

FORM 51-102F6V
STATEMENT OF EXECUTIVE COMPENSATION – VENTURE ISSUERS

The following is presented in accordance with National Instrument Form 51-102F6V – *Statement of Executive Compensation*, and sets forth compensation for each of Hugh M (Mac) Balkam, the Chief Executive Officer (“CEO”) of Eskay Mining Corp. (the “Company”), Carmelo Marrelli, the Chief Financial Officer (“CFO”) of the Company (together, the “NEOs”), Robert Myhill, Vice President of Finance and a director of the Company, Quinton Hennigh, a director of the Company, Gord McMehen, a director of the Company, and Thomas Weis, a director of the Company as at February 28, 2021.

Item 1: 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 two most recently completed financial years.

Table of Compensation Excluding Compensation Securities							
Name and position	Year ⁽¹⁾	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of prerequisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Hugh M. (Mac) Balkam, C.E.O. and Director	2021	36,000	Nil	Nil	Nil	1,810,575 ⁽⁴⁾	1,846,575
	2020	144,000	Nil	Nil	Nil	211,350 ⁽²⁾	355,350
Carmelo Marrelli C.F.O.	2021	58,735	Nil	Nil	Nil	251,300 ⁽⁴⁾	310,035
	2020	51,512	Nil	Nil	Nil	Nil	51,512
Robert Myhill, V.P. Finance and Director	2021	37,500	Nil	Nil	Nil	1,433,625 ⁽⁴⁾	1,471,125
	2020	15,000	Nil	Nil	Nil	35,500 ⁽²⁾	50,500
Gord McMehen	2021	15,000	Nil	Nil	Nil	628,250 ⁽⁴⁾	643,250
	2020	15,000	Nil	Nil	Nil	77,500 ⁽²⁾	92,500
Quinton Hennigh, Director	2021 ⁽³⁾	12,740	Nil	Nil	Nil	2,615,950 ⁽⁴⁾	2,628,690
Thomas Weis	2021 ⁽³⁾	26,300	Nil	Nil	Nil	354,250 ⁽⁴⁾	380,550

(1) Financial years ended February 28, 2021 and February 29, 2020.

(2) Option-based awards. The fair value of the options was estimated using the Black-Scholes Option pricing model with the following assumptions: expected dividend yield of Nil%; risk free interest rate of 1.15%-1.61%; estimated life of 5 years and expected volatility of 138% - 139%.

(3) Elected a director on August 11, 2020.

(4) Option-based awards. The fair value of the options was estimated using the Black-Scholes Option pricing model with the following assumptions: expected dividend yield of Nil%; risk free interest rate of 0.38% - 0.48%; estimated life of 5 years and expected volatility of 140% - 146%.

Item 2: 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 provide or to be provided, directly or indirectly, to the Company in the most recently completed financial year.

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
Hugh M. (Mac) Balkam C.E.O. and Director	Stock Options	250,000 1.74%	June 24, 2020	\$0.24	\$0.24	\$2.40	June 24, 2025
		700,000 4.87%	February 5, 2021	\$3.00	\$3.00	\$2.40	February 5, 2026
Carmelo Marrelli C.F.O.	Stock Options	100,000 0.7%	February 5, 2021	\$3.00	\$3.00	\$2.40	February 5, 2026
Robert Myhill, V.P. Finance and Director	Stock Options	250,000 1.74%	June 24, 2020	\$0.24	\$0.24	\$2.40	June 24, 2025
		550,000 3.83%	February 5, 2021	\$3.00	\$3.00	\$2.40	February 5, 2026
Quinton Hennigh Director	Stock Options	500,000 3.48%	June 24, 2020	\$0.24	\$0.24	\$2.40	June 24, 2025
		1,000,000 6.96%	February 5, 2021	\$3.00	\$3.00	\$2.40	February 5, 2026
Gord McMehen Director	Stock Options	250,000 1.74%	February 5, 2021	\$3.00	\$3.00	\$2.40	February 5, 2026
Thomas Weis Director	Stock Options	500,000 3.48%	June 24, 2020	\$0.24	\$0.24	\$2.40	June 24, 2025
		100,000 0.7%	February 5, 2021	\$3.00	\$3.00	\$2.40	February 5, 2026

