

STATEMENT OF EXECUTIVE COMPENSATION

American Pacific Mining Corp. (the “Company”)

(for the year ended December 31, 2019)

For the purposes of this Statement of Executive Compensation, a Named Executive Officer (“NEO”) of the Company means each of the following individuals:

- (a) a CEO of the Company, or an individual who acted in a similar capacity during the year ended December 31, 2019, regardless of the amount of compensation;
- (b) a CFO of the Company, or an individual who acted in a similar capacity during the year ended December 31, 2019, regardless of the amount of compensation;
- (c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6) of Form 51-102F6, for that financial year; and
- (d) each individual who would be an NEO under paragraph (c) above but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

During the year ended December 31, 2019, the Company had three NEOs: Warwick Smith, CEO of the Company, Norman Wareham, CFO and Corporate Secretary of the Company and Eric Saderholm, President of the Company.

The total compensation awarded, paid to or earned by the NEOs from the Company for the three most recently completed years of the Company is set out below in the Summary Compensation Table.

COMPENSATION DISCUSSION AND ANALYSIS

The board of directors (the “Board”) has established a compensation committee (the “Compensation Committee”) to discuss and approve the compensation to the NEOs, ensuring that total compensation paid to all NEOs is fair and reasonable and is consistent with the Company’s compensation philosophy. The current members of the Compensation Committee are Jones Lang and Ken Cunningham.

The Company does not generate operating cash flows and relies on equity financings to fund its exploration and corporate activities. Therefore, as the Company seeks to attract, retain and motivate highly skilled and experienced executive officers, it must at the same time consider current market and industry circumstances and the Company’s liquidity and ability to raise further capital.

Executive Compensation Philosophy and Objectives

The Company’s principal goal is to create value for its shareholders. The Company’s compensation philosophy reflects this goal, and is based on the following fundamental principles:

1. *Compensation programs align with shareholder interests* – the Company aligns the goals of executives with maximizing long term shareholder value;
2. *Performance sensitive* – compensation for executive officers should be linked to operating and market performance of the Company and fluctuate with the performance; and

3. *Offer market competitive compensation to attract and retain talent* – the compensation program should provide market competitive pay in terms of value and structure in order to retain existing employees who are performing according to their objectives and to attract new individuals of the highest calibre.

The Company does not have a formal compensation program with set benchmarks; however, the Company does have an informal program designed to encourage, compensate and reward employees on the basis of individual and corporate performance, both in the short and the long term, and to align the interests of executive officers with the interest of the Company's shareholders. This alignment of interests is achieved by making long term equity-based incentives through the granting of stock options, a significant component of executive compensation (on the assumption that the performance of the Company's common share price over the long term is an important indicator of long term performance).

The objectives of the compensation program in compensating the NEOs are derived from the above-mentioned compensation philosophy and are as follows: to attract, motivate and retain highly skilled and experienced executive officers; to align the interests of executive officers with shareholders' interests and with the execution of the Company business strategy; and, to tie compensation directly to measurements and rewards based on achieving and exceeding performance expectations.

Competitive Compensation

The Company is dependent on individuals with specialized skills and knowledge related to the exploration for and development of mineral prospects, corporate finance and management. Therefore, the Company seeks to attract, retain and motivate highly skilled and experienced executive officers by providing competitive compensation. The Board reviews data related to compensation levels and programs of various companies that are similar in size to the Company and operate within the mining exploration and development industry.

The purpose of this process is to:

- understand the competitiveness of current pay levels for each executive position relative to companies with similar revenues and business characteristics;
- identify and understand any gaps that may exist between actual compensation levels and market compensation levels; and
- establish a basis for developing salary adjustments and short-term and long-term incentive awards.

Elements of Executive Compensation

A combination of fixed and variable compensation is used to motivate executives to achieve overall corporate goals. For the financial year ended December 31, 2019, the three basic components of executive officer compensation were:

- base salary;
- annual incentives (cash bonus); and
- option-based awards (long term compensation).

