

**ESHIPPERS MANAGEMENT LTD.  
(THE "CORPORATION")**

**STATEMENT OF EXECUTIVE COMPENSATION**

**FOR THE FINANCIAL YEAR ENDING MAY 31, 2021**

In accordance with the requirements of National Instrument 51-102 *Continuous Disclosure Obligations*, the Canadian Securities Administrators have issued guidelines on executive compensation disclosure for venture issuers as set out in Form 51-102F6V. The objective of the disclosure is to communicate the compensation the Corporation paid, made payable, awarded, granted, gave or otherwise provided to each named executive officer and director for the financial year, and the decision-making process relating to compensation. The disclosure will provide insight into executive compensation as a key aspect of the overall stewardship and governance of the Corporation and will help Shareholders understand how decisions about executive compensation are made. The Corporation's approach to executive compensation is set forth below.

**Director and Named Executive Officer Compensation**

Executive compensation is required to be disclosed for each (i) Chief Executive Officer (or individual who served in a similar capacity during the most recently completed financial year), (ii) each Chief Financial Officer (or individual who served in a similar capacity during the most recently completed financial year), (iii) the most highly compensated executive officer (other than the Chief Executive Officer and the Chief Financial Officer) who were serving as executive officers at the end of the most recently completed fiscal year whose total compensation was, individually, more than \$150,000; and (iv) each individual who would meet the definition set forth in (iii) but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of that financial year (the "Named Executive Officers" or "NEO's").

**Director and Named Executive Officer Compensation, Excluding Compensation Securities**

The following table sets forth all compensation paid or accrued, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Corporation or any subsidiary thereof, to each Named Executive Officer and director of the Corporation, for each of the two most recently completed financial years ended May 31, 2021 and 2020.

<b>Table of compensation excluding compensation securities</b>							
<b>Name and position <sup>(1)</sup></b>	<b>Year</b>	<b>Salary, consulting fee, retainer or commission (\$)</b>	<b>Bonus (\$)</b>	<b>Committee or meeting fees (\$)</b>	<b>Value of perquisites (\$) <sup>(2)</sup></b>	<b>Value of all other compensation (\$) <sup>(3)</sup></b>	<b>Total compensation (\$)</b>
BEREZAN, Leo <i>Director and President</i>	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
LEUNG, Edward <i>Director and CFO</i>	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
OLNICK, Virginia <i>Director</i>	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
SHIELDS, Gerald <i>Director</i>	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil

**Notes:**

1. If an individual is an NEO and a director, both positions have been listed. Directors do not receive compensation for acting as directors.
2. Includes perquisites provided to an NEO or director that are not generally available to all employees and that, in aggregate, are greater than (a) \$15,000, if the NEO or director's total compensation for the financial year is \$150,000 or less; (b) 10% of the NEO or director's compensation for the financial year, if the NEO or director's total compensation for the financial year is greater than \$150,000 but less than \$500,000; (c) \$50,000, if the NEO or director's total for the financial year is \$500,000 or greater.
3. No form of other compensation paid or payable equals or exceeds 25% of the total value of other compensation paid or payable to the director or Named Executive Officer other than compensation securities.

**External Management Companies**

Please refer to "Employment, Consulting and Management Agreements" below for disclosure relating to any external management company employing, or retaining individuals, acting as Named Executive Officers of the Corporation, or that provide the Corporation's executive management services and allocate compensation paid to any Name Executive Officer or director.

**Stock Options and Other Compensation Securities**

There were no compensation securities granted or issued by the Corporation, or any subsidiary thereof, to any director or Named Executive Officer in the most recently completed financial year ended May 31, 2021, for services provided or to be provided, directly or indirectly to the Corporation or any subsidiary thereof. Furthermore, there were no compensation securities exercised, by any director or Named Executive Officer in the most recently completed financial year ended May 31, 2021.

**Stock Option Plans and Other Incentive Plans**

The following is a summary of the Corporation's stock option plan (the "Option Plan"), which is the only incentive plan in place available to the Named Executive Officers and Directors.

To view the Option Plan in its entirety, please refer to the Corporation's most recently filed management information circular, which is available on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) which can be accessed at [www.sedar.com](http://www.sedar.com).

- The number of common shares reserved and authorized for issuance pursuant to options granted under the Option Plan is 1,200,000, twenty percent (20%) of the total number of issued and outstanding shares in the Corporation as at November 28, 2003, the date on which the Option Plan was approved by the Corporation's shareholders. Since the Corporation is currently listed on the NEX, the maximum number of options that may be reserved for issuance or issued in any 12-month period is now limited to ten percent (10%) of the total number of issued and outstanding shares in the Corporation, since the Option Plan only allows for the issuance of 1,200,000 common shares, the current Option Plan remains in place.
- Under the Option Plan, the aggregate number of optioned common shares granted to any one optionee in a 12-month period must not exceed 5% of the Corporation's issued and outstanding shares. The number of optioned common shares granted to any one consultant in a 12-month period must not exceed 2% of the Corporation's issued and outstanding shares. The aggregate number of optioned common shares granted to an optionee who is employed to provide investor relations' services must not exceed 2% of the Corporation's issued and outstanding common shares in any 12-month period.

