



STATEMENT OF EXECUTIVE COMPENSATION

June 11, 2021

STATEMENT OF EXECUTIVE COMPENSATION

Objective:

The objective of this disclosure is to communicate the compensation the Company paid, made payable, awarded, granted, gave or otherwise provided to each named executive officer and director for the financial year, and the decision-making process relating to compensation. This disclosure will provide insight into executive compensation as a key aspect of the overall stewardship and governance of the Company and will help investors understand how decisions about executive compensation are made.

Definitions:

For the purpose of this Statement of Executive Compensation, in this form:

- (a) **“Company”** means JNC Resources Inc.;
- (b) **“company”** includes other types of business organizations such as partnerships, trusts and other unincorporated business entities;
- (c) **“compensation securities”** includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the Company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries;
- (d) **“named executive officer”** or **“NEO”** means each of the following individuals:
 - (i) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief executive officer (**“CEO”**), including an individual performing functions similar to a CEO;
 - (ii) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief financial officer (**“CFO”**), including an individual performing functions similar to a CFO;
 - (iii) in respect of the company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000 for that financial year;
 - (iv) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the company, and was not acting in a similar capacity, at the end of that financial year;
- (e) **“plan”** includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, compensation securities or any other property may be received, whether for one or more persons.
- (f) **“underlying securities”** means any securities issuable on conversion, exchange or exercise of compensation securities.

DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

Director and named executive officer compensation, excluding compensation securities

The following table sets forth all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company or a subsidiary thereof, to each NEO and director of the Company, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or director of the Company for services provided and for services to be provided, directly or indirectly, to the Company or a subsidiary thereof for each of the two most recently completed financial years.

Table of compensation excluding compensation securities							
Name and position	Year ⁽¹⁾	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Michael Mulberry ⁽²⁾	2020	36,000 ⁽³⁾	Nil	Nil	Nil	Nil	36,000
<i>CEO and Director</i>	2019	98,157 ⁽⁴⁾	Nil	Nil	Nil	Nil	98,157
Warren Robb ⁽⁵⁾	2020	3,000	Nil	Nil	Nil	Nil	3,000
<i>Director</i>	2019	13,563	Nil	Nil	Nil	Nil	13,563
Yana Bobrovskaya ⁽⁶⁾	2020	Nil	Nil	Nil	Nil	Nil	Nil
<i>Director</i>	2019	Nil	Nil	Nil	Nil	Nil	Nil
Jonathan Younie ⁽⁷⁾	2020	18,000 ⁽⁸⁾	Nil	Nil	Nil	Nil	18,000
<i>CFO</i>	2019	22,500 ⁽⁹⁾	Nil	Nil	Nil	Nil	22,500

(1) Year ended December 31st

(2) Michael Mulberry was appointed Chief Executive Officer on April 1, 2019 and elected a Director on April 1, 2019.

(3) Management fees of \$36,000 paid to 806827 B.C. Ltd., a private company wholly-owned by Michael Mulberry.

(4) Management fees of \$36,000 and exploration expenditures of \$62,157 were paid to 806827 B.C. Ltd., a private company wholly-owned by Michael Mulberry.

(5) Warren Robb was elected a director on April 1, 2019.

(6) Yana Bobrovskaya was elected as a director on April 1, 2019.

(7) Jonathan Younie was appointed CFO April 1, 2019.

(8) Administration expenses of \$6,000 and management fees of \$12,000 paid to New Dawn Holdings Ltd., a private company wholly-owned by Jonathan Younie.

(9) Administration expenses of \$9,000 and management fees of \$13,500 paid to New Dawn Holdings Ltd., a private company wholly-owned by Jonathan Younie.

Stock Options and Other Compensation Securities

The following table sets out all compensation securities granted or issued to each NEO and director by the Company or one of its subsidiaries during the financial year ended December 31, 2020, for services provided or to be provided, directly or indirectly, to the Company or any subsidiary thereof:

Compensation Securities							
Name and Position	Type of Compensation Security	Number of Compensation Securities, Number of Underlying Securities, and Percentage of Class	Date of Issue or Grant	Issue, Conversion or Exercise Price (\$)	Closing Price of Security or Underlying Security on Date of Grant (\$)	Closing Price of Security or Underlying Security at Year End (\$)	Expiry Date
Michael Mulberry <i>CEO and Director</i>	N/A	Nil	N/A	N/A	N/A	N/A	N/A

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Warren Robb <i>Director</i>	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Yana Bobrovskaya <i>Director</i>	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Jonathan Younie <i>CFO</i>	N/A	Nil	N/A	N/A	N/A	N/A	N/A

As at December 31, 2020, there were no stock options held by directors and NEOs of the Company.

Exercise of Compensation Securities by Directors and NEOs

There were no compensation securities exercised by a director or NEO during the financial year ended December 31, 2020.

Stock Option Plans and Other Incentive Plans

The board of directors of the Company (the “**Board**”) adopted a stock option plan (the “**Stock Option Plan**”) as at September 1, 2019. The purpose of the Stock Option Plan is to advance the interests of the Company and its shareholders and subsidiaries by attracting, retaining, and motivating the performance of selected directors, officers, employees or consultants of the Company of high caliber and potential and to encourage and enable such persons to acquire and retain a proprietary interest in the Company by ownership of its stock. The Stock Option Plan provides that, subject to any applicable requirements of the Canadian Securities Exchange (the “**Exchange**”), the aggregate number of securities reserved for issuance, set aside, and made available for issuance under the Stock Option Plan may not exceed 10% of the issued and outstanding shares of the Company at the time of granting of options. Furthermore, the aggregate number of shares that may be issued pursuant to the exercise of stock options awarded under the Stock Option Plan and all other security-based compensation arrangements of the Company shall not exceed 10% of the issued and outstanding Shares at any given time.

