

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, 2023)

GENERAL

The following information, dated as of June 18, 2024, 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, 2023, based on the definition above, the NEOs of the Company were: Lynn Mueller, Chairman, Chief Executive Officer and Director, Hanspaul Pannu, Chief Financial Officer, Chief Operating Officer and Corporate Secretary and Michael Albertson, President of U.S. wholly owned subsidiary SHARC Energy (US) Systems Inc.

The directors of the Company who were not NEOs during the financial year ended December 31, 2023 were Daryle Anderson, Michael Franklin (Mike) Harcourt, Eleanor Chiu, Peter Busby, Dermot Sweeny, Allen G. Saurette, former director and Sasko Despotovski, former director.

Mr. Allen G. Saurette and Mr. Sasko Despotovski did not stand for re-election as directors of the Company at the Company’s September 12, 2023 annual general meeting.

Mr Peter Busby was elected as a Director of the Company at the Company’s September 12, 2023 annual general meeting.

Mr. Dermot Sweeny was appointed as a Director of the Company on October 17, 2023.

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.

Director and NEO Compensation

The following table sets out all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company and its subsidiaries, excluding compensation securities, to each NEO and director, in any capacity, for the two most recently completed financial years ended December 31, 2023 and December 31, 2022. 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 ⁽¹⁾ Chairman, CEO and Director	2023	210,399	Nil	Nil	Nil	Nil	210,399
	2022	228,329	Nil	Nil	Nil	Nil	228,329
Hanspaul Pannu ⁽²⁾ CFO, COO and Corporate Secretary	2023	156,000	Nil	Nil	Nil	Nil	156,000
	2022	156,000	Nil	Nil	Nil	Nil	156,000
Michael Albertson ⁽³⁾ President, SHARC Energy (US) Systems Inc.	2023	194,790	Nil	Nil	Nil	Nil	194,790
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Matthew Engelhardt ⁽⁴⁾ Former COO	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	81,942	Nil	Nil	Nil	67,038	148,980
Daryle Anderson ⁽⁵⁾ Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Mike Harcourt ⁽⁶⁾ Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Eleanor Chiu ⁽⁷⁾ Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Peter Busby ⁽⁸⁾ Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	n/a	n/a	n/a	n/a	n/a	n/a
Dermot Sweeny ⁽⁹⁾ Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	n/a	n/a	n/a	n/a	n/a	n/a
Allen G. Saurette ⁽¹⁰⁾ former Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Sasko Despotovski ⁽¹¹⁾ former Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

(1) Mr. Mueller has served as Chairman, CEO and a director of the Company since October 27, 2015.

(2) Mr. Pannu has served as CFO and Corporate Secretary since July 9, 2019, and as COO since June 29, 2023.

- (3) Mr. Albertson was appointed President of SHARC Energy (US) Systems Inc. on June 19, 2023.
- (4) Mr. Engelhardt served as Chief Operating Officer from July 15, 2020 to June 30, 2022.
- (5) Mr. Anderson has served as a director since June 23, 2016.
- (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. Busby was elected a director at the Company's September 12, 2023 annual general meeting.
- (9) Mr. Sweeny was appointed a director on October 17, 2023.
- (10) Mr. Saurette was appointed a director of the Company on February 26, 2020. Mr. Saurette did not seek re-election as a director at the Company's September 12, 2023 annual general meeting.
- (11) Mr. Despotovski was appointed a director of the Company on June 23, 2017. Mr. Despotovski did not seek re-election as a director at the Company's September 12, 2023 annual general meeting.

Employment, Consulting and Management Agreements

Lynn Mueller – Chairman, CEO and Director

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.

Hanspaul Pannu – CFO, COO and Corporate Secretary

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.

Michael Albertson – President, SHARC Energy (US) Systems Inc.

The Company entered into an employment agreement with Michael Albertson dated June 1, 2023, with an employment start date of June 19, 2023 through the Company's wholly owned subsidiary, SHARC Energy (US) Systems Inc. Pursuant to the terms of the agreement, Mr. Albertson is entitled to receive an annual base salary of USD\$225,000. From time to time, the Company, in its sole discretion, may pay Mr. Albertson performance bonuses. The Company also agreed to provide Mr. Albertson 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. Albertson. Please refer to the table headed "*Stock Options and Other Compensation Securities*" below.

