

**SHARC INTERNATIONAL SYSTEMS INC.**  
1443 Spitfire Place  
Port Coquitlam, British Columbia Canada V3C 6L4

**Form 51-102F6V**

***Statement of Executive Compensation – Venture Issuers***  
**(for financial year ended December 31, 2022)**

**GENERAL**

The following information, dated as of June 27, 2023, 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 Form:

“**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;

“**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 (“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.

“**plan**” includes any plans, 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; and

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

During financial year ended December 31, 2022, based on the definition above, the NEOs of the Company were: Lynn Mueller, Chairman, Chief Executive Officer and Director and Hanspaul Pannu, Chief Financial Officer and Corporate Secretary and Matthew Engelhardt, former Chief Operating Officer.

Matthew Engelhardt resigned as Chief Operating Officer of the Company on June 30, 2022.

The directors of the Company who were not NEOs during the financial year ended December 31, 2022 were Sasko Despotovski, Daryle Anderson, Michael Franklin (Mike) Harcourt, Eleanor Chiu and Allen G. Saurette.

During financial year ended December 31, 2021, based on the definition above, the NEOs of the Company were: Lynn Mueller, Chairman, Chief Executive Officer and Director, Hanspaul Pannu, Interim Chief Financial Officer and Corporate Secretary and Matthew Engelhardt, Chief Operating Officer.

The directors of the Company who were not NEOs during the financial year ended December 31, 2021 were Sasko Despotovski, Daryle Anderson, Michael Franklin (Mike) Harcourt, Eleanor Chiu and Allen G. Saurette.

## Director and NEO Compensation

### *Table of Compensation, Excluding Compensation Securities*

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 two completed financial years ended December 31, 2022 and December 31, 2021. Options and compensation securities are disclosed under the heading “**Stock Options and Other Compensation Securities**”.

Table of Compensation excluding Compensation Securities (in Canadian dollars)							
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 (\$)
Lynn Mueller <sup>(1)</sup> Chairman, CEO and Director	2022	228,329	Nil	Nil	Nil	Nil	228,329
	2021	219,841	Nil	Nil	Nil	Nil	219,841
Hanspaul Pannu <sup>(2)</sup> CFO and Corporate Secretary	2022	156,000	Nil	Nil	Nil	Nil	156,000
	2021	149,000	Nil	Nil	Nil	Nil	149,000
Matthew Engelhardt <sup>(3)</sup> Former COO	2022	81,942	Nil	Nil	Nil	67,038	148,980
	2021	152,642	Nil	Nil	Nil	Nil	152,642
Daryle Anderson <sup>(4)</sup> Director	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
Sasko Despotovski <sup>(5)</sup> Director	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
Mike Harcourt <sup>(6)</sup> Director	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
Eleanor Chiu <sup>(7)</sup> Director	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
Allen G. Saurette <sup>(8)</sup> Director	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil

**Notes:**

- (1) Mr. Mueller has served as Chairman, CEO and a director since October 27, 2015.
- (2) Mr. Pannu has served as CFO and Corporate Secretary since July 9, 2019.
- (3) Mr. Engelhardt served as Chief Operating Officer from July 15, 2020 to June 30, 2022.
- (4) Mr. Anderson has served as a director since June 23, 2016.
- (5) Mr. Despotovski has served as a director since June 23, 2017.
- (6) Mr. Harcourt has served as a director since October 23, 2017.
- (7) Ms. Chiu has served as a director since February 26, 2020.
- (8) Mr. Saurette has served as a director since February 26, 2020.

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

#### *Lynn Mueller*

The Company entered into an employment agreement with Lynn Mueller dated January 1, 2019. Pursuant to the terms of the agreement, Mr. Mueller is entitled to receive an annual base salary of \$200,000. From time to time, the Company, in its sole discretion, may pay Mr. Mueller performance bonuses. The Company also agrees to provide Mr. Mueller with the same medical, dental, life, extended health and disability insurance benefits that are made available to the Company’s

senior executive employees and to maintain directors' and officers' liability insurance in favour of Mr. Mueller. The agreement provides for an indefinite term, subject to earlier termination.

