

N E T W O R K

Media Group Inc.

(the “Company”)

Form 51-102F6V

STATEMENT OF EXECUTIVE COMPENSATION – Venture Issuers

(for Financial years ended November 30, 2017 and November 30, 2016)

GENERAL

The following information, dated as of May 28, 2018, is provided as required under Form 51-102F6V for Venture Issuers (the “Form”), as such term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations*.

For the purposes of this Form:

“Company” means Network Media Group Inc.;

“**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, 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.

For the purposes of this section, and in accordance with the foregoing definition:

During the financial year ended November 30, 2017, the NEOs of the Company were: Derik Murray (CEO), Paul Gertz (President, Chief Operating Officer and Corporate Secretary) and Darren Battersby (CFO). The directors of the Company who were not NEOs during financial year ended November 30, 2017 were Steve Kotlowitz, Robert Pirooz (former Chairman) and former director, Peter Scarth, Dr. Greg Zeschuk, Sandra Lim, former director, and Frank Anderson, (Executive Chairman) and director. Sandra Lim resigned as a director of the Company on April 10, 2017. Robert Pirooz resigned as Chairman of the Company on December 11, 2017 and as a director of the Company on January 14, 2018. Mr. Anderson was appointed a director of the Company on July 16, 2017 and was appointed Executive Chairman of the Company effective December 11, 2017.

The Company has an unlimited number of authorized common shares with no par value and an unlimited number of authorized preferred shares with no par value. The Company’s common shares are listed on the TSX Venture Exchange under stock symbol “NTE”.

DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

Director and NEO Compensation, Excluding Options and Compensation Securities

The following table of compensation, excluding options and compensation securities, provides a summary of compensation paid by the Company to each NEO and director of the Company for the two most recently completed financial years of the Company ended November 30, 2017, and November 30, 2016. Options and compensation securities are disclosed under the heading “**Stock Options and Other Compensation Securities**” below.

Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Derik A. Murray CEO & Director	2017	178,646	Nil	Nil	Nil	42,024 ⁽¹⁾	225,670
	2016	182,562	87,900	Nil	Nil	Nil	270,463
Darren Battersby CFO	2017	111,850	Nil	Nil	Nil	7,795 ⁽¹⁾	119,645
	2016	126,000	Nil	Nil	Nil	5,214 ⁽²⁾	131,214
Paul Gertz President, COO, Corporate Secretary & Director	2017	178,646	Nil	Nil	Nil	35,839 ⁽¹⁾	214,485
	2016	182,562	Nil	Nil	Nil	Nil	172,563
Steven Kotlowitz Director	2017	Nil	Nil	Nil	Nil	14,482 ⁽¹⁾	14,482
	2016	Nil	Nil	Nil	Nil	2,979 ⁽²⁾	2,979
Sandra Lim Former Director	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	5,587 ⁽²⁾	5,587
Robert Pirooz ⁽⁵⁾ Director (Chairman)	2017	156,000	Nil	Nil	Nil	50,295 ⁽¹⁾	50,295
	2016	Nil	Nil	Nil	Nil	13,799 ⁽³⁾	13,799 ⁽⁴⁾
Frank Anderson ⁽⁶⁾ Director (Executive Chairman)	2017	N/A	N/A	N/A	N/A	19,664 ⁽¹⁾	19,664
Peter Scarth Director	2017	Nil	Nil	Nil	Nil	3,911 ⁽¹⁾	3,911
	2016	Nil	Nil	Nil	Nil	2,979 ⁽²⁾	2,979
Dr. Greg Zeschuk Director	2017	Nil	Nil	Nil	Nil	3,911 ⁽¹⁾	3,911
	2016	Nil	Nil	Nil	Nil	2,979 ⁽²⁾	2,979

Notes:

