

**WINSTON GOLD CORP.**

(the “Company”)

**Form 51-102F6V**

*Statement of Executive Compensation – Venture Issuers*

*(for financial years ended December 31, 2020 and*

*December 31, 2019)*

**GENERAL**

The following information, dated as of June 10, 2021 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 Statement of Executive Compensation:

“**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) each individual who, in respect of the company, during any part of the most recently completed financial year, served as executive chairman (“EC”), including an individual performing functions similar to an EC;
- (d) 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;
- (e) 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.

The Company’s authorized share structure consists of an unlimited number of common shares (the “**Common Shares**”), each carrying the right to one vote. The Common Shares are listed on the Canadian Securities Exchange under stock symbol “WGC”. The Company is also listed on the OTCQB under stock symbol “WGMCF.

## **DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION**

During financial year ended December 31, 2020, based on the definition above, the NEOs of the Company were: Murray Nye, CEO and director, Max Polinsky, President, CFO and director and Joseph Carrabba, EC and director. The directors of the Company who were not NEOs during financial year ended December 31, 2020 were: Darwin Ben Porterfield, Allan Fabbro and Stan Stewin.

During financial year ended December 31, 2019, based on the definition above, the NEOs of the Company were: Murray Nye, CEO and director and Max Polinsky, President, CFO and director. The directors of the Company who were not NEOs during financial year ended December 31, 2019 were: Darwin Ben Porterfield, Allan Fabbro and Stan Stewin.

Murray Nye has been the CEO and a director since September 29, 2014.

Max Polinsky has been President and a director since January 31, 2013.

Max Polinsky was re-appointed Chief Financial Officer on June 5, 2017.

Joseph Carrabba has been Executive Chairman and a director since July 23, 2019.

Darwin Ben Porterfield has been a director since September 29, 2014.

Allan Fabbro has been a director since October 23, 2015.

Stan Stewin has been a director since December 12, 2016.

### **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 NEOs and directors of the Company for the two completed financial years ended December 31, 2020 and 2019. Options are disclosed under the heading “**Stock Options and Other Compensation Securities**” of this Form.

**Table of Compensation, Excluding Compensation Securities in Financial Years ended  
December 31, 2020 and 2019**

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Murray Nye CEO and director	2020	\$165,000	\$125,000	Nil	Nil	Nil	\$290,000
	2019	\$120,000	Nil	Nil	Nil	Nil	\$120,000
Max Polinsky President, CFO and director	2020	\$165,000	\$50,000	Nil	Nil	Nil	\$215,000
	2019	\$120,000	Nil	Nil	Nil	Nil	\$120,000
Joseph Carrabba, EC and director	2020	\$20,000	Nil	Nil	Nil	Nil	\$20,000
	2019	Nil	Nil	Nil	Nil	Nil	Nil

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Allan Fabbro director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Darwin Ben Porterfield director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Stan Stewin director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil

### Stock Options and Other Compensation Securities

#### 10% “rolling” Stock Option Plan

At the Company’s annual and general and special meeting held on December 12, 2016, shareholders approved the adoption of the Company’s 10% “rolling” stock option plan dated for reference October 31, 2016 (the “2016 Plan”). Under the 2016 Plan, options totaling a maximum of 10% of the Common Shares outstanding from time to time are available for grant. The 2016 Plan is administered by the Board and the term of any options granted under the 2016 Plan. The purpose of the 2016 Plan is to allow the Company to grant options to directors, officers, consultants, employees and management company employees as additional compensation and as an opportunity to participate in the profitability of the Company. The granting of such option is intended to align the interests of such persons with that of the Company. On December 20, 2019, the Company amended the Stock Option Plan in light of Canadian Securities Exchange Notice 2019-001 requiring *inter alia*, a four month hold on all securities issued pursuant to s.2.24 exemption available on IA 45-106 Prospectus Exemptions, and i) amended the Option Plan with updated U.S. option holder disclosure to Schedules A and B of the Option Plan, and ii) “housekeeping” amendments of an administrative nature.

