



A *Necessity*, not an Accessory

**STATEMENT OF EXECUTIVE COMPENSATION
For the Year Ended July 23, 2023**

The following information is presented in accordance with National Instrument Form 51-102F6V – *Statement of Executive Compensation*, and sets forth compensation for each of Murray Keating, the Chief Executive Officer (the “CEO”), Mindy Sirsirir, the Chief Financial Officer (the “CFO”) (together, the “NEOs”) and Ryan Keating, Arka Chorbajian, and Peter Henricsson, directors, as at July 31, 2023.

General

For the purposes of this Statement of Executive Compensation:

“CEO” means an 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 an 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;

“Named Executive Officer” or “NEO” means each of the following individuals:

- (a) a CEO;
- (b) a CFO;
- (c) each of the three most highly compensated executive officers of the Company, including any of its subsidiaries, or the three 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 applicable securities laws; 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.

Based on the foregoing definition, during the last completed fiscal year of the Company, the Company had two NEOs, namely, Murray Keating, the Chief Executive Officer (the “CEO”), Mindy Sirsirir, the Chief Financial Officer.

Compensation Discussion and Analysis

The Company’s compensation philosophy for its Named Executive Officers is designed to attract well qualified individuals in what is essentially an international market by paying competitive base management fees plus short and long term incentive compensation in the form of stock options or other suitable long term incentives. The Board of Directors meets to discuss and determine executive compensation without reference to formal objectives, criteria or analysis. In making its determinations regarding the various elements of executive compensation, the Board of Directors does not benchmark its executive compensation program, but from time to time does review compensation practices of companies of similar size and stage of development to ensure the compensation paid is competitive within the Company’s industry and geographic location while taking into account the financial and other resources of the Company.

The duties and responsibilities of the President and CEO are typical of those of a business entity of the Company’s size in a similar business and include direct reporting responsibility to the Board, overseeing the activities of all other executive and management consultants, representing the Company, providing leadership and responsibility for achieving corporate goals and implementing corporate policies and initiatives.

Elements of Compensation

The Company's executive compensation policy consists of an annual base salary and long-term incentives in the form of stock options granted under the Company's Stock Option Plan.

The base salaries paid to officers of the Company are intended to provide fixed levels of competitive pay that reflect each officer's primary duties and responsibilities and the level of skill and experience required to successfully perform their role. The Company intends to pay base salaries to officers that are competitive with those for similar positions in the same industry to attract and retain executive talent in the market in which the Company competes for talent. Base salaries of officers are reviewed annually by the Board of Directors.

Compensation Policies and Risk Management

The Board of Directors considers the implications of the risks associated with the Company's compensation policies and practices when determining rewards for its officers. In 2012, the Board of Directors conducted its initial review and the Company intends to review at least once annually the risks, if any, associated with the Company's compensation policies and practices.

Executive compensation is comprised of short-term compensation in the form of a base salary and long-term ownership through the Company's Stock Option Plan. This structure ensures that a significant portion of executive compensation (stock options) is both long-term and "at risk" and, accordingly, is directly linked to the achievement of business results and the creation of long-term Shareholder value. As the benefits of such compensation, if any, are not realized by officers until a significant period of time has passed, the ability of officers to take inappropriate or excessive risks that are beneficial to their compensation at the expense of the Company and the Shareholders is extremely limited. Furthermore, the short-term component of executive compensation (base salary) represents a relatively small part of the total compensation. As a result, it is unlikely an officer would take inappropriate or excessive risks at the expense of the Company or the Shareholders that would be beneficial to their short-term compensation when their long-term compensation might be put at risk from their actions.

Due to the small size of the Company and the current level of the Company's activity, the Board of Directors is able to closely monitor and consider any risks which may be associated with the Company's compensation policies and practices. Risks, if any, may be identified and mitigated through regular Board meetings during which financial and other information of the Company are reviewed. No risks have been identified arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

Hedging of Economic Risks in the Company's Securities

The Company has not adopted a policy prohibiting Directors or officers from purchasing financial instruments that are designed to hedge or offset a decrease in market value of the Company's securities granted as compensation or held, directly or indirectly, by Directors or officers. However, the Company is not aware of any Directors or officers having entered into this type of transaction.

Share-Based and Option-Based Awards

The Company's Stock Option Plan has been and will be used to provide share purchase options which are granted in consideration of the level of responsibility of the executive as well as his or her impact or contribution to the longer-term operating performance of the Company. In determining the number of options to be granted to the executive officers, the Board takes into account the number of options, if any, previously granted to each executive officer, and the exercise price of any outstanding options to ensure that such grants are in accordance with the policies of the TSX Venture Exchange, and closely align the interests of the executive officers with the interests of Shareholders.

The Board of Directors as a whole has the responsibility to administer the compensation policies related to the executive management of the Company, including option-based awards.

