shares to Participants equal in number to the DSUs in the Participant's Account, net of any applicable deductions and withholdings; (iii) payment of a cash amount to a Participant equal to the number of DSUs multiplied by the Share Price, net of any applicable deductions and withholdings; and (iv) any combination of the above, as determined by the Company, in its sole discretion. All amounts payable to, or in respect of a Participant under the DSU Plan shall be paid on or before October 31 of the calendar year commencing immediately after the Participant's Termination Date.

Maximum Number of Common Shares Issued

The maximum number of DSUs that may be granted and outstanding pursuant to the DSU Plan is 4,552,785 DSUs being 10% of the issued and outstanding Common Shares of the Company as of the effective date of the DSU Plan, such that the maximum number of Common Shares issuable pursuant to all security based compensation arrangements, including to Insiders, shall not exceed 20% of the total number of Common Shares issued and outstanding from time to time. The maximum number of Common Shares issued to Insiders pursuant to the DSU Plan, together with any Common Shares issued pursuant to any other security based compensation arrangement, within any one year period, shall not exceed 4,552,785 Common Shares.

Alterations to the Number of Shares Subject to the DSU Plan

In the case of any substitution, change or adjustments contemplated under the DSU Plan, such as a subdivision, a consolidation, or a distribution of Common Shares or changes to the number of Common Shares resulting from a reorganization of the Company, the variation shall generally require that the number of DSUs then recorded in the Participant's Account prior to such substitution, change or adjustment will be proportionately and appropriately varied.

Amendments to the DSU Plan

Until shareholder approval of the DSU Plan, and any issuances from treasury as contemplated under the DSU Plan is obtained, the DSU Plan may be amended, suspended or terminated at any time by the Board in whole or in part. No amendment of the DSU Plan shall, without the consent of the Participants affected by the amendment, or unless required by Applicable Law, adversely affect the rights accrued to such Participants with respect to DSUs granted prior to the date of the amendment.

Following disinterested shareholder approval of the DSU Plan, and of any issuances from treasury as contemplated in the DSU Plan, the Board may at any time, and from time to time, and without shareholder approval, amend any provision of the DSU Plan, subject to any regulatory or stock exchange requirement at the time of such amendment, including, without limitation:

- (a) for the purposes of making formal minor or technical modifications to any of the provisions of the DSU Plan including amendments of a "clerical" or "housekeeping" nature;
- (b) to correct any ambiguity, defective provision, error or omission in the provisions of the DSU Plan including amendments of a "clerical" or "housekeeping" nature;
- (c) amendments to the termination provisions of the DSU Plan;
- (d) amendments necessary or advisable because of any change in Application Laws;
- (e) amendments to the transferability of DSUs provided for in the DSU Plan;
- (f) amendments relating to the administration of the DSU Plan;
- (g) any other amendment, fundamental or otherwise, not requiring shareholder approval under Applicable Laws;

provided, however, that:

- (h) no such amendment of the DSU Plan may be made without the consent of each affected Participant in the DSU Plan if such amendment would adversely affect the rights of such affected Participant(s) under the DSU Plan; and

- (i) shareholder approval shall be obtained in accordance with the requirements of the CSE for any amendment:
 - (i) in order to increase the maximum number of DSUs which may be issued under the DSU Plan (other than pursuant to the adjustment provisions of the DSU Plan);
 - (ii) to the amendment provisions set out in the DSU Plan; or
 - (iii) to the definition of “Participant”.

DSU Plan Termination

The Board may at any time decide to discontinue granting awards under the DSU Plan, in which case no further DSUs shall be awarded or credited under the DSU Plan. Any remaining outstanding DSUs in a Participant’s Account at that time shall continue to be dealt with according to the terms of the DSU Plan. The DSU Plan shall terminate when all payments owing pursuant to the DSU Plan have been made and all DSUs have been cancelled in all Participants’ Accounts.

Withholding

The Company shall not have any responsibility concerning tax consequences arising from a grant to, or receipt of, or a payout in respect of DSUs by a Participant under the DSU Plan. However the Company may withhold from any amount payable to a Participant such amount as may be determined by the Company, in its sole discretion to ensure that the Company will be able to comply with any applicable federal, provincial, state or local laws relating to the withholding or remittance of tax or other required deductions or amounts if any, which are included in the income of a Participant. The Company also reserves the right to satisfy any such withholding tax liabilities on behalf of a Participant, by retaining, acquiring or selling Common Shares due to the Participant.

Transfer and Assignment

No right to receive payment of DSUs and other benefits under the DSU Plan shall be transferable or assignable by any Participant except by will or laws of descent and distribution.

Except as required by law, the rights of a Participant under the DSU Plan are not capable of being anticipated, assigned, transferred, alienated, sold, encumbered, pledged, mortgaged or charged and are not capable of being subject to attachment for legal process for the payment of any debts or obligations of the Participant.

