235 103rd Street East
Saskatoon, SK S7N 1Y8
Tel: 1.800.979.9794

DRAGANFLY INC.

STATEMENT OF EXECUTIVE COMPENSATION

FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2023

DRAGANFLY INC.
235 103rd Street East
Saskatoon, SK S7N
Tel: 1.800.979.9794

STATEMENT OF EXECUTIVE COMPENSATION

This Statement of Executive Compensation for Draganfly Inc. (the "**Company**"), dated as of May 20, 2024, is presented in accordance with National Instrument 51-102 - *Continuous Disclosure Obligations* and Form 51-102F6 – *Statement of Executive Compensation.*

All amounts represented in this Statement of Executive Compensation are in Canadian dollars unless stated otherwise.

General

The following terms when used in this Statement of Executive Compensation will have the following meanings:

"**CEO**" means an individual who acted as chief executive officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

"**CFO**" means an individual who acted as chief financial officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

"**director**" means an individual who acted as a director of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

"**equity incentive plan**" means an incentive plan, or portion of an incentive plan, under which awards are granted and that falls within IFRS 2 *Share-based Payment*;

"**grant date"** means a date determined for financial statement reporting purposes under IFRS 2 *Share-based Payment*;

"**incentive plan**" means any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period;

"**incentive plan award**" means compensation awarded, earned, paid, or payable under an incentive plan;

"**Named Executive Officer**", or "**NEO**", means each of the following individuals:

(a) CEO;

(b) 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, as determined in accordance with subsection 1.3(6), for that financial year; and

(d) each individual who would be a NEO under paragraph (c) above 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;

"**non-equity incentive plan**" means an incentive plan or portion of an incentive plan that is not an equity incentive plan";

"**plan**" includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, securities, similar instruments or any other property may be received, whether for one or more persons.

Compensation Discussion and Analysis

The purpose of this Compensation Discussion and Analysis is to provide information about the Company's executive compensation philosophy, objectives and processes and to discuss compensation decisions relating to the Company's NEOs.

During the financial year ended December 31, 2023, the Company had four (4) Named Executive Officers: Cameron Chell, the Company's CEO, Paul Sun, the Company's CFO, Deborah R. Greenberg, the Chief Legal and Corporate Services Officer and Paul Mullen, the Chief Operating Officer.

The Company's executive compensation program is intended to provide an appropriate overall compensation package that permits the Company to attract and retain highly qualified and experienced senior executives and to encourage superior performance by the Company. The Company's compensation policies are intended to motivate individuals to achieve and to award compensation based on corporate and individual results. The compensation of the Company's executive officers is established based on a relatively equal weighing of each of these considerations.

Compensation Committee - Overview

The Compensation Committee is responsible for ensuring that the Company has appropriate procedures for reviewing executive compensation and making recommendations to the board of directors of the Company (the "**Board**") with respect to the compensation of the Company's executive officers. The Compensation Committee seeks to ensure that total compensation paid to all executive officers is fair and reasonable and is consistent with the Company's compensation philosophy.

The Compensation Committee is also responsible for recommending compensation for the directors, as well as stock option ("**Option**") grants, and restricted share unit ("**RSU**") grants to the directors, officers, employees and consultants pursuant to the Company's share compensation plans. The Share Compensation Plan (as defined below) assists the Company in employee retention and cash preservation, while encouraging Common Share ownership and entrepreneurship on the part of the Company's NEOs. See the section below entitled "*Incentive Plan Awards – Share Compensation Plan*" for details.

The Compensation Committee consists of Scott Larson (Chair), Olen Aasen and Denis Silva, all of whom were affirmatively determined by the Board to be independent (outside, non-management) directors, other than Scott Larson, the former President of the Company. The Board is satisfied that the composition of the Compensation Committee ensures an objective process for determining compensation. Each member of the Committee has direct experience relevant to their responsibilities on the Committee, including acting as officers and directors of other publicly traded companies so that they are familiar with remuneration for companies within the Company's peer group.

Compensation Committee - Philosophy and Objectives

The philosophy used by and the objectives of the Compensation Committee and the Board in determining compensation is that the compensation should:

1. assist the Company in attracting and retaining high caliber executives;

2. align the interests of executives with those of the shareholders of the Company;

3. reflect the executive's performance, expertise, responsibilities and length of service to the Company; and

4. reflect the Company's current state of development, performance and financial status.

The Company's executive compensation program is intended to provide an appropriate overall compensation package that permits the Company to attract and retain highly qualified and experienced senior executives and to encourage superior performance by the Company. The Company's compensation policies are intended to motivate individuals to achieve and to award compensation based on corporate and individual results. The compensation of the Company's executive officers is established based on a relatively equal weighing of each of these considerations.

The Compensation Committee is responsible for administering the Company's compensation policies and practices and considering all risks associated with them. The Compensation Committee ensures that the Company's compensation policies and practices are balanced in that it will motivate employees, be cost effective, while at the same time ensuring market competitiveness to attract and retain high quality employees. No NEO or director is permitted to purchase financial instruments, including prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, 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.

The Company does not have a pension plan benefit program nor a non-equity incentive plan in place. Therefore, there were no payments or benefits in connection with a defined benefit or a defined contribution plan and no annual incentive plan or long term incentive plan awards offered to the Named Executive Officers during the Company's most recently completed financial year.

Compensation Consultants

The Compensation Committee has the authority to retain and receive advice from compensation consultants or advisors to carry out its duties. In January 2023, the Compensation Committee retained Hugessen Consulting Inc. ("**Hugessen**") as an independent compensation advisor with a mandate to review and make recommendations regarding the Company's compensation arrangements for its executive team and to recommend changes to align pay elements and strategy with both current market practices and the Company's long-term business strategy. The reports containing Hugessen's recommendations were used by the Compensation Committee to guide and assist it in determining annual base salaries, and their recommendations will be used to guide and assist in determining the bonuses and equity-based compensation for the executive team.

The following table illustrates the aggregate fees billed by Hugessen for services provided during the two most recently completed financial years:

Nature of Fee	December 2023 ($)	December 2022 ($)
Executive Compensation-Related Fees	15,900	13,780
All Other Fees	Nil	Nil

Compensation Components

The compensation of the Company's NEOs is comprised primarily of (i) base salary, (ii) short-term incentives in the form of cash bonuses, and (iii) long-term incentives in the form of Option grants and RSU grants under the Share Compensation Plan.