*1002349B.C. Ltd. and Hanspaul Pannu*

The Company entered into a consulting service agreement with 1002349 B.C. Ltd. and Hanspaul Pannu (collectively the "**Consultant**") dated June 1, 2019. Pursuant to the terms of the agreement, the Consultant is entitled to receive an annual salary of \$156,000. The agreement provides for an indefinite term. Please refer to the table headed "*Stock Options and Other Compensation Securities*" below.

*Matthew Engelhardt*

The Company entered into an employment agreement with Matthew Engelhardt dated July 16, 2020. Pursuant to the terms of the agreement, Mr. Engelhardt is entitled to receive an annual base salary of \$156,200. From time to time, the Company, in its sole discretion, may pay Mr. Engelhardt performance bonuses. The Company also agrees to provide Mr. Engelhardt with the same medical, dental, life, extended health and disability insurance benefits that are made available to the Company's senior executive employees and to maintain directors' and officers' liability insurance in favor of Mr. Engelhardt. Mr. Engelhardt resigned as a director of the Company on July 15, 2020, and resigned as Chief Operating Officer of the Company on June 30, 2022. As part of his resignation on June 30, 2022, a lump sum payment of \$52,067 was made. Please refer to the table headed "*Stock Options and Other Compensation Securities*" below.

Other than as stated in this Form, there were no written compensatory plans or arrangements in place with a director or NEO of the Company during financial year ended December 31, 2022.

**Stock Option Plan and Other Compensation Plans**

Effective August 7, 2020, the Company adopted two Plans, a Stock Option Plan (the "**Stock Option Plan**") and a Restricted Share Unit Plan (the "**RSU Plan**") to be compliant with Canadian Securities Exchange policy, particulars of which are set out below. Both Plans are "rolling" Plans which provide that up to 10% of the issued and outstanding common shares from time to time may be reserved for issue under both Plans, less any common shares reserved for issuance under any other share compensation arrangement.

A copy of the Stock Option Plan was filed under the Company's SEDAR corporate profile on August 19, 2020 at [www.sedar.com](http://www.sedar.com).

***Stock Option Plan (Option-Based Awards)***

Effective August 7, 2020, the Company adopted a Stock Option Plan (the "**Stock Option Plan**").

The purpose of the Stock Option Plan is to provide the Company with a share related mechanism to enable the Company to attract, retain and motivate qualified directors, officers, employees and other service providers, to reward directors, officers, employees and other service providers for their contribution toward the long term goals of the Company and to enable and encourage such individuals to acquire shares of the Company as long term investments.

The following information is intended to be a brief description of the materials terms of the Stock Option Plan and is qualified in its entirety by the full text of the Stock Option Plan:

1. The Stock Option Plan provides that up to 10% of the issued and outstanding common shares from time to time may be reserved for issue, less any common shares reserved for issuance under any other share compensation arrangement. The options are non-assignable and may be granted for a term not exceeding ten years.
2. The exercise price shall not be lower than the greater of the closing market price of the common shares on (a) the trading day prior to the date of grant of the stock options; and (b) the date of grant of the stock options.
3. The terms of an option may not be amended once issued. If an option is cancelled prior to its expiry date, the Company shall not grant new options to the same person until 30 days have elapsed from the date of cancellation.
4. All Options are exercisable only by the Optionee to whom they are granted and are not assignable or transferable.
5. The Board has the authority to:
  - (a) oversee the administration of the Stock Option Plan in accordance with its terms;

- (b) appoint or replace the Administrator from time to time;
- (c) determine all questions arising in connection with the administration, interpretation and application of the Stock Option Plan, including all questions relating to the Market Value;
- (d) correct any defect, supply any information or reconcile any inconsistency in the Plan in such manner and to such extent as shall be deemed necessary or advisable to carry out the purposes of the Stock Option Plan;
- (e) prescribe, amend, and rescind rules and regulations relating to the administration of the Stock Option Plan;
- (f) determine the duration and purposes of leaves of absence from employment or engagement by the Company which may be granted to Option Holders without constituting a termination of employment or engagement for purposes of the Stock Option Plan;

and do the following with respect to the granting of Options:

