



PHOENIX
GOLD RESOURCES CORP.

PHOENIX GOLD RESOURCES CORP.
(the “Company” or “Phoenix”)

Form 51-102F6V
STATEMENT OF EXECUTIVE COMPENSATION
(for the year ended January 31, 2021)

The following information is presented in accordance with National Instrument Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers* (“**Statement**”) of Phoenix Gold Resources Corp. for the financial year ended **January 31, 2021**. All amounts represented in this form are in Canadian dollars unless stated otherwise.

COMPENSATION OF EXECUTIVE OFFICERS

The following *Statement of Executive Compensation* is prepared in accordance with applicable securities legislation, and its purpose is to provide disclosure of all compensation earned by certain executive officers and directors in connection with their position as an officer of or consultant to the Company.

GENERAL

For the purpose of this Statement of Executive Compensation:

“**Company**” means Phoenix Gold Resources 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;

“**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; and
- (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;

“external management company” includes a subsidiary, affiliate or associate of the external management company;

“plan” includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, compensation securities or any other property may be received, whether for one or more persons;

“underlying securities” means any securities issuable on conversion, exchange or exercise of compensation securities.

Based on the foregoing definition, during the last completed fiscal year ended **January 31, 2021**, the Company had two (2) NEOs, namely, **Andrew Lee**, CEO, and **Sean Choi**, CEO.

DIRECTOR AND NEO COMPENSATION

Director and NEO compensation, excluding options and compensation securities

The following table sets forth all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company or its subsidiary, to each NEO and director of the Company, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or a director of the Company for services provided and for services to be provided, directly or indirectly, to the Company or its subsidiary for each of the Company’s 2 most recent completed financial years:

Table of compensation excluding compensation securities							
Name and position	Year Ended Jan 31	Salary, consulting fee, retainer or commission [5] (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites [6] (\$)	Value of all other compensation (\$)	Total compensation (\$)
Andrew Lee [1] President, CEO, and Director	2021	\$22,500	Nil	Nil	Nil	Nil	\$22,500
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Sean Choi CFO and Corporate Secretary	2021	\$40,000	Nil	Nil	Nil	Nil	\$40,000
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Roger Baer [2] Director	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Walter Davidson Director	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Glenn Laing [3] Former President, CEO, and Director	2021	N/A	N/	N/A	N/A	N/A	N/A
	2020	Nil	A Nil	Nil	Nil	Nil	Nil
Paul Jones [4] Former President, CEO, and Director	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Andrew Lee was appointed President and CEO on August 5, 2020.
- (2) Roger Baer was appointed a Director of the Company as of September 18, 2020.
- (3) Paul Jones was appointed as President and CEO on March 22, 2019 and ceased to be President, CEO and a Director as of August 5, 2020.
- (4) Glenn Liang ceased to be President, CEO and a Director as of March 22, 2019.
- (5) This figure includes the dollar value of cash and non-cash base salary each Named Executive Officer earned during the year ended January 31, 2021.
- (6) Perquisites and other personal benefits have not been included as they do not reach the prescribed threshold of the lesser of \$50,000 or 10% of the total annual salary.

External Management Agreements

During the most recently completed financial year ended **January 31, 2021**, (i) the Company had no contract, agreement, plan, or arrangement, under which compensation was provided or is payable in respect of services provided to the Company that were: (a) performed by a Director or NEO, or (b) performed by any other party, but are services typically provided by a Director or a NEO, (ii) the Company had no agreements or arrangements which provided for payments to a NEO or Director at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control of the Company or a change in responsibilities of the NEO or Director following a change in control.

Stock Options and Other Compensation Securities

The following table sets out all compensation securities granted or issued to each director and NEO by the Company or any subsidiary thereof as at **January 31, 2021**, for services provided, or to be provided directly or indirectly, to the Company or any subsidiary thereof:

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 December 31, 2020 (\$)	Expiry date
Paul Jones [1] Former President, CEO and Director	None	None	N/A	N/A	N/A	N/A	N/A
Roger Baer Director	None	None	N/A	N/A	N/A	N/A	N/A
Sean Choi [2] CFO and Corporate Secretary	None	None	N/A	N/A	N/A	N/A	N/A
Andrew Lee [3] President, CEO and a Director	None	None	N/A	N/A	N/A	N/A	N/A
Glenn Liang [1] Former	None	None	N/A	N/A	N/A	N/A	N/A

President, CEO and Director							
-----------------------------	--	--	--	--	--	--	--

Notes:

- (1) Mr. Laing resigned as a director and officer of the Company on March 22, 2019, and Mr. Jones was appointed as President and CEO on March 22, 2019 and resigned as of August 5, 2020.
- (2) On August 18, 2020, the Company entered into a debt settlement agreement with 2238012 Ontario Inc. which Mr. Choi is the principal. The Company issued 3,750,000 common shares representing 13.69% of total outstanding number of common shares as of October 13, 2020.
- (3) On August 18, 2020, the Company entered into a debt settlement agreement with Mr. Lee. The Company issued 14,596,780 common shares representing 53.3% of total outstanding number of common shares as of October 13, 2020.