In establishing levels of compensation, the NEO's performance, level of expertise, responsibilities, length of service to the Company and comparable levels of remuneration paid to executive officers of other companies of comparable size and development are considered as well as taking into account the financial and other resources of the Company.

In assessing compensation levels, the Compensation Committee also relies on the experience of its members as officers and directors of other companies that are similar in size to the Company. The purpose of this comparison to other companies is to:

1. understand the competitiveness of current pay levels for each executive position relative to companies with similar business characteristics;

2. identify and understand any gaps that may exist between actual compensation levels and market compensation levels; and

3. establish a basis for developing salary adjustments and short-term and long-term incentive awards for the Compensation Committee's approval.

Base Salary

The Compensation Committee performs an annual assessment of all NEO compensation levels. The review for each NEO is based on an assessment of factors such as:

1. current competitive market conditions;

2. compensation levels for companies within the Company's peer group; and

3. particular skills, such as leadership ability and management effectiveness, experience, responsibility and proven or expected performance of the particular individual.

Using this information, together with budgetary guidelines and other internally generated planning and forecasting tools, the Compensation Committee then recommends to the Board what should be the base salaries of the CEO, CFO and other NEOs, and the Board sets the base salaries of the CEO, CFO and other NEOs.

Short-term Incentives

Awards under the Company's short-term incentive plan are made by way of cash bonuses, which are based on the performance of the executive against predetermined individual performance objectives and the performance of the Company against predetermined annual corporate performance objectives. The Compensation Committee recommends, and the Board approves, short-term incentives for each NEO.

The Compensation Committee assesses each NEO's performance on the basis of his or her respective contribution to the achievement of corporate goals as well as to needs of the Company that arise on a day-to-day basis. This assessment is used by the Compensation Committee in developing its recommendations to the Board with respect to the determination of annual short-term incentives for the NEOs.

Long Term Compensation

The Company's long-term incentive program is also designed to align the interests of the executives with those of its shareholders. In 2023, these incentives consisted of two share-based compensation components: Options and RSUs. The long-term incentive award value for each Named Executive Officer is dependent on the officer's role, experience, performance, and peer market data.

Options and RSUs are granted under the Share Compensation Plan to directors, executive officers, employees, consultants and other service providers of the Company and are intended to align such individual's and shareholder interests by attempting to create a direct link between compensation and shareholder return. Participation in the Share Compensation Plan rewards overall corporate performance, as measured through the price of shares in the Company. In addition, the Share Compensation Plan enables executives to develop and maintain a significant ownership position in the Company. See also "*Incentive Plan Awards – Share Compensation Plan*".

Summary Compensation Table

The following table sets forth information concerning the compensation paid to the NEOs for the financial years ended December 31, 2023, 2022 and 2021:

					Non-Equity Incentive Plan Compensation ($)				
Name and Principal Position	**Year Ended Dec 31**	**Salary ($)**	**Share-Based Awards ($)(1)(2)**	**Option-Based Awards ($)(3)(4)**	**Annual Incentive Plans(5)**	**Long-Term Incentive Plans**	**Pension Value ($)**	**All Other Compen-sation ($)**	**Total Compen-sation ($)**
Cameron Chell(6)(7) President, CEO and Director	2023 2022 2021	408,333 425,000 290,225	287,020 252,000 570,300	Nil Nil Nil	Nil 148,750 158,953	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	695,353 825,750 1,019,478
Paul Sun CFO	2023 2022 2021	262,096 250,995 208,118	144,640 151,200 365,400	Nil Nil Nil	Nil 59,400 122,265	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	406,736 461,595 695,783
Paul Mullen Chief Operating Officer	2023 2022 2021	238,461 199,402 N/A	135,600 151,200 N/A	Nil N/A N/A	Nil 123,900 N/A	Nil Nil N/A	Nil Nil N/A	Nil Nil N/A	374,061 474,502 N/A
Deborah R. Greenberg Chief Legal and Corporate Services Officer	2023 2022 2021	292,788 126,923(9) N/A	162,720 206,250 N/A	Nil Nil N/A	Nil 68,750 N/A	Nil Nil N/A	Nil Nil N/A	Nil Nil N/A	455,508 401,923 N/A

Notes:

(1) "Share-Based Award" means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units and stock.

(2) Based on the number of RSUs granted multiplied by the market price of the underlying Common Shares on the grant date. This methodology was chosen in order to be consistent with industry.

(3) "Option-Based Award" means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights and similar instruments that have option-like features.

(4) This does not represent cash paid to the individual. This figure is based on the grant date fair value of the Options. The grant date fair value was determined in accordance with IFRS. This methodology was chosen in order to be consistent with the accounting fair value used by the Company in its financial statements and since the Black-Scholes option pricing model is a commonly used methodology for valuing options which provides an objective and reasonable estimate of fair value. The key assumptions of this valuation include current market price of the stock, exercise price of the option, option term, risk-free interest rate, dividend yield of stock and volatility of stock return. Calculating the value of stock options using the Black-Scholes option pricing model is very different from a simple "in-the-money" value calculation. In fact, stock options that are well out-of-the-money can still have a significant "grant date fair value" based on a Black-Scholes option pricing model, especially where, as in the case of the Company, the price of the share underlying the option is highly volatile. Accordingly, caution must be exercised in comparing grant date fair value amounts with cash compensation or an in-the-money option value calculation.

(5) Represents annual cash bonus awards that are declared annually. See "Short-term Incentives" above. The Company does not have a formal bonus plan and the amount of bonuses paid is not set in relation to any formula or specific criteria but is a result of a subjective determination by the Compensation Committee and the Board. As of May 20, 2024, the annual cash bonus awards for the executive officers of the Company for the year ended December 31, 2023 have not been approved by the Board. The Compensation Committee and the Board have reviewed evaluations in connection with annual cash bonuses. Any payment of annual cash bonuses for the year ended December 31, 2023 remains subject to the Board's sole and absolute discretion based on its assessment of the financial position of the Company.

(6) Mr. Chell did not receive any additional compensation for serving as director of the Company.

(7) Mr. Chell provides his services through the Chell Consulting Agreement (as defined below). See below "Termination and Change of Control Benefits".

(8) Mr. Larson resigned as President of the Company effective May 9, 2022.

(9) This amount reflects that Deborah R. Greenberg began working at the Company on July 4, 2022.

(10) This amount reflects director's fees paid to such director.