Matt Engelhardt – Former COO

The Company entered into an employment agreement with Matt 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 agreed 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 Information Circular, there were no written compensatory plans or arrangements in place with a director or NEO of the Company during financial year ended December 31, 2023.

Stock Option Plan and Other Incentive Plans

10% Rolling Stock Option Plan (Option-Based Awards)

The Company has a stock option plan dated August 7, 2020, as amended on August 10, 2023 which was approved by shareholders at the Company's September 12, 2023 annual general meeting (the "**Stock Option Plan**"). The Stock Option Plan is a "rolling" plan which provide that up to 10% of the issued and outstanding common shares from time to time may be reserved for issue under this plan. The Stock Option Plan as approved at the 2023 annual general meeting, is

attached as Schedule "B" to the Company's Information Circular to its September 12, 2023 annual general meeting.

The Stock Option Plan was established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company.

The Board of Directors (the "**Board**") (or such other committee the Board may appoint) is responsible for administering the Stock Option Plan. The Stock Option Plan provides that options will be issued to directors, officers, employees or consultants of the Company or a subsidiary of the Company.

The Stock Option Plan provides that the number of Common Shares issuable under the Option Plan, may not exceed 10% of the total number of the Company's issued and outstanding Common Shares.

Material Terms to the Stock Option Plan

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

- (1) persons who are consultants to the Company or its affiliates, or who are providing services to the Company or its affiliates, are eligible to receive grants of Options under the Stock Option Plan;
- (2) Options granted under the Stock Option Plan are non-assignable, and non-transferable;
- (3) an Option granted to any consultants will expire within 30 days after the date the Option Holder (as defined in the Stock Option Plan) ceases to be employed by or provide services to the Company unless the Option Holder ceases to hold such position as a result of (i) termination for cause; (ii) resigning his or her position; or (iii) an order made by any regulatory authority having jurisdiction to so order, in which case the expiry date of the date the Option Holder ceases to hold such position;
- (4) if an Option Holder dies, any Options held by such Option Holder shall pass to the personal representative of the Option Holder and shall be exercisable by the personal representative on or before the date which is the earlier of one year following the date of death and the applicable Expiry Date;
- (5) the exercise price of each Option will be set by the Board on the effective date of the Option and will not be less than the Market Value (as defined in the Stock Option Plan);
- (6) the vesting schedule for an option, if any, shall be determined by the Board and shall be set out in the Option Certificate (as defined in the Option Plan) issued in respect of the option; and
- (7) the Board reserves the right in its absolute discretion to amend, suspend, terminate or discontinue the Stock Option Plan with respect to all Stock Option Plan Common Shares in respect of options which have not yet been granted.

Restricted Share Unit Plan (Share-Based Awards)

The Company has a restricted share unit plan dated August 7, 2020, as amended on August 10, 2023 which was approved by shareholders at the Company's September 12, 2023 annual general meeting (the "**RSU Plan**"). The RSU Plan is a "rolling" plan which provide that up to 10% of the issued and outstanding common shares from time to time may be reserved for issue under this plan. The RSU Plan, as approved at the 2023 annual general meeting, is attached as Schedule "C" to the Company's Information Circular to its September 12, 2023 annual general meeting.

Under the RSU Plan, Eligible Persons (as defined in the RSU Plan) may at the Board's discretion, be allocated a number of restricted share units ("RSUs"). Upon vesting, Eligible Persons shall be entitled to receive common shares of the Company to satisfy all or any portion of a vested RSU award. The maximum number of RSUs issuable under the RSU Plan is 10% of the issued and outstanding Common Shares at the time of issuance.

The RSU Plan was adopted to provide a vehicle by which equity-based incentives may be awarded to the employees, consultants, directors and officers of the Company, to recognize and reward their significant contributions to the long-term success of the Company including to align the employees', consultants' directors' and officers' interests more closely

with the shareholders of the Company.

Material Terms to the RSU Plan

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. 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 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 grant letter.

