

**1844 RESOURCES INC.**

(the “Company”)

**Form 51-102F6V**

*Statement of Executive Compensation – Venture Issuers  
(for financial years ended April 30, 2022 and April 30, 2021)*

**STATEMENT OF EXECUTIVE COMPENSATION – VENTURE ISSUERS**

**GENERAL**

The following information, dated as of October 5, 2022, is provided as required under Form 51-102F6V for Venture Issuers (the “Form”), as such term is defined in National Instrument 51-102.

For the purposes of this Form:

“**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;

“**external management company**” includes a subsidiary, affiliate or associate of the external management company;

“**NEO**” or “**named executive officer**” means each of the following individuals:

- (a) 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;
- (b) 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;
- (c) 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, as determined in accordance with the Form, for that financial year;
- (d) 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.

**DIRECTOR AND NAMED EXECUTIVE COMPENSATION**

During financial years ended April 30, 2022 and April 30, 2021, based on the definition above, the NEOs of the Company were: Sylvain Laberge (CEO, President and director) and Andrew Davidson (CFO, Corporate Secretary and director). The directors of the Company who were not also NEOs were Denis Clement, Pierre Larose and Tom MacNeill.

**Director and NEO Compensation, Excluding Options and Compensation Securities**

The following table of compensation, excluding options and compensation securities, provides a summary of the compensation paid by the Company to NEOs and directors of the Company for the two completed financial years ended April 30, 2022 and April 30, 2021. Options and compensation securities are disclosed under the heading “**Stock Options and Other Compensation Securities**” in this Form.

**Table of Compensation Excluding Compensation Securities in Financial Years  
ended April 30, 2022 and April 30, 2021**

Table of compensation excluding compensation securities							
Name and Principal Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of Perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Sylvain Laberge <sup>(1)</sup>	2022	82,500	Nil	Nil	Nil	18,600	101,100
CEO and Director	2021	40,000	Nil	Nil	Nil	23,400	63,400
Andrew Davidson <sup>(2)</sup>	2022	60,000	Nil	Nil	Nil	18,600	78,600
CFO and Director	2021	22,500	Nil	Nil	Nil	23,400	45,900
Denis Clement	2022	Nil	Nil	Nil	Nil	18,600	18,600
Director	2021	Nil	Nil	Nil	Nil	15,600	15,600
Tom MacNeill	2022	Nil	Nil	Nil	Nil	18,600	18,600
Director	2021	Nil	Nil	Nil	Nil	23,400	23,400
Pierre Larose	2022	Nil	Nil	Nil	Nil	18,600	18,600
Director	2021	Nil	Nil	Nil	Nil	15,600	15,600

Notes:

1. Sylvain Laberge was appointed President and Chief Executive Officer on January 10, 2013. Mr. Laberge provides consulting services to the Company through S.D.N.L. Financial Communications (“SDNL”), a company controlled by Mr. Laberge.
2. Andrew Davidson provides management services to the Company through Jaelky Holdings Ltd. (“JHL”), a company controlled by Mr. Davidson.

**Stock Options and Other Compensation Securities**

The Company has a share option plan in place for the granting of stock options to the directors, officers, employees and consultants of the Company. The purpose of granting such options is to assist the Company in compensating, attracting, retaining and motivating such persons and to closely align the personal interest of such persons to that of the Company’s shareholders.

The Company’s share option plan (the “Plan”) was approved by the board of directors (the “Board”) on February 25, 2013, which was last approved by shareholders of the Company on April 20, 2021. Under the Plan, options totaling a maximum of 10% of the Common Shares outstanding from time to time are available for grant. The Plan is a 10% maximum rolling plan. Options granted under the Plan are not exercisable for a period longer than 10 years and the exercise price must be paid in full upon exercise of the option.