Incentive Plan Awards

Share Compensation Plan

The Company's share compensation plan (the "**Share Compensation Plan**"), was previously approved by securityholders on June 21, 2023, which approval shall be effective until June 21, 2026. The information below has been provided as a summary of the Share Compensation Plan.

The Share Compensation Plan is a "rolling" plan prepared in accordance with the policies of the Canadian Securities Exchange (the "**CSE**"), pursuant to which the maximum number of Common Shares issuable under the Share Compensation Plan and any other share compensation arrangement of the Company including the RSUs that may be awarded under the Share Compensation Plan, is 15% of the Common Shares then issued and outstanding.

The Share Compensation Plan provides participants (each, a "**Participant**"), who may include participants who are citizens or residents of the United States (each, a "**US Participant**"), with the opportunity, through RSUs and Options, to acquire an ownership interest in the Company. The RSUs will rise and fall in value based on the value of the Common Shares. Unlike the Options, the RSUs will not require the payment of any monetary consideration to the Company. Instead, each RSU represents a right to receive one Common Share following the attainment of vesting criteria determined at the time of the award. See "*Restricted Share Units – Vesting Provisions*" below. The Options, on the other hand, are rights to acquire Common Shares upon payment of monetary consideration (i.e., the exercise price), subject also to vesting criteria determined at the time of the grant. See "*Options – Vesting Provisions*" below.

Purpose of the Share Compensation Plan

The stated purpose of the Share Compensation Plan is to advance the interests of the Company and its subsidiaries, and its shareholders by: (a) ensuring that the interests of Participants are aligned with the success of the Company and its subsidiaries; (b) encouraging stock ownership by such persons; and (c) providing compensation opportunities to attract, retain and motivate such persons.

Eligible Persons

The following people are eligible to participate in the Share Compensation Plan: any officer or employee of the Company or any officer or employee of any subsidiary of the Company and, solely for purposes of the grant of Options, any director of the Company or any director of any subsidiary of the Company, and any Consultant (defined under the Share Compensation Plan as an individual (other than an employee or a director of the Company) or a corporation that is not a U.S. Person that: (a) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Company or to an affiliate of the Company, other than services provided in relation to an offer or sale of securities of the Company in a capital raising transaction, or services that promote or maintain a market for the Company's securities; (b) provides the services under a written contract between the Company or the affiliate and the individual or the Company, as the case may be; (c) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or an affiliate of the Company; and (d) has a relationship with the Company or an affiliate of the Company that enables the individual to be knowledgeable about the business and affairs of the Company.

Administration of the Share Compensation Plan

The Share Compensation Plan is administered by the Board or such other persons as may be designated by the Board (the "**Administrators**") based on the recommendation of the Board or the compensation committee of the Board, if applicable. The Administrators determine the eligibility of persons to participate in the Share Compensation Plan, when RSUs and Options will be awarded or granted, the number of RSUs and Options to be awarded or granted, the vesting criteria for each award of RSUs and grant of Options and all other terms and conditions of each award and grant, in each case in accordance with applicable securities laws and the requirements of the CSE.

Restrictions on the Award of RSUs and Grant of Options

The awards of RSUs and grants of Options under the Share Compensation Plan is subject to a number of restrictions:

(a) the total number of Common Shares issuable to insiders under the Share Compensation Plan and any other share compensation arrangements of the Company cannot exceed 15% of the Common Shares then outstanding; and

(b) the aggregate sales price (meaning the sum of all cash, property, notes, cancellation of debt, or other consideration received or to be received by the Company for the sale of the securities) or amount of Common Shares issued during any consecutive 12 month period will not exceed the greatest of the following: (i) US$1,000,000; (ii) 15% of the total assets of the Company, measured at the Company's most recent balance sheet date; or (iii) 15% of the outstanding amount of the Common Shares, measured at the Company's most recent balance sheet date.

In the event of any declaration by the Company of any stock dividend payable in securities (other than a dividend which may be paid in cash or in securities at the option of the holder of Common Shares), or any subdivision or consolidation of the Common Shares, reclassification or conversion of the Common Shares, or any combination or exchange of securities, merger, consolidation, recapitalization, amalgamation, plan of arrangement, reorganization, spin off involving the Company, distribution (other than normal course cash dividends) of Company assets to holders of Common Shares, or any other corporate transaction or event involving the Company or the Common Shares, the Administrators may in their sole discretion make such changes or adjustments, if any, as the Administrators consider fair or equitable to reflect such change or event including, without limitation, adjusting the number of Options and RSUs outstanding under the Share Compensation Plan, the type and number of securities or other property to be received upon exercise or redemption thereof, and the exercise price of Options outstanding under the Share Compensation Plan, provided that the value of any Option or RSU immediately after such an adjustment shall not exceed the value of such Option or RSU prior thereto.

Restricted Share Units

The total number of Common Shares that may be issued on exercise of Options and RSUs, together with any other share compensation arrangements of the Company, shall not exceed 15% of the number of issued and outstanding Common Shares from time to time.

Mechanics for RSUs

RSUs awarded to Participants under the Share Compensation Plan are credited to an account that is established on their behalf and maintained in accordance with the Share Compensation Plan. After the relevant date of vesting of any RSUs awarded under the Share Compensation Plan, a Participant shall be entitled to receive and the Company shall issue or pay (at its discretion): (i) a lump sum payment in cash equal to the number of vested RSUs recorded in the Participant's account multiplied by the volume weighted average price of the Common Shares traded on the CSE for the five (5) consecutive trading days prior to the payout date; (ii) the number of Common Shares required to be issued to a Participant upon the vesting of such Participant's RSUs in the Participant's account will be, duly issued as fully paid and non assessable shares and such Participant shall be registered on the books of the Company as the holder of the appropriate number of Common Shares; or (iii) any combination of thereof.

Vesting Provisions

The provides that: (i) at the time of the award of RSUs, the Administrators will determine the vesting criteria applicable to the awarded RSUs; (ii) vesting of RSUs may include criteria such as performance vesting; (iii) each RSU shall be subject to vesting in accordance with the terms set out in an agreement evidencing the award of the RSU attached as Exhibit A to the Share Compensation Plan (or in such form as the Administrators may approve from time to time) (each an "**RSU Agreement**"); and (iv) all vesting and issuances or payments in respect of an RSU shall be completed no later than December 15 of the third calendar year commencing after the award date for such RSU.

It is the current intention that RSUs may be awarded with both time based vesting provisions as a component of the Company's annual incentive compensation program, and performance based vesting provisions as a component of the Company's long term incentive compensation program.