- (a) determine the Executives, Employees or Consultants to whom Options shall be granted, based on the eligibility criteria set out in this Stock Option Plan;
- (b) determine the terms of the Option to be granted to an Option Holder including, without limitation, the Grant Date, Expiry Date, Exercise Price and vesting schedule (which need not be identical with the terms of any other Option);
- (c) subject to any necessary Regulatory Approvals, amend the terms of any Options;
- (d) determine when Options shall be granted;
- (e) determine the number of Shares subject to each Option;
- (f) accelerate the vesting schedule of any Option previously granted; and
- (g) make all other determinations necessary or advisable, in its sole discretion, for the administration of the Stock Option Plan.

6. Subject to any required Regulatory Approvals, the Company may from time to time amend any existing Option or the Stock Option Plan or the terms and conditions of any Option thereafter to be granted provided that where such amendment relates to an existing Option and it would:

- (a) materially decrease the rights or benefits accruing to an Option Holder; or
- (b) materially increase the obligations of an Option Holder; then, unless otherwise excepted out by a provision of this Stock Option Plan, the Company must also obtain the written consent of the Option Holder in question to such amendment. If at the time the Exercise Price of an Option is reduced the Option Holder is an Insider of the Company, the Insider must not exercise the option at the reduced Exercise Price until the reduction in Exercise Price has been approved by the disinterested shareholders of the Company, if required by the Exchange.

7. The Stock Option Plan also contains a "black-out" provision. Should the Expiry Date for an Option fall within a Blackout Period, within or immediately after a Black Out, the Holder may elect for the term of such Option to be extended to the date which is ten (10) business days after the last day of the Black Out; provided, that, the expiration date as extended will not in any event be beyond the later of: (i) December 31 of the calendar year in which the Option was otherwise due to expire; and (ii) the 15th day of the third month following the month in which the Option was otherwise due to expire.

8. Any Option granted pursuant to a stock option plan previously adopted by the Board which was outstanding at the time the Stock Option Plan came into effect is deemed to have been issued under this Stock Option Plan and shall, as of the date this Stock Option Plan came into effect, be governed by its terms and conditions.

#### ***Restricted Share Unit Plan (Share-Based Awards)***

Effective August 7, 2020, the Company adopted a Restricted Share Unit Plan (the “**RSU Plan**”).

A copy of the RSU Plan was filed under the Company’s SEDAR corporate profile on August 19, 2020 at [www.sedar.com](http://www.sedar.com).

The RSU Plan provides that the maximum number of Common Shares made available for issuance pursuant to the RSU Plan shall be determined from time to time by the Board, but in any case, shall not exceed 10% of the Common Shares issued and outstanding from time to time, less any Common Shares reserved for issuance under all other share compensation arrangements, subject to adjustments as provided in the RSU Plan. The RSU Plan is a “rolling plan” and therefore when RSUs are cancelled (whether or not upon payment with respect to vested RSUs) or terminated, Common Shares shall automatically be available for issuance pursuant to the RSU Plan.

#### ***Nature and Administration of the RSU Plan***

All Directors, Officers, Consultants and Employees (as defined in the RSU Plan) of the Company and its related entities (“**Eligible Persons**”) are eligible to participate in the RSU Plan (as “**Participants**”), and the Company reserves the right to restrict eligibility or otherwise limit the number of persons eligible for participation as Participants in the RSU Plan. Eligibility to participate as a Participant in the RSU Plan does not confer upon any person a right to receive an award of RSUs.