Compensation Governance

Options are granted at the discretion of the Board of Directors, which considers factors such as how other junior exploration companies grant options and the potential value that each optionee is contributing to the Company. The number of options granted to an individual is based on such considerations.

Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table sets out all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company to each NEO and director, in any capacity, for the three most recently completed financial years.

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 (\$)
Murray Keating CEO and Director	2023	144,000 ⁽¹⁾	0	0	8,400 ⁽²⁾ /3,719 ⁽³⁾	0	156,119
	2022	144,000 ⁽¹⁾	0	0	8,400 ⁽²⁾ /3,719 ⁽³⁾	0	156,119
Mindy Sirsiris CFO	2023	104,400	5,000	0	5,400 ⁽²⁾ /2,055 ⁽³⁾	0	116,855
	2022	104,400	5,000	0	5,400 ⁽²⁾ /2,055 ⁽³⁾	0	116,855
Ryan Keating Director	2023	130,800	12,500	0	7,200 ⁽²⁾ /3,719 ⁽³⁾	0	154,219
	2022	130,800	7,500	0	7,200 ⁽²⁾ /3,719 ⁽³⁾	0	149,219
Arka Chorbajian Director	2023	0	0	8,000	0	0	8,000
	2022	0	0	7,000	0	0	7,000
Peter Henriksen Director	2023	0	0	8,000	0	0	8,000
	2022	0	0	7,000	0	0	7,000

NOTES:

- (1) Consulting fees paid to Ryancorp Management Ltd., a private company controlled by Mr. Keating
- (2) Car allowance
- (3) The Company has a health, dental and disability plan offered to all whereby the Company pays 70% of the premium and the “employee” pays 30%
- (4) Parking

Stock Options and Other Compensation Securities

The following table sets out all compensation securities granted or issued to each NEO and director by the Company for services provided or to be provided, directly or indirectly, to the Company in the most recently completed financial year.

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
Murray Keating CEO and Director	Stock Option	200,000	Nov. 22, 2019	0.10	0.08	0.08	Nov. 22, 2024
Mindy Sirsiris CFO	Stock Option	250,000	Nov. 22, 2019	0.10	0.08	0.08	Nov. 22, 2024
Ryan Keating Director	Stock Option	200,000	Nov. 22, 2019	0.10	0.08	0.08	Nov. 22, 2024
Arka Chorbajian Director	Stock Option	100,000	Nov. 22, 2019	0.10	0.08	0.08	Nov. 22, 2024
		50,000	March 7, 2019				March 7, 2024
Peter Henriksen Director	Stock Option	100,000	Nov. 22, 2019	0.10	0.08	0.08	Nov. 22, 2024
		50,000	March 7, 2019				March 7, 2024

Exercise of Stock Options

No NEO or director of the Company exercised compensation securities during the financial year ended July 31, 2023.

Stock Option Plans and Other Incentive Plans

The Company has adopted a stock option plan (the “Option Plan”) pursuant to which the Board may grant options (the “Options”) to purchase common shares of the Company (the “Shares”) to NEOs, directors and employees of the Company or affiliated corporations and to consultants retained by the Company.

The purpose of the Option Plan is to attract, retain, and motivate NEOs, directors, employees and other service providers by providing them with the opportunity, through options, to acquire an interest in the Company and benefit from the Company’s growth. Under the Option Plan, the maximum number of Shares reserved for issuance, including Options currently outstanding, is equal to 10% of the Shares outstanding from time to time (the “10% Maximum”). The 10% Maximum is an “evergreen” provision, meaning that, following the exercise, termination, cancellation or expiration of any Options, a number of Shares equivalent to the number of options so exercised, terminated, cancelled or expired would automatically become reserved and available for issuance in respect of future Option grants.

The number of Shares which may be the subject of Options on a yearly basis to any one person cannot exceed 5% of the number of issued and outstanding Shares at the time of the grant. Options may be granted to any employee, officer, director, consultant, affiliate or subsidiary of the Company exercisable at a price which is not less than the market price of common shares of the Company on the date of the grant. The directors of the Company may, by resolution, determine the time period during which any

option may be exercised (the “Exercise Period”), provided that the Exercise Period does not contravene any rule or regulation of such exchange on which the Shares may be listed. All Options will terminate on the earliest to occur of (a) the expiry of their term; (b) the date of termination of an optionee’s employment, office or position as director, if terminated for just cause; (c) 90 days (or such other period of time as permitted by any rule or regulation of such exchange on which the Shares may be listed) following the date of termination of an optionee’s position as a director or NEO, if terminated for any reason other than the optionee’s disability or death; (d) 30 days following the date of termination of an optionee’s position as a consultant engaged in investor relations activities, if terminated for any reason other than the optionee’s disability, death, or just cause; and (e) the date of any sale, transfer or assignment of the Option.

