



## **STATEMENT OF EXECUTIVE COMPENSATION**

**December 31, 2020**

## STATEMENT OF EXECUTIVE COMPENSATION

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### GENERAL

For the purpose of this Statement of Executive Compensation:

“**company**” includes other types of business organizations such as partnerships, trusts and other unincorporated business entities;

“**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;

“**named executive officer**” or “**NEO**” 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, as determined in accordance with subsection 1.3(5) of Form 51-102F6V *Statement of Executive Compensation – Venture Issuers*; and
- (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;

“**plan**” includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, securities, similar instruments or any other property may be received, whether for one or more persons; and

“**underlying securities**” means any securities issuable on conversion, exchange or exercise of compensation securities.

## DIRECTOR AND NEO COMPENSATION

### *DIRECTOR AND NEO COMPENSATION, EXCLUDING OPTIONS AND COMPENSATION SECURITIES*

The following table sets forth all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company or a subsidiary thereof, to each NEO and director of the Company, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or director of the Company for services provided and for services to be provided, directly or indirectly, to the Company or a subsidiary thereof for each of the two most recently completed financial years.

| Table of Compensation Excluding Compensation Securities       |                               |   |            |                                |                           |                                      |                         |
|---|-------------------------------|---|------------|--------------------------------|---------------------------|--------------------------------------|-------------------------|
| Name and Position   | Financial Year Ended March 31 | Salary, Consulting Fee, Retainer or Commission (\$) | Bonus (\$) | Committee or Meeting Fees (\$) | Value of Perquisites (\$) | Value of All Other Compensation (\$) | Total Compensation (\$) |
| <b>Collin Kettell</b> <sup>(1)</sup>                          | 2020                          | 286,592   | 180,274    | Nil                            | Nil                       | Nil                                  | 466,866                 |
| <i>CEO and Director</i>                                       | 2019                          | 47,439  | 65,475     | Nil                            | Nil                       | Nil                                  | 112,914                 |
| <b>Bassam Moubarak</b> <sup>(2)</sup>                         | 2020                          | 238,778   | 150,962    | Nil                            | Nil                       | Nil                                  | 389,739                 |
| <i>CFO and Corporate Secretary</i>                            | 2019                          | 39,626  | 26,495     | Nil                            | Nil                       | Nil                                  | 66,122                  |
| <b>Paul Matysek</b> <sup>(3)</sup>                            | 2020                          | 318,370   | 200,880    | Nil                            | Nil                       | Nil                                  | 519,250                 |
| <i>Executive Chairman and Director</i>                        | 2019                          | 118,459   | 66,240     | Nil                            | Nil                       | Nil                                  | 184,699                 |
| <b>Craig Roberts</b> <sup>(4)</sup>                           | 2020                          | 60,000  | Nil        | Nil                            | Nil                       | Nil                                  | Nil                     |
| <i>Director</i>   | 2019                          | 10,000  | Nil        | Nil                            | Nil                       | Nil                                  | 10,000                  |
| <b>Douglas Forster</b> <sup>(5)</sup>                         | 2020                          | 60,000  | Nil        | Nil                            | Nil                       | Nil                                  | Nil                     |
| <i>Director</i>   | 2019                          | 10,000  | Nil        | Nil                            | Nil                       | Nil                                  | 10,000                  |
| <b>Scott Ackerman</b> <sup>(6)</sup>                          | 2020                          | Nil   | Nil        | Nil                            | Nil                       | Nil                                  | Nil                     |
| <i>Former CEO/CFO/President/Secretary and Former Director</i> | 2019                          | 130,576 <sup>(7)</sup>                              | Nil        | Nil                            | Nil                       | Nil                                  | 130,576 <sup>(7)</sup>  |
| <b>Doug McFaul</b> <sup>(8)</sup>                             | 2020                          | Nil   | Nil        | Nil                            | Nil                       | Nil                                  | Nil                     |
| <i>Former Director</i>  | 2019                          | Nil   | Nil        | Nil                            | Nil                       | Nil                                  | Nil                     |
| <b>Brent Ackerman</b> <sup>(9)</sup>                          | 2020                          | Nil   | Nil        | Nil                            | Nil                       | Nil                                  | Nil                     |
| <i>Former Director</i>  | 2019                          | Nil   | Nil        | Nil                            | Nil                       | Nil                                  | Nil                     |

(1) Collin Kettell has served as CEO and a director of the Company since January 31, 2019.

(2) Bassam Moubarak has served as CFO of the Company since January 31, 2019.

(3) Paul Matysek has served as Executive Chairman and a director of the Company since January 31, 2019.

