

MELIOR RESOURCES INC.
(the “Company”)

Form 51-102F6V
STATEMENT OF EXECUTIVE COMPENSATION – VENTURE ISSUERS
for the fiscal year ended June 30, 2020
Dated as of December 29, 2020

Director and Named Executive Officer Compensation Excluding Compensation Securities

Set out below are particulars of compensation paid to the following persons (the “Named Executive Officers” or “NEO”s):

- “**CEO**” means each 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 each 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; and
- “**Named Executive Officer**” or “**NEO**” means: (a) a CEO; (b) a CFO; (c) the Company’s most highly compensated executive officers, including any of the Company’s subsidiaries, or the 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 and whose total compensation was, individually, more than \$150,000 as determined in accordance with subsection 1.3(5) of Form 51-102F6V *Statement of Executive Compensation – Venture Issuers*, for that financial year; and (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity at the end of the most recently completed financial year.

During the financial years ended June 30, 2019 and June 30, 2020, the Company had three Named Executive Officers, namely Mark McCauley (CEO from May 15, 2014 to August 5, 2019), Martyn Buttenshaw (CEO from August 5, 2019) and Jonathan Mattiske (CFO).

All dollar amounts referenced herein are Canadian Dollars unless otherwise specified.

The following table (presented in accordance with National Instrument Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*) sets forth all annual and long term compensation for services paid to or earned by each NEO and director for the two most recently completed financial years ended June 30, 2020 and 2019, excluding compensation securities.

Table of Compensation excluding Compensation Securities

Name and position	Year	Salary, consulting fee, retainer or commission (\$) ⁽¹⁾	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Mark McCauley ⁽²⁾ <i>Director & Former CEO</i>	2020	\$118,063	nil	nil	nil	nil	\$118,063
	2019	\$360,460	nil	nil	nil	nil	\$360,460
Jonathan Mattiske <i>CFO</i>	2020	\$112,541	nil	nil	nil	nil	\$112,541
	2019	\$212,414	nil	nil	nil	nil	\$212,414
Martyn Buttenshaw <i>CEO & Director</i>	2020	\$150,016	nil	nil	nil	nil	\$150,016
	2019	\$60,000	nil	nil	nil	nil	\$60,000
Phillip Day ⁽³⁾ <i>Director</i>	2020	\$9,205	nil	nil	nil	nil	\$9,205
	2019	nil	nil	nil	nil	nil	nil
Rishi Tibriwal <i>Director</i>	2020	\$10,000	nil	nil	nil	nil	\$40,000
	2019	\$40,000	nil	nil	nil	nil	\$40,000
George Lloyd <i>Director</i>	2020	\$16,208	nil	nil	nil	nil	\$16,208
	2019	\$60,000	nil	nil	nil	nil	\$60,000

(1) All Director fees were suspended as of September 30, 2019

(2) Resigned as CEO effective August 5, 2019;

(3) Appointed July 8, 2019. Resigned October 2, 2019

Stock Options and Other Compensation Securities

The only compensation securities available to be issued or granted by the Company to its directors and NEOs during the financial years ended June 30, 2020 and 2019 were incentive stock options under the Company's stock option plan.

The following table sets forth all compensation securities granted or issued to each NEO and director by the Company in the financial year ended June 30, 2020 for services provided or to be provided, directly or indirectly, to the Company:

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
Mark McCauley ⁽¹⁾ <i>Director & Former CEO</i>	Stock Options	Nil	N/A	\$nil	\$nil	\$nil	N/A
Jonathan Mattiske <i>CFO and Director</i>	Stock Options	Nil	N/A	\$nil	\$nil	\$nil	N/A
Martyn Buttenshaw ⁽²⁾ <i>Director & CEO</i>	Stock Options	Nil	N/A	\$nil	\$nil	\$nil	N/A

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
Phillip Day <i>Director</i>	Stock Options	Nil	N/A	\$nil	\$nil	\$nil	N/A
Rishi Tibriwal <i>Director</i>	Stock Options	Nil	N/A	\$nil	\$nil	\$nil	N/A
George Lloyd <i>Director</i>	Stock Options	125,000 ⁽³⁾	July13/2018	\$0.80	\$0.96	\$0.03	July 13/2021

(1) Holds 166,666 securities in the Company;

(2) Holds 41,666 securities in the Company;

(3) One-third of the options were exercisable after six months of issuance, one-third after 18 months of issuance, and the remaining one-third after 30 months of issuance.