Subject to certain restrictions, the Board or its appointed committee (the “**Board**”) can, from time to time, award RSUs to Eligible Persons. RSUs will be credited to an account (an “**Account**”) maintained for each Participant on the books of the Company as of the award date. The number of RSUs to be credited to each Participant’s account shall be determined at the discretion of the Board and pursuant to the terms of the RSU Plan.

RSUs and all other rights, benefits or interests in the RSU Plan are not transferable or assignable otherwise than by will or the laws of descent and distribution, and shall be exercisable during the lifetime of the Participant only by the Participant and after death, only by the Participant’s legal representative.

#### ***Credit for Dividends***

A Participant’s Account will be credited with additional RSUs (the “**Dividend RSUs**”) as of each dividend payment date in respect of which cash dividends are paid on Common Shares. The number of Dividend RSUs credited to a Participant’s Account in connection with the payment of dividends on Common Shares will be based on the actual amount of cash dividends that would have been paid to such Participant had he or she been holding such number of Common Shares equal to the number of RSUs credited to the Participant’s Account on the date on which cash dividends are paid on the Common Shares and the market price of the Common Shares on the payment date. Note that the Company is not obligated to pay dividends on Common Shares.

#### ***Resignation, Termination, Leave of Absence or Death***

Generally, if a Participant’s employment or service is terminated, or if the Participant resigns from employment with the Company, then all RSUs held by the Participant (whether vested or unvested) shall terminate automatically upon the termination of the Participant’s service or employment.

In the event a Participant is terminated by reason of termination by the Company other than for cause or the Participant’s death, the Participant’s unvested RSUs shall vest automatically as of such date. In the event the termination of the Participant’s services by reason of voluntary resignation, only the Participant’s unvested RSUs shall terminate automatically as of such date.

#### ***Change of Control***

In the event of a Change of Control, the Board may, in its discretion, without the necessity or requirement for the agreement or consent of any Participant: (i) accelerate, conditionally or otherwise, on such terms as it sees fit, the vesting date of any RSU; (ii) permit the conditional settlement of any RSU, on such terms as it sees fit; (iii) otherwise amend or modify the terms of the RSU, including for greater certainty permitting Participants to settle any RSU, to assist the Participants to tender the underlying Common Shares to, or participate in, the actual or potential Change of Control Event (as defined in the RSU Plan) or to obtain the advantage of holding the underlying Common Shares during such Change of Control Event; and (iv) terminate, following the successful completion of such Change of Control Event, on such terms as it sees fit, the RSUs not

settled prior to the successful completion of such Change of Control Event, including, without limitation, for no payment or other compensation. The determination of the Board in respect of any such Change of Control Event shall for the purposes of this RSU Plan be final, conclusive and binding.

*Adjustments*

In the event there is a change in the outstanding Common Shares by reason of any stock dividend or split, recapitalization, amalgamation, consolidation, combination or exchange of shares, or other corporate change, the Board shall make, subject to the prior approval of the Canadian Securities Exchange where necessary, appropriate substitution or adjustment in (i) the number or kind of Common Shares or other securities reserved for issuance pursuant to the RSU Plan, and (ii) the number and kind of Common Shares or other securities subject to unsettled and outstanding RSUs granted pursuant to the RSU Plan.

*Vesting*

Each award of RSUs vests on the date(s) (the “**Vesting Date**”) specified by the Board on the award date, and reflected in the applicable RSU agreement certificate.

*Limitations under the RSU Plan*

The maximum number of Common Shares made available for issuance pursuant to the RSU Plan shall be determined from time to time by the Board, but in any case, shall not exceed 10% of the Common Shares issued and outstanding from time to time, less any Common Shares reserved for issuance under all other share compensation arrangements, subject to adjustments as provided in the RSU Plan.

**Stock Options and Other Compensation Securities**

**Outstanding Compensation Securities**

The following table sets out all compensation securities granted or issued to each director and to each NEO by the Company or any of its subsidiaries in the most recently completed financial year ended December 31, 2022 for services provided or to be provided, directly or indirectly, to the Company, or any of its subsidiaries.

