



**Form 51-102F6V**

***Statement of Executive Compensation – Venture Issuers***  
**(for financial years ended December 31, 2020 and December 31, 2019)**

The following information, dated as of June 9, 2021 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:

**GENERAL**

The following compensation information is provided as required under Form 51-102F6V for Venture Issuers (the Form), as such term is defined in NI 51-102.

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 Corporation or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the Corporation or any of its subsidiaries;

“**Corporation**” means Enviroleach Technologies Inc.; and

“**NEO**” or “**named executive officer**” means each of the following individuals:

- (a) each individual who, in respect of the Corporation, 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 Corporation, 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 Corporation 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 Corporation, and was not acting in a similar capacity, at the end of that financial year.

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

### **Director and NEO Compensation, Excluding Options and Compensation Securities**

The following table of compensation, excluding options and compensation securities, provides a summary of the compensation paid by the Corporation to NEOs and directors of the Corporation for the two completed financial years ended December 31, 2020 and December 31, 2019. Options and compensation securities are disclosed under the heading “**Stock Options and Other Compensation Securities**” of this Form.

During the financial year ended December 31, 2020, based on the definition above, the NEOs of the Corporation were: Duane Nelson, President and CEO; Nathalie Pilon, CFO and Corporate Secretary; Donald Weatherbee, former CFO and Corporate Secretary and Wayne Moorhouse, Chief Operating Officer (COO). The directors of the Corporation who were not NEOs were Court Anderson, Jack Kiland, Mel Lavitt, Kenneth McNaughton, Greg Pendura and Alexander Ruckdaeschel.

During the financial year ended December 31, 2019, based on the definition above, the NEOs of the Corporation were: Duane Nelson, President and CEO; Don Weatherbee, former CFO and Corporate Secretary; and Ishwinder Grewal, EVP. The directors of the Corporation who were not NEOs were Court Anderson, Jack Kiland, Mel Lavitt, Kenneth McNaughton and Greg Pendura.

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

The following compensation table, excluding options and compensation securities, provides a summary of the compensation paid by the Corporation to NEOs and members of the board of directors of the Corporation (the Board) for the two most recently completed financial years ended December 31, 2020 and December 31, 2019. Options and compensation securities are disclosed under the heading “**Share Options and Other Compensation Securities**” below.

Compensation Excluding Compensation Securities							
Name and position	Year	Salary, consulting fee, retainer or commission \$	Bonus \$	Committee or meeting fees \$	Perquisites <sup>(11)</sup> \$	All other compensation \$	Total compensation \$
Duane Nelson, President, CEO and Director <sup>(1)</sup>	2020	300,000	-	34,931	15,400	4,583	354,914
	2019	300,000	10,000	26,500	16,800	4,465	357,765
Nathalie Pilon, CFO and Corporate Secretary <sup>(2)</sup>	2020	112,375	-	-	-	2,442	114,817
	2019	-	-	-	-	-	-
Don Weatherbee, former CFO and Corporate Secretary <sup>(3) (4)</sup>	2020	79,250	-	-	-	3,963	83,213
	2019	115,500	8,000	-	-	5,775	129,275
Wayne Moorhouse, COO <sup>(5)</sup>	2020	192,000	-	-	-	4,223	196,223
	2019	82,000	8,000	-	-	2,151	92,151
Ishwinder Grewal, EVP <sup>(6)</sup>	2020	168,000	-	-	-	4,239	172,239
	2019	168,000	8,000	-	-	4,351	180,351
Jack Kiland, former Director <sup>(7)</sup>	2020	-	-	52,248	-	-	52,248
	2019	-	-	74,899	-	-	74,899
Mel S. Lavitt, Director <sup>(8)</sup>	2020	-	-	106,910	-	-	106,910
	2019	-	-	45,577	-	-	45,577
Court Anderson, Director	2020	-	-	58,464	-	-	58,464
	2019	-	-	35,763	-	-	35,763
Kenneth McNaughton, Director	2020	-	-	46,876	-	-	46,876
	2019	-	-	39,287	-	-	39,287
Greg Pendura, former Director <sup>(9)</sup>	2020	-	-	19,500	-	-	19,500
	2019	-	-	31,000	-	-	31,000
Alexander Ruckdaeschel, Director <sup>(10)</sup>	2020	-	-	6,986	-	-	6,986
	2019	-	-	-	-	-	-

(1) Committee or meeting fees were paid to Mr. Nelson in his capacity as Director.