Exercise of Compensation Securities by Directors and NEOs

The following table discloses each exercise by a director or NEO of compensation securities during the financial year ended June 30, 2020:

Name and position	Type of compensation security	Number of underlying securities exercised (#)	Exercise price per security (\$)	Date of Exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Mark McCauley <i>Director & Former CEO</i>	Stock Options	Nil	\$nil	N/A	\$nil	\$nil	\$nil
Jonathan Mattiske <i>CFO and Director</i>	Stock Options	Nil	\$nil	N/A	\$nil	\$nil	\$nil
Martyn Buttenshaw <i>CEO & Director</i>	Stock Options	Nil	\$nil	N/A	\$nil	\$nil	\$nil
Phillip Day <i>Director</i>	Stock Options	Nil	\$nil	N/A	\$nil	\$nil	\$nil
Rishi Tibriwal <i>Director</i>	Stock Options	Nil	\$nil	N/A	\$nil	\$nil	\$nil
George Lloyd <i>Director</i>	Stock Options	Nil	\$nil	N/A	\$nil	\$nil	\$nil

Pension Plan Benefits

The Company does not provide retirement or pension benefits for directors or executive officers.

Employment, Consulting and Management Agreements

Jonathan Mattiske was appointed as CFO on November 2, 2016 and is employed pursuant to a consulting agreement. Under the terms of the consulting agreement, Mr. Mattiske must receive a minimum of thirty days notice, except if he commits serious misconduct or fails to perform his duties, in which case termination may occur without notice or payment in lieu of notice. Mr. Mattiske's employment agreement does not contain any change of control provisions.

Mark McCauley was CEO from May 15, 2014 until August 5, 2019, and was employed pursuant to terms set out in an employment agreement. The agreement terms provide that Mark McCauley is entitled to twelve week's written notice or payment in lieu of such notice of twelve week's salary. The Company can terminate Mark McCauley's employment at any time if he commits any act of serious misconduct without notice or payment in lieu thereof. In the event of any change of control of the Company, the agreement contains a provision for payment of \$262,500 plus, on a pro rata basis, the amount owed to Mr. McCauley under the Company's long-term incentive plan. The agreement also provides that Mark McCauley will not, during his employment with the Company and for twelve weeks after termination thereof, within Australia (i) engage in business that is similar to or competitive with the Company's business, (ii) solicit employees, contractors or agents of the Company, or (iii) do anything which might harm the Company's relationships with its customers, employees, contractors and agents.

Martyn Buttenshaw was appointed Interim CEO on August 5, 2019, and is employed pursuant to a consulting agreement. Under the terms of the consulting agreement, Mr. Buttenshaw must receive a minimum of seven days notice, except if he commits serious misconduct or fails to perform his duties, in which case termination may occur without notice or payment in lieu of notice. Mr. Buttenshaw's consulting agreement does not contain any change of control provisions.

If the CEO and CFO had been terminated on June 30, 2020 they would have been entitled to \$nil and \$nil, respectively.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth information concerning the Company’s incentive stock option plan (the “**Plan**”) as at June 30, 2020. The Company has no equity compensation plans other than the Plan.

Plan Category	Number of securities to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by shareholders	125,000	\$0.80	2,865,177
Equity compensation plans not approved by shareholders	N/A	N/A	N/A
Total	125,000	\$0.80	2,865,177

1. Based on 29,901,770 Common Shares being issued and outstanding as of June 30, 2020.

The aggregate number of Common Shares reserved for issuance upon the exercise of options pursuant to the Plan is such number of Common Shares as is equal to 10% of the number of issued and outstanding Common Shares from time to time. As at the date hereof, the maximum number of Common Shares which may be issued under the Plan is 2,990,177 (representing 10% of the 29,901,770 Common Shares currently issued and outstanding).