Exercise of Compensation Securities by Directors and NEOs

No named executive officer or director of the Company exercised any outstanding compensation securities during the financial year ended **January 31, 2021**.

Stock Option Plans and Other Incentive Plans

Summary of the Stock Option Plan

The Company has in place a “rolling” Stock Option Plan (the “**Stock Option Plan**”) which was approved by the Company's Shareholders on November 18, 2020 whereby the Company is authorized to grant stock options of up to 10% of its issued and outstanding common shares, from time to time.

The purpose of the Stock Option Plan is to provide an incentive to the Optionees (as defined below) and thereby advance the Company’s interests by providing them an opportunity to acquire an equity interest in the Company through the exercise of stock options granted to them under the Stock Option Plan.

Under the Stock Option Plan, the Board of Directors of the Company (or a board committee, if any, appointed in accordance with the Stock Option Plan) may grant stock options to Optionees in consideration of them providing their services to the Company or a subsidiary. The number of Company Shares subject to each option is determined by the Board within the guidelines established by the Stock Option Plan. The options enable such persons to purchase Company Shares at a price fixed under such guidelines. The options are exercisable by the Optionee giving the Company notice and payment of the exercise price for the number of Company Shares to be acquired.

The Stock Option Plan has the following features:

- The total number of common shares reserved for issuance to insiders under options granted under the Stock Option Plan must not exceed 10% of the issued common shares;
- The Exercise price of each Option will be set by the Board on the effective date of the option, less the discount of the Stock Option plan permitted under the TSXV’s policies;
- Eligible participants under the Stock Option Plan include directors, executive officers, employees, consultants, Consultant Companies or Management Company Employees (both as defined under TSXV policies) of the Company and its subsidiaries, and Service Providers to the Company or its affiliates (collectively, the “**Optionees**”);
- The number of common shares to each stock option is determined by the Board of Directors provided that the Stock Option Plan, together with all other previously established or proposed share compensation arrangements, within a one-year period:
 - Restricts the grant to any one Optionee to no more than 5% of the issued shares to any one participant in any 12 month period, unless the Company becomes a Tier 1 Issuer (within the meaning of the policies of the TSXV) and the Board of Directors has obtained the approval of disinterested shareholders;
 - Restricts the grant to any one consultant (as defined in TSXV policies) or all employees and

consultants conducting investor relations activities (within the meaning of the TSXV's policies) to no more than 2% of the issued shares on a non-diluted basis within any 12 month period;

- For Options to be provided to Service Providers, the Company must ensure that the proposed Optionee is a bona fide Service Provider of the Company or its affiliates;
- An Option granted to any Service Provider will expire within 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, but 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;
- Options granted under the Stock Option Plan are non-assignable, non-transferable, and are issuable for a period of up to 10 years;
- If an Optionee dies, any vested option held by him or her 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;
- 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;
- Vesting of options shall be at the discretion of the Board, and will generally be subject to:
 - the Service Provider remaining employed by or continuing to provide services to the Company or 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 its affiliates during the vesting period; or
 - the Service Provider remaining as a Director of the Company or its affiliates during the vesting period; and
- Any amendment to the Stock Option Plan is subject to the approval of the TSXV and may also require shareholder approval.

A copy of the Stock Option Plan is available for review on the Company's profile at www.sedar.com and at the registered offices of the Company, at 700 – 595 Burrard Street, Vancouver, BC, V7X 1S8 during normal business hours.

Restricted Share Unit Plan

The shareholder of the Company approved a restricted share unit plan (the “**RSU Plan**”) on November 18, 2020 which provides for the issuance of restricted share units (“**RSUs**”) to directors, officers, employees and consultants (“**Eligible Persons**”). In accordance with the policies of the TSXV the RSU Plan must receive disinterested shareholder approval being approved by a majority of the votes cast by shareholders present or represented by proxy at the Meeting other than those owned by insiders who are Eligible Persons under the RSU Plan.