- (1) This amount represents the fair value of incentive stock options granted during the year ended November 30, 2017 and was estimated at the grant date using the Black-Scholes option pricing model in accordance with the Company’s accounting policies with the following assumptions: Expected life 5 years; Expected annual volatility 139%; Expected dividend yield 0%; Risk-free interest rate 1.58%. These values do not represent actual amounts received by the optionees as the gain, if any, will depend on the market value of the shares on the date that the stock option is exercised.
- (2) This amount represents the fair value of incentive stock options granted during the year ended November 30, 2016 and was estimated at the grant date using the Black-Scholes option pricing model in accordance with the Company’s accounting policies with the following assumptions: Expected life 5 years; Expected annual volatility 143%; Expected dividend yield 0%; Risk-free interest rate 0.65%. These values do not represent actual amounts received by the optionees as the gain, if any, will depend on the market value of the shares on the date that the stock option is exercised.
- (3) This amount represents the fair value of incentive stock options granted during the year ended November 30, 2016 and was estimated at the grant date using the Black-Scholes option pricing model in accordance with the Company’s accounting policies with the following assumptions:
 - (i) as to 139,963 of the stock options granted - Expected life 3 years; Expected annual volatility 143%; Expected dividend yield 0%; Risk-free interest rate 0.65%;
 - (ii) as to 75,000 of the stock options granted - Expected life 5 years; Expected annual volatility 143%; Expected dividend yield 0%; Risk-free interest rate 0.65%; and
 - (iii) as to 3000,000 stock options granted - Expected life 3.3 years; Expected annual volatility 147%; Expected dividend yield 0%; Risk-free interest rate 0.66%.

These values do not represent actual amounts received by the optionees as the gain, if any, will depend on the market value of the shares on the date that the stock option is exercised.

- (4) During the year ended November 30, 2016, the board of directors of the Company acknowledged Mr. Pirooz is entitled to compensation in consideration of fulfilment of his duties as Chairman, however, it was agreed amongst the Company and Mr. Pirooz that such compensation would not be payable until, and only if, the payment does not constitute a financial burden on the Company.
- (5) Mr. Pirooz resigned as Chairman effective December 11, 2017 and as a director on January 14, 2018.
- (6) Mr. Anderson was appointed a director of the Company on July 16, 2017 and was appointed Executive Chairman effective December 11, 2017.

External Management Companies

Other than as disclosed herein, management functions of the Company are substantially performed by directors or senior officers (or private companies controlled by them, either directly or indirectly) of the Company and not, to any substantial degree, by any other person with whom the Company has contracted.

Stock Option Plans and Other Incentive Plans

Share-Based Awards

The Board of the Company adopted a fixed number share option plan that has an effective date of April 28, 2016 (the "Fixed Share Option Plan"). The Fixed Share Option Plan reserves for issuance 10,880,074 Common Shares, which represents 20% of the Company's issued and outstanding Common Shares at the time the said plan was adopted. The Fixed Share Option Plan was approved by Disinterested Shareholders (defined in the Fixed Share Option Plan) of the Company on June 9, 2016. At November 30, 2017, there were 7,752,720 options issued and outstanding.

A copy of the Fixed Share Option Plan is attached as Schedule B to the Company's Management Information Circular dated May 2, 2016 and filed on SEDAR at www.sedar.com on May 12, 2016.

The Fixed Share Option Plan permits the grant of stock options to directors, officers, employees and consultants of the Company or any of its affiliates, but limits the number of options that may be issued to such individuals as follows (all capitalized terms as defined in the plan): (i) no Service Provider can be granted an Option if that Option would result in the total number of Options, together with all other Share Compensation Arrangements granted to such Service Provider in the previous 12 months, exceeding 5% of the Outstanding Shares, unless the Company has obtained Disinterested Shareholder Approval to do so; (ii) the aggregate number of Options granted to all Service Providers conducting Investor Relations Activities in any 12-month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant, without the prior consent of the TSX Venture; and (iii) the aggregate number of Options granted to any one Consultant in any 12 month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant, without the prior consent of the TSX Venture.

Furthermore, the aggregate number of Common Shares reserved for issuance to insiders of the Company under the Fixed Share Option Plan, together with any other Share Compensation Arrangements, may not exceed 10% of the Company's outstanding share capital, and the number of Common Shares issued to insiders of the Company within any one year period, together with any other Share Compensation Arrangements, may not exceed 10% of the Company's outstanding share capital.