(4) Craig Roberts has served as a director of the Company since January 31, 2019.

(5) Douglas Forster has served as a director of the Company since February 12, 2019.

(6) Scott Ackerman served as a director of the Company from April 3, 2012, to January 31, 2019. He served as CEO, President, and Corporate Secretary of the Company from April 4, 2012, to January 31, 2019, and CFO of the Company from June 26, 2015, to January 31, 2019.

(7) Includes \$10,500 paid to a corporation controlled by Scott Ackerman for the rental of office space for the Company

(8) Doug McFaul served as a director of the Company from June 15, 2015, to January 31, 2019.

(9) Brent Ackerman served as a director of the Company from June 26, 2015, to January 31, 2019.

## 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 or one of its subsidiaries during the financial year ended March 31, 2020, for services provided or to be provided, directly or indirectly, to the Company or any subsidiary thereof:

| Compensation Securities   |  |  |                        |  |  |   |               |
|---|--|--|------------------------|--|--|---|---------------|
| Name and Position   | Type of Compensation Security <sup>(1)</sup> | Number of Compensation Securities, Number of Underlying Securities, and Percentage of Class <sup>(2)</sup> | 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   |
| Collin Kettell <sup>(3)</sup><br><i>CEO and Director</i>              | Stock Options                                | 155,000 stock options<br>(155,000 underlying common shares: 0.17%)   | June 17, 2019          | 0.63                                     | 0.63   | 0.20  | June 17, 2024 |
| Bassam Moubarak <sup>(4)</sup><br><i>CFO and Corporate Secretary</i>  | Stock Options                                | 100,000 stock options<br>(100,000 underlying common shares: 0.11%)   | June 17, 2019          | 0.63                                     | 0.63   | 0.20  | June 17, 2024 |
| Craig Roberts <sup>(5)</sup><br><i>Director</i>                       | Stock Options                                | 25,000 stock options<br>(25,000 underlying common shares: 0.03%)   | June 17, 2019          | 0.63                                     | 0.63   | 0.20  | June 17, 2024 |
| Douglas Forster <sup>(6)</sup><br><i>Director</i>                     | Stock Options                                | 25,000 stock options<br>(25,000 underlying common shares: 0.03%)   | June 17, 2019          | 0.63                                     | 0.63   | 0.20  | June 17, 2024 |
| Paul Matysek <sup>(7)</sup><br><i>Executive Chairman and Director</i> | N/A  | N/A  | N/A                    | N/A                                      | N/A  | N/A   | N/A           |

(1) Stock options fully vested as at date of grant.

(2) Based on 91,134,068 common shares of the Company issued and outstanding as at March 31, 2020

(3) Including the above, Collin Kettell held an aggregate of 1,455,000 stock options (1,455,000 underlying common shares) as at March 31, 2020.

(4) Including the above, Bassam Moubarak held an aggregate of 850,000 stock options (850,000 underlying common shares) as at March 31, 2020.

(5) Including the above, Craig Roberts held an aggregate of 525,000 stock options (525,000 underlying common shares) as at March 31, 2020.

(6) Including the above, Douglas Forster held an aggregate of 775,000 stock options (775,000 underlying common shares) as at March 31, 2020.

(7) Paul Matysek held an aggregate of 2,600,000 stock options (2,600,000 underlying common shares) as at March 31, 2020.

## EXERCISE OF COMPENSATION SECURITIES BY DIRECTORS AND NEOS

There were no compensation securities exercised by a director or NEO during the financial year ended March 31, 2020.

### Stock Option Plans and Other Incentive Plans

The stock option plan of the Company (the “**Stock Option Plan**”) is a rolling stock option plan, whereby the aggregate number of common shares of the Company (“**Shares**”) reserved for issuance, together with any other Shares reserved for issuance under any other plan or agreement of the Company, shall not exceed ten (10%) percent of the total number of issued Shares (calculated on a non-diluted basis) at the time an option is granted. Its purpose is to provide the Company with a share-related mechanism to attract, retain and motivate qualified directors, officers, employees and consultants, to reward such persons as may be awarded stock options under the plan by the board of directors of the Company

(“**Board**”) from time to time for their contributions toward the long-term goals of the Company, and to enable and encourage such persons to acquire Shares as long-term investments.

