

STATEMENT OF EXECUTIVE COMPENSATION

AMERICAN PACIFIC MINING CORP. (the “Company”)

(for the year ended December 31, 2021)

In this section “Named Executive Officer” (“NEO”) means the CEO, the CFO and each of the three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers at the end of the most recently completed financial year and whose total compensation was more than \$150,000 as well as any additional individuals for whom disclosure would have been provided except that the individual was not serving as an executive officer of the Company at the end of the most recently completed financial year.

During the year ended December 31, 2021, the Company had four (4) NEOs: Warwick Smith, the CEO of the Company; Eric Saderholm, the President of the Company; Alnesh Mohan, the CFO and Corporate Secretary of the Company and Norman Wareham, the former CFO and Corporate Secretary. For greater clarity, Mr. Wareham resigned as CFO and Corporate Secretary on March 12, 2021.

Compensation Discussion and Analysis

The board of directors (the “Board”) of the Company has appointed a Compensation Committee whose responsibility relates to executive and director compensation, including reviewing and recommending director compensation, overseeing the Company’s base compensation structure and equity-based compensation programs, recommending compensation of the Company’s officers and employees, and evaluating the performance of officers generally and in light of annual goals and objectives.

The Compensation Committee makes recommendations to the Board and the Board then assumes responsibility for reviewing and monitoring the long-range compensation strategy for the senior management of the Company.

The members of the Compensation Committee are Jones Lang and Ken Cunningham.

The compensation for executives includes four components: base consulting fees, bonus (if applicable), stock options and perquisites. As a package, the compensation components are intended to satisfy the objectives of the compensation program (that is, to attract, retain and motivate qualified executives). There are no predefined or standard termination payments, change of control arrangements or employment contracts.

Philosophy and Objectives

The Company’s compensation policies and programs are designed to be competitive with similar technology companies and to recognize and reward executive performance consistent with the success of the Company’s business. The compensation program for the senior management of the Company is designed to ensure that the level and form of compensation achieves certain objectives, including (a) attracting and retaining talented, qualified and effective executives, (b) motivating the short and long-term performance of these executives; and (c) better aligning their interests with those of the Company’s shareholders.

In compensating its senior management, the Company has encouraged equity participation and in furtherance thereof employs its stock option plan.

Equity Participation

The Company believes that encouraging its NEO to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation has been accomplished through the Company’s stock option plan. Stock options are granted to NEOs and consultants of the Company taking into account a number of factors, including

the amount and term of options previously granted, base consulting fees and bonuses and competitive factors. The amounts and terms of options granted are determined by the Board in consultation with the Compensation Committee.

Given the evolving nature of the Company's business, the Board continues to review the overall compensation plan for senior management so as to continue to address the objectives identified above.

Option-Based Awards

The Board adopted a 10% rolling stock option plan (the "Plan") on March 8, 2018.

The Plan provides incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. Management proposes stock option grants to the Board based on such criteria as performance, previous grants, and hiring incentives. All stock option grants require approval of the Board.

The Plan is administered by the Board and provides that options will be issued to directors, officers, employees or consultants of the Company or a subsidiary of the Company.

Summary Compensation Table

Name and Principal Position	Year ⁽¹⁾	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Warwick Smith ⁽²⁾⁽³⁾ CEO	2021	CDN\$219,000	Nil	CDN\$53,350	Nil	Nil	Nil	Nil	CDN\$272,350
	2020	CDN\$206,904	Nil	CDN\$122,329	Nil	Nil	Nil	Nil	CDN\$329,233
	2019	US\$120,000	Nil	Nil	Nil	Nil	Nil	Nil	US\$120,000
Eric Saderholm ⁽⁴⁾⁽⁵⁾ President	2021	US\$170,004 / CDN\$216,681	Nil	CDN\$53,350	Nil	Nil	Nil	Nil	CDN\$270,031
	2020	US\$170,004 / CDN\$227,802	Nil	CDN\$122,329	Nil	Nil	Nil	Nil	CDN\$350,131
	2019	US\$168,000	Nil	Nil	Nil	Nil	Nil	Nil	US\$168,000
Alnesh Mohan ⁽⁶⁾⁽⁷⁾ CFO and Secretary	2021	CDN\$115,720	Nil	CDN\$53,350	Nil	Nil	Nil	Nil	CDN\$169,070
	2020	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2019	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Norman Wareham ⁽⁸⁾⁽⁹⁾ Former CFO and Secretary	2021	CDN\$35,000	Nil	CDN\$47,247	Nil	Nil	Nil	Nil	CDN\$82,247
	2020	CDN\$100,000	Nil	CDN\$122,329	Nil	Nil	Nil	Nil	CDN\$222,329
	2019	CDN\$90,000	Nil	Nil	Nil	Nil	Nil	Nil	CDN\$90,000

(1) Financial years ended December 31.