The term of any options granted under the Fixed Share Option Plan will be fixed by the Board and may not exceed ten years. The exercise price of options granted under the Fixed Share Option Plan will be determined by the Board, provided it is not less than the Discounted Market Price (as defined under Policy 1.1 of the TSX Venture Policies).

Any options granted pursuant to the Fixed Share Option Plan will terminate within thirty (30) days of the option holder ceasing to act as a director, officer, employee or consultant of the Company or any of its affiliates, other than by reason of death or termination of employment with cause, unless such termination date is extended by the Board to a date that is not later than one year after the option holder ceases to hold such position with the Company. If such cessation is on account of death, the options terminate on the first anniversary of such cessation, and if it is on account of termination of employment with cause, the options terminate immediately.

The Fixed Share Option Plan also provides for adjustments to outstanding options in the event of any consolidation, subdivision, conversion or exchange of the Company's shares. The directors of the Company may impose option vesting schedules as they see fit.

Stock Options and Other Compensation Securities

Outstanding Compensation Securities of NEOs and Directors

The following table provides a summary of all option-based awards granted or issued to each director and Named Executive Officer in the most recently completed financial year of the Company ending on November 30, 2017. The Company does not have any other equity incentive plans (share-based awards) other than its Fixed Share Option Plan.

Name and position	Type of compensation security	# of compensation securities, # of underlying securities and % of class ⁽¹⁾	Date of issue or grant (Fiscal 2017)	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
Derik A. Murray ⁽²⁾ CEO and Director	stock options	1,112,000 2.0%	Jul 27-17	0.14	0.14	0.14	Jul 27-22
Darren Battersby ⁽³⁾ CFO	stock options	92,500 ⁽¹⁰⁾ 0.3%	Jul 27-17	0.14	0.14	0.14	Jul 27-22
Paul Gertz ⁽⁴⁾ President, COO, Corporate Secretary and Director	stock options	847,500 1.5%	Jul 27-17	0.14	0.14	0.14	Jul 27-22
Steven Kotlowitz ⁽⁵⁾ Director	stock options	290,000 ⁽¹⁰⁾ 0.6%	Jul 27-17	0.14	0.14	0.14	Jul 27-22
Sandra Lim ⁽⁶⁾ Former Director	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Robert Pirooz ⁽⁷⁾ Director (Chairman)	stock options	615,000 ⁽¹¹⁾ 2.0%	Jul 27-17	0.14	0.14	0.14	Jul 27-22
Frank Anderson	stock options	465,000 0.8%	Jul 27-17	0.14	0.14	0.14	Jul 27-22
Peter Scarth ⁽⁸⁾ Director	stock options	40,000 ⁽¹⁰⁾ 0.1%	Jul 27-17	0.14	0.14	0.14	Jul 27-22
Dr. Greg Zeschuk ⁽⁹⁾ Director	stock options	40,000 ⁽¹⁰⁾ 0.1%	Jul 27-17	0.14	0.14	0.14	Jul 27-22

Notes:

- (1) No compensation security had been re-priced, cancelled and replaced, had its term extended, or otherwise been materially modified, in the Company's financial year ended November 30, 2017.
- (2) Mr. Murray held a total of 1,112,000 options to purchase common shares of the Company as at November 30, 2017.
- (3) Mr. Battersby held a total of 562,500 options to purchase common shares of the Company as at November 30, 2017.
- (4) Mr. Gertz held a total of 847,500 options to purchase common shares of the Company as at November 30, 2017.
- (5) Mr. Kotlowitz held a total of 330,000 options to purchase common shares of the Company as at November 30, 2017.
- (6) Ms. Lim retired from the Board effective April 3, 2017 and all of her options have been exercised or have expired.
- (7) Mr. Pirooz held a total of 3,190,000 options to purchase common shares of the Company as at November 30, 2017, all of which have since been cancelled.
- (8) Mr. Scarth held a total of 80,000 options to purchase common shares of the Company as at November 30, 2017.
- (9) Dr. Zeschuk held a total of 330,000 options to purchase common shares of the Company as at November 30, 2017. All Dr. Zeschuk's stock options are held by 1124005 Alberta Ltd., a company solely owned by him.
- (10) All stock options granted on July 27, 2017, vest on July 27, 2018.