The following is a summary of the material terms of the Plan:

- a) Persons who are Service Providers to the Company or its affiliates, or who are providing services to the Company or its affiliates, are eligible to receive grants of options under the Plan;
- b) Options granted under the Plan are non-assignable and non-transferable and are issuable for a period of up to 10 years;
- c) For options granted to Service Providers, the Company must ensure that the proposed Optionee is a bona fide Service Provider of the Company or its affiliates;
- d) An Option granted to any Service Provider will expire within one year (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the Option), after the date the Optionee ceases to be employed by or provide services to the Company, but only to the extent that such Option was vested at the date the Optionee ceased to be so employed by or to provide services to the Company;
- e) If an Optionee dies, any vested option held by him or her at the date of death will become exercisable by the Optionee’s lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such option;

- f) In the case of an Optionee being dismissed from employment or service for cause, such Optionee's options, whether or not vested at the date of dismissal, will immediately terminate without right to exercise same;
- g) The exercise price of each option will be set by the Board on the effective date of the option and will not be less than the Discounted Market Price (as defined in the Plan);
- h) Vesting of options shall be at the discretion of the Board, and will generally be subject to: (i) the Service Provider remaining employed by or continuing to provide services to the Company or its affiliates, as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or its affiliates during the vesting period; or (ii) the Service Provider remaining as a Director of the Company or its affiliates during the vesting period; and
- i) The Board reserves the right in its absolute discretion to amend, suspend, terminate or discontinue the Plan with respect to all Plan shares in respect of options which have not yet been granted under the Plan.

The Board has determined that, in order to reasonably protect the rights of participants, as a matter of administration, it is necessary to clarify when amendments to the Plan may be made by the Board without further shareholder approval. Accordingly, the Plan also provides the following:

The Board may, without shareholder approval:

- i. amend the Plan to correct typographical, grammatical or clerical errors;
- ii. change the vesting provisions of an option granted under the Plan, subject to prior written approval of the TSXV, if applicable;
- iii. change the termination provision of an option granted under the Plan if it does not entail an extension beyond the original expiry date of such option;
- iv. make such amendments to the Plan as are necessary or desirable to reflect changes to securities laws applicable to the Company;
- v. make such amendments as may otherwise be permitted by the TSXV Policies;
- vi. if the Company becomes listed or quoted on a stock exchange or stock market senior to the TSXV, make such amendments as may be required by the policies of such senior stock exchange or stock market; and
- vii. amend the Plan to reduce the benefits that may be granted to Service Providers.

### Outstanding Compensation Securities

The following table sets forth incentive stock options pursuant to the Company's share option plan that were outstanding to NEOs and directors of the Company who were not NEOs of the Company during the financial years ended April 30, 2022 and April 30, 2021.

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
Denis Clement Director	Options	200,000	July 27, 2020	0.08	0.08	0.055	July 27, 2025
		[10] 300,000 [10]%	July 26, 2021	0.10	0.065	0.085	July 26, 2026

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Andrew Davidson Director	Options	300,000 [15]%	July 27, 2020	0.08	0.08	0.055	July 27, 2025
		300,000 [10]%	July 26, 2021	0.10	0.065	0.085	July 26, 2026
Sylvain Laberge CEO, President and Director	Options	300,000 [15]%	July 27, 2020	0.08	0.08	0.055	July 27, 2025
		300,000 [10]%	July 26, 2021	0.10	0.065	0.085	July 26, 2026
Pierre Larose Director	Options	200,000 [10]%	July 27, 2020	0.08	0.08	0.055	July 27, 2025
		300,000 [10]%	July 26, 2021	0.10	0.065	0.085	July 26, 2026
Tom MacNeill Director	Options	300,000 [15]%	July 27, 2020	0.08	0.08	0.055	July 27, 2025
		300,000 [10]%	July 26, 2021	0.10	0.065	0.085	July 26, 2026

### Exercise of Compensation Securities by Directors and NEOs

There were no stock options exercised by a director or a NEO of the Company during the financial years ended April 30, 2022 and April 30, 2021.

### Employment, Consulting and Management Agreements

Other as set out herein, the Company has no agreements or arrangements under which compensation was provided during the financial years ended April 30, 2022 and April 30, 2021 or is payable in respect of services provided to the Company or any of its subsidiaries that were performed by a director or NEO.