The aggregate number of options granted under the Stock Option Plan in any 12-month period to any one person (including Associates and Affiliates), together with all other security-based compensation arrangements of the Company, must not exceed 5% of the then issued and outstanding common shares of the Company on a non-diluted basis.

The Stock Option Plan will be administered by the Board or by a special committee of directors which will have full and final authority with respect to the granting of all options thereunder. Options may be granted under the Stock Option Plan to such directors, officers, employees or consultants of the Company or its subsidiaries, if any, as the Board may, from time to time, designate. Options may also be granted to employees of management companies providing management services to the Company. The exercise price of any options granted under the Stock Option Plan shall be determined by the Board, subject to the approval of the Exchange if necessary but in no event may this exercise price be lower than the exercise price permitted by the Exchange.

The term of any options granted under the Stock Option Plan shall be determined by the Board at the time of grant, subject to earlier termination in the event of dismissal for cause, termination other than for cause, or in the event of death. The term of any options granted under the Stock Option Plan may not exceed ten (10) years.

If desired by the Board, options granted under the Stock Option Plan may be subject to vesting. Options granted under the Stock Option Plan are not to be transferable or assignable other than as a consequence of the death of the holder. Subject to certain exceptions, if a director, officer, consultant, or employee of the Company ceases to hold office or ceases to be a management company employee, options granted to such individual under the Stock Option Plan will expire 90 days after such individual ceases to hold office or such longer period as determined by the Board. In the event of death of an option holder, options granted under the Stock Option Plan expire one year from the date of the death of the option holder.

Should the expiry date of an option fall within a period during which the relevant participant is prohibited from exercising an option due to trading restrictions imposed by the Company pursuant to any policy of the Company respecting restrictions on trading that is in effect at that time (the "**Black Out Period**") or within nine (9) business days following the expiration of a Black Out Period, such expiry date of the option shall be automatically extended without any further act or formality to that date which is the tenth (10th) business day after the end of the Black Out Period, such tenth (10th) business day to be considered the expiry date for such option for all purposes under the Plan. The ten (10) business day period may not be extended by the Board.

Employment, Consulting and Management Agreements

The Company entered into a corporate management agreement (the "**Management Agreement**") dated April 1, 2019, as amended, with 806827 B.C. Ltd., a British Columbia corporation, wholly owned by Michael Mulberry, the CEO of the Company, to provide management services to the Company in accordance with the terms of the Management Agreement for a monthly fee initially of \$4,000 (reduced to \$3,000 as at January 1, 2020) plus applicable taxes and reimbursement of all out-of-pocket expenses incurred on behalf of the Company. The Management Agreement is for an indeterminate term, however either party may give six (6) months' notice of termination in which case the Management Agreement will terminate upon expiry of the notice period. It can also be terminated by the Company for cause without prior notice or upon the mutual consent in writing of both parties.

The Company entered into an administrative and corporate services agreement (the "**Administrative Services Agreement**") with New Dawn Holdings Ltd. ("**NDH**") dated April 1, 2019, as amended, to provide administrative and corporate services in accordance with the terms of the Administrative Services Agreement for a monthly fee initially of \$2,500 (reduced to \$1,500 as at January 1, 2020) plus applicable taxes and reimbursement of all out-of-pocket expenses incurred on behalf of the Company. Jonathan Younie, CFO of the Company, is associated with NDH and is providing his CFO services pursuant to the Administrative Services Agreement. The Administrative Services Agreement is for an indeterminate term, however either party may give one (1) months' notice of termination in which case the Administrative Services Agreement will terminate upon expiry of the notice period. It can also be terminated by the Company for cause without prior notice or upon the mutual consent in writing of both parties.

During the most recently completed financial year, the Company paid or accrued a total \$57,000 in management, consulting and accounting fees.

Termination and Change of Control Benefits

Except as noted above, there were no agreements or arrangement containing provisions with respect to change of control, severance, termination, or constructive dismissal.

Oversight and Description of Director and Named Executive Officer Compensation

The Board is responsible for determining, by way of discussions at Board meetings, the compensation to be paid to the Company's executive officers. The Company at this time does not have a formal compensation program with specific performance goals; however, the performance of each executive is considered along with the Company's ability to pay compensation and its results of operation for the period. The Company presently has two NEOs, Michael Mulberry and Jonathan Younie. Mr. Mulberry has served as CEO and as a director since April 1, 2019, and Mr. Younie has served as CFO since April 1, 2019.

The Company's executive compensation is currently comprised of a base fee by way of the above-described Management Agreement and Administrative Services Agreement. Base fees are intended to provide current compensation and a short-term incentive for the NEOs to meet the Company's goals, as well as to remain competitive with the industry. Base fees are compensation for job responsibilities and reflect the level of skills, expertise and capabilities demonstrated by the NEOs.

Compensation is designed to achieve the following key objectives:

- a) to support our overall business strategy and objectives;
- b) to provide market competitive compensation that is substantially performance-based;
- c) to provide incentives that encourage superior corporate performance and retention of highly skilled and talented employees; and
- d) to align executive compensation with corporate performance and therefore Shareholders' interests.

Pension Disclosure

The Company does not have any pension, defined benefit, defined contribution or deferred compensation plans in place.