No Shareholder Rights

DSUs shall not be considered Common Shares nor will DSUs entitle any Participant to exercise voting rights or any other rights attaching to the ownership of Common Shares nor shall any Participant be considered the owner of Common Shares by virtue of the award of DSUs.

Section 409A and Forfeiture Provisions Apply to U.S. Eligible Participants

It is intended that the DSU Plan comply with U.S. Section 409A with respect to all U.S. Eligible Participants accepting grants or awards of DSUs under the DSU Plan. All provisions of the DSU Plan shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A and under the *Income Tax Act* (Canada), as detailed in the DSU Plan.

B. *Fixed Share Option Plan*

Option-Based Awards

Under this Option Plan a total of 4,552,785 Common Shares of the Company are reserved for incentive share options (“Options”) to be granted at the discretion of the Board to the Company’s Directors, Officers, Employees, Management Company Employees, Consultants or Company Consultants (described as Service Providers below).

The objective of the Option Plan is to provide for and encourage ownership of Common Shares of the Company by its directors, officers, key employees and consultants. The Option Plan is designed to provide certain directors, officers and other key employees of the Company incentive stock options. The Company is of the view that the Option Plan will assist

the Company in attracting and maintaining the services of senior executives and other employees and will be competitive with option plans of other companies in the Company's industry. The Board (or such other committee the Board may appoint) is responsible for the general administration of the Option Plan.

The following is a summary of the Option Plan and is subject to the specific provisions of the Option Plan.

- (a) Service Provider - means a Person who is a bona fide Director, Officer, Employee, Management Company Employee, Consultant or Company Consultant, and also includes a company, 100% of the share capital of which is beneficially owned by one or more Service Providers;
- (b) Maximum Plan Shares - The aggregate number of Plan Shares (as defined in the Plan) that may be reserved for issuance under the Option Plan at any point in time is 4,552,785 Plan Shares, unless this Option Plan is amended pursuant to any regulatory requirements including any required approval of the disinterested shareholders of the Company.
- (c) Limitations on Issue - the following restrictions on issuances of Options are applicable under the Option Plan:
 - (i) no Service Provider can be granted an Option if that Option would result in the total number of Options, together with all other Share Compensation Arrangements granted to such Service Provider in the previous 12 months, exceeding 5% of the Outstanding Shares, unless the Company has obtained Disinterested Shareholder Approval to do so;
 - (ii) the aggregate number of Options granted to all Service Providers conducting Investor Relations Activities in any 12-month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant, without prior required regulatory approval, if any; and
 - (iii) the aggregate number of Options granted to any one Consultant in any 12-month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant, without prior required regulatory approval, if any.
- (d) Maximum Percentage to Insiders - The aggregate number of Common Shares reserved for issuance to Insiders of the Company under the Option Plan, together with any other Share Compensation Arrangements, including the Deferred Share Unit Plan, will not exceed 20% of the Company's outstanding share capital as of the date hereof.
- (e) Maximum Percentage to Insiders within any one year period - The number of Common Shares issued to Insiders of the Company within any one year period, under the Option Plan, together with any other Share Compensation Arrangements, including the Deferred Share Unit Plan, will not exceed 20% of the Company's outstanding share capital.
- (f) Exercise Price - The Exercise Price of an Option will be set by the Board at the time such Option is allocated under the Option Plan, and cannot be less than the Discounted Market Price. Discounted Market Price has the meaning assigned by Policy 6.5.2 of the CSE Policies;
- (g) Vesting of Options - Vesting of Options shall be at the discretion of the Board and, with respect to any particular Options granted under the Option Plan, in the absence of a vesting schedule being specified at the time of grant, all such Options shall vest immediately. Where applicable, vesting of Options will generally be subject to:
 - (i) the Service Provider remaining employed by or continuing to provide services to the Company or any of its Affiliates as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or any of its Affiliates during the vesting period; or
 - (ii) the Service Provider remaining as a Director of the Company or any of its Affiliates during the vesting period.
- (h) Vesting of Options Granted to Consultants Conducting Investor Relations Activities - Options granted to Consultants conducting Investor Relations Activities will vest:

- (i) over a period of not less than 12 months as to 25% on the date that is three months from the date of grant, and a further 25% on each successive date that is three months from the date of the previous vesting; or
- (ii) such longer vesting period as the Board may determine;