The following is a brief description of the Company’s 2016 and 2019 Plan:

- (a) the 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;
- (b) 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;
- (c) the maximum number of options which may be granted to any one option holder under the Plan within any 12 month period shall be 5% of the outstanding issue on the date of grant (unless the Company has obtained disinterested shareholder approval, if required by Regulatory Rules);

- (d) if required by Regulatory Rules, disinterested shareholder approval is required to the grant to Insiders, within a 12 month period, of a number of options which, when added to the number of outstanding incentive stock options granted to Insiders within the previous 12 months, exceed 10% of the issued shares;
- (e) the maximum number of options which may be granted to any one consultant within any 12 month period must not exceed 2% of the outstanding issue;
- (f) the maximum number of options which may be granted within any 12 month period to employees or consultants engaged in investor relations activities must not exceed 2% of the outstanding Issue and such options must vest in stages over 12 months with no more than 25% of the options vesting in any three month period;
- (g) options granted under the Plan are non-assignable, and non-transferable;
- (h) if an option holder dies, any vested option held by him or her at the date of death will become exercisable by the option holder's lawful personal representative 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 of the option holder;
- (i) in the event that the option holder holds his or her option as an employee or consultant and such option holder ceases to hold such position other than by reason of death or disability, the expiry date of the option shall be, unless otherwise determined by the Board (or a committee of the Board) and expressly provided for in the option certificate, the 30<sup>th</sup> day following the date the option holder ceases to hold such position; and
- (j) the vesting schedule for an option, if any, shall be determined by the Board (or a committee of the Board) and shall be set out in the Option Certificate issued in respect of the option.

The following table sets forth incentive stock options (option-based awards) pursuant to the Company's stock option plan that were outstanding to NEOs and directors of the Company as at December 31, 2020.

<b>Compensation Securities 2020</b>							
<b>Name and position</b>	<b>Type of compensation security</b>	<b>Number of compensation securities, number of underlying securities and percentage of class</b>	<b>Date of issue or grant</b>	<b>Issue, conversion or exercise price (\$)</b>	<b>Closing price of security or underlying security on date of grant (\$)</b>	<b>Closing price of security or underlying security at year end (\$)</b>	<b>Expiry date</b>
Murray Nye, CEO	Stock Option	3,500,000 Common shares (16.8%)	27-Nov-17	\$75,000	\$0.035	\$0.150	27-Nov-22
			26-Mar-19	\$25,000	\$0.040	\$0.150	26-Mar-24
			28-Apr-20	\$50,000	\$0.075	\$0.150	28-Apr-25
			27-Oct-20	\$180,000	\$0.175	\$0.150	27-Oct-25

**Compensation Securities 2020**

<b>Name and position</b>	<b>Type of compensation security</b>	<b>Number of compensation securities, number of underlying securities and percentage of class</b>	<b>Date of issue or grant</b>	<b>Issue, conversion or exercise price (\$)</b>	<b>Closing price of security or underlying security on date of grant (\$)</b>	<b>Closing price of security or underlying security at year end (\$)</b>	<b>Expiry date</b>
Joseph Carrabba, EC	Stock Option	2,750,000 Common shares (13.1%)	26-Mar-19	\$50,000	\$0.040	\$0.150	26-Mar-24
			28-Apr-20	\$75,000	\$0.075	\$0.150	28-Apr-25
			27-Oct-20	\$180,000	\$0.175	\$0.150	27-Oct-25
Darwin Ben Porterfield	Stock Option	1,100,000 Common shares (5.2%)	27-Nov-17	\$37,500	\$0.035	\$0.150	27-Nov-22
			26-Mar-19	\$5,000	\$0.040	\$0.150	26-Mar-24
			28-Apr-20	\$10,000	\$0.075	\$0.150	28-Apr-25
			27-Oct-20	\$27,000	\$0.175	\$0.150	27-Oct-25
Allan Fabbro	Stock Option	750,000 Common shares (3.5%)	27-Nov-17	\$20,000	\$0.035	\$0.150	27-Nov-22
			26-Mar-19	\$5,000	\$0.040	\$0.150	26-Mar-24
			28-Apr-20	\$10,000	\$0.075	\$0.150	28-Apr-25
			27-Oct-20	\$27,000	\$0.175	\$0.150	27-Oct-25
Stan Stewin CFO	Stock Option	350,000 Common shares (1.7%)	26-Mar-19	\$5,000	\$0.040	\$0.150	26-Mar-24
			28-Apr-20	\$10,000	\$0.075	\$0.150	28-Apr-25
			27-Oct-20	\$27,000	\$0.175	\$0.150	27-Oct-25

Note: Percentage of class represents % of option-based securities granted over the total number option-based securities of the Company outstanding as of December 31, 2020.

The following table sets forth incentive stock options (option-based awards) pursuant to the Company's stock option plan that were outstanding to NEOs and directors of the Company as at December 31, 2019.