(2) Ms. Pilon was appointed CFO and Corporate Secretary on June 15, 2020.

(3) Salary, consulting fee, retainer or commission was paid pursuant to consulting agreements with Hive Corporate Consulting for the services of Mr. Weatherbee. Committee or meeting fees were paid to Mr. Weatherbee in his capacity as Corporate Secretary.

(4) Mr. Weatherbee resigned as CFO and Corporate Secretary on June 15, 2020.

(5) Mr. Moorhouse was appointed COO on June 17, 2019. Mr. Moorhouse was not considered a NEO in 2019; compensation for the 2019 fiscal year is presented for comparative purpose.

(6) Mr. Grewal is not considered a NEO in 2020; compensation for the 2020 fiscal year is presented for comparative purpose.

(7) Mr. Kiland resigned as Director on August 14, 2020.

(8) Mr. Lavitt was appointed Director on February 28, 2019.

(9) Mr. Pendura resigned as Director on July 21, 2020.

(10) Mr. Ruckdaeschel was appointed Director on October 15, 2020.

(11) Total value of automobile lease payments for Mr. Nelson's exclusive use.

### **Stock Option Plan or Other Compensation Plans**

Currently, the Corporation's only equity incentive plan is the 20% rolling stock option plan dated effective October 15, 2020, which was approved by Shareholders at the Corporation's November 24, 2020 annual general and special meeting (the Plan), pursuant to which the Board may, at their discretion, grant options to participants. The purpose of the Plan is to provide compensation opportunities to participants which align their interests with those of Shareholders and which assist in attracting and retaining individuals of exceptional ability.

#### *20% Rolling Stock Option Plan (Option-Based Awards)*

The Plan provides that the number of common shares issuable under the Plan, together with all the Corporation's other previously established or proposed share compensation arrangements, may not exceed 20% of the total number of issued and outstanding common shares.

The Plan was established to provide incentive to qualified parties to increase their proprietary interest in the Corporation and thereby encourage their continuing association with the Corporation. The Plan is administered by the Board and provides that the terms of options granted under the Plan and the option price may be fixed by the Board subject to Canadian Securities Exchange policy requirements. The Plan provides that options will be issued to directors, officers, employees or consultants of the Corporation or a subsidiary of the Corporation, and provides that the number of common shares issuable under the Plan, together with all of the Corporation's other previously established or proposed share compensation arrangements, may not exceed 20% of the total number of issued and outstanding common shares. Pursuant to the Plan all options expire on a date not later than 10 years after the date of grant of an option.

#### *Material Terms of the Plan*

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

The Plan provides that the Board may, from time to time, grant options to acquire all or part of the Common Shares subject to the Plan to any person who is an employee or director of the Corporation or any of its subsidiaries, or any other person or Corporation engaged to provide ongoing management, financial and scientific consulting or like services for the Corporation or any of its subsidiaries. The exercise price of options granted under the Plan is determined by the directors, but, in any case, must be no less 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 option, and (b) the date of grant of the option. The term of any option granted may not exceed 10 years from the date of grant of the option subject to provisions relating to the expiry of an option during a blackout period as described below.

Options may not be exercised after an optionee ceases to be an eligible recipient under the Plan, except as follows:

- in the case of death, all unvested options of the optionee will be deemed to have become fully vested immediately before death, and the personal representatives of the optionee will be entitled to exercise the options at any time by the earlier of (i) the expiry date, and (ii) six months following the date of death;
- in the case of an optionee becoming unable to work due to disability, all option rights will vest, and the Options will be exercisable on or before the earlier of six months following the termination of employment, engagement, or appointment and the expiry date;
- in the event the optionee holds his or her Option as an executive and such optionee ceases to hold such position other than by reason of death or disability, the expiry date of the Option shall

be, unless otherwise expressly provided for in the Option Certificate or otherwise agreed to at any time by the Board, the 90th day following the date the optionee ceases to hold such position; and

- in the case of an optionee being dismissed from office, employment or service for cause, all option rights that had accrued to the optionee to the date of termination will immediately terminate.

