

STATEMENT OF EXECUTIVE COMPENSATION

TOTEC RESOURCES LTD. (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, CEO and Corporate Secretary of the Company, and Khalid Naeem, CFO of the Company.

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

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 stock option plan (the “Option Plan”). Stock options (“Options”) are granted to directors, senior officers, employees and consultants taking into account a number of factors, including the amount and term of Options previously granted and competitive factors. The amounts and terms of Options granted are determined by the Board.

Given the evolving nature of the Company’s business, the Board will continue to review the overall compensation plan for senior management to continue to address the objectives identified above.

Option-Based Awards

On June 13, 2022, the Board adopted its Option Plan, being a 10% rolling Option plan. The Company will present the Option Plan to the shareholders of the Company at the next annual general meeting of the Company, and thereafter, the Option Plan will be submitted to the TSX Venture Exchange (the “Exchange”) for re-approval.

The Option Plan provides incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. Management proposes Option grants to the Board based on such criteria as performance, previous grants, and hiring incentives. All Option grants require approval of the Board. The Option Plan is administered by the Board.

Summary Compensation Table

Name and Principal Positions	Year ⁽¹⁾	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 ⁽²⁾ 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	Nil	N/A
Khalid Naem ⁽³⁾ 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	Nil	N/A

(1) For the financial years ended March 31.

(2) Mr. Varshney has served as the CEO and Corporate Secretary of the Company since January 25, 2022.

(3) Mr. Naem has served as the CFO of the Company since January 25, 2022.

Incentive Plan Awards

Pursuant to the Option Plan, the Company may grant up to 10% (rolling) of the issued and outstanding common shares of the Company pursuant to Option grants.

The following table sets out all Option-based awards outstanding as at the financial year-ended March 31, 2023 for each NEO.

Option-based Awards				
Name and Principal Positions	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-Money Options (\$) ⁽¹⁾
Deepak Varshney CEO and Corporate Secretary	130,000	0.05	Jun. 13, 2032	13,650
Khalid Naem CFO	N/A	N/A	N/A	N/A

(1) This amount is based on the difference between the market value of the securities underlying the Options on March 31, 2023, which was \$0.155, being the last trading day of the Company's common shares for the financial year and the exercise price of any outstanding Options.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets out the value vested during the financial year-ended March 31, 2023 for Options awarded under the Option Plan for the NEO, as well as the value earned under non-equity incentive plans for the same period.

Name	Option-based awards- Value vested during the year (\$)	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation Value earned during the year (\$)
Deepak Varshney CEO and Corporate Secretary	N/A	N/A	N/A
Khalid Naem CFO	N/A	N/A	N/A

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.

Director Compensation

During the most recently completed financial year-ended March 31, 2023, the directors who were not 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 (\$)
Andres Abogado ⁽¹⁾	Nil	Nil	Nil	Nil	Nil	Nil
Paul McGuigan ⁽¹⁾	Nil	Nil	Nil	Nil	Nil	Nil
James Walker ⁽¹⁾	Nil	Nil	Nil	Nil	Nil	Nil

(1) Served as a director of the Company since January 25, 2022.

Outstanding Option-Based Awards

The following table sets forth for each director, other than those who are also NEOs of the Company, all awards outstanding at the end of the most recently completed financial year-ended March 31, 2023, including awards granted before the most recently completed financial year.

Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾
Andres Abogado	Nil	N/A	N/A	N/A
Paul McGuigan	Nil	N/A	N/A	N/A
James Walker	130,000	0.05	Jun. 13, 2032	13,650

(1) This amount is based on the difference between the market value of the securities underlying the Options on March 31, 2023, which was \$0.155, being the last trading day of the Company's common shares for the financial year and the exercise price of any outstanding Options.

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.

The purpose of granting such Options is to assist the Company in compensating, attracting, retaining and motivating the directors, officers, employees and consultants and to closely align the personal interests of such persons to that of the shareholders.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth, for each director, other than those who are also NEOs of the Company, the value of all incentive plan awards vested during the financial year-ended March 31, 2023:

Name	Option-based awards- Value vested during the year (\$)	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation Value earned during the year (\$)
Andres Abogado	N/A	N/A	N/A
Paul McGuigan	N/A	N/A	N/A
James Walker	N/A	N/A	N/A

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 financial 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 email 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.