

HORIZON PETROLEUM LTD.

STATEMENT OF EXECUTIVE COMPENSATION VENTURE ISSUERS – FORM 51-102F6V

For the year ended August 31, 2020

Interpretation

For the purposes of this statement the following terms have the corresponding meanings:

CEO means our Chief Executive Officer, or the person who acted in a similar capacity for any part of the most recently completed financial year;

CFO means our Chief Financial Officer, or the person who acted in a similar capacity for any part of the most recently completed financial year;

Executive Officer means an individual who is: (a) our chairman; (b) our vice-chair; (c) our president; (d) any of our vice-presidents in charge of a principal business unit, division or function including sales, finance or production; (e) any of our officers who performs a policy-making function; or (f) any other individual who performs a policy making function.

Named Executive Officer or **NEO** means: (a) our CEO; (b) our CFO; (c) each of our three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than our CEO and CFO, at the end of our most recently completed financial year whose total compensation was, individually, more than \$150,000; and (d) any additional individuals for whom disclosure would have been provided under (c) above, except that such individual was not serving as an executive officer, nor in a similar capacity, as at the end of our most recently completed financial year end.

Our Named Executive Officers

As of August 31, 2020, we had one NEO, namely Dr. David Winter, our CEO. Our former Interim CFO, Matt Janisch resigned on November 1, 2019.

DIRECTOR AND NAMED OFFICER COMPENSATION

The following table is a summary of all compensation (excluding compensation securities) paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, to our directors and NEOs for our two most recently completed financial years.

Table of Compensation (excluding compensation securities)

Name and Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee of Meeting Fees (\$)	Value of Perquisites (\$) ⁽¹⁾	Value of all other compensation (\$)	Total Compensation (\$)
David Winter CEO/Director	2020	8,865 ⁽³⁾	-	-	n/a	-	8,865
	2019	120,000 ⁽⁴⁾	-	-	n/a	-	120,000
	2020	9,799 ⁽⁵⁾	-	-	n/a	-	9,799

Table of Compensation (excluding compensation securities)

Name and Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee of Meeting Fees (\$)	Value of Perquisites (\$)⁽¹⁾	Value of all other compensation (\$)	Total Compensation (\$)
Matt Janisch Former Interim CFO/Directo (2)	2019	100,000 ⁽⁶⁾	-	-	n/a	-	100,000
Yogeshwar Sharma Chairman/ Director	2020	50,821	-	-	n/a	-	50,821,
	2019	36,000	-	-	n/a	-	36,000
Charle Gamba Director	2020	33,881	-	-	n/a	-	33,880
	2019	24,229	-	-	n/a	-	24,000
Harry Wilson Director	2020	24,000	-	-	n/a	-	24,000
	2019	24,000	-	-	n/a	-	24,000

Notes:

- (1) The value of perquisites and benefits, if any, for each NEO or director was less than (a) \$15,000, if the NEO or director's total salary for the financial year was \$150,000 or less; (b) 10% of the NEO or director's salary for the financial year, if the NEO or director's total salary for the financial year was greater than \$150,000 but less than \$500,000; or (c) \$50,000, if the NEO or director's total salary for the financial year was \$500,000 or greater.
- (2) Mr. Matt Janisch resigned from the board of directors (the "Board") and his position as Interim CFO on November 1, 2019.
- (3) In 2020, Mr. Winter received compensation in the amount of \$8,865 for his role as CEO and \$nil for his role as director.
- (4) In 2019, Mr. Winter received compensation in the amount of \$120,000 for his role as CEO and \$nil for his role as director.
- (5) In 2020, Mr. Janisch received compensation in the amount of \$9,799 for his role as Interim CFO and \$nil for his role as director.
- (6) In 2019, Mr. Janisch received compensation in the amount of \$100,000 for his role as Interim CFO and \$nil for his role as director.

External Management Companies

None of our NEOs or directors have been retained or employed by an external management company which has entered into an understanding, arrangement or agreement with us to provide executive management services to us, directly or indirectly.

Stock Options and Other Compensation Securities

During the year ended August 31, 2020 no stock options were issued to our NEOs or directors.

During the year ended August 31, 2019 no stock options were issued to our NEOs or directors.

The following table discloses the total amount of compensation securities held by our NEOs and directors as at the financial year ended August 31, 2020.

Name and Position	Number of Options	Vesting Provisions
Dr. David Winter CEO/Director	166,666	1/3 on each of December 4, 2016, December 4, 2017 and December 4, 2018
	450,000	1/3 on each of November 6, 2017, November 6, 2018 and November 6, 2019
Yogeshwar Sharma Chairman/ Director	43,333	1/3 on each of August 4, 2014, August 4, 2015 and August 4, 2016
	120,833	1/3 on each of December 4, 2016, December 4, 2017 and December 4, 2018
	250,000	1/3 on each of November 6, 2017, November 6, 2018 and November 6, 2019
Dr. Charle Gamba Director	54,166	1/3 on each of December 4, 2016, December 4, 2017 and December 4, 2018
	200,000	1/3 on each of November 6, 2017, November 6, 2018 and November 6, 2019
Harry Wilson Director	200,000	1/3 on each of November 6, 2017, November 6, 2018 and November 6, 2019

No compensation securities were re-priced, extended, cancelled and replaced, or otherwise materially modified during the financial year ended August 31, 2020.