Any option granted is subject to vesting provisions as determined by the Board. The Plan does not provide for any financial assistance to Plan members in exercising their options.

Unless approved by the CSE and the Board, an Option may not be assigned except: (a) to a spouse or other family member of an optionee (a Close Person) or a person controlled by the optionee; (b) to the optionee's or a Close Person's Registered Retirement Savings Plan or Registered Retirement Income Fund or to a trustee, custodian or administrator acting on behalf of, or for the benefit of, the optionee or a Close Person; (c) in the event of a disability or death of the optionee, or (d) for estate planning or estate settlement purposes.

As specifically provided for in the Plan, the number of common shares that may be reserved for issuance to any one person pursuant to an Option may not exceed 5% of the issued and outstanding common shares.

The Plan specifically states the circumstances in which shareholder approval is or is not required for an amendment. Any amendment to any provision of the Plan will be subject to any necessary approvals by any stock exchange or regulatory body having jurisdiction over the securities of the Corporation.

Under the Plan, shareholder approval would be required for any amendment or modification that:

- increases the number of common shares reserved for issuance under the Plan;
- reduces the exercise price of an option granted to an insider except for the purpose of maintaining option value in connection with a subdivision or consolidation of, or payment of a dividend payable in, Common Shares or a reorganization, reclassification or other change or event affecting the Common Shares (for this purpose, cancellation or termination of an option granted to an insider prior to its expiry date for the purpose of reissuing options to the same participant with a lower exercise price shall be treated as an amendment to reduce the exercise price of an Option);
- extends the term of an option beyond the expiry date or allow for the expiry date to be greater than 10 years (except where an expiry date would have fallen within a blackout period of the Corporation);
- permits options to be assigned or exercised by persons other than the optionee except as otherwise permitted in the Plan as approved by shareholders of the Corporation; or
- permits equity compensation, other than options, to be made under the Plan.

The Board reserves the right, in its absolute discretion, at any time to otherwise amend, modify or terminate the Plan without further shareholder approval. The Plan states that, except for the above noted matters, the Board will retain the power to approve all other changes to the Plan without further shareholder approval. The Board believes it is important that it retain this residual power to make changes in order for the Corporation to have some flexibility to make changes to the Plan that are not material to the terms of the plan and do not increase the benefits to optionees. Such amendments specifically include, without limitation, the following:

- amendments to the terms and conditions of the Plan necessary to ensure that the Plan complies with the applicable regulatory requirements, including without limitation the rules of the CSE or any national securities exchange or system on which the Common Shares are then listed or reported, or by any regulatory body having jurisdiction with respect thereto;
- making adjustments to outstanding options in the event of certain corporate transactions;
- the addition of a cashless exercise feature, payable in cash or securities, whether or not such feature provides for a full deduction of the number of underlying securities from the number of Common Shares reserved for issuance under the Plan;
- a change to the termination provisions of an Option or the Plan which does not entail an extension beyond the original expiry date;
- amendments to the provisions of the Plan respecting administration of the Plan and eligibility for participation under the Plan;
- amendments to the provisions of the Plan respecting the terms and conditions on which options may be granted pursuant to the Plan, including the provisions relating to the exercise price, option period, and vesting schedule; and
- amendments to the Plan that are of a “housekeeping nature”.

Under the Corporation’s securities trading policy, specified persons may be restricted from trading in securities of the Corporation during periodic blackout periods under such policy or imposed by the Corporation. The Plan addresses the situation where an option holder is unable to exercise an option expiring during or within five business days of a black-out period by providing that the expiry date of the option will be the tenth business day following the expiry of the blackout period.