Compensation Securities 2019							
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 year end (\$)	Expiry date
Murray Nye, CEO	Stock Option	2,000,000 Common shares (19%)	27-Nov-17 26-Mar-19	\$75,000 \$25,000	\$0.035 \$0.040	\$0.080 \$0.080	27-Nov-22 26-Mar-24
Max Polinsky, CFO	Stock Option	2,000,000 Common shares (19%)	27-Nov-17 26-Mar-19	\$75,000 \$25,000	\$0.035 \$0.040	\$0.080 \$0.080	27-Nov-22 26-Mar-24
Joseph Carrabba, EC	Stock Option	1,000,000 Common shares (10%)	26-Mar-19	\$50,000	\$0.040	\$0.080	26-Mar-24
Darwin Ben Porterfield	Stock Option	850,000 Common shares (8%)	27-Nov-17 26-Mar-26	\$37,500 \$5,000	\$0.035 \$0.040	\$0.080 \$0.080	27-Nov-22 26-Mar-24
Allan Fabbro	Stock Option	500,000 Common shares (5%)	27-Nov-17 26-Mar-19	\$20,000 \$5,000	\$0.035 \$0.040	\$0.080 \$0.080	27-Nov-22 26-Mar-24
Stan Stewin	Stock Option	500,000 Common shares (5%)	27-Nov-17 26-Mar-19	\$20,000 \$5,000	\$0.035 \$0.040	\$0.050 \$0.080	27-Nov-22 26-Mar-24

Note: Percentage of class represents % of option-based securities granted over the total number option-based securities of the Company outstanding as of December 31, 2019.

#### Exercise of Compensation Securities by NEOs and Directors

There were no option-based securities exercised by NEOs or directors of the Company who was not an NEO of the Company during the financial years ended December 31, 2020 and December 31, 2019.

### **Employment, Consulting and Management Agreements**

There are no compensatory plans or arrangements, with respect to any Director or NEO resulting from the resignation, retirement or any other termination of employment of an officer or director or from a change of a director's or a NEO's responsibilities following a change in control.

### **Oversight and Description of Director and Named Executive Officer Compensation**

The Company does not have a compensation program other than paying consulting fees and incentive bonuses. The compensation of the executive officers is determined by the Compensation Committee. The Committee recognizes the need to provide a compensation package that will attract and retain qualified and experienced executives, as well as align the compensation level of each executive to that executive's level of responsibility. The objectives of the Company's compensation policies and practices are:

1. to reward individual contributions in light of the Company's performance;
2. to be competitive with the companies with whom the Company competes for talent;
3. to align the interests of the executives with the interests of the shareholders; and
4. to attract and retain executives who could help the Company achieve its objectives.

During the most recent financial year ended December 31, 2020, neither the Chief Executive Officer nor the President and Chief Financial Officer nor the Executive Chairman was paid a salary.

The basic component of executive compensation has consisted only of a consulting fee component and going forward, the Company may include performance-based variable incentive compensation, which may be comprised of cash bonuses or stock option grants. The allocation of value to these different compensation elements will not be based on a formula, but rather will be intended to reflect market practices as well as the Board's discretionary assessment of an executive officer's past contribution and the ability to contribute to future short and long-term business results.

Specifically, the objectives of consulting fees are to recognize market pay and acknowledge the competencies and skills of individuals. The rate established for each executive officer is intended to reflect each individual's responsibilities, experience, prior performance and other discretionary factors deemed relevant by the Compensation Committee. In deciding on the consulting fee portion of the compensation of the executive officers, major consideration is given to the fact that the Company is an early stage exploration company and does not generate any material revenue and must rely exclusively on funds raised from equity financings. In the future, the objectives of incentive bonuses in the form of cash payments will be designed to add a variable component of compensation, based on corporate and individual performances for executive officers and employees. The objectives of the stock option will be to reward achievement of long-term financial and operating performance and focus on key activities and achievements critical to the ongoing success of the Company. The Company has no other forms of compensation, other than payments made from time to time to individuals or companies they control for the provision of consulting services. Such consulting services are paid for by the Company, to the best of its ability, at competitive industry rates for work of a similar nature by reputable arm's length service providers. Actual compensation will vary based on the performance of the executives relative to the achievement of goals and the price of the Company's securities, as well as the financial condition of the Company.

The Compensation Committee evaluates individual executive performance with the goal of setting compensation at levels that it believes is comparable with executives in other companies of similar size and stage of development operating in the same industry. In connection with setting appropriate levels of compensation, Committee bases its decision on their general business and industry knowledge and experience and publicly available information of comparable companies while also taking into account the Company's relative performance and strategic goals.

