

PARA RESOURCES INC.

STATEMENT OF EXECUTIVE COMPENSATION

Set out below are particulars of compensation paid to the following persons (the “**Named Executive Officers**”) of Para Resources Inc. (the “**Company**”) as at December 31, 2018:

- (a) the Company’s CEO;
- (b) the Company’s CFO;
- (c) the Company’s President;
- (d) each of the Company’s three most highly compensated executive officers, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V, for the December 31, 2018 year end; and
- (e) each individual who would be a Named Executive Officer under paragraph (c) but for the fact the individual was neither an executive officer, nor acting in a similar capacity at December 31, 2018.

During the financial year ended December 31, 2018, the Company had three Named Executive Officers: C. Geoffrey Hampson, the Company’s CEO and Chairman, Ian Harris, the Company’s President and Timothy Lallas, the Company’s CFO.

Director and Named Executive Officer Compensation, excluding Compensation Securities

The following table provides a summary of compensation paid or accrued, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company or a subsidiary of the Company to each Named Executive Officer and director of the Company during the Company’s two most recent financial years ended December 31, 2018 and December 31, 2017.

Table of compensation excluding compensation securities							
Name and Position	Year Ended	Salary, Consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites ⁽¹⁾ (\$)	Value of all other Compensation (\$)	Total Compensation (\$)
C. Geoffrey Hampson	2018	77,742	Nil	Nil	Nil	165,850 ⁽²⁾	243,592

Chairman, CEO and Director ⁽³⁾	2017	Nil	Nil	Nil	Nil	252,447 ⁽²⁾	252,447
James P. Taylor Former CFO ⁽⁴⁾	2018	46,645	Nil	Nil	Nil	Nil	46,645
	2017	Nil	Nil	Nil	Nil	77,841 ⁽²⁾	77,841
Ian Harris President ⁽⁵⁾	2018	310,968	Nil	Nil	Nil	Nil	310,968
	2017	Nil	Nil	Nil	Nil	311,664 ⁽⁶⁾	311,644
Larry Timlick Director	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil
Glenn Walsh Director	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil
James Randall Martin COO and Director	2018	Nil	Nil	Nil	Nil	83,306	83,306
	2017	Nil	Nil	Nil	Nil	181,108	181,108
Ioannis Tsitos Director	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil
Timothy Lallas CFO ⁽⁷⁾	2018	180,000	Nil	Nil	Nil	25,204 ⁽¹⁾	205,204
	2017	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

(1) The value of perquisites and benefits, if any, was less than \$15,000.

(2) Amount paid to Hampson Equities, Ltd. ("**Hampson Equities**"), a company controlled by Mr. Hampson, on account of management and administrative services provided pursuant to a rent and administrative services contract between the Company and Hampson Equities pursuant to which Mr. Hampson provided services to the Company.

(3) Mr. Hampson was appointed as the Company's CEO on April 30, 2012 and the Company's Chairman on April 22, 2013.

(4) Mr. Taylor ceased to be the Company's CFO on January 1, 2018.

(5) Mr. Harris was appointed as the Company's President on September 1, 2016.

(6) Amount paid to Mr. Harris pursuant to an employment agreement between the Company and Mr. Harris

(7) Mr. Lallas was appointed as the Company's CFO on January 1, 2018.

Stock Options and Other Compensation Securities

The following table discloses all compensation securities granted or issued during the most recently completed financial year ended December 31, 2018 to each Named Executive Officer and director for services provided or to be provided, directly or indirectly, to the Company or its subsidiary:

Compensation Securities							
Name and Position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class ⁽¹⁾	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
C. Geoffrey Hampson Chairman, CEO and Director ⁽²⁾	Stock Options	2,000,000 (17.79%)	February 20, 2018	0.23	0.22	0.14	February 20, 2023
James P. Taylor Former CFO ⁽³⁾	Stock Options		No 2018 grant				
Ian Harris President ⁽⁴⁾	Stock Options		No 2018 grant				
Larry Timlick Director ⁽⁵⁾	Stock Options		No 2018 grant				
Glenn Walsh Director ⁽⁶⁾	Stock Options		No 2018 grant				
James Randall Martin COO and Director ⁽⁷⁾	Stock Options		No 2018 grant				
Ioannis Tsitos Director ⁽⁸⁾	Stock Options		No 2018 grant				
Tim Lallas CFO ⁽⁹⁾	Stock Options		No 2018 grant				

Notes:

(1) All stock options are fully vested. One common share is issuable on the exercise of each stock option. Percentages based on 11,240,000 stock options outstanding as at December 31, 2018.