Compensation Securities							
Name and Position	Type of Compensation security	Number of compensation securities, number of underlying securities, and percentage of class <sup>(1)</sup>	Date of issue or grant (dd/mm/yy)	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant <sup>(2)</sup> (\$)	Closing price of security or underlying security at year end (\$)	Expiry date (dd/mm/yy)
Lynn Mueller <i>Chairman, CEO and Director</i>	Options	298,507 5.1%	30/05/22	0.335	0.335	0.290	30/05/27
	RSUs	671,642 39.7%	30/05/22	0.335	0.335	0.290	31/12/24
Hanspaul Pannu <i>Chief Financial Officer and Corporate Secretary</i>	Options	155,224 2.7%	30/05/22	0.335	0.335	0.290	30/05/27
	RSUs	349,254 20.7%	30/05/22	0.335	0.335	0.290	31/12/24

Compensation Securities							
Name and Position	Type of Compensation security	Number of compensation securities, number of underlying securities, and percentage of class <sup>(1)</sup>	Date of issue or grant (dd/mm/yy)	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant <sup>(2)</sup> (\$)	Closing price of security or underlying security at year end (\$)	Expiry date (dd/mm/yy)
Matthew Engelhardt <sup>(3)</sup> <i>Former COO</i>	Options	155,423 <b>2.7%</b>	30/05/22	0.335	0.335	0.290	30/05/27
	RSUs	349,701 <b>20.7%</b>	30/05/22	0.335	0.335	0.290	31/12/24
Sasko Despotovski <i>Director</i>	Options	49,751 <b>0.8%</b>	30/05/22	0.335	0.335	0.290	30/05/27
Daryle Anderson <i>Director</i>	Options	49,751 <b>0.8%</b>	30/05/22	0.335	0.335	0.290	30/05/27
Michael (Mike) Harcourt <i>Director</i>	Options	49,751 <b>0.8%</b>	30/05/22	0.335	0.335	0.290	30/05/27
Eleanor Chiu <i>Director</i>	Options	49,751 <b>0.8%</b>	30/05/22	0.335	0.335	0.290	30/05/27
Allen G. Saurette <i>Director</i>	Options	49,751 <b>0.8%</b>	30/05/22	0.335	0.335	0.290	30/05/27

**Notes:**

(1) Percentage of class represents % of compensation securities granted over the total number of compensation securities of the Company outstanding as of December 31, 2022 (Options: 5,853,974; RSUs 1,690,407).

(2) Closing price of the Issuer’s common shares as at December 31, 2022.

(3) Matthew Engelhardt resigned as Chief Operating Officer of the Company on June 30, 2022. Under the terms of the Company’s Stock Option Plan, Mr. Engelhardt had within 30 days of his resignation to exercise his Options. Mr. Engelhardt exercised a total of 716,667 Options (250,000 Options at an exercise price of \$0.125 and 466,667 Options at an exercise price of \$0.25). Refer table below under heading “Compensation Securities Exercised”. The balance of Mr. Englehardt’s outstanding Options (233,333 Options at an exercise price of \$0.25, 25,000 Options at an exercise price of \$0.345 and 155,423 Options at an exercise price of \$0.335), expired without having been exercised. Mr. Engelhardt also exercised 349,701 RSUs available to him Refer to table below under heading “Compensation Securities Exercised”.

**Compensation Securities Exercised**

The following table sets out the exercise of compensation securities by a director or NEO of the Company of during the Company’s recently completed financial year ended December 31, 2022.