Other than any vesting restrictions noted above, there are no restrictions or conditions for converting, exercising or exchanging the compensation securities.

Exercise of Compensation Securities by NEOs

No compensation securities were exercised by the NEOs or directors during the financial year ended August 31, 2020.

No compensation securities were exercised by the NEOs or directors during the financial year ended August 31, 2019.

Stock Option Plans and Other Incentive Plans

We have adopted a 10% rolling stock option plan (the “**Stock Option Plan**”). Pursuant to the Stock Option Plan, the Board may, from time to time, in its discretion, and in accordance with the requirements of the TSX Venture Exchange (the “**TSXV**”), grant to our directors, officers, employees and consultants options to purchase Common Shares (“**Options**”), provided that the number of Common Shares reserved for issuance, together with those to be issued pursuant to options previously granted, does not exceed 10% of the issued and outstanding Common Shares at the time of the grant. In addition, the number of Common Shares that may be reserved for issuance to any one individual may not exceed 5% of the issued Common

Shares, on a yearly basis; or 2% if the optionee is engaged in investor relations activities or is a consultant. The Stock Option Plan must be approved and ratified by our shareholders on an annual basis. The Stock Option Plan was most recently ratified and approved by shareholders at the annual general and special meeting held on March 14, 2019.

Options are exercisable over a period of up to ten years as determined by the Board and are required to have an exercise price of no less than the closing market price of the Common Shares prevailing on the day that the Option is granted less a discount in accordance with the policies of the TSXV. Options held by an officer, director or service provider (not conducting investor relations) expire 90 days after the option holder has left office or the service provider ceases providing services; and for Options held by service providers conducting investor relations, immediately upon us terminating that relationship. In the case of the death of an employee, officer, director or other service provider, the Option may be exercised by a personal representative or heir until the earlier of the Option's expiry or up to one year after the option holder died.

Pursuant to the Stock Option Plan, the Board may from time to time authorize the grant of Options to our directors, officers, employees and consultants or employees of companies providing management or consulting services to us. Other than Options granted to consultants performing investor relations activities which must vest in stages over at least 12 months with no more than one-quarter of the Options vesting in any three month period, the Stock Option Plan contains no vesting requirements, but permits the Board to specify a vesting schedule in its discretion.

A copy of the Stock Option Plan is available on our profile at www.SEDAR.com.

Employment, Consulting and Management Agreements

We do not have any contracts, agreements, plans or arrangements that provide for payments to a director or NEO upon, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, change of control or change in such NEO's responsibilities.

Oversight and Description of Director and Named Executive Officer Compensation

Our Compensation Committee considers and determines all compensation matters in respect of our NEOs and directors. The objective of our compensation arrangements is to compensate the executive officers for their services at a level that is both in line with our fiscal resources and competitive with companies at a similar stage of development.

We compensate our executive officers based on their skill, qualifications, experience, level of responsibility involved in their position, our existing stage development, our resources, industry practice and regulatory guidelines regarding executive compensation.

At this time, we do not have a formal compensation program with specific performance goals or similar conditions. Executive compensation is based upon the need to provide a compensation package that will allow us to attract and retain qualified and experienced executives, balanced with a pay-for-performance philosophy. The Stock Option Plan will continue to be used to provide share-purchase Options to executives. The share-purchase Options are granted in consideration of the level of responsibility of the executive as well as his or her impact to our long-term operating performance. In determining the number of Options to grant to an executive officer, the Board takes into account the number of options, if any, previously granted to such executive officer and the exercise price of any outstanding options in order to ensure that each grant is in accordance with the policies of the TSXV, and to closely align the interests of each executive officer with the interests of our shareholders.

We plan to continually assess and, if required, revise our compensation plans in accordance with our growth and activity level to ensure. We believe this flexible approach is required for a company in our current state of development.

Pension Disclosure

We do not have any pension or retirement plans that are applicable to the NEOs or directors. We have not provided compensation, monetary or otherwise, to any person who now or previously has acted as an NEO, in connection with or related to the retirement, termination or resignation of such person, and we have not provided any compensation to any such person as a result of a change of control.

Securities Authorized For Issuance under Equity Compensation Plans

The following table sets out equity compensation plan information as at the financial year ended August 31, 2020.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders (the Stock Option Plan)	1,484,998	\$0.22	4,500,720
Equity compensation plans not approved by securityholders	n/a	n/a	n/a
Total	1,484,998	\$0.22	4,500,719