Under the Share Compensation Plan, should the date of vesting of an RSU fall within a blackout period or within nine business days following the expiration of a blackout period, the date of vesting will be automatically extended to the tenth business day after the end of the blackout period.

Termination, Retirement and Other Cessation of Employment in connection with RSUs

A person participating in the Share Compensation Plan will cease to be eligible to participate in the following circumstances: (i) receipt of any notice of termination of employment or service (whether voluntary or involuntary and whether with or without cause); (ii) retirement; and (iii) any cessation of employment or service for any reason whatsoever, including disability and death (an "**Event of Termination**"). In such circumstances, any vested RSUs will be issued (and with respect to each RSU of a US Participant, such RSU will be settled and shares issued as soon as practicable following the date of vesting of such RSU as set forth in the applicable RSU Agreement, but in all cases within 60 days following such date of vesting; and unless otherwise determined by the Administrators in their discretion, any unvested RSUs will be automatically forfeited and cancelled (and with respect to any RSU of a US Participant, if the Administrators determine, in their discretion, to waive vesting conditions applicable to an RSU that is unvested at the time of an Event of Termination, such RSU shall not be forfeited or cancelled, but instead will be deemed to be vested and settled and shares delivered following the date of vesting date of such RSU as set forth in the applicable RSU Agreement). Notwithstanding the above, if a person retires in accordance with the Company's retirement policy at such time, the pro rata portion of any unvested performance based RSUs will not be forfeited or cancelled and instead shall be eligible to become vested in accordance with the vesting conditions set forth in the applicable RSU Agreement after such retirement (as if retirement had not occurred), but only if the performance vesting criteria, if any, have been met on the applicable date. For greater certainty, if a person is terminated for just cause, all unvested RSUs will be forfeited and cancelled.

Options

The total number of Common Shares that may be issued on exercise of Options and RSUs, together with any other share compensation arrangements of the Company, shall not exceed 15% of the number of issued and outstanding Common Shares from time to time.

Mechanics for Options

Each Option granted pursuant to the Share Compensation Plan will entitle the holder thereof to the issuance of one Common Share upon achievement of the vesting criteria and payment of the applicable exercise price. Options granted under the Share Compensation Plan will be exercisable for Common Shares issued from treasury once the vesting criteria established by the Administrators at the time of the grant have been satisfied. However, the Company will continue to retain the flexibility through the amendment provisions in the Share Compensation Plan to satisfy its obligation to issue Common Shares by making a lump sum cash payment of equivalent value (i.e., pursuant to a cashless exercise), provided there is a full deduction of the number of underlying Common Shares from the Share Compensation Plan's reserve.

Vesting Provisions

The Share Compensation Plan provides that the Administrators may determine when any Option will become exercisable and may determine that Options shall be exercisable in instalments or pursuant to a vesting schedule. The Option agreement will disclose any vesting conditions prescribed by the Administrators.

Termination, Retirement and Other Cessation of Employment in connection with Options

A person participating in the Share Compensation Plan will cease to be eligible to participate where there is an Event of Termination. In such circumstances, unless otherwise determined by the Administrators in their discretion, any unvested Options will be automatically cancelled, terminated and not available for exercise and any vested Options may be exercised only before the earlier of: (i) the termination of the Option; and (ii) six months after the date of the Event of Termination. If a person is terminated for just cause, all Options will be (whether or not then exercisable) automatically cancelled.

Other Terms

The Administrators will determine the exercise price and term/expiration date of each Option, provided that the exercise price in respect of that Option shall not be less than the Market Price on the date of grant. "**Market Price**" is defined in the Share Compensation Plan, as of any date, the closing price of the Common Shares on the CSE for the last market trading day prior to the date of grant of the Option or if the Common Shares are not listed on a stock exchange, the Market Price shall be determined in good faith by the Administrators.

No Option shall be exercisable after ten years from the date the Option is granted. Under the Share Compensation Plan, should the term of an Option expire on a date that falls within a blackout period or within nine business days following the expiration of a blackout period, such expiration date will be automatically extended to the tenth business day after the end of the blackout period.

Unless otherwise determined by the Board, in the event of a change of control, any surviving or acquiring corporation shall assume any Option outstanding under the Share Compensation Plan on substantially the same economic terms and conditions or substitute or replace similar options for those Options outstanding under the Share Compensation Plan on substantially the same economic terms and conditions.

Transferability

RSUs awarded and Options granted under the Share Compensation Plan or any rights of a Participant cannot be transferred, assigned, charged, pledged or hypothecated, or otherwise alienated, whether by operation of law or otherwise.

Reorganization and Change of Control Adjustments

In the event of any declaration by the Company of any stock dividend payable in securities (other than a dividend which may be paid in cash or in securities at the option of the holder of Common Shares), or any subdivision or consolidation of Common Shares, reclassification or conversion of the Common Shares, or any combination or exchange of securities, merger, consolidation, recapitalization, amalgamation, plan of arrangement, reorganization, spin off involving the Company, distribution (other than normal course cash dividends) of Company assets to holders of Common Shares, or any other corporate transaction or event involving the Company or the Common Shares, the Administrators may make such changes or adjustments, if any, as they consider fair or equitable, to reflect such change or event including adjusting the number of Options and RSUs outstanding under the Share Compensation Plan, the type and number of securities or other property to be received upon exercise or redemption thereof, and the exercise price of Options outstanding under the Share Compensation Plan, provided that the value of any Option or RSU immediately after such an adjustment shall not exceed the value of such Option or RSU prior thereto.

Amendment Provisions in the Share Compensation Plan

The Board may amend the Share Compensation Plan or any RSU or Option at any time without the consent of any Participant provided that such amendment shall:

(a) not adversely alter or impair any RSU previously awarded or any Option previously granted, except as permitted by the adjustment provisions of the Share Compensation Plan and with respect to RSUs and Options of US Participants;

(b) be subject to any regulatory approvals including, where required, the approval of the CSE or the Nasdaq; and

(c) be subject to shareholder approval, where required, by the requirements of the CSE or the Nasdaq, provided that shareholder approval shall not be required for the following amendments:

(i) amendments of a “housekeeping nature”, including any amendment to the Share Compensation Plan or a RSU or Option that is necessary to comply with applicable laws, tax or accounting provisions or the requirements of any regulatory authority or Exchange and any amendment to the Share Compensation Plan or a RSU or Option to correct or rectify any ambiguity, defective provision, error or omission therein, including any amendment to any definitions therein;

(ii) amendments that are necessary or desirable for RUS or Options to qualify for favourable treatment under any applicable tax law;

(iii) a change to the vesting provisions of any RSU or any Option (including any alteration, extension or acceleration thereof);

(iv) a change to the termination provisions of any Option or RSU (for example, relating to termination of employment, resignation, retirement or death) that does not entail an extension beyond the original expiration date;

(v) the introduction of features to the Share Compensation Plan that would permit the Company to, instead of issuing Common Shares from treasury upon the vesting of the RSUs, retain a broker and make payments for the benefit of Participants to such broker who would purchase Common Shares in the open market for such Participants;

(vi) the amendment of the Share Compensation Plan as it relates to making lump sum payments to Participants upon the vesting of the RSUs; and

(vii) the amendment of the cashless exercise feature set out in the Share Compensation Plan.