- (2) On December 31, 2018, Mr. Hampson held stock options exercisable as follows: 200,000 at \$0.05 until January 13, 2020; 400,000 at \$0.09 until January 28, 2021; 300,000 at \$0.22 until October 28, 2021 and 100,000 at \$0.15 until December 14, 2022 and 2,000,000 at \$0.23 until February 20, 2023.
- (3) On December 31, 2018, Mr. Taylor held stock options exercisable as follows: 200,000 at \$0.05 until January 13, 2020; 200,000 at \$0.09 until January 28, 2021 and 50,000 at \$0.15 until December 14, 2022.
- (4) On December 31, 2018, Mr. Harris held stock options exercisable as follows: 2,000,000 at \$0.22 until October 28, 2021 and 1,000,000 at \$0.15 until December 14, 2022.
- (5) On December 31, 2018, Mr. Timlick held stock options exercisable as follows: 200,000 at \$0.05 until January 13, 2020; 100,000 at \$0.09 until January 2, 2021 and 100,000 at \$0.15 until December 14, 2022.
- (6) On December 31, 2018, Mr. Walsh held stock options exercisable as follows: 200,000 at \$0.22 until October 28, 2021.
- (7) On December 31, 2018, Mr. Martin held stock options exercisable as follows: 200,000 at \$0.22 until October 28, 2021 and 50,000 at \$0.15 until December 14, 2022.
- (8) On December 31, 2018, Mr. Tsitos held stock options exercisable as follows: 100,000 at \$0.09 until January 28, 2021 and 100,000 at \$0.15 until December 14, 2022.
- (9) On December 31, 2018, Mr. Lallas held stock options exercisable as follows: 300,000 at \$0.15 until December 14, 2022.

Exercise of Compensation Securities by Directors and NEOs

During the financial year ended December 31, 2018, no directors or Named Executive Officers exercised any compensation securities.

Equity Compensation Option Plans

At the Company's last annual general meeting of shareholders held on December 19, 2018, the Company's shareholders approved a new form of incentive compensation plan (the "**Equity Incentive Plan**") that permits the grant of stock options ("**Options**"), and in addition to Options, the grant RSUs (restricted share units) to eligible directors, officers, employees and consultants of the Company. The Equity Incentive Plan subsequently received TSX Venture Exchange approval on February 11, 2019.

An RSU consists of the grant of a right to receive common shares at a later date, which may vest in installments in accordance with performance criteria specified by the Board. The common shares underlying RSUs will be issued from treasury. The Board believes that by providing this additional form of equity-based compensation, the Company will be able to continue to provide incentives that attract, retain and motivate employees, officers, directors and consultants. The RSU portion of the Equity Incentive Plan will only be issuable to employees and officers of the Company, or its subsidiaries. Options will be available to directors, officers and employees.

The Equity Incentive Plan provides for the grant of both Options and RSUs (collectively, "**Awards**"). Pursuant to the Equity Incentive Plan, the maximum number of common shares of the Company which may be authorized for reservation for the grant of Awards from time to time will be equal to 10% of the Company's issued and outstanding common shares as of the date of each grant. A copy of the Equity Incentive Plan will be available at the Meeting. To December 31, 2018, the Company has not granted any RSUs under the Equity Incentive Plan. Under the Equity Incentive Plan the Company proposes up to 2,000,000 RSUs, which number does not replenish, and may only increase following shareholder approval of an amended equity incentive plan with a new number of RSUs. Awards that are Options may increase as the Company's outstanding share capital increases.

Under the Equity Incentive Plan, the Board may from time to time grant to directors, senior officers, employees and consultants of the Company, as the Board shall designate, Awards to acquire from the Company such number of its common shares as the Board shall designate. Some of the significant terms of the Equity Incentive Plan are as follows:

1. The total number of common shares to be reserved for issuance under one or more Awards over the previous one year period for any participant shall not exceed 5% of the issued common shares of the Company at the time of grant and the total number of common shares that may be reserved for issuance over the previous 12 month period for individuals engaged in an investor relations capacity shall not exceed 2% of the issued common shares of the Company at the time of grant. In addition, the total number of common shares to be reserved for issuance over the previous 12 month period for any one consultant, shall not exceed 2% of the issued common shares of the Company at the time of grant.
2. While the Company's common shares are listed on the Exchange, the purchase price or exercise price per common share for any Award granted under the Equity Incentive Plan shall not be less than the market price of the Company's common shares less any applicable discount in accordance with the policies of the Exchange.
3. RSUs granted must expire not later than a maximum of 3 years from the date of the grant.
4. Options granted must expire not later than a maximum of 10 years from the date of the grant.
5. Awards will vest at the discretion of the board of directors.
6. All Awards granted pursuant to the Equity Incentive Plan shall be non-assignable.