Options are non-assignable and are subject to early termination in the event of the death of a participant or in the event a participant ceases to be a NEO, director, employee, consultant, affiliate, or subsidiary of the Company, as the case may be. Subject to the foregoing restrictions, and certain other restrictions set out in the Option Plan, the Board is authorized to provide for the granting of Options and the exercise and method of exercise of options granted under the Option Plan.

The TSX Venture Exchange requires listed companies that have “rolling” stock option plans in place to receive shareholder approval for such plans on a yearly basis at the company’s annual Shareholders meeting. The last shareholders meeting was held on December 2, 2022 and approval was granted. The Company has since implemented a new Option Plan, which is presented to shareholders at the Meeting for approval. Refer to “Particulars of Matters To Be Acted Upon – Approval and Ratification of Stock Option Plan” below for more information.

Employment, Consulting and Management Agreements

Management functions of the Company are not, to any substantial degree, performed other than by directors or NEOs of the Company.

Neither the Company, nor its subsidiaries, has a contract, agreement, plan or arrangement that provides for payments to a NEO following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control of the Company or its subsidiaries, or a change in responsibilities of the NEO following a change in control.

Murray Keating has a verbal agreement with the Company pursuant to the terms of which Mr. Keating has agreed to act as the President and Chief Executive Officer of the Company in consideration of the annual compensation of \$144,000 (2022 \$144,000).

Mindy Sirsiris has a verbal agreement with the Company pursuant to the terms of which Ms. Sirsiris has agreed to act as Chief Financial Officer of the Company in consideration of the annual compensation of \$104,400 (2022 \$104,400).

Oversight and Description of Director and NEO Compensation

Compensation of Directors

Compensation of directors of the Company is reviewed annually and determined by the Board. The level of compensation for directors is determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the availability of financial resources.

In the Board’s view, there is, and has been, no need for the Company to design or implement a formal compensation program for directors. While the Board considers Option grants to directors under the Option Plan from time to time, the Board does not employ a prescribed methodology when determining the grant or allocation of Options. Other than the Option Plan, as discussed above, the Company does not offer any long-term incentive plans, share compensation plans or any other such benefit programs for directors.

Compensation of NEOs

Compensation of NEOs is reviewed annually and determined by the Board. The level of compensation for NEOs is determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the availability of financial resources. In the Board’s view, there is, and has been, no need for the Company to design or implement a formal compensation program for NEOs.

Elements of NEO Compensation

Salary

The Company's CEO and CFO receive annual salaries. The Board reviews salaries annually to ensure that they reflect each respective NEO's performance and experience in fulfilling his/her role. Due to the relatively small size of the Company, limited cash resources, and the early stage and scope of the Company's operations, NEOs receive limited salaries relative to industry standards. The Board does not currently have any plan in place to materially increase NEOs' salaries.

Option Plan

As discussed above, the Company provides an Option Plan to motivate NEOs by providing them with the opportunity, through Options, to acquire an interest in the Company and benefit from the Company's growth. The Board does not employ a prescribed methodology when determining the grant or allocation of Options to NEOs. Other than the Option Plan, the Company does not offer any long-term incentive plans, share compensation plans, retirement plans, pension plans, or any other such benefit programs for NEOs.

Pension Disclosure

No pension, retirement, or deferred compensation plans, including defined contribution plans, have been instituted by the Company and none are proposed at this time.

MATERIAL CONTRACTS

Licensing Agreement

On September 30, 2013, the Company entered into a licensing agreement with Richard Darrow of New Jersey (the "Licensor") which provides that the Licensor will be paid the sum of US \$100,000 for development reimbursements along with an earned royalty equal to US \$0.0625 per unit for each of the units/products sold, with a minimum guarantee of \$100,000 per year. The minimum royalty is payable as to \$20,000 on October 31, 2013; \$20,000 on January 31, 2014; \$30,000 on April 30, 2014 and \$30,000 on July 31, 2014 and thereafter the minimum royalty shall be payable at the end of each quarter period at a rate of US \$25,000 per quarter. During the financial year end 2023 the Company paid the Licensor US \$100,000 in royalties (2022: US \$100,000) and \$Nil in development reimbursements (2022: \$Nil). The Licensing agreement is for a term of 18 years expiring in fiscal 2031. On termination, merger, change of control or death, the agreement provides that the Licensor is entitled to receive on royalties for 18 years from the date of the agreement.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth the Company's compensation plans under which equity securities are authorized for issuance as at the end of the most recently completed financial year (July 31, 2023).

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	1,605,000 ⁽¹⁾	\$0.10	45,805
Equity compensation plans not approved by securityholders	Nil	N/A	N/A
Total	1,605,000⁽¹⁾	\$0.10	45,805

NOTES:

- (1) Represents the Stock Option Plan of the Company. As at July 31, 2023, the Option Plan reserved Common Shares equal to a maximum of 10% of the issued and outstanding Common Shares for issue pursuant to the Option Plan. Based on the issued and outstanding of 16,508,054 as at July 31, 2023