The material terms of the Stock Option Plan are as follows:

- the Stock Option Plan reserves, for issuance pursuant to the exercise of stock options, a maximum number of Shares equal to 10% of the issued Shares at the time of any stock option grant;
- if a stock option expires or otherwise terminates for any reason without having been exercised in full, the number of Shares in respect of which the stock option expired or terminated shall again be available for the purposes of the Stock Option Plan;
- persons eligible to be granted stock options under the Stock Option Plan are directors, officers, and bona fide employees and consultants of the Company;
- the aggregate number of stock options granted to any one person (and companies wholly owned by that person) in any 12-month period must not exceed 5% of the issued Shares at the time of the grant, unless the Company has obtained the requisite disinterested Shareholder approval;
- the aggregate number of stock options granted to any one consultant in any 12-month period must not exceed 2% of the issued Shares at the time of the grant;
- the aggregate number of stock options granted to all persons conducting investor relations activities in any 12-month period must not exceed 2% of the issued Shares at the time of the grant;
- options fully vest on date of grant or as determined by the Board except for stock options issued to persons conducting investor relations activities which must vest in stages over a minimum period of 12 months with no more than ¼ of the stock options vesting in any three-month period;
- the exercise price per Share for a stock option may not be less than the Discounted Market Price (as such term is defined in the policies of the TSX Venture Exchange), subject to a minimum exercise price of \$0.05;
- stock options shall have a term not exceeding 10 years from the date of grant, subject to a provision allowing for the automatic extension to the expiry date of a stock option if such expiry date falls within a blackout period during which the Company prohibits option holders from exercising stock options, provided that the (i) blackout period must be formally imposed by the Company pursuant to its internal trading policies as a result of the bona fide existence of undisclosed material information, (ii) blackout period must expire upon the general disclosure of the undisclosed material information, (iii) expiry date of the affected stock options can be extended to no later than ten (10) business days after the expiry of the blackout period, and (iv) automatic extension of an option holder’s stock options will not be permitted where the option holder or the Company is subject to a cease trade order (or similar order under applicable securities laws) in respect of the Company’s securities;
- if an option holder is terminated for cause, each stock option held by such person shall terminate upon such termination for cause;
- if an option holder dies while holding stock options, each stock option held by such person shall terminate no later than the earlier of the expiry date of the stock options and the date which is six

months after the date of death, provided that the Board may extend the date of such termination to a date not exceeding the expiry date and the date which is 12 months after the date of death;

- if an option holder ceases to be an eligible person, other than by termination for cause or death, each stock option held by such person shall terminate no later than the earlier of the expiry date and the date which is 30 days after such event, provide that the Board may extend the date of such termination to a date not exceeding the earlier of the expiry date and the date which is 12 months after such event;
- upon the occurrence of an Accelerated Vesting Event (as defined in the Stock Option Plan), the Board will have the power, except pertaining to stock options granted to persons conducting investor relations activities which will be subject to prior written TSX Venture Exchange approval, to make such changes to the terms of stock options, including but not limited to (i) accelerating the vesting of stock options, conditionally or unconditionally, (ii) terminating every stock option if under the transaction giving rise to the Accelerated Vesting Event, stock options in replacement of the stock options are proposed to be granted to or exchanged with the option holders, (iii) otherwise modifying the terms of any stock option to assist the option holders to tender into any take-over bid or other transaction constituting an Accelerated Vesting Event, or (iv) following the successful completion of such Accelerated Vesting Event, terminating any stock option to the extent it has not been exercised prior to successful completion of the Accelerated Vesting Event;
- in connection with the exercise of a stock option, as a condition to such exercise the Company shall require the optionee to pay, as applicable, to the Company an amount as necessary so as to ensure that the Company is in compliance with the applicable provisions of any federal, provincial or local laws relating to the withholding of tax or other required deductions relating to the exercise of such stock option;
- disinterested shareholder approval is required for any reduction in the exercise price of a stock option if the option holder is an insider of the Company at the time of the proposed amendment;
- stock options are non-assignable and non-transferable; and
- the Stock Option Plan contains provisions for adjustment in the number of Shares issuable on exercise of stock options in the event of a Share consolidation, subdivision, conversion, exchange, reclassification or any substitution.

Stock options form the only equity compensation plan the Company has in place.

### ***Employment, Consulting and Management Agreements***

The Board recognizes the value of the named executive officers of the Company and the importance of their consistent focus in the event of a possible change of control. It was determined by the Board that it is in the best interests of the Company to ensure that the consistency and stability of the named executive officers is maintained during any change of control. Accordingly, each named executive officer has an employment agreement or consulting agreement with the Company that provides for payments to the named executive officer in connection with termination or a change of control of the Company, as further described below.