- (i) Term of Option - An Option can be exercisable for a maximum of 10 years from the Effective Date.
- (j) Expiry Date - Options may be exercised after the Service Provider has left his/her employ/office or has been advised by the Company that his/her services are no longer required or his/her service contract has expired, until the term applicable to such Options expires, except as follows:
 - (i) in the case of the death of an Optionee, any vested Option held by him at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such Option;
 - (ii) an Option granted to any Service Provider will expire 90 days (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the Option) after the date the Optionee ceases to be employed by or provide services to the Company, and only to the extent that such Option was vested at the date the Optionee ceased to be so employed by or to provide services to the Company; and
 - (iii) in the case of an Optionee being dismissed from employment or service for cause, such Optionee's Options, whether or not vested at the date of dismissal will immediately terminate without right to exercise same.
- (k) Assignability of Options - all Options will be exercisable only by the Optionee to whom they are granted and will not be assignable or transferable.
- (l) Amendment of the Plan by the Board - Subject to the prior receipt of any necessary Regulatory Approval, the Board may in its absolute discretion, amend or modify the Option Plan as follows:
 - (i) it may make amendments which are of a typographical, grammatical or clerical nature only;
 - (ii) it may make amendments necessary as a result in changes in securities laws applicable to the Company;
 - (iii) if the Company becomes listed or quoted on a stock exchange or stock market senior to the CSE, it may make such amendments as may be required by the policies of such senior stock exchange or stock market; and
 - (iv) it may make such amendments as reduce, and do not increase, the benefits of this Option Plan to Service Providers.
- (m) Amendments Requiring Disinterested Shareholder Approval - The Company will be required to obtain disinterested shareholder approval prior to any of the following actions becoming effective:

The Option Plan, together with all of the Company's other previous Share Compensation Arrangements, could result at any time in:

- (i) the aggregate number of Common Shares reserved for issuance under Options granted to Insiders exceeding 10% of the Outstanding Shares in the event that this Option Plan is amended to reserve for issuance more than 10% of the Outstanding Shares;
- (ii) the number of Optioned Shares issued to Insiders within a one-year period exceeding 10% of the Outstanding Shares in the event that this Option Plan is amended to reserve for issuance more than 10% of the Outstanding Shares; or,
- (iii) the issuance to any one Optionee, within a 12-month period, of a number of Common Shares exceeding 5% of the Outstanding Shares.

- (n) **Take Over Bid** - If a Take Over Bid is made to the shareholders generally then the Company shall immediately upon receipt of notice of the Take Over Bid, notify each Optionee currently holding an Option of the Take Over Bid, with full particulars thereof whereupon such Option may, notwithstanding any vesting requirements set out in the Option Commitment, be immediately exercised in whole or in part by the Optionee, subject to any necessary regulatory approval.
- (o) **Black-Out Period** - The Option Plan also contains a “black-out” provision. Should the Expiry Date for an Option fall within a Blackout Period, or within nine (9) Business Days following the expiration of a Blackout Period, such Expiry Date shall, subject to any necessary regulatory approval, be automatically extended without any further act or formality to that day which is the tenth (10th) Business Day after the end of the Blackout Period, such tenth Business Day to be considered the Expiry Date for such Option for all purposes under the Plan. Notwithstanding provisions in the Option Plan, the tenth Business Day period referred to in this Option Plan may not be extended by the Board.

Stock Options and Other Compensation Securities

Outstanding Compensation Securities of NEOs and Directors

No compensation securities were granted or issued by the Company to the NEOs and directors of the Company for the financial year ended November 30, 2017.

Compensation Securities								
Name	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	Deferred Share Units
N/A	Options	Nil	N/A	N/A	N/A	N/A	N/A	Nil

Exercise of Compensation Securities by NEOs and Directors

No compensation securities were exercised by the NEOs and directors of the Company for the financial year ended November 30, 2017.

Exercise of Compensation Securities								
Name	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 (\$)	Deferred Share Units
N/A	Options	Nil	N/A	N/A	N/A	N/A	N/A	Nil

Employment, Consulting and Management Agreements

Except as otherwise disclosed in this Form, the Company does not have any employment, consulting or management agreements or arrangements with any of the Company’s current NEOs or directors.

Oversight and Description of Director and Named Executive Officer Compensation

Compensation, Philosophy and Objectives

The Board of Directors of the Company (the “**Board**”) meets to discuss and determine management compensation, without reference to formal objectives, criteria or analysis. The general objectives of the Company’s compensation strategy are to (a) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value; (b) align management’s interests with the long-term interests of shareholders; and (c) ensure that the total compensation package is designed in a manner that takes into account the constraints that the Company is under by virtue of the fact that it is an investment company without a history of earnings.

The Board, as a whole, ensures that total compensation paid to all Named Executive Officers (or NEOs), as hereinafter defined, is fair and reasonable. The Board as a whole recommends levels of executive compensation that are competitive, motivating and commensurate with the time spent by executive officers in meeting their obligations. While the Board does not have direct experience related to executive compensation, the Board relies on their experience as officers and directors with other public companies in assessing compensation levels.

Analysis of Elements

Base salary is used to provide the Named Executive Officers a set amount of money during the year with the expectation that each Named Executive Officer will perform his responsibilities to the best of his ability and in the best interests of the Company.