(d) be subject to disinterested shareholder approval in the event of any reduction in the exercise price of any Option granted under the Share Compensation Plan to an insider Participant.

For greater certainty, shareholder approval will be required in circumstances where an amendment to the Share Compensation Plan would:

(e) increase the fixed maximum percentage of issued and outstanding Common Shares issuable under the Share Compensation Plan, other than by virtue of the adjustment provisions in the Share Compensation Plan, or change from a fixed maximum percentage of issued and outstanding Common Shares to a fixed maximum number of Common Shares;

(f) increase the limits referred to above under *“Restrictions on the Award of RSUs and Grant of Options*”;

(g) reduce the exercise price of any Option (including any cancellation of an Option for the purpose of reissuance of a new Option at a lower exercise price to the same person);

(h) extend the term of any Option beyond the original term (except if such period is being extend by virtue of a blackout period); or

(i) amend the amendment provisions in Section 6.4 of the Share Compensation Plan.

2023 Option and RSU Grants

The following table sets out the number of Options and RSUs granted by the Company under the Share Compensation Plan during the year ended December 31, 2023.

Type of Award	Number of Awards	Date of Grant	Issue Price ($)
Options	30,000	November 9, 2023	$0.6260 (exercise price)
RSU	1,685,316	May 29, 2023	$1.13 (deemed price)

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth for each Named Executive Officer all awards outstanding at the end of the financial year ended December 31, 2023, including awards granted before the most recently completed financial year.

	Option-Based Awards				Share-Based Awards[2]		
Name and Title	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price ($)	Option Expiration Date	Value of Unexercised in-the-money Options[1] ($)	Number of Shares or Units of Shares that have not vested (#)	Market or Payout Value of Share-Based Awards that have not vested ($)	Market or Payout Value of vested Share-Based Awards not paid out or distributed ($)
Cameron Chell President, CEO and Director	50,000	2.50	October 30, 2029	Nil	13,334[3] 169,334	8,533.76 108,373.76	Nil
Paul Sun CFO and Corporate Secretary	33,333	2.50	October 30, 2029	Nil	85,334	54,613.76	Nil
Paul Mullen Chief Operating Officer	10,000	10.15	April 27, 2031	Nil	80,000	51,200.00	Nil
Deborah R. Greenberg Chief Legal and Corporate Services Officer	Nil	N/A	N/A	N/A	48,000	30,720.00	Nil

Notes:

(1) Calculated based on the difference between the closing price of $0.64 per Common Share on the CSE on December 29, 2023, the last day the Common Shares were traded before the year end, and the exercise price of the option-based award, multiplied by the number of Common Shares available for the purchase under the option-based award.
(2) The value of share-based awards that have not vested has been calculated using the closing price of the Common Shares on the CSE on December 29, 2023 of $0.64.
(3) Held by 1502372 Alberta Ltd., a corporation wholly owned and controlled by Cameron Chell.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth for each Named Executive Officer, the value of option-based awards, the value of share-based awards which vested during the financial year ended December 31, 2023, and the non-equity incentive plan compensation earned during the financial year ended December 31, 2023 by the Named Executive Officers.

Name and Title	Option-Based Awards - Value vested during the year ($)(1)	Shares-Based Awards - Value vested during the year ($)(2)	Non-equity incentive plan compensation - Value earned during the year ($)(3)
Cameron Chell President, CEO and Director	N/A	89,334(4) 92,000(5) 81,413(6)	Nil
Paul Sun CFO	N/A	53,600(4) 57,500(5) 41,853(6)	Nil
Paul Mullen Chief Operating Officer	N/A	58,066(4) 46,000(5) 34,400(6)	Nil
Deborah R. Greenberg Chief Legal and Corporate Services Officer	N/A	55,200(5) 118,402(7) 89,120(8)	Nil

Notes:

(1) Based on the difference between the market price of the Options at the vesting date and the exercise price.
(2) Based on the number of RSUs multiplied by the market price of the underlying Common Shares on the vesting date.
(3) Represents annual cash bonus awards that are declared and paid annually. See "*Short-term Incentives*" above. As of May 20, 2024, the annual cash bonus awards for the executive officers of the Company for the year ended December 31, 2023 have not been approved by the Board. The Compensation Committee and the Board have reviewed evaluations in connection with annual cash bonuses. Any payment of annual cash bonuses for the year ended December 31, 2023 remains subject to the Board's sole and absolute discretion based on its assessment of the financial position of the Company.
(4) The value vested has been calculated using the closing market price of the underlying shares on April 28, 2023, being the last trading day before the vesting date of April 30, 2023, of $1.34. The vested shares were issued on June 5, 2023.
(5) The value vested has been calculated using the closing market price of the underlying shares on September 1, 2023, being the last trading day before the vesting date of September 3, 2023, of $1.15. The vested shares were issued on September 15, 2023.
(6) The value vested has been calculated using the closing market price of the underlying shares on the vesting date of October 30, 2023 of $0.86. The vested shares were issued on December 12, 2023.
(7) The value vested has been calculated using the closing market price of the underlying shares on the vesting date of January 26, 2023 of $1.86. The vested shares were issued on January 31, 2023.
(8) The value vested has been calculated using the closing market price of the underlying shares on the vesting date of July 26, 2023 of $1.40. The vested shares were issued on August 23, 2023.
(9) This amount reflects director's fees paid to such director.

Pension Plan Benefits

The Company does not have a pension plan or similar benefit program.

