

## STATEMENT OF EXECUTIVE COMPENSATION

### FORMATION METALS INC. (the “Company”)

(for the financial year ended March 31, 2023)

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

In this section “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 financial year ended March 31, 2023, the Company had two NEOs: Deepak Varshney, President, CEO and Corporate Secretary of the Company, and Khalid Naeem, CFO of the Company.

The Company was incorporated pursuant to the *Business Corporations Act* (British Columbia) on March 1, 2022 under corporation number BC1350624. On April 25, 2023, the Company completed a plan of arrangement with Usha Resources Ltd. and become a reporting issuer in the Provinces of British Columbia and Alberta.

#### Compensation Discussion and Analysis

The board of directors (the “Board”) of the Company has not yet appointed a Compensation Committee. The Board assumes responsibility for reviewing and monitoring the long-range compensation strategy for the Company’s senior management, with a view to fulfilling its responsibilities concerning executive and director compensation, reviewing 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, all in light of the Company’s annual goals and objectives.

The Company intends to formalize its compensation policies and practices and will take into consideration the implications of any risks associated with the Company’s compensation program.

#### Philosophy and Objectives

The compensation program for the Company’s senior management is designed to ensure that the level and form of compensation achieves certain objectives, including: (a) attracting and retaining talented, qualified and effective executives; and (b) motivating the short and long-term performance of these executives.

#### Equity Participation

On September 19, 2023, the Board adopted a new 10% rolling stock option plan (the “Option Plan”) which was established to provide incentive to directors, officers, employees and consultants. As a 10% rolling plan the aggregate number of common shares issuable as options (“Options”) under the Option Plan may be up to 10% of the Company’s issued and outstanding common shares on the date on which an Option is granted, less common shares reserved for issuance on exercise of Options then outstanding under the Option Plan.

On September 19, 2023, the Board adopted a new 10% rolling RSU plan (the “RSU Plan”) to allow for certain discretionary bonuses and similar awards as an incentive and reward for selected eligible persons (the “Eligible Persons”) related to the achievement of long-term financial and strategic objectives of the Company and the resulting increases in shareholder value.

The Company encourages its directors, executives, consultants and employees to become shareholders as it believes it is the best way of aligning their interests with those of its shareholders. Equity participation will be accomplished through the Company’s Option Plan and RSU Plan.

## Option-Based Awards

As at the financial year ended March 31, 2023, the Company did not have a stock option plan. On September 19, 2023, the Company adopted its Option Plan and its RSU Plan.

### Summary Compensation Table

Name and Principal Positions	Year <sup>(1)</sup>	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			
Deepak Varshney <sup>(2)</sup> President, CEO and Corporate Secretary	2023	Nil	N/A	Nil	N/A	N/A	N/A	Nil	Nil
	2022	Nil	N/A	Nil	N/A	N/A	N/A	Nil	Nil
	2021	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Khalid Naeem <sup>(3)</sup> CFO	2023	Nil	N/A	Nil	N/A	N/A	N/A	Nil	Nil
	2022	Nil	N/A	Nil	N/A	N/A	N/A	Nil	Nil
	2021	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

(1) For the financial years ended March 31.

(2) Mr. Varshney has served as the President of the Company since inception on March 1, 2022 and as CEO and Corporate Secretary of the Company since February 24, 2023.

(3) Mr. Naeem has served as the CFO of the Company since February 24, 2023.

The Company plans to spend \$30,000 to compensate its management and directors during the next twelve months. It has not been decided yet how this compensation will be allocated.

### Incentive Plan Awards

None.

### Incentive Plan Awards – Value Vested or Earned During the Year

None.

### 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. In case of termination, statutory and common law will apply.

### Director Compensation

During the most recently completed financial year-ended March 31, 2023, the directors who were not also NEOs, received the following compensation for services provided to the Company.

Name	Fees earned (\$)	Share-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Navin Varshney <sup>(1)</sup>	Nil	Nil	Nil	Nil	Nil	Nil
David Ellett <sup>(1)</sup>	Nil	Nil	Nil	Nil	Nil	Nil

(1) Has served as a director of the Company since February 24, 2023.

### Outstanding Option-Based Awards

None.

### **Narrative Discussion**

The Company has no arrangements, standard or otherwise, pursuant to which directors were compensated by the Company for their services as directors, for committee participation, or for involvement in special assignments during the most recently completed financial year.

### **Incentive Plan Awards – Value Vested or Earned During the Year**

None.

### **ADDITIONAL INFORMATION**

Additional information concerning the Company can be found on SEDAR+ at <https://sedarplus.ca>.

Financial information relating to the Company is provided in the Company's audited financial statements and the management discussion and analysis (the "**Financial Materials**") for the year ended March 31, 2023. Shareholders may download the Financial Materials from SEDAR+ at <https://sedarplus.ca> or contact the Company directly to request copies of the Financial Materials by mail to Suite 400, 1681 Chestnut Street, Vancouver, British Columbia V6J 4M6. Additional financial information concerning the Company may be obtained by any shareholder free of charge by contacting the Company at 604.737.2303.