- The exercise price for options granted under the Option Plan will not be less than the market price of the Corporation's common shares at the time of the grant, less applicable discounts permitted by the policies of the TSX Venture Exchange ("TSXV").
- Options will be exercisable for a term of up to five years, subject to earlier termination in the event of the optionee's death or the cessation of the optionee's services to the Corporation.
- Upon the retirement, resignation, or termination of the optionee's employment, the optionee's options will expire ninety (90) days from the date of termination, subject to the options' date of expiration. In the case of death, the options granted to the optionee will expire twelve (12) months following the date of each, subject to the options' date of expiration.
- Options are non-assignable and non-transferable.

The Option Plan was established to provide an incentive to the directors, officers, employees, consultants and other personnel of the Corporation to achieve the longer-term objectives of the Corporation, to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Corporation and to attract and retain in the employ of the Corporation, persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Corporation.

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

The Corporation does not have any employment, consulting or management agreements in place with its Name Executive Officers or directors.

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

##### **Director Compensation**

Subject to the availability of funds and the Corporation's revenue, the Corporation may compensate its independent directors. The independent directors are also eligible for equity-based compensation, in accordance with the policies of the Option Plan and applicable securities regulatory authorities and stock exchanges. The issuance of any independent director compensation is upon recommendation and approval of the Board and is determined on an annual basis.

##### **Named Executive Officer Compensation**

The Board of Directors is responsible for identifying individuals qualified to become new board members; setting director and senior executive compensation; and assessing compensation related and governance matters.

The objective of the Board of Directors in setting compensation levels is to attract and retain individuals of high caliber to serve the Corporation, to motivate their performance in order to achieve the Corporation's strategic objectives and to align the interests of the Named Executive Officers with the long-term interests of the Shareholders. These objectives are designed to ensure that the Corporation's business can grow and develop.

The Board of Directors sets the compensation received by the Named Executive Officers so as to be generally competitive with the compensation received by persons with similar qualifications and responsibilities who are engaged by other companies of corresponding size and stage of development, having similar assets, number of employees and market capitalization; the peer group the Corporation uses to determine compensation consists of Esstra Industries Inc., Nevado Resources Corporation and Tower Resources Ltd.

The Corporation compensates its Named Executive Officers based on their skill and experience levels and the existing stage of development of the Corporation. Named Executive Officers are rewarded on the basis of the skill and level of responsibility involved in their position, the individual's experience and qualifications, the Corporation's resources, industry practice, and regulatory guidelines regarding executive compensation levels.

The Board of Directors has implemented three levels of compensation to align the interests of the executive officers with those of the shareholders. First, Named Executive Officers are paid a monthly consulting fee or salary determined by the Board of Directors, if appropriate; second, the Board of Directors awards Named Executive Officers long term incentives in the form of stock options if appropriate. Finally and only in special circumstances, the Board of Directors may award cash or share bonuses for exceptional performance that results in a significant increase in shareholder value, the Corporation determines the amount to be paid for each significant element of compensation, based on objective, identifiable measures or upon a subjective decision by the independent members of the Board.

The base compensation of the Named Executive Officers is reviewed and set annually by the Board of Directors. The Chief Executive Officer has substantial input in setting annual compensation levels. The Chief Executive Officer is directly responsible for the financial resources and operations of the Corporation. In addition, the Chief Executive Officer and the Board of Directors from time to time determine the stock option grants to be made pursuant to the Option Plan. Previous grants of stock options are taken into account when considering new grants. The Board of Directors awards bonuses at its sole discretion. The Board of Directors has not, as of yet, set any performance criteria or objectives.

The Board of Directors considers the implications of the risks associated with the Corporation's compensation policies and practices when determining rewards for its Named Executive Officers and ensures that those policies do not encourage management to take inappropriate or excessive risks. The Board of Directors does not believe that there are any risks arising from the compensation programs that would be reasonably likely to have a material adverse effect on the Corporation.

Neither Named Executive Officers nor directors are permitted to take any derivative or speculative positions in the Corporation's securities. This is to prevent the purchase of financial instruments that are designed to hedge or offset any decrease in the market value of the Corporation's securities.

Compensation for the most recently completed financial year should not be considered an indicator of expected compensation levels in future periods. All compensation is subject to and dependent on the Corporation's financial resources and prospects.

#### **Pension Disclosure**

The Corporation does not have any defined benefit or defined contribution pension plans in place which provide for payments or benefits at, following, or in connection with retirement of its directors or Named Executive Officers.