Description of Stock Option Plan

The Plan provides for the grant of options to purchase Common Shares to eligible directors, senior officers, employees and consultants of the Company or any of its affiliates (“**Participants**”). The purpose of the Plan is to attract, retain, motivate and compensate persons who are integral to the growth and success of the Company. The Plan is administered by the Board. All of the powers exercisable by the Board under the Plan may, to the extent permitted by applicable law and as authorized by the Board, be exercised by the Nomination and Compensation Committee. The aggregate number of Common Shares currently reserved for issuance upon the exercise of options pursuant to the Plan is equal to 10% of the number of issued and outstanding Common Shares. The number of Common Shares reserved for issuance to any one participant upon the exercise of options pursuant to the Plan shall not exceed 5% of the total number of Common Shares issued and outstanding. The number of Common Shares reserved for issuance to any one non-employee director upon the exercise of options pursuant to the Plan shall not exceed 2% of the total number of Common Shares issued and outstanding.

The number of Common Shares issuable to insiders pursuant to options granted under the Plan and all other security based compensation arrangements of the Company shall not, at any time, exceed 10% of the total number of Common Shares then issued and outstanding. The number of Common Shares issued to insiders pursuant to options granted under the Plan and all other security based compensation arrangements shall not, within a one year period, exceed 10% of the total number of Common Shares then issued and outstanding. The number of Common Shares issued to any insider and such insider’s associates pursuant to options granted under the Plan and all other security based compensation arrangements shall not, within a one year period, exceed 5% of the total number of Common Shares then issued and outstanding.

The number of options granted to any one Participant under the Plan and all other security based compensation arrangements of the Company shall not result in the grant to such Participant of in excess of 5% of the number of Common Shares outstanding immediately prior to the grant of any such options within any 12 month period unless disinterested shareholder approval is obtained. The number of options granted to any one consultant under the Plan and all other security based compensation arrangements of the Company shall not result in the grant to such consultant of in

excess of 2% of the number of Common Shares outstanding immediately prior to the grant of any such options within any 12 month period.

In addition to the limitations on the grant of options under the Plan described above, the number of shares reserved for issuance to any one person pursuant to options shall not exceed 5% of the issued and outstanding Common Shares and the number of Common Shares reserved for issuance pursuant to options granted to directors who are not also employees of the Company, in the aggregate, shall not exceed 1% of the issued and outstanding Common Shares.

The exercise price of an option is set by the Board at the time of grant, but may not be less than the closing price of the Common Shares on the principal stock exchange on which the Common Shares are listed on the last trading day preceding the date on which the grant of the option is approved by the Board. The Plan provides for flexible vesting, at the discretion of the Board. Under the Plan, the Board determines the term of any options granted, which shall not exceed 10 years from the date of grant.

The expiration of any option will be accelerated if the Participant's employment or other relationship with the Company terminates. An optionee that ceases to be a Participant (for reasons other than termination for cause) has 90 days from the date of termination to exercise all existing vested options; provided that in no event shall such right extend beyond the option period. In the event of the death of a Participant, the options granted to the Participant shall be exercisable thereafter by the person or persons to whom the Participant's rights under the option shall pass by the Participant's will or the laws of descent and distribution; provided that in no event shall such right extend beyond the option period. If the date on which an option expires occurs during or within two business days after the last day of a trading black-out period imposed pursuant to the Company's insider trading policy (as it may be amended from time to time), the expiry date of such option shall be the date that is 10 business days following the date of expiry of the black-out period.

Any exercises of options will make new grants available under the Plan, effectively resulting in reloading of the number of options available to grant under the Plan. In the event that options granted are surrendered in accordance with the provisions of the Plan, or terminate or expire without being exercised in whole or in part, the Common Shares reserved for issuance but not purchased under such lapsed options shall be available for subsequent options to be granted under the Plan.

The benefits, rights and options accruing to any Participant in accordance with the terms and conditions of the Plan are not assignable or transferable by the Participant except: (a) from the Participant to an entity controlled by the Participant or the Participant's registered retirement savings plan ("RRSP") or registered retirement income fund ("RRIF") or from an entity controlled by the Participant or the Participant's RRSP or RRIF to the Participant and, in either such event, the provisions of the Plan shall apply *mutatis mutandis* as though they were originally issued to and registered in the name of the Participant; or (b) as otherwise specifically permitted under the Plan and in accordance with applicable laws.