The Equity Incentive Plan is consistent with TSXV Policy 4.4 as it relates to the grant of Options.

Employment, Consulting and Management Agreements

The compensation for the CEO and the former CFO was provided under a consultancy and management agreement entered into on January 1, 2016 by the Company and Hampson Equities, a company wholly owned by C. Geoffrey Hampson whereby Hampson Equities agreed to provide the services of Mr. Hampson to act as President and Chief Executive Officer of the Company. Services provided to the Company include the services of Andrea Laird to act in the capacity of Administrator and Corporate Secretary, the services of Aziz Rehman as Staff Accountant and all office rent, offices supplies, communication and other management services as may be needed from time to time. In consideration, the Company agreed, among other terms, to pay Hampson Equities a monthly fee of US\$25,000. This monthly fee changed to US\$18,550 effective January 1, 2018. The Company may terminate such agreement, and all accrued and unpaid consulting fees to the date of termination of the agreement must be paid and all unpaid expenses incurred in accordance with the agreement up to the date of termination of the agreement must be paid.

The compensation for the President of the Company was provided pursuant to an employment agreement, entered into on September 1, 2016 by the Company and Mr. Harris (the “**Harris Agreement**”) whereby Mr. Harris agreed to provide services as President of the Corporation. In consideration, the Company agreed, among other terms, to pay Mr. Harris an annual base salary of US\$240,000 (the “**Base Salary**”). The Company may terminate such agreement for just cause by written notice of termination, in which event Mr. Harris will not be entitled to any payments or benefits other than amounts due under the Harris Agreement owed up to the date of termination (the “**Termination Date**”). If the Harris Agreement is terminated for reasons other than just cause, death or disability, the Company must provide working notice, payment in lieu of working notice or a combination of the two equal to six months of the Base Salary and Mr. Harris shall have three months from the Termination Date to exercise his stock options. The Company may also terminate the Harris Agreement for the reason of death or disability and upon such Termination Date, Mr. Harris’ stock options will vest immediately and be immediately exercisable and the Company must pay any unpaid Base Salary, unreimbursed business expenses and outstanding and accrued vacation pay up to and including the Termination Date. The Company or Mr. Harris may immediately terminate the Harris Agreement within twelve months of a change of control of the Company (a “**Change of Control**”). In the event that the Company terminates Mr. Harris’ employment, without just cause, within 12 months of a Change of Control or if there are material changes to the duties of Mr. Harris, the Company must pay Mr. Harris six months of the Base Salary and any payment required under termination without just cause. In the event that Mr. Harris terminates the Harris Agreement within 12 months of a Change of Control, the Company must pay Mr. Harris the payment required under termination without just cause. In both cases of termination on a Change of Control, Mr. Harris’ outstanding stock options will vest immediately and he will have three months from the notice of termination to exercise such stock options.

Oversight and Description of Director and Named Executive Officer Compensation

Director Compensation

The Company currently does not pay directors who are not employees or officers of the Company for attending directors’ meetings or for serving on committees. The Company has no arrangements, standard for otherwise, pursuant to which directors are compensated by the Company for their services as directors, for committee participation, or for involvement in special assignments during the most recently completed financial year. None of the Company’s directors have received any cash compensation for services provided in their capacity as directors during the Company’s most recently completed financial year.

Named Executive Officer Compensation

Remuneration plays an important role in attracting, motivating, rewarding and retaining knowledgeable and skilled individuals to the Company’s management team. The Company does not have a formal compensation policy. The main objectives the Company hopes to achieve through its compensation are:

- to attract and retain executives critical to the Company’s success, who will be key in helping the Company achieve its corporate objectives and increase shareholder value;
- to motivate the Company’s management team to meet or exceed targets;
- to recognize the contribution of executive directors to the overall success and strategic growth of the Company; and

- to align the interests of management and Company's shareholders by providing performance based compensation in addition to salary.

The Company's board of directors determines an appropriate amount of compensation for its executives, reflecting the need to provide incentive and compensation for the time and effort expended by the executives while taking into account the financial and other resources of the Company. The board of directors did not consider the implications of the risks associated with the Company's compensation practices; however, given the Company's size and nature of compensation provided to its executives in the last fiscal year, the board of directors does not view significant risk that would be likely to have a material adverse effect on the Company.