Management Contracts

On August 1, 2019, the Company entered in a business services agreement (the "**Business Services Agreement**") with Business Instincts Group Inc., a company that Cameron Chell, President and CEO, has a material interest in and that he previously controlled, to provide: corporate development and governance, strategic facilitation and management, general business services, office space, corporate business development video content, website redesign and management, and online visibility management. The services are provided by a team of up to six consultants and the costs of all charges are based on the fees set in the agreement and are settled on a monthly basis. The Company records these charges under professional fees. For the year ended December 31, 2023, the Company incurred fees of $429,766, compared to $442,485 in 2022, and $315,643 in 2021 in connection with the Business Services Agreement.

Termination and Change of Control Benefits

The Company is not a party to any contract, agreement, plan or arrangement that provides for payments to a Named Executive Officer at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Company, its subsidiaries or affiliates or a change in a Named Executive Officer's responsibilities, other than as described below.

The Company's consulting agreement, as amended, (the "**Chell Consulting Agreement**") with 1502372 Alberta Ltd. (the "**Consultant**") and Cameron Chell requires the Company to pay monthly fees of C$35,416.67 (amounting to C$425,000 annually) for the provision by of executive services by the Consultant to the Company, and in this regard, has Cameron Chell hold the position of President and Chief Executive Officer of the Company and contains the following provisions: (a) where termination notice is given by the Company, other than for certain specified reasons as set out in the Chell Consulting Agreement, the Company shall give the Consultant at least 60 days' advance notice in writing; and (b) where termination is given by the Consultant, the Consultant shall give the Company 60 days' advance notice in writing. If the Chell Consulting Agreement is terminated pursuant to either (a) or (b) above, then the Consultant will be entitled to the fees earned to the effective date of termination and any expenses incurred on behalf of the Company prior to the effective date of termination which are otherwise reimbursable by the Company pursuant to the terms of the Chell Consulting Agreement. The Consultant is also entitled a bonus as determined by the Compensation Committee equal to 100% of the Consultant annual fees. The Consultant is a private company controlled by Cameron Chell. During the year ended December 31, 2021, the Company and the Consultant entered into an amending agreement to the Chell Consulting Agreement to increase the monthly fees from US$14,166.67 (amounting to US$170,000 annually) to C$35,416.67 (amounting to C$425,000 annually). During the year ended December 31, 2022 the Company and the Consultant entered into an additional amending agreement appointing Mr. Chell as President of the Company and expanding the scope of the services to reflect this new role.

The Company's employment agreement, as amended, (the "**Sun Agreement**") with Paul Sun requires the Company pay (a) an annual base salary of C$220,000 and (b) as determined by the Company's Compensation Committee, an annual bonus of up to the base salary, for the provision of executive services as Chief Financial Officer to the Company. If the Sun Agreement is terminated by the Company without just cause, Mr. Sun will be entitled to remuneration in the amount equal the base salary and Mr. Sun's last bonus earned divided by 12 and multiplied by six. Mr. Sun is also entitled to receive a lump sum payment equal to 18 months of his base salary and average bonus upon a change of control of the Company. During the year ended December 31, 2021, the Company and Mr. Sun entered into an amending agreement to the Sun Agreement to increase the annual base salary from C$150,000 to C$220,000. During the year ended December 31, 2022, the Company and Mr. Sun entered into an additional amending agreement to the Sun Agreement to increase the annual base salary from C$220,000 to C$250,000 and awarded Mr. Sun a discretionary performance bonus determined by the Compensation Committee with regard to certain milestones and achievements. During the year ended December 31, 2023, the Company and Mr. Sun entered into an additional amending agreement to the Sun Agreement to increase the annual base salary from C$250,000 to C$267,000 and awarded Mr. Sun a discretionary performance bonus determined by the Compensation Committee with regard to certain milestones and achievements.

The Company's employment agreement, as amended, (the "**Mullen Agreement**") with Paul Mullen requires the Company to pay (a) an annual base salary of C$210,000 and (b) as determined by the Company's Compensation Committee, an annual bonus, for the provision of executive services as Chief Operating Officer to the Company. If the Company terminates the Mullen Agreement without cause, Mr. Mullen is entitled to severance equaling to the annual salary earned to the date of cessation of employment, all earned but unpaid bonus payment, any outstanding vacation and reimbursement of final expenses, and an additional lump sum payment equaling to three (3) months salary. If Mr. Mullen is terminated without cause within twelve (12) months of a change of control, then Mr. Mullen is entitled to a lump sum payment equal to twelve (12) months of his annual salary and average performance bonus. During the year ended December 31, 2023, the Company and Mr. Mullen entered into an amending agreement to the Mullen Agreement to increase the annual base salary from C$210,000 to C$250,000 and awarded Mr. Mullen a discretionary performance bonus determined by the Compensation Committee with regard to certain milestones and achievements.

The Company's employment agreement, as amended, (the "**Greenberg Agreement**") with Deborah Greenberg requires the Company to pay (a) an annual base salary of C$275,000 and (b) as determined by the Company's Compensation Committee, an annual bonus, for the provision of executive services as Chief Legal and Corporate Services Officer to the Company. If the Greenberg Agreement is terminated by the Company without just cause, Ms. Greenberg will be entitled to remuneration in the amount equal to the base salary, an additional 10% of the base salary, Ms. Greenberg's targeted performance bonus, and, for each full year of employment after June 3, 2023, an additional payment equal to the equivalent of one months pay. Mrs. Greenberg is also entitled to receive a lump sum payment equal to 18 months of her base salary and the greater of her targeted annual performance bonus multiplied by a factor of 1.5 or the average performance bonus paid to her over the two year period to the change of control of the Company. During the year ended December 31, 2023, the Company and Ms. Greenberg entered into an amending agreement to the Greenberg Agreement to increase the annual base salary from C$275,000 to C$300,000 and awarded Ms. Greenberg a discretionary performance bonus determined by the Compensation Committee with regard to certain milestones and achievements.

The estimated amounts payable by the Company to the NEOs under various termination scenarios as at the date of this Statement of Executive Compensation are outlined in the table below:

Name and Principal Position	Termination without Cause ($)	Change of Control with Termination ($)
Paul Sun Chief Financial Officer	279,700	375,000
Cameron Chell Chief Executive Officer	425,000	Nil
Deborah R. Greenberg Chief Legal and Corporate Services Officer	630,000	900,000
Paul Mullen Chief Operating Officer	62,500	373,900

Director Compensation

The Company currently has seven directors and one, being Cameron Chell, is a Named Executive Officer.