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, subject to adjustments as provided in the RSU Plan.

Stock Options and Other Compensation Securities

The following table discloses all compensation securities granted or issued to each NEO of the Company and to a director who was not an NEO of the Company, or its subsidiaries, in the most recently completed financial year ended December 31, 2023 for services provided or to be provided, directly or indirectly, to the Company, or its subsidiaries:

Compensation Securities							
Name and Position	Type of Compensation security	Number of compensation securities, number of underlying securities, and percentage of class ⁽¹⁾	Date of issue or grant (dd/mm/yy)	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 ⁽²⁾ (\$)	Expiry date (dd/mm/yy)
Lynn Mueller <i>Chairman, CEO and Director</i>	Options	527,000 6.6%	27/04/23	0.27	0.27	0.220	27/04/28
	RSUs	527,000 11.08%	27/04/23	0.27	0.27	0.220	31/12/25
Hanspaul Pannu <i>Chief Financial Officer, Chief Operating Officer and Corporate Secretary</i>	Options	649,000 8.13%	27/04/23	0.27	0.27	0.220	27/04/28
	RSUs	649,000 13.65%	27/04/23	0.27	0.27	0.220	31/12/25
Michael Albertson <i>President, SHARC Energy (US) Systems Inc.</i>	Options	136,046 1.7%	23/06/23	0.28	0.28	0.220	29/06/28
	RSUs	385,402 8.11%	23/06/23	0.28	0.28	0.220	31/12/25
Daryle Anderson <i>Director</i>	Options	47,000 0.59%	27/04/23	0.27	0.27	0.220	27/04/28

Compensation Securities							
Name and Position	Type of Compensation security	Number of compensation securities, number of underlying securities, and percentage of class ⁽¹⁾	Date of issue or grant (dd/mm/yy)	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 ⁽²⁾ (\$)	Expiry date (dd/mm/yy)
Michael (Mike) Harcourt <i>Director</i>	Options	47,000 0.59%	27/04/23	0.27	0.27	0.220	27/04/28
Eleanor Chiu <i>Director</i>	Options	47,000 0.59%	27/04/23	0.27	0.27	0.220	27/04/28
Peter Busby <i>Director</i>	Options	50,000 0.63%	17/10/23	0.245	0.245	0.220	17/10/28
Dermot Sweeny <i>Director</i>	Options	50,000 0.63%	17/10/23	0.245	0.245	0.220	17/10/28
Sasko Despotovski ⁽³⁾ <i>Former Director</i>	Options	47,000 0.59%	27/04/23	0.27	0.27	0.220	27/04/28
Allen G. Saurette ⁽⁴⁾ <i>Former Director</i>	Options	47,000 0.59%	50,000 0.63%	0.27	0.27	0.220	27/04/28

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, 2023 (Options: 7,980,543; RSUs 4,754,734).
- (2) Closing price of the Issuer's common shares as at December 29, 2023.
- (3) Sasko Despotovski did not stand for re-election as directors of the Company at the Company's September 12, 2023 annual general meeting. Mr. Despotovski's Options expired without having been exercised.
- (4) Allen G. Saurette did not stand for re-election as directors of the Company at the Company's September 12, 2023 annual general meeting. Mr. Saurette's Options expired without having been exercised.

Exercise of Compensation Securities by NEOs and Directors

No compensation securities were exercised by NEOs and directors of the Company during the year ended December 31, 2023.

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 & analysis for the financial year ended December 31, 2023 which have been filed with regulators and are available for review under the Company's profile at www.sedarplus.ca.

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 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.

During the year ended December 31, 2023, the Company did not enter into any transactions with related parties.

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:

	Year Ended December 31, 2023	Year Ended December 31, 2022
Consulting Fees ⁽¹⁾	\$156,000	\$156,000
Wages and Benefits ⁽²⁾	\$405,189	\$377,309
Share-based payments ⁽³⁾	\$542,438	\$300,432
Total:	\$1,103,627	\$833,741

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 President for wholly owned subsidiary SHARC Energy (US) Systems Inc.
- (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, 2023 and December 31, 2022 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.