Summary of the RSU Plan

The following is a summary of the material terms of the RSU Plan:

- (a) Persons who are Eligible Persons other than persons providing Investor Relations Activities are eligible to receive RSUs;
- (b) The RSU Plan is effective October 13, 2020, subject to ratification by the shareholders of the Company at the ensuing Meeting;
- (c) 2,738,576 Common Shares are available for issuance under the RSU Plan, being 10% of the issued and outstanding number of Common Shares of the Company as at October 13, 2020;

- (d) The maximum number of Common Shares issuable under RSUs that may be the subject of a grant to any one Eligible Person (other than Consultants) within a 12 month period shall not exceed 1,369,288 being 5% of the issued and outstanding number of Common Shares of the Company as at October 13, 2020;
- (e) The maximum number of Common Shares issuable under RSUs that may be the subject of a grant to any one Consultant within a 12 month period shall not exceed 547,715, being 2% of the issued and outstanding number of Common Shares of the Company as at October 13, 2020;
- (f) the Board may at the time of grant of an RSU provide for performance conditions to be met prior to vesting;
- (g) Vested RSUs entitle the holder to receive 1 share for every RSU held or the cash equivalent thereof based on the fair market value of the shares of the Company calculated in accordance with the terms of the RSU Plan;
- (h) Amendments to the RSU Plan are subject to the acceptance of the TSXV; Except as provided in the RSU Plan, RSUs shall vest on the later of the Trigger Date and the date all performance or vesting provisions have been satisfied;
- (i) The Trigger Date is the date set by the Board at the time of grant and, if not set, is December 31 of the third year following the date of grant, subject to acceleration by the Board;
- (j) Unvested RSUs terminate upon the holder being terminated for cause or voluntarily resigning unless the Board otherwise determines;
- (k) Unvested RSUs vest automatically upon death, total disability or eligible retirement of the holder, or termination of the holder without cause;
- (l) Unvested RSUs shall vest on a Change of Control and the holder shall receive a cash payment within 30 days of the Change of Control equal to the number of RSUs multiplied by the fair market value of the Company's shares as at the date of the Change of Control;
- (m) RSUs do not give the holder any of the rights of a shareholder of the Company.

A copy of the RSU Plan is available for review on the Company's profile at www.sedar.com and at the registered offices of the Company, at 700 – 595 Burrard Street, Vancouver, BC, V7X 1S8 during normal business hours.

The following table sets out equity compensation plan information as at the end of the financial year ended January 31, 2021:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	Nil [1]	N/A	3,438,576 [1]
	Nil [2]	N/A	2,738,576 [2]
	3,500,000 [3]	\$0.50 to \$0.75 [3]	3,500,000 [3]
Equity compensation plans not approved by securityholders	Nil	N/A	Nil
Total	3,438,576 [1]		3,438,576 [1]
	2,738,576 [2]		2,738,576 [2]

	3,500,000 [3]		3,500,000 [3]
--	---------------	--	---------------

Notes:

(1) Stock Option Plan - Based on 34,385,766 Shares of the Company issued and outstanding as of January 31, 2021 in respect of the Stock Option Plan.

(2) RSU Plan - Based on 27,385,762 Shares of the Company issued and outstanding as of October 13, 2020 in respect of the RSU Plan.

(3) Warrants - On December 18, 2020, the Company issued 7,000,000 units of the Company at a price of \$0.20 per unit for gross proceeds of \$1,400,000. Each unit is comprised of one common share and one-half common share purchase warrants. Each whole warrant is exercisable at a price of \$0.50 per share if exercised within the first 12 months, and at \$0.75 per share after 12 months but within 24 months following the closing date.

Employment, consulting and management agreements

Please see section titled “External Management Companies”.

Oversight and description of director and named executive officer compensation

The Company does not have a formal compensation program. The Compensation Committee is responsible for ensuring that the Company has in place an appropriate plan for executive compensation and for making recommendations with respect to the compensation of the Company’s executive officers. The Compensation Committee is responsible for all matters relating to the compensation of the directors and executive officers of the Company with respect to: (i) general compensation goals and guidelines and the criteria by which bonuses and stock compensation awards are determined; (ii) amendments to any equity compensation plans adopted by the Board and changes in the number of shares reserved for issuance thereunder; and (iii) other plans that are proposed for adoption or adopted by the Company for the provision of compensation. 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; (c) provide a compensation package that is commensurate with other mineral exploration companies to enable the Company to attract and retain talent; and (d) 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 a mineral exploration company without a history of earnings.

Pension disclosure

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

ADDITIONAL INFORMATION

Additional information concerning the Company can be found on SEDAR at www.sedar.com.