Base salary comprises the portion of executive compensation that is fixed, whereas annual incentives and option based compensation represent compensation that is "at risk" and thus may or may not be paid to the respective executive officer depending on: (i) whether the executive officer is able to meet or exceed his or her applicable performance expectations; (ii) market performance of the Company's common shares; and, (iii) the Company's liquidity and ability to raise further capital in the prevailing economic environment.

No specific formulae have been developed to assign a specific weighting to each of these components. Instead, the Board reviews each element of compensation for market competitiveness, and it may weigh a particular element more heavily based on the NEO's role and responsibilities within the Company. The focus is on remaining competitive in the market with respect to 'total compensation' as opposed to within any one component of executive compensation.

The Board reviews and approves on an annual basis the cash compensation, performance and overall compensation package of each NEO, with appropriate abstentions for conflict, if applicable.

Base Salary

The Board of directors approve the salary ranges for the NEOs. Base salaries are set with the goal of being competitive with corporations of a comparable size and at the same stage of development, thereby enabling the Company to compete for and retain executives critical to the Company's long-term success. In determining the base salary of an executive officer, the Board places equal weight on the following criteria:

- the particular responsibilities related to the position;
- salaries paid by comparable businesses;
- the experience level of the executive officer; and
- his or her overall performance or expected performance (in the case of a newly hired executive officer).

The Board makes an assessment of these criteria, and using this information together with budgetary guidelines and other internally generated planning and forecasting tools, performs an annual assessment of the compensation of all executive officer and employee compensation levels. To date, comparative data for the Company's peer group has been accumulated internally, without the use of any external independent consultants or compensation specialists.

For employees of the Company, management is responsible for preparing an individual evaluation process for each employee and then conducting reviews on an annual basis. The evaluation framework is objective where a number of factors are judged for each employee.

Annual incentives (Cash Bonus)

NEOs are eligible for an annual discretionary bonus, payable in cash. The Board approves such annual incentives and assesses each active NEO's performance and his or her respective contribution to the Company's success, and after taking into account the financial and operating performance of the Company, makes a decision.

In the financial year ended December 31, 2019, the Board did not pay cash bonuses to any of the NEOs or other employees in light of the prevailing economic conditions and the Company's desire to preserve capital.

Option based awards (Long-Term Compensation)

The Company believes that it is important to award incentive stock options as part of an overall compensation package. Encouraging its executive officers and employees to become shareholders of the Company is the best way to align their interests with those of the Company's shareholders.

Equity participation is accomplished through the Company's stock option plan ("**Stock Option Plan**"), which is designed to give each option holder an interest in preserving and maximizing shareholder value in the longer term, to enable the Company to attract and retain individuals with experience and ability, and to reward individuals for current performance and expected future performance.

The Company considers stock option grants when reviewing executive officer compensation packages as a whole. Stock options granted to NEOs during the most recently completed financial year, are disclosed below.

Option-Based Awards

The Company's Stock Option Plan provides for the grant of stock options to directors, executive officers and key employees and consultants of the Company and its subsidiaries for the purpose of advancing the interests of the Company and its shareholders through the motivation, attraction and retention of these individuals. It is generally recognized that stock option plans aid in attracting, retaining and encouraging these individuals due to the opportunity offered to them to acquire a proprietary interest in the Company.

The Company determines the ranges of stock option grants for each level of executive officer, the key employees to whom it recommends that grants be made, and the terms and conditions of the options forming part of such grants, and makes recommendations to the Board accordingly. Individual grants are determined by an assessment of an individual's current and expected future performance, level of responsibilities and the importance of the position and contribution to the Company. The existing number and terms of the outstanding options are taken into account when granting new options. The exercise price, the term, and vesting provisions, if any, will be determined by the Board,

subject to the applicable policies of the Canadian Securities Exchange.

Summary Compensation Table

During the year-ended December 31, 2019, the most recently completed financial year of the Company, the Company had the following NEOs, whose names and positions held within the Company are set out in the summary compensation table below.

