

SPEY RESOURCES CORP.

1315 Moody Avenue
North Vancouver, British Columbia V7L 3T5

Form 51-102F6

STATEMENT OF EXECUTIVE COMPENSATION (for the year ended November 30, 2019)

The following information is presented by the management of Spey Resources Corp. (the “Company”) in accordance with Form 51-102F6 – *Statement of Executive Compensation*, and sets forth compensation as at November 30, 2019.

Named Executive Officers

During the financial year ended November 30, 2019, the Company had two Named Executive Officers (“NEOs”) being, Marshall Farris, Chief Executive Officer (“CEO”) and Corporate Secretary and Tracy Mabone, the Chief Financial Officer (“CFO”).

“**Named Executive Officer**” means: (a) each CEO, (b) each CFO, (c) each of the three most highly compensated executive officers of the company, including any of its subsidiaries, 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; and (d) each individual who would be a NEO under (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.

COMPENSATION DISCUSSION AND ANALYSIS Compensation Discussion and Analysis

The compensation of the Company’s NEOs is determined by the Company’s Board of Directors (the “**Board**”).

The general objectives of the Board’s compensation decisions are:

- to encourage management to achieve a high level of performance and results with a view to increasing long-term shareholder value;
- to align management’s interests with the long-term interest of shareholders;
- to provide compensation commensurate with peer companies in order to attract and retain highly qualified executives; and
- to ensure that total compensation paid takes into account the Company’s overall financial position.

The Board’s compensation program is designed to provide competitive levels of compensation, a significant portion of which is dependent upon individual and corporate performance and contribution to increasing shareholder value. The Board recognizes the need to provide a total 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. In general, a NEO’s compensation is comprised of contractor payments or salary and stock option grants.

The Company’s NEOs and directors are not permitted to purchase financial instruments, including for greater certainty, 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.

Share-Based and Option-Based Awards

The Company does not grant share-based awards. The Board is responsible for granting options to the NEOs. Stock option grants are designed to reward the NEOs for success on a similar basis as the shareholders of the Company, but these rewards are highly dependent upon the volatile stock market, much of which is beyond the control of the NEOs. When new options are granted, the Board takes into account the previous grants of options, the number of stock options currently held, position, overall individual performance, anticipated contribution to the Company's future success and the individual's ability to influence corporate and business performance. The purpose of granting such stock options is to assist the Company in compensating, attracting, retaining and motivating the officers, directors and employees of the Company and to closely align the personal interest of such persons to the interest of the shareholders. The exercise price of the stock options granted is determined by the trading price of the Company's shares at the time of grant.

Risk of Compensation Practices and Disclosure

The Company has not formally considered the risks associated with the Company's compensation policies and practices. The Company's compensation policies and practices give greater weight toward long-term incentives to mitigate the risk of encouraging short term goals at the expense of long term sustainability. The discretionary nature of annual bonus awards and option grants are significant elements of the Company's compensation plans and provide the Board with the ability to reward historical performance and behaviour that the Board considers to be aligned with the Company's best interests. The Company has attempted to minimize those compensation practices and policies that expose the Company to inappropriate or excessive risks.

SUMMARY COMPENSATION TABLE

Set out below is a summary of compensation paid or accrued during the Company's three most recently completed financial years to the Company's NEOs.

Summary Compensation Table

Name and principal position (a)	Year (b)	Salary (\$) (c)	Share-based awards (\$) (d)	Option-based awards (\$)(1) (e)	Non-equity incentive plan compensation (\$) (f)		Pension value (\$) (g)	All other compensation (\$) (h)	Total compensation (\$) (i)
					Annual incentive plans (f1)	Long-term incentive plans (f2)			
					Marshall Farris CEO Director	<u>2019</u> <u>2018</u>			
Tracy Mabone CFO	<u>2019</u> <u>2018</u>	\$18,000 \$6,000	Nil	Nil \$18,000	Nil	Nil	Nil	\$18,000 \$24,000	

(1)The weighted average fair value of options granted during the 2019 year end was \$0.07 per share which was estimated using the Black-Scholes pricing model with the following assumptions:

Weighted share price	\$0.10
Weighted average risk free interest rate	1.80%
Weighted average expected life	5 years
Weighted average expected volatility	145%
expected dividends	0%
Weighted average expected forfeiture rate	Nil

Narrative discussion

The Company pays office rent to a director/officer of the Company, namely, Marshall Farris. During the most recently completed financial year, the Company paid \$4,000 in rent to Mr. Farris.