(2) Warwick Smith has served as CEO of the Company since July 1, 2017.

(3) Management fees paid to Harbourside Consulting Inc., a company owned and operated by Warwick Smith, CEO of the Company.

(4) Eric Saderholm has served as President of the Company since January 25, 2018.

(5) Management fees paid to Eric Saderholm, President of the Company.

(6) Alnesh Mohan has served as CFO and Corporate Secretary of the Company since March 12, 2021.

(7) Paid to Quantum Advisory Partners LLP ("Quantum"), an accounting firm in which Alnesh Mohan is an incorporated partner.

(8) Norman Wareham served as CFO and Corporate Secretary of the Company from January 25, 2018 until March 12, 2021.

(9) Management fees paid to Norman Wareham, former CFO and Corporate Secretary of the Company.

Employment, consulting and management agreements

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. Effective June 1, 2020, the Company increased the annual consulting fees payable to Mr. Smith to CDN\$18,250 per month.

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. Mr. Wareham's consulting agreement ended effective March 12, 2021.

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.

On March 12, 2021, Alnesh Mohan entered into a consulting agreement through Quantum to provide CFO and accounting support services to the Company. Quantum is entitled to receive \$10,000 per month for the provision of CFO and accounting support services. The consulting agreement provides that Quantum 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 the Company occurring within six months before or after twelve months following a change of control.

INCENTIVE PLAN AWARDS

Outstanding Share-based Awards and Option-based Awards

There were no share-based awards granted to any of the Company's NEOs during the year ended December 31, 2021.

Outstanding Option-Based Awards

The purpose of granting stock options is to assist the Company in compensating, attracting, retaining and motivating its NEOs and to closely align the personal interests of such persons to that of the shareholders. In determining the number of options to be granted to the NEOs, the Board considers the number of options, if any, previously granted to each NEO and the exercise price of any outstanding options to ensure that such grants are in accordance with the Canadian Securities Exchange.

The following table sets out all option-based awards outstanding as at December 31, 2021 for each NEO. There were no share-based awards granted to any of the NEOs:

Option-based Awards				
Name and Principal Position	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾
Warwick Smith CEO	400,000	0.49	July 22, 2025	336,000
	300,000	0.27	May 27, 2026	318,000
Eric Saderholm President	400,000	0.49	July 22, 2025	336,000
	300,000	0.27	May 27, 2026	318,000
Alnesh Mohan CFO and Secretary	300,000	0.27	May 27, 2026	318,000
Norman Wareham Former CFO and Secretary	125,000	0.49	July 22, 2025	105,000
	100,000	0.71	July 19, 2026	62,000

- (1) This amount is based on the difference between the market value of the securities underlying the options on December 31, 2021, which was \$1.33, being the last trading day of the Company's shares for the financial year and the exercise price of any outstanding options.

Pension Plan Benefits

No pension, retirement or deferred compensation plans, including defined contribution plans, have been instituted by the Company and none are proposed at this time.

TERMINATION AND CHANGE OF CONTROL BENEFITS

Termination and Change of Control Benefits

There are no compensatory plans or arrangements with respect to any NEO resulting from the resignation, retirement or any other termination of employment of the officer's employment or from a change of an NEO's responsibilities following a change in control, other than as is disclosed above under *Employment, consulting and management agreements*.

DIRECTOR COMPENSATION

Outstanding Option-Based Awards

During the year ended December 31, 2021, each of Ken Cunningham and Joness Lang received US\$12,000 in fees as remuneration for acting as directors of the Company.

Mr. Cunningham has served as a director of the Company since January 25, 2018 and Mr. Lang has served as a director of the Company since October 31, 2019.

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, 2020. There were no share-based awards in the most recently completed financial year ended December 31, 2020.

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	400,000	0.49	July 22, 2025	336,000
	300,000	0.27	May 27, 2026	318,000
Joness Lang	400,000	0.49	July 22, 2025	336,000
	300,000	0.27	May 27, 2026	318,000

- (1) This amount is based on the difference between the market value of the securities underlying the options on December 31, 2021, which was \$1.33, being the last trading day of the Company's shares for the financial year and the exercise price of any outstanding options.

Narrative Discussion

The Company has a stock option plan for the granting of incentive stock options to the directors, officers, employees and consultants. The purpose of granting such options is to assist the Company in compensating, attracting, retaining and motivating the directors, officers, employees and consultants and to closely align the personal interests of such persons to that of the shareholders.

Incentive Plan Awards – Value Vested or Earned During the 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, 2021:

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	53,350	N/A	N/A
Joness Lang	53,350	N/A	N/A