### **Share Options and Other Compensation Securities**

The following table sets forth incentive stock options (option-based awards) pursuant to the Corporation’s share option plan that were granted to NEOs and directors of the Corporation who were not NEOs during financial year ended December 31, 2020.

Compensation Securities Granted in 2020 <sup>(1) (2) (3) (4)</sup>								
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
Duane Nelson, President, CEO and	Stock options	300,000	3.28%	2020-04-24	0.76	0.76	0.52	2025-04-24
Nathalie Pilon, CFO and Corporate Secretary	Stock options	250,000	2.73%	2020-06-16	0.79	0.79	0.52	2025-06-16
Wayne Moorhouse, COO	Stock options	150,000	1.64%	2020-04-24	0.76	0.76	0.52	2025-04-24
Hanif Jafari, CTO	Stock options	50,000	0.55%	2020-04-24	0.76	0.76	0.52	2025-04-24
Jack Kiland, former Director	Stock options	150,000	1.64%	2020-04-24	0.76	0.76	0.52	2025-04-24
Mel S. Lavitt, Director	Stock options	300,000	3.28%	2020-04-24	0.76	0.76	0.52	2025-04-24
Court Anderson, Director	Stock options	150,000	1.64%	2020-04-24	0.76	0.76	0.52	2025-04-24
Kenneth McNaughton, Director	Stock options	150,000	1.64%	2020-04-24	0.76	0.76	0.52	2025-04-24
Alexander Ruckdaeschel, Director	Stock options	400,000	4.37%	2020-10-15	0.46	0.41	0.52	2025-10-15

(1) No compensation securities have been re-priced, cancelled and replaced, had their terms extended, or otherwise been materially modified, in the most recently completed financial year.

(2) All compensation securities vested upon grant.

(3) There are no restrictions or conditions for converting, exercising or exchanging the compensation securities.

(4) Percentage of class represents % of compensation securities granted over the total number of compensation securities of the Corporation outstanding as of December 31, 2020.

<b>Compensation Securities Held at December 31, 2020</b>					
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities	Date of issue or grant	Issue, conversion or exercise price \$	Expiry date
Duane Nelson, President, CEO and Director	Stock options	650,000	2017-03-24	0.25	2022-03-24
	Stock options	1,000,000	2017-03-24	0.25	2022-03-24
	Stock options	150,000	2019-03-01	0.76	2024-03-01
	Stock options	100,000	2019-12-11	1.45	2024-12-11
	Stock options	300,000	2020-04-24	0.76	2025-04-24
Nathalie Pilon, CFO and Corporate Secretary	Stock options	250,000	2020-06-16	0.79	2025-06-16
Don Weatherbee, former CFO and Corporate Secretary	Stock options	300,000	2017-03-24	0.25	2022-03-24
	Stock options	150,000	2019-03-01	0.76	2024-03-01
	Stock options	100,000	2019-12-11	1.45	2024-12-11
Wayne Moorhouse, COO	Stock options	250,000	2019-06-14	0.96	2024-06-14
	Stock options	200,000	2019-12-11	1.45	2024-12-11
	Stock options	150,000	2020-04-24	0.76	2025-04-24
Ishwinder Grewal, EVP	Stock options	250,000	2017-03-24	0.25	2022-03-24
	Stock options	150,000	2019-03-01	0.76	2024-03-01
	Stock options	100,000	2019-12-11	1.45	2024-12-11
	Stock options	100,000	2020-04-24	0.76	2025-04-24
Jack Kiland, former Director	Stock options	250,000	2017-03-24	0.25	2022-03-24
	Stock options	150,000	2019-03-01	0.76	2024-03-01
	Stock options	150,000	2020-04-24	0.76	2025-04-24
Court Anderson, Director	Stock options	150,000	2017-03-24	0.25	2022-03-24
	Stock options	100,000	2017-06-30	0.50	2022-06-30
	Stock options	150,000	2019-03-01	0.76	2024-03-01
	Stock options	150,000	2020-04-24	0.76	2025-04-24
Kenneth McNaughton, Director	Stock options	250,000	2017-03-24	0.25	2022-03-24
	Stock options	150,000	2019-03-01	0.76	2024-03-01
	Stock options	150,000	2020-04-24	0.76	2025-04-24
Greg Pendura, former Director	Stock options	150,000	2019-03-01	0.76	2024-03-01
Alexander Ruckdaeschel, Director	Stock options	400,000	2020-10-15	0.46	2025-10-15

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

The following table discloses the details of all compensation securities exercised by NEOs and directors of the Corporation who were not NEOs during financial year ended December 31, 2020.