General

Through the Compensation Committee, the Board is responsible for the development and implementation of a compensation plan for the non-executive directors of the Company. The main objectives of the compensation plan for the non-executive directors are to attract and retain the services of the most qualified individuals and to compensate the directors in a manner that is commensurate with the risks and responsibilities assumed in board and committee membership and at a level that is similar to the compensation paid to directors of a peer group of companies.

To meet and maintain these objectives, the Compensation Committee annually performs a review of the non-executive directors' compensation plan, which includes reviewing the compensation paid to directors of an industry specific peer group. The Compensation Committee then recommends any changes to the compensation plan to the Board for consideration and, if deemed appropriate, approval. Non-executive directors are eligible to participate in the Share Compensation Plan, which was adopted effective August 19, 2019 and amended effective April 14, 2021.

Directors' Summary Compensation Table

The following table sets forth for the financial year ended December 31, 2023, information concerning the compensation paid to the non-executive directors.

Name	Fees Earned ($)	Share-Based Awards ($)(1)(2)	Option-Based Awards ($)(3)(4)	Non-Equity Incentive Plan Compensation ($)	Pension Value ($)	All Other Compensation ($)	Total ($)
Olen Aasen	80,071	49,720	Nil	Nil	Nil	Nil	129,791
Denis Silva	60,110	49,720	Nil	Nil	Nil	Nil	109,830
Andrew Hill Card, Jr	60,476	49,720	Nil	Nil	Nil	Nil	110,197
John M. Mitnick	90,715	49,720	Nil	Nil	Nil	Nil	140,435
Julie Myers Wood	60,477	49,720	Nil	Nil	Nil	Nil	110,197
Scott Larson	70,219	49,720	Nil	Nil	Nil	Nil	119,939

Notes:

(1) "Share-Based Award" means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units and stock.

(2) Based on the number of RSUs granted multiplied by the market price of the underlying Common Shares on the grant date.

(3) "Option-Based Award" means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights and similar instruments that have option-like features.

(4) This does not represent cash paid to the individual. This figure is based on the grant date fair value of the Options. The grant date fair value was determined in accordance with IFRS. This methodology was chosen in order to be consistent with the accounting fair value used by the Company in its financial statements and since the Black-Scholes option pricing model is a commonly used methodology for valuing options which provides an objective and reasonable estimate of fair value. The key assumptions of this valuation include current market price of the stock, exercise price of the option, option term, risk-free interest rate, dividend yield of stock and volatility of stock return. Calculating the value of stock options using the Black-Scholes option pricing model is very different from a simple "in-the-money" value calculation. In fact, stock options that are well out-of-the-money can still have a significant "grant date fair value" based on a Black-Scholes option pricing model, especially where, as in the case of the Company, the price of the share underlying the option is highly volatile. Accordingly, caution must be exercised in comparing grant date fair value amounts with cash compensation or an in-the-money option value calculation.

(5) The value vested for $22,334 of this total has been calculated using the closing market price of the underlying shares on April 28, 2023, being the last trading day before the vesting date of April 30, 2023, of $1.34. The relevant vested shares were issued on June 5, 2023. The value vested for $46,000 of this total has been calculated using the closing market price of the underlying shares on September 1, 2023, being the last trading day before the vesting date of September 3, 2023, of $1.15. The relevavent vested shares were issued on September 15, 2023. The value vested for $12,613 of this total has been calculated using the

closing market price of the underlying shares on the vesting date of October 30, 2023 of $0.86. The relevant vested shares were issued on December 12, 2023.

Directors' Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth, for each person who was a non-executive director during the last completed financial year of the Company, all awards outstanding at the end of the financial year ended December 31, 2023, including awards granted before the most recently completed financial year.

	Option-Based Awards				Share-Based Awards[(2)]		
Name	**Number of Securities Underlying Unexercised Options (#)**	**Option Exercise Price ($)**	**Option Expiration Date**	**Value of Unexercised in-the-money Options[(1)] ($)**	**Number of Shares or Units of Shares that have not vested (#)**	**Market or Payout Value of Share-Based Awards that have not vested[(2)] ($)**	**Market or Payout Value of vested Share-Based Awards not paid out or distributed ($)**
Olen Aasen	16,667	2.50	October 30, 2029	Nil	29,334	18,774	Nil
Denis Silva	16,667	2.50	October 30, 2029	Nil	29,334	18,774	Nil
Andrew Hill Card, Jr	50,000	2.50	October 30, 2029	Nil	29,334	18,774	Nil
John M. Mitnick	50,000	2.50	November 19, 2029	Nil	29,334	18,774	Nil
Julie Myers Wood	30,000 25,826	3.85 4.84	April 30, 2030 September 9, 2026	Nil	37,943 8,609	18,774 5,510	Nil Nil
Scott Larson	50,000 100,000	2.50 3.20	October 30, 2029 July 3, 2025	Nil	52,668	33,707.52	Nil

Notes:

(1) Calculated based on the difference between the closing price of $0.64 per Common Share on the CSE on December 29, 2023, the last day the Common Shares were traded before the year end, and the exercise price of the option-based award, multiplied by the number of Common Shares available for the purchase under the option-based award.

(2) The value of share-based awards that have not vested has been calculated using the closing price of the Common Shares on the CSE on December 29, 2023 of $0.64.

Directors' Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth for each person who was a non-executive director during the last completed financial year of the Company, the value of option-based awards and the value of share-based awards which vested during the financial year ended December 31, 2023. No non-equity incentive plan compensation was earned during the financial year ended December 31, 2023 by the non-executive directors.

Name and Title	**Option-Based Awards - Value vested during the year ($)[(1)]**	**Shares-Based Awards - Value vested during the year ($)[(2)]**	**Non-equity incentive plan compensation - Value earned during the year ($)[(3)]**
Olen Aasen	Nil	19,779[(4)]	Nil
Denis Silva	Nil	19,779[(4)]	Nil