Communication Financiers S.D.N.L., a company controlled by Sylvain Laberge, a director and officer of the Company provides consulting services to the Company.

Jaelky Holdings Inc., a company controlled by Andrew Davidson, a director and officer of the Company provides consulting services to the Company.

### Oversight and Description of Director and NEO Compensation

The Board assumes responsibility for reviewing and monitoring the long-range compensation strategy for the senior management of the Company. The Board determines the type and amount of compensation for the President and CEO. The Board also reviews the compensation of the Company's senior executives.

#### *Elements of the Compensation Program*

The significant elements of compensation awarded during the financial years ended April 30, 2022 and April 30, 2021 to the NEOs was paid in cash. The Company does not presently have a long-term incentive plan for its NEOs. There is no policy or target regarding allocation between cash and non-cash elements of the Company's compensation program. The Board reviews periodically the total compensation package of each of the Company's executive officers on an individual basis, and makes recommendations for the individual components of its compensation.

### *Compensation Discussion & Analysis*

As the Company does not have a compensation committee, the Board deals with executive compensation matters. The Company has not yet formalized its compensation policies and practices but annually takes into consideration the implications of the risks associated with the Company's compensation program and how it might mitigate those risks. The Company does not currently believe there are any risks arising from compensation policies and practices that are reasonable likely to have an adverse effect on the Company. The Company did not retain any compensation consultants during the financial years ended April 30, 2022 and April 30, 2021.

The Company's compensation programs are designed to recognize and reward executive performance consistent with the success of the Company's business. These policies and programs are intended to attract and retain capable and experienced people. The Board's philosophy is to ensure that the Company's compensation goals and objectives, as applied to the actual compensation paid to the Company's CEO and other executive officers, are aligned with the Company's overall business objectives and with shareholder interests.

The Board considers a variety of factors when determining both compensation policies and programs and individual compensation levels. These factors include the long-range interests of the Company and its shareholders, overall financial and operating performance of the Company and the Board's assessment of each executive's individual performance and contribution toward meeting corporate objectives.

#### *Philosophy and Objectives*

The compensation program for senior management of the Company is designed to ensure that the level and form of compensation achieves certain objectives, including:

- (a) attracting and retaining talented, qualified and effective executives;
- (b) motivating the short and long-term performance of these executives; and
- (c) better aligning their interests with those of the Company's shareholders.

In compensating its senior management, the Company employs a combination of salary and equity participation through its share option plan.

#### *Base Salary or Consulting Fees*

As a general rule, the Company seeks to offer its NEOs a compensation package that is in line with that offered by other companies in our industry, and as an immediate means of rewarding each NEO for efforts expended on behalf of the Company.

#### *Related Party Transactions*

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

During the year ended April 30, 2022, \$142,500 (2021 - \$92,500) was recorded for consulting services provided by companies controlled by directors and officers of the Company. As at April 30, 2022 the Company owed \$18,014 (April 30, 2021 - \$44,693) related to such services.

During the year ended April 30, 2021, \$92,500 (2020 - \$80,000) was recorded for consulting services provided by companies controlled by directors and officers of the Company. As at April 30, 2021 the Company owed \$44,693 (April 30, 2020 - \$106,586) related to such services.

*Perquisites and Other Personal Benefits:*

The Company's NEOs are not generally entitled to significant perquisites or other personal benefits not offered other employees to the Company.

*Director Compensation*

The Company has no arrangements, standard or otherwise, pursuant to which directors are compensated by the Company for their services in their capacity as directors, or for committee participation, except for the granting from time to time of incentive stock options in accordance with the policies of the TSXV. The purpose of granting such options is to assist the Company in compensating, attracting, retaining and motivating the directors of the Company and to closely align the personal interests of such persons to that of the shareholders.

*Equity Participation*

The Company believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation is accomplished through the Company's share option plan. Options to purchase Common Shares are granted to senior executives taking into account a number of factors, including the amount and term of options previously granted, base salary and bonuses and competitive factors. Options are generally granted to senior executives and vest on terms established by the Board.

**Pension disclosure**

The Company does not have any pension or retirement plans in place.