Exercise of Compensation Securities by Directors and NEOs							
Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of Exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Hugh M. (Mac) Balkam C.E.O. and Director	Stock Options	500,000	\$0.075	August 28, 2020	\$0.65	\$0.575	\$287,500
		200,000	\$0.105	February 3, 2021	\$2.52	\$2.415	\$483,000
Robert Myhill, V.P. Finance and Director	Stock Options	350,000	\$0.075	August 28, 2020	\$0.65	\$0.575	\$201,250
		200,000	\$0.105	February 9, 2021	\$2.72	\$2.615	\$523,000

Item 3: Employment, Consulting and Management Agreements

On July 27, 2017, the Company entered into an employment contract with the Chief Executive Officer commencing March 1, 2017 pursuant to which the Chief Executive Officer continues to receive the sum of \$3,000 per month and the employment contract can be terminated on the payment of one year's annual compensation. However, the term of the severance payment in the event of a Change of Control, as defined below, was increased to four years' annual compensation from three years. Also effective July 27, 2017, the Company entered into a consulting agreement with a company controlled by the Chief Executive Officer, effective as of March 1, 2017, under which the sum of \$9,000 a month is payable. The consulting agreement has a term ending February 28, 2020. The consulting agreement renews annually for a further year unless terminated and was renewed effective February 28, 2021 for a further year. The consulting agreement can be terminated on the payment of one year's annual compensation. The Chief Executive Officer is entitled to a payment of four years' annual compensation under the consulting agreement in the event of a Change of Control as defined below.

The Company has also entered into a consulting agreement with a company controlled by the Chief Financial Officer under which the sum of \$3,750 a month is paid. The contract can be terminated by the Company at any time on 30 days' notice.

In the event of a termination of the Chief Executive Officer within 12 months following a Change of Control, as defined below, Mr. Balkam is entitled to a payment equal to four years' annual compensation under his employment contract and four years' annual compensation under his consulting agreement payable on or before the fifth day after the last day of his employment with the Company. A Change of Control is defined as: (i) a change of more than half of the directors of the Company unless approved by a majority of the Board; (ii) the sale or disposition of all or substantially all of the Company's assets (or any transaction having similar effect) is consummated; (iii) any "person" (as such term is defined in Section 1 of the *Business Corporations Act* (Ontario) ("**OBCA**")) acquires the "beneficial ownership" (as defined in Section 1 of the OBCA), directly or indirectly, of the securities of the Company representing more than thirty percent (30%) of (a) the outstanding voting securities of the Company; or (b) the combined voting power of the Company's then-outstanding securities; or (iv) the Company is party to a merger or consolidation that results in the holders of voting securities of the Company outstanding immediately prior thereto failing to continue to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than thirty percent (30%) of the combined voting power of

the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation; or (v) the dissolution or liquidation of the Company.

Other than as noted above, the Company has no compensatory plan or arrangement with respect to the Named Executive Officers that results or will result from the resignation, retirement or any other termination of employment of any such officer's employment with the Company, from a change of control of the Company or a change in the responsibilities of a Named Executive Officer following a change in control.

Item 4: Stock Option Plans and Other Incentive Plans

In 2016, the directors of the Company adopted a new 2016 Stock Option Plan (the "2016 Plan"), which was approved by the Shareholders of the Company on November 2, 2016, and ratified on August 11, 2020 to encourage common stock ownership in the Company for directors, executive officers, employees and consultants who are primarily responsible for the management and profitable growth of its business, to provide additional incentive for superior performance by such persons and to enable the Company to attract and retain valued directors, officers and employees by granting stock options to such persons.

The 2016 Plan provides that eligible persons thereunder include any director, employee (full-time or part-time), executive officer or consultant of the Company or any subsidiary thereof. A consultant means an individual (including an individual whose services are contracted through a personal holding company) with whom the Company or a subsidiary has a contract for substantial services.

The 2016 Plan is administered by the Board of Directors of the Company. The Board of Directors has the authority to determine, among other things, subject to the terms and conditions of the 2016 Plan, the terms, limitations, restrictions and conditions respecting the grant of stock options under the 2016 Plan.

The total number of shares which may be reserved and set aside for issuance to eligible persons may not exceed 10% of the issued and outstanding Common Shares from time to time. Investor Relations persons may not be granted options exceeding 2% of outstanding capital and such options must vest over 1 year with no more than 25% vesting in each quarter.