The compensation for the NEOs for the Company’s three most recently completed financial years is as set out below:

Name and principal position	Year ⁽¹⁾	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation ⁽³⁾ (\$)		Pension value ⁽³⁾ (\$)	All other compensation ⁽⁴⁾ (\$)	Total compensation (\$)
					Annual incentive plans ⁽²⁾	Long-term incentive plans ⁽²⁾			
Warwick Smith ⁽⁵⁾ CEO	2019	US\$120,000 ⁽⁶⁾	N/A	N/A	N/A	N/A	N/A	N/A	US\$120,000
	2018	US\$120,000 ⁽⁶⁾	N/A	N/A	N/A	N/A	N/A	N/A	US\$120,000
	2017	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Eric Saderholm ⁽⁶⁾ President	2019	US\$168,000 ⁽⁸⁾	N/A	N/A	N/A	N/A	N/A	N/A	US\$168,000
	2018	US\$140,000 ⁽⁸⁾	US\$30,000	N/A	N/A	N/A	N/A	N/A	US\$170,000
	2017	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Norman Wareham ⁽⁷⁾ CFO and Secretary	2019	CDN\$90,000 ⁽¹⁰⁾	N/A	N/A	N/A	N/A	N/A	N/A	CDN\$90,000
	2018	CDN\$65,000 ⁽¹⁰⁾	N/A	N/A	N/A	N/A	N/A	N/A	CDN\$65,000
	2017	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

- (1) Financial years ended December 31.
- (2) These amounts include annual non-equity incentive plan compensation, such as bonuses and discretionary amounts for the year end.
- (3) These amounts include all compensation relating to defined benefit or contribution plans and include all service costs and other compensatory items.
- (4) These amounts cover compensation other than amounts already set out in this table and include car allowances, RRSP contributions and life insurance premiums.
- (5) Warwick Smith has served as CEO of the Company on July 1, 2017.
- (6) Pursuant to a consulting agreement dated December 15, 2017 between the Company and Mr. Smith.
- (7) Eric Saderholm has served as President of the Company on January 25, 2018.
- (8) Pursuant to an employment agreement dated January 15, 2018 between Mr. Saderholm and the Company’s subsidiary, American Pacific Mining (US) Inc. (“APM US”). Mr. Saderholm has served as President and Secretary of APM US since incorporation on January 13, 2018.
- (9) Norman Wareham has served as CFO and Corporate Secretary of the Company on January 25, 2018.
- (10) Pursuant to a consulting agreement dated January 15, 2018 between the Company and Mr. Wareham.

Long-Term Incentive Plan Awards

Long term incentive plan awards (“LTIP”) means “a plan providing compensation intended to motivate performance over a period greater than one financial year”. LTIP awards do not include option or SAR plans or plans for compensation through shares or units that are subject to restrictions on resale. No LTIP awards were made to the NEOs during the most recently completed financial year.

Outstanding Option-based Awards

Stock Options

The Company has a formal Stock Option Plan, previously approved by the shareholders of the Company. The Company does not have any outstanding share-based awards. During the financial year ended December 31, 2019 the following stock options were outstanding to the NEOs:

Name and Principal Position	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-money Options
Warwick Smith CEO	300,000	\$0.25	March 8, 2023	Nil
	100,000	\$0.28	April 15, 2024	Nil
Eric Saderholm President	300,000	\$0.25	March 8, 2023	Nil
	100,000	\$0.28	April 15, 2024	Nil
Norman Wareham CFO and Secretary	200,000	\$0.25	March 8, 2023	Nil
	100,000	\$0.28	April 15, 2024	Nil

Aggregated Options – Value Vested or Earned during the Most Recently Completed Financial Year

The following table sets forth details of the value of option-based awards that vested or were earned during the most recently completed financial year ended December 31, 2019:

Name	Option-based awards- Value vested during the year (\$)	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
Warwick Smith CEO	400,000	Nil	Nil
Eric Saderholm President	400,000	Nil	Nil
Norman Wareham CFO and Secretary	300,000	Nil	Nil

Pension Plans

The Company does not provide retirement benefits for directors or executive officers.