The Company considers the granting of DSUs and Options to be a significant component of executive compensation as it allows the Company to reward each NEO’s efforts to increase value for shareholders without requiring the Company to use cash from its treasury. DSUs and Options can be awarded to executive officers at the commencement of employment and periodically thereafter. The terms and conditions of the Company’s DSU and Option grants, including vesting provisions and exercise prices, are governed by the terms of the Company’s DSU Plan and Option Plan. Descriptions of the significant terms of the DSU Plan and Option Plan are found under the heading “***Stock Option Plans and Other Incentive Plans***”.

The Company does not determine executive compensation based on the share price performance. Overall the salaries or consulting fees payable to the NEOs, in particular to the Company’s CEO, have been determined in order to provide competitive levels of compensation necessary to attract and maintain executive talent.

The Board has considered the implications of the risks associated with the Company’s compensation practices. Salary compensation to the Named Executive Officers is provided for under verbal understandings or written consulting agreements with the Named Executive Officers or management companies under their control.

Risks Associated with the Company’s Compensation Practices

The Board has assessed the Company’s compensation plans and programs for its executive officers to ensure alignment with the Company’s business plan and to evaluate the potential risks associated with those plans and programs. The Board has concluded that the compensation policies and practices do not create any risks that are reasonably likely to have a material adverse effect on the Company. The Board considers the risks associated with executive compensation and corporate incentive plans when designing and reviewing such plans and programs.

The Company has not adopted a policy restricting its executive officers or directors from purchasing financial instruments that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by its executive officers or directors. To the knowledge of the Company, none of the executive officers or directors have purchased such financial instruments.

Base Salary or Consulting Fees

The Company commenced operations in a new industry in 2014 and, at this time, given the Company’s current status, has established low base level compensation. There are no agreements in place at this time. The Company has determined to review compensation arrangements over the coming year.

Financial Year ended November 30, 2017

- (i) During fiscal 2017 the following compensation amounts were incurred with key management personnel:

Dave Doherty	\$119,128
Nick DeMare	\$40,000
Frank Taggart	\$27,500
Marc Cernovitch	\$25,000
Luke Norman	\$8,500

As at November 30, 2017, \$76,440 remained unpaid and has been included in accounts payable and accrued liabilities.

- (ii) During the fiscal 2017 the Company incurred a total of \$33,950 by Chase Management Ltd. (“Chase”), a private corporation owned by Mr. DeMare, for accounting and administration services provided by Chase personnel, excluding Mr. DeMare. As at November 30, 2017, \$8,300 remained unpaid and has been included in accounts payable and accrued liabilities.

Financial Year ended November 30, 2016

- (i) During fiscal 2016 the following compensation amounts were incurred with key management personnel:

Frank Taggart ⁽¹⁾	\$75,086
Dave Doherty ⁽²⁾	\$47,427
Nick DeMare	\$30,000
Marc Cernovitch	\$30,000
Luke Norman	\$30,000
Zula Kropivnitski ⁽³⁾	\$Nil

Notes:

- (1) Mr. Taggart incurred these amounts for performing his duties as CEO and President of the Company. Effective June 1, 2016 Frank Taggart resigned as CEO and President of the Company but remains a director of 5th Company.
- (2) Effective June 1, 2016 Mr. Doherty, a director of the Company was appointed the CEO and President of the Company.
- (3) Elected as a director of the Company on November 23, 2016.

As at November 30, 2016, \$7,000 remained unpaid and has been included in accounts payable and accrued liabilities.

- (ii) During fiscal 2016 the Company was billed \$4,756 by Mr. Taggart for office rent in Panama.
- (iii) During fiscal 2016 the Company incurred a total of \$38,000 by Chase for accounting and administration services provided by Chase personnel, excluding Mr. DeMare. As at November 30, 2016, remained unpaid and has been included in accounts payable and accrued liabilities.

Benefits and Perquisites

The Company does not, as of the date of this Form, offer any benefits or perquisites to its NEOs other than potential grants of DSUs and incentive stock options as otherwise disclosed and discussed herein.

Hedging by Named Executive Officers or Directors

The Company has not, to date, adopted a policy restricting its executive officers and directors from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, which are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by executive officers or directors. As of the date of this Form, entitlement to grants of DSUs and Options are the only equity security element awarded by the Company to its executive officers and directors as detailed under heading “*Stock Option Plans and Other Incentive Plans*” above.

Termination and Change of Control Benefits

The Company does not have in place any compensatory plan, severance pay provisions or other arrangement with any NEO as of the financial year ended November 30, 2017 that would be triggered by the resignation, retirement or other termination of employment of such officer, resulting from a change of control of the Company or change in the executive's responsibilities following any such change in control.

Pension Plan Benefits

The Company does not have any form of pension plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement. The Company does not have any form of deferred compensation plan.