Exercise of Compensation Securities by Directors and NEOs							
Name and Position	Type of Compensation Security	Number of Underlying Securities Exercised <sup>(1)</sup>	Exercise Price per Security (\$)	Date of Exercise (dd/mm/yy)	Closing Price per Security on Date of Exercise (\$)	Difference between Exercise Price and Closing Price on Date of Exercise (\$)	Total Value on Exercise Date (\$) <sup>(1)</sup>
Matthew Engelhardt <sup>(3)</sup> Former COO	Option	250,000	\$0.125	26/07/22	\$0.290	\$0.165	\$41,250
		466,667	\$0.250	26/07/22	\$0.290	\$0.040	\$18,667
	RSUs	349,701	\$Nil	18/07/22	\$0.290	\$0.290	\$104,413

Note:

- (1) Number of underlying securities exercised multiplied by the difference between exercise price and closing price on date of exercise. RSUs do not require any cash exercise and therefore the exercise price per security (\$) is \$Nil

### Oversight and Description of Director and NEO Compensation

The Board as a whole assumes responsibility for reviewing and monitoring compensation for the Company's senior management and directors, and as part of that mandate determines the compensation of the Company's CEO and CFO.

The Company has limited financial resources to ensure that funds are available to complete its business objectives. As a result, the Board must consider not only the financial situation of the Company at the time of the determination of executive compensation, but also the estimated financial situation of the Company both in the mid-term and the long-term. Because stock options or restricted share units do not require cash disbursement by the Company, they are an important element of executive compensation. Additional information about the Company and its operations is available in the Company's consolidated financial statements and related management's discussion and analysis for the financial year ended December 31, 2022 which have been filed with regulators and are available for review under the Company's profile at [www.sedar.com](http://www.sedar.com).

The Company has not adopted a policy restricting its executive officers or directors from purchasing financial instruments that are designated 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 has purchased such financial instruments.

### Philosophy and Objectives

Compensation for senior management of the Company is designed to ensure that the level and form of compensation achieves certain objectives, which are:

- to attract and retain qualified and effective executives;
- to motivate the short and long-term performance of these executives; and
- to align 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 and restricted share unit plan.

### 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 and restricted share unit plan. Stock options and restricted share units are granted to senior 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. Options, which vest immediately, are generally granted to senior executives and Board members.



### **Compensation of Board Members and Named Executive Officers**

Compensation for each of the Board members and each of the NEOs is approved by the Board as a whole. Base cash compensation and variable cash compensation levels are based, in part, on market survey data provided to the Board by independent consultants.

#### **Compensation Review Process**

##### *Base Salary or Consulting Fees*

In the Board's view, paying base salaries which are competitive in the markets in which the Company operates is a first step to attracting and retaining talented, qualified and effective executives. Competitive salary information on companies earning comparable revenues in a similar industry has been reviewed and compared over a variety of sources.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include officers and directors.

The Company incurred the following charges with Key management personnel:

	<b>Year Ended December 31, 2022</b>	<b>Year Ended December 31, 2021</b>
Consulting Fees <sup>(1)</sup>	\$156,000	\$149,000
Wages and Benefits <sup>(2)</sup>	\$377,309	\$372,483
Share-based payments <sup>(3)</sup>	\$300,432	\$301,737
<b>Total:</b>	<b>\$833,741</b>	<b>\$823,220</b>

##### *Notes:*

- (1) The Company paid consulting fees to a company controlled by the Chief Financial Officer.
- (2) The Company paid wages and benefits to the Chief Executive Officer and Director and the former Chief Operating Officer.
- (3) Share-based payments was recognized in connection with the vesting of options granted to directors and officers of the Company.

Other than set out in this Form, there were no other arrangements under which directors were compensated by the Company and its subsidiaries during the completed financial years ended December 31, 2022 and December 31, 2021 for their services in their capacity as directors or consultants, other than the granting of options or restricted share units to purchase Common Shares.

#### **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 such plans and programs.

##### *Benefits and Perquisites*

In general, the Company will provide a specific benefit or perquisite only when it provides competitive value and promotes retention of executives, or when the perquisite provides shareholder value, such as ensuring the health of executives. Limited perquisites the Company provides its executives may include a parking allowance or a fee for each Board or Audit Committee meeting attended, to assist with their out-of-pocket expenses.

#### **Pension Plan Benefits**

The Company has no pension plan arrangements or benefits with respect to any of its NEOs, directors or employees.