

Equitorial Exploration Corp.
(the “Company”)

Form 51-102F6V

Statement of Executive Compensation – Venture Issuers
(for financial years ended December 31, 2016 and 2015)

GENERAL

The following information, dated as of June 29, 2017, is provided as required under Form 51-102F6V – *Statement of Executive Compensation*, for Venture Issuers (the “Form”), as such term is defined in National Instrument 51-102.

For the purposes of this Statement of Executive Compensation:

“**Company**” means Equitorial Exploration Corp.;

“**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;

“**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.

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 the compensation paid by the Company to NEOs and directors of the Company for the two completed financial years ended December 31, 2016 and 2015. Options and compensation securities are disclosed under the heading “**Stock Options and Other Compensation Securities**” of this Form.

During the financial year ended December 31, 2016, based on the definition above, the NEOs of the Company were: Jack Bal, President, CEO and director, Binny Jassal, Chief Financial Officer, Corporate Secretary and director, Dean Pekeski, former interim CEO and former director. The Directors of the Company who were not NEOs during the financial year ended December 31, 2016 were: Saf Dhillon, director, Buddy James Doyle, director and Greg Campbell, former director.

Jack Bal was appointed a director on December 7, 2015, appointed President on December 21, 2015, and was appointed CEO on May 25, 2016.

Binny Jassal was appointed a director on November 5, 2015, was appointed CFO on May 25, 2016 and was appointed Corporate Secretary on June 27, 2016.

Dean Pokeski served as President from May 22, 2013 to December 21, 2015, served as interim CEO from December 21, 2015 to May 25, 2016, served as Secretary from November 5, 2015 to June 27, 2016 and served as director from March 21, 2013 to June 27, 2016.

Greg Campbell served as director from June 27, 2016 to October 20, 2016. Saf Dhillon was appointed a director on December 7, 2015 and Buddy James Doyle was appointed a director on September 6, 2016.

During the financial year ended December 31, 2015, based on the definition above, the NEOs of the Company were: Jack Bal, President, CEO and director, Binny Jassal, Chief Financial Officer, Corporate Secretary and director, Dean Pokeski, former interim CEO, former President, former Secretary and former director, Patrick Power, former CFO, former Secretary and former director and Troy Nikolai, former CFO and former director. The Directors of the Company who were not NEOs during the financial year ended December 31, 2015 were: Saf Dhillon, director, Frank Hegner, former director and Jorge Patricio Varas, former director.

Patrick Power served as served as CFO from May 22, 2013 to September 30, 2015, served as Secretary from September 9, 2010 to September 30, 2015 and served as director from September 21, 2010 to September 30, 2015.

Troy Nikolai served as CFO from May 22, 2013 to November 5, 2015 and served as director from May 22, 2013 to December 7, 2015.

Frank Hegner served as director from October 3, 2011 to March 11, 2015.

Jorge Patricio Varas served as director from September 21, 2010 to December 7, 2015

Table of Compensation, Excluding Compensation Securities in Financial Years ended December 31, 2016 and 2015

Table of compensation excluding compensation securities							
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 (\$)
Jack Bal CEO and Director	2016	97,500	Nil	Nil	Nil	Nil	97,500
	2015	Nil	Nil	Nil	Nil	Nil	Nil
Dean Pokeski former Officer and former director	2016	Nil	Nil	Nil	Nil	Nil	Nil
	2015	85,125	Nil	Nil	Nil	Nil	85,125
Binny Jassal CFO, Corporate Secretary and director	2016	36,000	Nil	Nil	Nil	Nil	36,000
	2015	36,000	Nil	Nil	Nil	Nil	36,000
Saf Dhillon director	2016	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil
Buddy James Doyle director	2016	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil
Patrick Power former Officer and former director	2016	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil
Troy Nikolai former Officer and former director	2016	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil

Table of compensation excluding compensation securities							
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 (\$)
Greg Campbell former director	2015	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil
Frank Hegner former director	2016	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil
Jorge Patricio Varas former director	2016	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil

Stock Options and Other Compensation Securities

At the Company's annual general and special meeting held on June 27, 2016, shareholders approved the adoption of the company's new form share option plan. The share option plan is a 10% maximum rolling plan (the "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 Plan is subject to the following restrictions:

- (a) The Company must not grant an option to any one individual director, officer, employee, management company employee, consultant or company consultant (the "Service Provider") in any 12 month period that exceeds 5% of the outstanding shares, unless the Company has obtained approval to do so by a majority of the votes cast by the shareholders of the Company eligible to vote at a shareholders' meeting, excluding votes attaching to shares beneficially owned by insiders and their associates ("Disinterested Shareholder Approval");
- (b) The aggregate number of options granted to a Service Provider conducting investor relations activities in any 12 month period must not exceed 2% of the outstanding Common Shares calculated at the date of the grant, without the prior consent of the TSXV;
- (c) The Company must not grant an option to any one individual consultant in any 12 month period that exceeds 2% of the outstanding shares calculated at the date of the grant of the option, without the prior consent of the TSXV;
- (d) The aggregate number of Common Shares reserved for issuance under options granted to insiders must not exceed 10% of the outstanding Common Shares (in the event that the Plan is amended to reserve for issuance more than 10% of the outstanding Common Shares) unless the Company has obtained Disinterested Shareholder Approval to do so;
- (e) The aggregate number of Common Shares issued for option to insiders in any 12 month period must not exceed 10% of the outstanding Common Shares (in the event that the Plan is amended to reserve for issuance more than 10% of the outstanding Shares) unless the Company has obtained Disinterested Shareholder Approval to do so;
- (f) The issuance to any one Optionee within a 12 month period of a number of Common Shares must not exceed 5% of outstanding Common Shares unless the Company has obtained Disinterested Shareholder Approval to do so;
- (g) any one Person engaged in Investor Relations Activities for the Company must vest in stages over a 12 month period with no more than 1/4 of the Options vesting in any three month period; and
- (h) The exercise price of an option previously granted to an insider must not be reduced, unless the Company has obtained Disinterested Shareholder Approval to do so.

Material Terms to the Plan

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 ten (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) if there is a takeover bid for all or any of the issued and outstanding Common Shares, then all outstanding Options, whether fully vested and exercisable or remaining subject to vesting provisions or other limitations on exercise, shall become exercisable in full to enable the Optioned Shares to be issued and tendered to such bid, subject to prior written approval of the TSXV;
- (e) an Option granted to any Service Provider will expire 90 days (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, and 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;
- (f) if an Optionee dies, any vested option held by him 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;
- (g) 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;
- (h) the exercise price of each option will be set by the Board at the time such Option is allocated under the Plan, and cannot be less than the Discounted Market Price (as defined in the Plan);
- (i) 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 any of 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 any of its affiliates during the vesting period; or (ii) the Service Provider remaining as a Director of the Company or any of its affiliates during the vesting period;
- (j) the Plan contains a black-out provision restricting all or any of the Company's Service Providers to refrain from trading in the Company's securities until the restriction has been lifted by the Company;
- (k) no vesting requirements will apply to options granted under the Plan other than as required by TSXV policies; however, a four month hold period will apply to all Common Shares from the date of grant for all Options granted to:
 - (i) insiders of the Company; or
 - (ii) where Options are granted to any Service Provider, including Insiders, where the exercise price is at a discount to the Market Price; and
- (l) the Board reserves the right in its absolute discretion to amend, modify or terminate the Plan with respect to all common shares in respect of options which have not yet been granted under the Plan. Any amendment to any provision of the Plan will be subject to any necessary

Other than set out in the table above, neither the Company nor its subsidiaries, granted or issued any option-based awards to NEOs or directors of the Company during the financial year ended December 31, 2016.

Exercise of Compensation Securities by NEOs and Directors

Financial Year ended December 31, 2016

There were no options exercised by a Director or an NEO of the Company during the Company's financial year ended December 31, 2016.

Financial Year ended December 31, 2015

There were no option-based securities exercised by NEOs or directors of the Company during the financial year ended December 31, 2015.

Employment, Consulting and Management Agreements

There are no compensatory plans or arrangements, with respect to any Director or NEO resulting from the resignation, retirement or any other termination of employment of an officer or director or from a change of a director's or a NEO's responsibilities following a change in control.

Oversight and Description of Director and NEO Compensation

The Board as a whole assumes responsibility for reviewing and monitoring compensation for the Company's senior management, and as part of that mandate determines the compensation of the Company's CEO and CFO. The Board wishes to provide information about the Company's executive compensation objectives and processes and to discuss compensation decisions relating to its NEOs and directors listed in the compensation tables that follow.

The Company has limited financial resources to ensure that funds are available to complete scheduled programs. As a result, the Board must consider not only the financial situation of the Company at the time of the determination of executive compensation, but also the estimated financial situation of the Company both in the mid-term and the long-term. Because stock options do not require cash disbursement by the Company they are an important element of executive compensation. Additional information about the Company and its operations is available in the Company's consolidated financial statements and related management's discussion & analysis for the year ended December 31, 2016, which have been filed with regulators and are available for review under the Company's profile under the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

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 designated 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 has purchased such financial instruments.