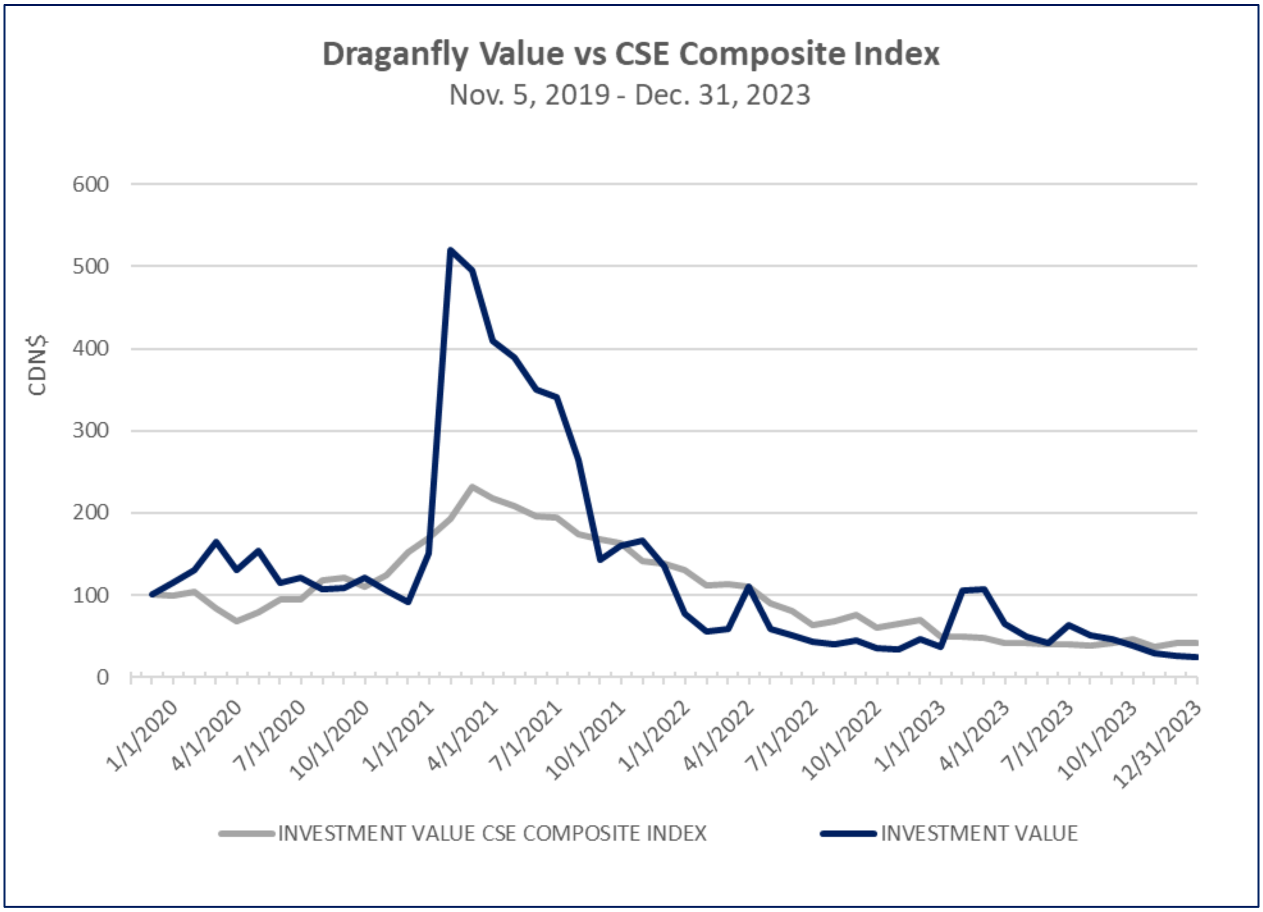
Name and Title	Option-Based Awards - Value vested during the year ($)(1)	Shares-Based Awards - Value vested during the year ($)(2)	Non-equity incentive plan compensation - Value earned during the year ($)(3)
Andrew Hill Card, Jr	Nil	19,780(4)	Nil
John M. Mitnick	Nil	19,780(4)	Nil
Julie Myers Wood	8,609	12,623(4) 9,900(5)	Nil
Scott Larson	Nil	12,613(4) 22,334(6) 46,000(7)	Nil

Notes:

(1) Based on the difference between the market price of the Options at the vesting date and the exercise price.
(2) Based on the number of RSUs multiplied by the market price of the underlying Common Shares on the vesting date.
(3) Represents annual cash bonus awards that are declared and paid annually.
(4) The value vested has been calculated using the closing market price of the underlying shares on the vesting date of October 30, 2023 of $0.86. The vested shares were issued on December 12, 2023.
(5) The value vested has been calculated using the closing market price of the underlying shares on September 1, 2023, being the last trading day before the vesting date of September 3, 2023, of at $1.15. The vested shares were issued on September 15, 2023.
(6) The value vested has been calculated using the closing market price of the underlying shares on April 28, 2023, being the last trading day before the vesting date of April 30, 2023, of $1.34. The vested shares were issued on June 5, 2023.
(7) The value vested has been calculated using the closing market price of the underlying shares on September 1, 2023, being the last trading day before the vesting date of September 3, 2023, of $1.15. The vested shares were issued on September 15, 2023.

Performance Graph

The following graph shows the change in the value of $100 invested in our Common Shares between November 5, 2019 and December 31, 2023, compared to $100 invested in the CSE Composite Index.



The trend in the performance graph does not correlate to the trend of the compensation paid to the NEOs. As described under "*Compensation Components*", base salaries reflect each executive officer's primary duties and responsibilities and are set at levels based on responsibility, experience and expertise as well as subjective factors such as leadership. The Company has concluded that management must be compensated based on competitive market conditions and the value of the services provided, irrespective of Common Share price movements. Options and RSUs granted pursuant to the Share Compensation Plan each form a significant portion of compensation, and therefore total compensation for the Named Executive Officers is affected by increases or decreases in the price of the Common Shares as the value of such Options and RSUs changes as the Company's share price changes.

Indebtedness of Directors and Executive Officers

At any time during the Company's last completed financial year, no director, executive officer, employee, proposed management nominee for election as a director of the Company nor any associate of any such director, executive officer, or proposed management nominee of the Company or any former director, executive officer or employee of the Company or any of its subsidiaries is or has been indebted to the Company or any of its subsidiaries or is or has been indebted to another entity where such indebtedness is or has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries, other than routine indebtedness.

Interest of Informed Persons in Material Transactions

Other than as set forth herein and other than transactions carried out in the ordinary course of business of the Company or any of its subsidiaries, none of the directors or executive officers of the Company, a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company, nor any shareholder beneficially owning, directly or indirectly, Common Shares, or exercising control or direction over Common Shares, or a combination of both, carrying more than 10% of the voting rights attached to the outstanding shares of the Company nor an associate or affiliate of any of the foregoing persons has since the commencement of the Company's most recently completed financial year any material interest, direct or indirect, in any transactions which materially affected or would materially affect the Company or any of its subsidiaries.