INCENTIVE PLAN AWARDS

Outstanding Share-Based Awards and Option-Based Awards

The Company does not have any share-based awards held by a NEO. The following table sets forth the outstanding option-based awards held by the NEOs of the Company at the end of the most recently completed financial year:

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Marshall Farris, CEO	275,000	\$0.10	Aug.27, 2023	Nil	Nil	Nil	Nil
Tracy Mabone, CFO	200,000	\$0.10	Aug.27, 2023	Nil	Nil	Nil	Nil

4.2 Incentive plan awards – value vested or earned during the year

The following table sets forth details of the value vested or earned for all incentive plan awards during the most recently completed financial year by each NEO:

Name (a)	Option-based awards – Value vested during the year (\$) (b)	Share-based awards – Value vested during the year (\$) (c)	Non-equity incentive plan compensation – Value earned during the year (\$) (d)
Marshall Farris, CEO	Nil	Nil	Nil
Tracy Mabone, CFO (1)	Nil	Nil	Nil

(1) Ms. Mabone was appointed as a director of the Company on July 31, 2017 and stepped down as a director of the Company on January 10, 2019. Ms. Mabone remains CFO of the Company.

Narrative discussion

The following information is intended as a brief description of the Company’s stock option plan (the “Stock Option Plan”)

1. The maximum aggregate number of shares that may be issued upon the exercise of stock options granted under the Stock Option Plan shall not exceed 10% of the issued and outstanding share capital of the Company, the exercise price of which, as determined by the Board in its sole discretion, shall not be less than the last closing price of the Company’s shares traded through the facilities of the CSE (the “Exchange”) prior to the announcement of the option grant, or such other price as may be required or permitted by the Exchange, or if the shares are no longer listed for trading on the Exchange, then such other exchange or quotation system on which the shares are listed or quoted for trading.
2. The Board shall not grant options to any one person in any 12 month period which will, when exercised, exceed 5% of the issued and outstanding shares of the Company or to any one consultant or to those persons employed by the Company who perform investor relations services which will, when exercised, exceed 2% of the issued and outstanding shares of the Company.
3. Upon expiry of an option, or in the event an option is otherwise terminated for any reason, the number of shares in respect of the expired or terminated option shall again be available for the purposes of the Stock Option Plan. All options granted under the Stock Option Plan may not have an expiry date exceeding five years from the date on which the Board grants and announces the granting of the option.
4. If the option holder ceases to be a director, officer, employee or consultant of the Company (other than by reason of death) then the option granted shall expire on a date stipulated by the Board at the time of grant and, in any event, must terminate within 90 days after the date on which the option holder ceases to be a director, officer, employee or consultant, unless such Participant was engaged in investor relations activities, in which case such exercise must occur within 30 days after the cessation of the Participant's services to the Company, subject to the terms and conditions set out in the Stock Option Plan.

PENSION PLAN BENEFITS

The Company does not have a pension plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement.

TERMINATION AND CHANGE OF CONTROL BENEFITS

The Company has no compensatory plan, contract or arrangement where a Named Executive Officer is entitled to receive any payments to compensate such executive officer in the event of resignation, retirement, change of control or other termination of the Named Executive Officer's employment with the Company

DIRECTOR COMPENSATION

Other than compensation paid to the NEOs, and except as noted below, no compensation was paid to directors in their capacity as directors of the Company, in their capacity as members of a committee of the Board or of a committee of the board of directors of its subsidiaries, or as consultants or experts, during the Company's most recently completed financial year.

Set out below is a summary of compensation paid or accrued during the Company's most recently completed financial year to the Company's directors, other than the NEOs previously disclosed:

Name (a)	Fees earned (\$) (b)	Share-based awards (\$) (c)	Option-based awards (\$) (d)	Non-equity incentive plan compensation (\$) (e)	Pension value (\$) (f)	All other compensation (\$) (g)	Total (\$) (h)
Alistair Waddell	Nil	Nil	Nil	Nil	Nil	Nil	Nil
David Thornley-Hall (1)	Nil	Nil	\$15,714	Nil	Nil	\$52,000	\$67,714
Ian Graham (2)	Nil	Nil	\$10,813	Nil	Nil	Nil	\$10,812
Dusan Berka (3)	Nil	Nil	Nil	Nil	Nil	Nil	Nil

1. Mr. Thornley-Hall was appointed as a director of the Company on January 10, 2019. Mr. Thornley-Hall earned consulting fees of \$52,000 during the year for services as President of the Company.
2. Mr. Graham was appointed as a director of the Company on April 15, 2019
3. Mr. Berka was appointed as a director of the Company on July 31, 2017 and resigned as a director of the Company on January 31, 2019.