Philosophy and Objectives

Compensation for senior management of the Company is designed to ensure that the level and form of compensation achieves certain objectives, which are:

- to attract and retain qualified and effective executives;
- to motivate the short and long-term performance of these executives; and
- to align their interests with those of the Company's shareholders.

In compensating its senior management, the Company has employed a combination of base salary and equity participation through its stock option plan.

Base Salary

In the Board's view, paying base salaries which are competitive in the markets in which the Company operates is a first step to attracting and retaining talented, qualified and effective executives. Competitive salary information on companies earning comparable revenues in a similar industry has been reviewed and compared over a variety of sources.

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. Stock options are granted to senior executives and employees taking into account a number of factors, including the amount and term of options previously granted, base salary and bonuses and competitive factors. Options, which vest immediately, are generally granted to senior executives and Board members.

Compensation Review Process

Compensation for each of the Board members and each of the NEOs is approved by the Board as a whole. Base cash compensation and variable cash compensation levels are based, in part, on market survey data provided to the Board by independent consultants.

Base Salary or Consulting Fees

In the Board's view, paying base salaries which are competitive in the markets in which the Company operates is a first step to attracting and retaining talented, qualified and effective executives. Competitive salary information on companies earning comparable revenues in a similar industry has been reviewed and compared over a variety of sources.

Financial Year ended December 31, 2016

During the year ended December 31, 2016, the Company entered into the following transactions with the related parties:

- (a) Incurred consulting fees of \$97,500 (December 31, 2015 - \$85,125) with Kraven Geological (a company owned by Dean Pekeski, former interim CEO & former director of the Company).
- (b) Payment of rent of \$6,000 to Western Potash Corp. (a company controlled by a common officer Binny Jassal), (December 31, 2015: \$1,500) for shared office premises.
- (c) Incurred accounting fees of \$36,000 (December 31, 2015 - \$36,000) with Binny Jassal CFO & director of the Company).
- (d) Arctic Star Exploration Corp., a company related by a former director, Patrick Power and a 40% shareholder of Equitorial Exploration International Corp., has forgiven a debt of \$600,424 (2015: \$500,424) owed by the Company's 60% owned subsidiary, Equitorial Exploration International Corp.. A full amount of \$600,424 was realized as a gain on settlement of debt on the consolidated statement of loss during the year ended December 31, 2016.

Financial Year ended December 31, 2015

During the year ended December 31, 2015, the Company entered into the following transactions with the related parties:

- (a) Incurred consulting fees of \$85,125 (December 31, 2014 - \$91,125) with Kraven Geological (a company owned by Dean Pekeski, interim CEO & director of the Company).
As at December 31, 2015, \$96,181 (December 31, 2014 - \$7,005) was owing to companies controlled by directors and officers of the Company.
- (b) Payment of rent of \$1,500 to Western Potash Corp. (a company controlled by a common officer Binny Jassal), (December 31, 2014: \$nil) for shared office premises.

- (c) Incurred accounting fees of \$36,000 (December 31, 2014 - \$nil) with Binny Jassal CFO & director of the Company).
- (d) As at December 31, 2015, due from a related party includes \$684 (December 31, 2014: \$7,005) from Artic Star Exploration Corp., a company related by a common officer Binny Jassal and a 40% shareholder of Equitorial Exploration International Corp.
- (e) As December 31, 2015, the Company's 60%-owned subsidiary, Equitorial Exploration International Corp., owed \$600,424 (2014 - \$600,424) to Artic Star Exploration Corp. a company related by a former common director Patrick Power and a 40% shareholder of Equitorial Exploration International Corp. These amounts are included in due to related parties.

Related party transactions are in the ordinary course of business and are measured at the exchange amounts, being the amounts agreed to by the related parties.

Benefits and Perquisites

In general, the Company will provide a specific benefit or perquisite only when it provides competitive value and promotes retention of executives, or when the perquisite provides shareholder value, such as ensuring the health of executives. Limited perquisites the Company provides its executives may include a parking allowance or a fee for each Board or Audit Committee meeting attended, to assist with their out-of-pocket expenses.

Option-Based Awards

The Company has a 10% rolling stock option plan in place, which was established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. Management proposes stock option grants to the Board based on such criteria as performance, previous grants, and hiring incentives. All grants require approval of the Board. The 10% rolling stock option plan is administered by the Board and provides that options will be issued to directors, officers, employees or consultants of the Company or a subsidiary of the Company.

Pension Disclosure

The Company has no pension plan arrangements or benefits with respect to any of its NEOs, directors or employees.