Termination of Employment, Changes in Responsibility and Employment Contracts

Except as disclosed herein, the Company does not have any contracts, agreements, plans or arrangements in place with any NEOs that provides for payment following or in connection with any termination (whether voluntary, involuntary or constructive) resignation, retirement, a change of control of the Company or a change in a NEO's responsibilities.

On December 15, 2017, Warwick Smith entered into a consulting agreement which provides that he is entitled to receive US\$120,000 per annum. The consulting agreement provides that he is entitled to receive six months of the consulting fee in the event of any termination of the consulting agreement without cause by the Company, or a payment of twelve months of the consulting fee in the event of any termination of the consulting agreement by Mr. Smith or the Company occurring within six months of a change of control.

On January 15, 2018, Norman Wareham entered into a consulting agreement which provides that he is entitled to receive \$5,000 per month in his role as the Company's CFO. Effective May 1, 2018, the Company revised the consulting agreement. The revised consulting agreement was between the Company and Inlet Consulting Ltd., a

company controlled by Mr. Wareham, for the provision of Mr. Wareham's services as CFO. The revised consulting agreement provides for fees of \$7,500 per month. The consulting agreement provides that Mr. Wareham is entitled to receive a minimum of six months of the consulting fee in the event of any termination of the consulting agreement without cause by the Company, or a payment of twelve months of the consulting fee in the event of any termination of the consulting agreement by Mr. Wareham or the Company occurring within six months of a change of control.

On January 15, 2018, Eric Saderholm entered into an employment agreement with APM US pursuant to which he will act as President of APM US. Under the employment agreement, Mr. Saderholm is entitled to receive US\$140,000 per annum plus bonuses, including a US\$30,000 bonus payable in 2018 on or before the March 8, 2018, which was the listing date of the Company's common shares on the Canadian Securities Exchange. The employment agreement provides that he is entitled to receive a minimum of six months' base salary in the event of any termination of employment without cause by the Company, or a payment of twelve months base salary in the event of any termination of employment by Mr. Saderholm or the Company occurring within six months of a change of control.

Compensation of Directors

The Company does not pay cash fees to any of its directors. The Company compensates its directors through option grants. NEOs do not receive additional compensation for serving as directors.

Outstanding Option-based Awards

The following table sets forth for each director, other than those who are also NEOs of the Company, all awards outstanding at the end of the most recently completed financial year ended December 31, 2019, including awards granted before the most recently completed financial year.

Name	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾
Ken Cunningham ⁽¹⁾	200,000	\$0.25	March 8, 2023	Nil
	100,000	\$0.28	April 15, 2024	Nil
Joness Lang ⁽²⁾	250,000	\$0.25	March 8, 2023	Nil

(1) Mr. Cunningham was appointed as a director of the Company on January 25, 2018.

(2) Mr. Lang was appointed as a director of the Company on October 31, 2019. The 250,000 stock options granted to Mr. Lang on March 8, 2018 were granted to him when he served as a consultant of the Company.

Aggregated Options – Value Vested or Earned during the Most Recently Completed Financial Year

The following table sets forth, for each director, other than those who are also NEOs of the Company, the value of all incentive plan awards vested during the financial year ended December 31, 2019:

Name	Option-based awards - Value vested during the year (\$)	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
Ken Cunningham	300,000	Nil	Nil
Joness Lang	250,000	Nil	Nil

ADDITIONAL INFORMATION

Additional information concerning the Company can be found on SEDAR at www.sedar.com and on the Company's website at <https://www.americanpacific.ca/>.

Financial information relating to the Company is provided in the Company's audited financial statements and the management discussion and analysis ("**MD&A**") for the year ended December 31, 2019. Shareholders may download the financial statements and MD&A from SEDAR (www.sedar.com) or contact the Company directly to request copies of the financial statements and MD&A by: mail to 804-750 West Pender Street, Vancouver, BC, V6C 2T7; or fax to 604-685-6905. Additional financial information concerning the Company may be obtained by any shareholder free of charge by contacting the Company at 604-682-2928.