<b>Exercise of Compensation Securities by Directors and NEOs in 2020</b>							
Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security \$	Date of exercise	Closing price per security on date of exercise \$	Difference between exercise price and closing price on date of exercise \$	Total value on exercise date \$
Greg Pendura, former Director	Stock options	200,000	0.25	2020-09-30	0.45	0.20	40,000
	Stock options	300,000	0.25	2020-10-14	0.46	0.21	61,500
	Stock options	100,000	0.25	2020-11-23	0.40	0.15	15,000
	Stock options	150,000	0.25	2020-12-10	0.39	0.14	21,000

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

During the financial year ended December 31, 2020, the Corporation had a consulting agreement with Hive Corporate Consulting for the services of Mr. Weatherbee as CFO. Pursuant to the terms of such consulting agreement, services provided by Mr. Weatherbee include, as CFO, providing leadership and vision to manage the finances of the Corporation in the best interests of the Shareholders; providing leadership to and responsibility for the accounting and finance functions; providing strategic planning; and risk management in addition to other appropriate duties and responsibilities assigned by the Board and the CEO. Mr. Weatherbee also performed the role of Corporate Secretary. In the case of termination of the contract by the Corporation without just cause, the consultant was entitled to the base fee accrued to the termination date plus an additional fee in the amount 24 months of the base monthly fee.

The Corporation has an employment contract with Messrs. Nelson, Grewal and Moorhouse and Ms. Pilon that provides for payments to the NEOs in connection with any termination, with the exception of just cause, in which case the contract with Mr. Nelson provides for payment of 24 months' compensation, while the employment agreement with Messrs. Grewal and Moorhouse and Ms. Pilon provide for payment of 3 months' compensation plus 1 additional month for each completed year of employment up to a maximum of 12 months.

In case of change of control, Messrs. Nelson, Grewal and Moorhouse and Ms. Pilon would be entitled to compensation equal to two times their annual salary.

The Corporation has not entered into any other consulting or management agreements under which compensation was paid in the most recently completed financial year.

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

The compensation program of the Corporation is designed to attract, motivate, reward and retain knowledgeable and skilled executives required to achieve the Corporation's corporate objectives and to increase shareholder value. The main objective of the compensation program is to recognize the contribution of the NEOs to the overall success and strategic growth of the Corporation. The philosophy of the Corporation is to pay the management a total compensation amount that is competitive with other Canadian junior resource companies and is consistent with the experience and responsibility level of the management. The purpose of executive compensation is to reward the executives for their contributions to the achievements of the Corporation on both an annual and long-term basis.

The compensation program provides incentives to its NEOs and Board to achieve long term objectives through grants of stock options pursuant to the Plan. Increasing the value of the common shares increases the value of the stock options. This incentive closely links the interests of the NEOs and directors to Shareholders. The

allocation of options pursuant to the Plan is determined by the Board which considers such factors as previous grants to individuals, overall corporate performance, share price performance, the role and performance of the individuals and, in the case of grants to non-executive directors, the amount of time directed to the Corporation's affairs. The Corporation believes that participation by the NEOs in the Plan aligns the interests of the NEOs with the Shareholders, as the NEOs are rewarded for the Corporation's performance as evidenced by share price appreciation.

The Board has not conducted a formal evaluation of the implications of the risks associated with the Company's compensation policies. Risk management is a consideration of the Board when implementing its compensation policies and the Board does not believe that the Company's compensation policies result in unnecessary or inappropriate risk taking, including risks that are likely to have a material adverse effect on the Company.

Neither a NEO nor a director are permitted to purchase financial instruments, including prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

#### **Pension Disclosure**

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