Pursuant to the 2016 Plan, the options will not be transferable other than by will or the laws of descent and distribution, the option price to be such price as is to be fixed by the 2016 Plan's administrator but shall not be less than the fair market value of the shares at the time the option is granted and payment thereof shall be made in full on the exercise of the options. The terms of the options may not exceed 5 years and shall be subject to earlier redemption upon the termination of employment. If an optionee ceases to be an eligible person for any reason whatsoever other than death, each option held by such optionee will cease to be exercisable in a period not exceeding 6 months following the termination of the optionee's position with the Company but only up to and including the original option expiry date. If an optionee dies, the legal representative of the optionee may exercise the optionee's options for a period not exceeding 1 year after the date of the optionee's death but only up to and including the original option expiry date. The 2016 Plan also contains anti-dilution provisions usual to plans of this type.

The Company will not provide any optionee with financial assistance in order to enable such optionee to exercise stock options granted under the 2016 Plan. The Company has no other compensation plans or arrangements in place and none are currently contemplated.

As of February 28, 2021, there were 14,370,000 stock options outstanding under the Plan and 1,371,928 options available for grant as follows:

Name and Position	Common Shares Under Option	Exercise Price	Expiry Date
Directors	4,950,000	\$0.095 to \$3.00	November 16, 2021 to February 5, 2026
Directors who are also Executive Officers	5,550,000	\$0.08 to \$3.00	January 30, 2023 to February 5, 2026
Executive Officers	1,300,000	\$0.135 to \$3.00	November 16, 2021 to February 5, 2026
Consultants	2,570,000	\$0.08 to \$3.00	November 16, 2021 to February 5, 2026
TOTAL	14,370,000		

Item 5: Oversight and Description of Director and NEO Compensation

Compensation Objectives and Principles

The Company is a mineral exploration company with property interests located in British Columbia. The Company has no revenues from operations and often operates with limited financial resources. As a result, to ensure that funds are available to complete scheduled programs, the Compensation Committee has to consider not only the financial situation of the Company at the time of the determination of executive compensation, but also the estimated financial condition of the Company in the future.

Since the preservation of cash is an important goal of the Company, an important element of the compensation awarded to the Named Executive Officers is the granting of stock options, which do not require cash disbursement by the Company. The granting of stock options also helps to align the interests of the Named Executive Officers with the interests of the Company. The other two elements of the compensation the Company awards to its Named Executive Officers are: (i) base cash consulting fees; and (ii) in applicable circumstances, cash bonus payments for achievement of stated milestones or benchmarks. The Company does not provide its Named Executive Officers with perquisites or personal benefits that are not otherwise available to all of our employees.

Compensation Processes and Goals

The deliberations of the Compensation Committee are conducted in a special session from which management is absent. These deliberations are intended to advance the key objectives of the compensation program for the Company's Named Executive Officers. At the request of the Compensation Committee, the Named Executive Officers may, from time to time, provide advice to the Compensation Committee with respect to the compensation program for the Company's Named Executive Officers. The Committee makes recommendations regarding the compensation to be awarded to the Named Executive Officers to the full Board of Directors (either on its own volition or based upon the advice it receives from the Named Executive Officers).

The Company relies on its Compensation Committee and its Board of Directors, through discussion without any formal objectives, targets, criteria or analysis, in determining the compensation of its Named Executive Officers. The Board of Directors is responsible for determining all forms of compensation, including the provision of long-term incentives through the granting of stock options to the Named Executive Officers of the Company, and to others, including, without limitation, to the Company's directors, and for reviewing the Compensation Committee's recommendations regarding the compensation to be awarded to any other officers of the Company from time to time, to ensure such arrangements reflect the responsibilities and risks associated with each such officer's position. The Board of Directors incorporates the following goals when it makes its compensation decisions with respect to the Company's Named Executive Officers: (i) the recruiting and retaining of executives who are critical

both to the success of the Company and to the enhancement of shareholder value; (ii) the provision of fair and competitive compensation; (iii) the balancing of the interests of management with the interests of the Company's Shareholders; (iv) the rewarding of performance, both on an individual basis and with respect to the operations of the Company as a whole; and (v) the preservation of available financial resources.

Item 6: 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.