Pursuant to a management services agreement dated February 1, 2019, between the Company and Argentum Capital Corp. (the “**Argentum Agreement**”), a private company controlled by Mr. Collin

Kettell, a director and Chief Executive Officer of the Company, the Company has agreed to pay to Argentum Capital Corp. (“**Argentum**”) a base fee of US\$18,000 (the “**Argentum Base Fee**”) per month for management services, a signing bonus of US\$50,000, and an incentive fee for an amount to be determined in the sole discretion of the Board, and grant 1,300,000 incentive stock options. In the event the Argentum Agreement is terminated without cause, the Company must pay Argentum a termination fee equal to 18 months of the Argentum Base Fee, plus any reimbursable expenses. In the event the Argentum Agreement is terminated by Argentum within 60 days following a change of control (as defined in the Argentum Agreement) or by the Company within 60 days following a change of control, the Company must pay Argentum a termination fee equal to 24 months of the Argentum Base Fee plus an amount that is equivalent to all earned bonuses in the 24 months prior to such termination.

Pursuant to a management services agreement dated February 1, 2019, between the Company and Bedrock Capital Corporation (the “**Bedrock Agreement**”), a private company controlled by Mr. Paul Matysek, a director and the Executive Chairman of the Company, the Company has agreed to pay to Bedrock Capital Corporation (“**Bedrock**”) a base fee of US\$20,000 (the “**Bedrock Base Fee**”) per month for management services, a signing bonus of US\$50,000, and an incentive fee for an amount to be determined in the sole discretion of the Board, and grant 2,600,000 incentive stock options. In the event the Bedrock Agreement is terminated without cause, the Company must pay Bedrock a termination fee equal to 18 months of the Bedrock Base Fee, plus any reimbursable expenses. In the event the Bedrock Agreement is terminated by Bedrock within 60 days following a change of control (as defined in the Bedrock Agreement) or by the Company within 60 days following a change of control, the Company must pay Bedrock a termination fee equal to 24 months of the Bedrock Base Fee plus an amount that is equivalent to all earned bonuses in the 24 months prior to such termination.

Pursuant to a management services agreement dated February 1, 2019, between the Company and Bassam Moubarak (the “**Moubarak Agreement**”), Chief Financial Officer of the Company, the Company has agreed to pay to Mr. Moubarak a base fee of US\$15,000 (the “**Moubarak Base Fee**”) per month for management services, a signing bonus of US\$20,000, and an incentive fee for an amount to be determined in the sole discretion of the Board, and grant 750,000 incentive stock options. In the event the Moubarak Agreement is terminated without cause, the Company must pay Mr. Moubarak a termination fee equal to 18 months of the Moubarak Base Fee, plus any reimbursable expenses. In the event the Moubarak Agreement is terminated by Mr. Moubarak within 60 days following a change of control (as defined in the Moubarak Agreement) or by the Company within 60 days following a change of control, the Company must pay Mr. Moubarak a termination fee equal to 24 months of the Moubarak Base Fee plus an amount that is equivalent to all earned bonuses in the 24 months prior to such termination.

### ***Oversight and Description of Director and Named Executive Officer Compensation***

The Board determines named executive officer compensation at the time of the engagement of a named executive officer, and subsequently reviews compensation payable to a named executive officer at the discretion of the Board from time to time. The objectives of the Company's executive compensation policy are to attract and retain individuals of high caliber to serve as officers of the Company, to motivate their performance in order to achieve the Company's strategic objectives and to align the interests of executive officers with the long-term interests of Shareholders. The Company's primary compensation policy is to pay for performance and, accordingly, the performance of the Company and its named executive officers are both examined by the Board.

The Company pays base compensation in the form of management fees or salaries to its named executive officers that is competitive with that of comparable companies in the mineral exploration industry. The base compensation payable to the named executive officers was determined at the time each entered into their respective management services or employment agreement with the Company.

Their respective base compensation was objectively determined by the Board comparing the base compensation of each respective named executive officer with that of executive officers of comparable companies in the mineral exploration industry.

#### *Director Compensation*

The Board as a whole determines director compensation from time to time. Directors are entitled to be reimbursed for reasonable expenditures incurred in performing their duties as directors, and the Company may, from time to time, grant to its directors incentive stock options to purchase Shares. The Company currently relies solely on discussion without any formal objectives, criteria and analysis to determine the number of incentive stock options, and the terms and conditions of such stock options, to be granted to the directors and officers of the Company in accordance with the policies of the TSX Venture Exchange and the Stock Option Plan. The Board also takes into consideration the number and value of outstanding stock options already held by each option holder when determining stock option grants.

#### *Pension Disclosure*

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