In the course of its deliberations, the Compensation Committee considered the implications of the risks associated with adopting the compensation practices currently in place. The Committee does not believe that its current compensation practices create a material risk that the NEOs or any employee would be encouraged to take inappropriate or excessive risks, particularly since the Company currently does have a stock option plan in place, and no such risks have been detected to date. The Committee will continue to include this consideration in its deliberations and believes that it would detect actions of management and employees of the Company that constitute or would lead to inappropriate or excessive risks.

The Company does not have a policy that would prohibit the NEOs or directors from purchasing financial instruments that are designed or would have the effect of hedging the value of equity securities granted to, or held by, these individuals.

### Base Salary

In the Compensation Committee'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 comparable companies within the industry is compiled from a variety of sources.

### Financial Years ended December 31, 2020 and December 31, 2019

Amounts due to directors as at December 31, 2020 year-end financial statements were: \$184,392 (December 31, 2019 - \$27,822) due to director and Executive Chairman, Joseph Carrabba. Included in due to director-long term is \$381,960 (USD \$300,000), ((December 31, 2019 – 389,640 (USD \$300,000)).

During the year ended December 31, 2020, management fees paid and accrued are; \$165,000 (2019 - \$120,000) to director and CEO, M. Nye, and \$165,000 (2019 - \$120,000) to director, CFO and President, M. Polinsky.

### Compensation Review Process

The Compensation Committee conducts reviews with regard to directors' compensation once a year. To make its recommendation on directors' compensation, the Compensation Committee takes into account the types of compensation and the amounts paid to directors of comparable publicly traded Canadian companies and aligns the interests of directors with the return to shareholders. The Committee decides the compensation of the Company's officers, based on industry standards and the Company's financial situation.

### Bonus Incentive Compensation

The Company's objective is to achieve certain strategic objectives and milestones. The Committee will consider executive bonus compensation dependent upon the Company meeting those strategic objectives and milestones and will ascertain if sufficient cash resources are available for the grant of bonuses. The Committee approves executive bonus compensation dependent upon compensation levels based on recommendations of the Chief Executive Officer. Such recommendations are generally based on information provided by Companies that are similar in size and scope to the Company's operations.

### 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 incentive share options as otherwise disclosed and discussed herein.

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. Share options are granted to executives and employees taking into account a number of factors, including the amount and term of options previously granted, base salary, bonuses and competitive factors. The amounts and terms of options granted are determined by the Committee.

The Board has not considered the implications of the risks associated with the Company's compensation policies and practices.



The Company has not adopted a policy disallowing insiders from purchasing financial instruments designed to hedge or offset any decrease in market value of the Common Shares or options of the Company.

### **Risks Associated with the Company's Compensation Practices**

The Board has not proceeded to a formal evaluation of the implications of risks associated with the Company's compensation policies and practices. At least once annually the Compensation Committee reviews the then current risks, if any, associated with the Company's compensation policies and practices at such time.

Executive compensation is comprised of short-term compensation in the form of a base salary and long-term ownership through the Company's stock option plan. This structure ensures that a significant portion of executive compensation (share options) is both long-term and "at risk" and, accordingly, is directly linked to the achievement of business results and the creation of long-term shareholder value. As the benefits of such compensation, if any, are not realized by officers until a significant period of time has passed, the ability of officers to take inappropriate or excessive risks that are beneficial to their compensation at the expense of the Company and the shareholders is extremely limited. Furthermore, the short-term component of the executive compensation (base salary) represents a relatively small part of the total compensation. As a result, it is unlikely that an officer would take inappropriate or excessive risks at the expense of the Company or the shareholders that would be beneficial to their short-term compensation when their long-term compensation might be put at risk from their actions.

Due to the small size of the Company and the current level of the Company's activity, the Compensation Committee is able to closely monitor and consider any risks which may be associated with the Company's compensation policies and practices. Risks, if any, may be identified and mitigated through regular meetings of the Board during which financial and other information of the Company are reviewed. No risks have been identified arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

#### *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 incentive share options under the Company's share option plan is the only equity security element awarded by the Company to its executive officers and directors.

### **Option-Based Awards**

The incentive stock option portion of the compensation is intended to provide the executive officers of the Company with a long-term incentive in developing the Company's business. Options granted under the 2016 and 2019 Plan (defined above) are approved by the Board, and if applicable, its subcommittees, after consideration of the Company's overall performance and whether the Company has met targets set out by the executive officers in their strategic plan. All previous grants of option-based awards will be taken into account when considering new grants.

### **Pension Disclosure**

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