Exercise of Compensation Securities by Directors and NEOs

There were no compensation securities exercised by an NEO or director of the Company during the most recent financial year ended November 30, 2017.

Employment, Consulting and Management Agreements

Consulting Agreements

The Company does not have any employment, consulting or management agreements or arrangements with any of the Company's current NEOs or directors.

Termination and Change of Control Benefits

There is no contract, agreement, plan or arrangement between the Company and its Named Executive Officers that provide for payments to Named Executive Officers at, following, or in connection with any termination (whether voluntary, involuntary or constructive), resignation or retirement, or as a result of a change in control of the Company or a change in a Named Executive Officer's responsibilities.

Director Compensation

To date, the Company has not paid to its directors any fees or other of monetary compensation relating to the services rendered and duties assumed in relation to their positions on the Board. Any remuneration to the Company's directors has generally been limited to the grant of stock options and, during the year ended November 30, 2017 the Company granted a total of 1,450,000 incentive stock options to its independent directors..

Oversight and description of Director and NEO Compensation

Compensation, Philosophy and Objectives

The primary goal of the Company's executive compensation program is to attract, retain and motivate the key executives and to align their interests with those of the Company's shareholders. The key elements of the executive compensation program are: (i) base salary; (ii) stock based compensation; and (iii) potential annual bonuses or awards. The directors are of the view that all elements of the total program should be considered, rather than any single element.

The Company has no formal policy regarding the allocation between base salary, stock based compensation, cash based bonuses or awards or other forms of compensation, but the Compensation Committee will consider and evaluate the total compensation package received or to be received by an executive officer, and seek to ensure that such total compensation package is fair, reasonable and competitive, and balances the interests of management and the Company's shareholders.

The Compensation Committee assumes responsibility for reviewing and monitoring the long-term compensation strategy of the Company, and for providing the Board with its recommendations. However, the Company's Board of Directors is responsible for determining all forms of compensation, including long-term incentive in the form of stock options, to be granted to the CEO, or such person acting in capacity of CEO of the Company, the directors and key management, and for reviewing the recommendations respecting compensation of the other officers of the Company, to ensure such arrangements reflect the responsibilities and risks associated with each position.

In arriving at its compensation recommendations, the Compensation Committee considers several factors, including the responsibilities and experience of the individuals, the performance of the individuals within the Company, the overall financial and operating performance of the Company, and the long-term interest of the Company. With respect to base salaries, the Compensation Committee and the Board discuss their collective knowledge and understanding of salaries paid to executive officers at companies that the members have personal knowledge of, however, no formal benchmark group of companies has been referenced. For share option grants under the Company's Fixed Share Option Plan, the Compensation Committee makes recommendations based on such criteria as performance, previous grants, base salary and bonuses, hiring incentives, and other competitive factors (the Company's Fixed Share Option Plan is administered by the Board of the Company and all grants require approval of the Board). When considering the grant of bonus compensation, the Compensation Committee will assess whether the Company has met certain strategic objectives and milestones and whether there are sufficient cash resources available for the granting of bonuses (the Board will approve bonus compensation dependent upon compensation levels).

During the year ended November 30, 2017 the Compensation Committee of the Board was composed of two directors, Robert Pirooz and Sandra Lim. Mr. Pirooz and Ms. Lim have resigned from the Board, and until the vacancies on the Compensation Committee are filled, the entire Board will carry out the oversight function of director and named officer compensation. The Company did not retain any compensation consultants during the financial year ended November 30, 2017.

The Company has not provided monetary compensation to its directors, including fees for attending Board or Board committee meetings. However, during the recently completed financial year ended November 30, 2017, the Company made grants of 3,409,500 incentive share options to its directors, as consideration for fulfilling the responsibilities attendant with their directorships.

Neither the Compensation Committee nor the Board has considered the implications of the risks associated with the Company's compensation policies and practices, however, the Company does not currently believe there are any risks arising from compensation policies and practices that are reasonably likely to have an adverse effect on the Company.