The Plan further provides for the termination of options in connection with certain fundamental changes such as the dissolution, liquidation or merger of the Company, or in the event of a change of control of the Company and provides for accelerated vesting in such circumstances, at the discretion of the Board. Subject to the approval of any stock exchange on which the Company's securities are listed, the Board may suspend, amend or terminate the Plan.

The following types of amendments to the Plan or an option granted under the Plan require shareholder approval: (a) any increase in the maximum number of Common Shares issuable under the Plan; (b) any reduction in the exercise price of outstanding options; (c) the cancellation of any option for the purpose of exchange for re-issuance at a lower exercise price to the same person; (d) any extension of the expiry date of an outstanding option (other than in accordance with the Plan); (e) any increase in the term of options granted under the Plan beyond 10 years from the date of grant; (f) any amendment to transfer provisions applicable to options granted under the Plan; (g) any amendment for which applicable law or rules of the TSX Venture Exchange require approval of the shareholders of the Company; (h) any change in the matters requiring shareholder approval under the Plan; and (i) any expansion in the class of Participants to whom options may be granted under the Plan. The Board may approve all other amendments to the Plan or options granted under the Plan.

The Plan has not been amended in any respect since it was approved by the shareholders at the last annual and special meeting of the Company. A copy of the Plan is attached as Schedule “B” to the management information circular dated November 15, 2011 in respect of the annual and special meeting of the shareholders of the Company held on December 14, 2011. Pursuant to the TSX Venture Exchange Corporate Finance Manual, rolling plans, such as the Plan, must receive shareholder approval yearly at the annual meeting of shareholders of the Company.

Oversight and Description of Director and Named Executive Officer Compensation

The Company’s policies on executive compensation are intended to provide appropriate compensation for executives that is internally equitable, externally competitive and reflects individual achievements in the context of the Company’s achievements. The overriding principles in establishing executive compensation provide that compensation should reflect:

- (a) fair and competitive compensation commensurate with an individual’s experience and expertise in order to attract and retain highly qualified executives;
- (b) recognition and encouragement of leadership, entrepreneurial spirit and team work;
- (c) an alignment of the financial interests of the executives with the financial interests of the shareholders of the Company;
- (d) stock options and, in certain circumstances, bonuses to reward individual performance and contribution to the achievement of corporate performance and objectives; and
- (e) a contribution to enhancement of shareholder value.

Martyn Buttenshaw, the Interim CEO of the Company, has the responsibility for recommending the level of salary and incentives for executive officers, including himself. The recommended salary and incentives are then reviewed and approved by the Board of Directors in accordance with the Charter of the Nomination and Compensation Committee. There are three elements to the Company’s executive compensation program: (1) base salary; (2) short-term compensation incentives for annual and personal performance; and (3) long-term compensation incentives (primarily stock options) related to long-term increase in Common Share value. Officers and directors are not permitted to purchase financial instruments including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by such officers and directors.

Base Salary

The base salary for executive officers of the Company is reviewed and established annually, at or near the beginning of the financial year. Base salaries are based on the particular executive officer’s personal performance and seniority, contribution to the business of the Company and the size and stage of development of the Company. Base salaries are also reviewed from time to time to ensure comparability with industry norms.

Short-Term Compensation Incentives

The Company may from time to time award discretionary bonuses. Bonuses may be awarded to certain executives where such executives meet personal objectives or where the Company achieves certain objectives as a direct or indirect result of such executive’s efforts.

Long-Term Compensation Incentives

Long-term incentive compensation for executive officers is provided through grants of stock options pursuant to the Company's stock option plan. Stock option grants to executive officers are generally reviewed annually. The number of stock options granted is based on each executive's salary range, responsibility and performance and takes into account the number and terms of stock options that have been granted to that executive previously. See "Securities Authorized For Issuance Under Equity Compensation Plans – Description of Stock Option Plan" for further details relating to the Company's stock option plan.

The compensation of executive officers is set within guidelines developed by the Board of Directors and is consistent with the principles set out above. No specific quantitative targets are set by the Board with respect to the compensation of executive officers. In addition, although the performance of the Company is a factor that the Board considers when determining or approving the compensation of executive officers, it is primarily the factors described above that determine the compensation of the executive officers. The Board has considered the implications of the risks associated with the Company's compensation policies and practices and has not identified any risks that are reasonably likely to have a material adverse effect on the Company.