Risks Associated with the Company's Compensation Practices

The Board has assessed the Company's compensation plans and programs for its executive officers to ensure alignment with the Company's business plan and to evaluate the potential risks associated with those plans and programs. The Board has concluded that the compensation policies and practices do not create any risks that are reasonably likely to have a material adverse effect on the Company. The Board considers the risks associated with executive compensation and corporate incentive plans when designing and reviewing such plans and programs.

The Company has not adopted a policy restricting its executive officers or directors from purchasing financial instruments that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by its executive officers or directors. To the knowledge of the Company, none of the executive officers or directors have purchased such financial instruments.

Base Salary or Consulting Fees

Financial Year ended November 30, 2017

Related parties are defined as Officers and Directors of the Company as well as any companies that are controlled by Officers: Derik Murray – CEO, Paul Gertz – President COO/Corporate Secretary, Darren Battersby – CFO or Directors Derik Murray, Paul Gertz, Steve Kotlowitz, Peter Scarth, Greg Zeschuk, Frank Anderson of the Company.

During the year ended November 30, 2017, the Company paid or accrued wages and recognized share-based compensation to key management personnel in the following manner:

	November 30, 2017	November 30, 2016
General and Administration	\$201,390	\$100,000
Share-based compensation	\$166,956	\$33,537
Production costs	\$168,685	\$91,650
Investment in film and television properties	\$412,556	\$691,562
	\$3,502,000	\$779,963

Interim production financing

Certain subsidiaries of the Company have secured interim bank loans to finance the cost of producing their respective productions. These loans bear interest at rates ranging from prime plus 1.50% to prime plus 2.50% per annum and are repayable on demand. Each loan is secured by the tax credits receivable of the respective subsidiary and a general security agreement over the assets of the Company, as well as a postponement of claims by an Officer (Derik Murray – CEO) and Director Derik Murray of the Company.

Debt payable

During the year ended November 30, 2017, the Company had on issue unsecured promissory notes held by a former Director (Robert Pirooz) of the Company. These promissory notes accrued interest at 8% per annum and were fully repaid during the year.

The Company had also issued a debenture to an arm's length third party, and former Director (Robert Pirooz) of the Company for a face value of \$1,100,000. These debentures accrued interest at a rate of 8% per annum, payable semi-annually, and grant the holders a royalty on net profits from certain film properties completed prior to the date of the debenture as well as from all film properties greenlit during the term of the debentures. The Company is required to pay the holders of the debentures a royalty in respect of each \$1.00 of the principal outstanding, both before and after maturity,

equal to 0.00000091% of the net profits of the film properties. The debentures were repaid during the year. Subsequent to November 30, 2017, the Company paid the outstanding amounts to the debenture holder, thus extinguishing the debt.

Incurred interest of \$87,012 (2016 - \$87,337) on short term debt provided by former Director (Robert Pirooz) of the Company.

At November 30, 2017, the Company owed \$364,232 (2016 - \$214,551) to Directors, Derik Murray - \$20,482, Paul Gertz - \$4,800, Peter Scarth - \$147, former Director Robert Pirooz - \$299,166 and Officer Darren Battersby, CFO - \$39,638 of the Company. Amounts due to related parties are unsecured, non-interest bearing and due on demand. In addition, the Company was also due \$4,714 (2016 - \$11,584) from Director, Derik Murray.

Benefits and Perquisites

The Company does not, as of the date of this Form, offer any benefits or perquisites to its NEOs other than potential grants of DSUs and incentive stock options as otherwise disclosed and discussed herein.

Hedging by Named Executive Officers or Directors

The Company has not, to date, adopted a policy restricting its executive officers and directors from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, which are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by executive officers or directors. As of the date of this Form, entitlement to grants of DSUs and Options are the only equity security element awarded by the Company to its executive officers and directors as detailed under heading “*Stock Option Plans and Other Incentive Plans*” above.

Pension Disclosure

The Company does not have any pension, defined benefit, defined contribution or deferred compensation plans in place.