

**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, 2017:

- (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, 2017 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, 2017.

During the financial year ended December 31, 2017, the Company had three Named Executive Officers: C. Geoffrey Hampson, the Company’s CEO and Chairman, Ian Harris, the Company’s President and James Taylor, the Company’s former 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, 2017 and September 30, 2016. Because of the financial year end change, the year ended December 31, 2017 is for a period of 15 months and the year ended September 30, 2016 is for a period of 13 months.

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 <sup>(1)</sup> (\$)	Value of all other Compensation (\$)	Total Compensation (\$)
C. Geoffrey	2017	Nil	Nil	Nil	Nil	252,447 <sup>(2)</sup>	252,447

<b>Hampson</b> Chairman, CEO and Director <sup>(3)</sup>	2016	Nil	Nil	Nil	Nil	185,000 <sup>(2)</sup>	185,000
<b>James P. Taylor</b> Former CFO <sup>(4)</sup>	2017	Nil	Nil	Nil	Nil	77,841 <sup>(2)</sup>	77,841
	2016	Nil	Nil	Nil	Nil	42,000 <sup>(2)</sup>	42,000
<b>Ian Harris</b> President	2017	Nil	Nil	Nil	Nil	311,664 <sup>(6)</sup>	311,644
	2016	Nil	Nil	Nil	Nil	106,667 <sup>(6)</sup>	106,667
<b>Larry Timlick</b> Director	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil
<b>Glenn Walsh</b> Director	2017	Nil	Nil	Nil	Nil	Nil	■
	2016	Nil	Nil	Nil	Nil	Nil	Nil
<b>James Randall Martin</b> COO and Director	2017	Nil	Nil	Nil	Nil	181,108	181,108
	2016	Nil	Nil	Nil	Nil	Nil	Nil
<b>Ioannis Tsitos</b> Director	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	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 and Mr. Taylor 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

## 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, 2017 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 <sup>(1)</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
<b>C. Geoffrey Hampson</b> Chairman, CEO and Director <sup>(2)</sup>	Stock Options	300,000 (4.29%)	October 28, 2016	0.22	0.22	0.18	October 28, 2021
	Stock Options	100,000 (1.43%)	December 14, 2017	0.15	0.165	0.18	December 14, 2022
<b>James P. Taylor</b> Former CFO <sup>(3)</sup>	Stock Options	50,000 (0.72%)	December 14, 2017	0.15	0.165	0.18	December 14, 2022
<b>Ian Harris</b> President <sup>(4)</sup>	Stock Options	2,000,000 (28.61%)	October 28, 2016	0.22	0.22	0.18	October 28, 2021
	Stock Options	1,000,000 (14.31%)	December 14, 2017	0.15	0.165	0.18	December 14, 2022
<b>Larry Timlick</b> Director <sup>(5)</sup>	Stock Options	100,000 (1.43%)	December 14, 2017	0.15	0.165	0.18	December 14, 2022
<b>Glenn Walsh</b> Director <sup>(6)</sup>	Stock Options	200,000 (2.86%)	October 28, 2016	0.22	0.22	0.18	October 28, 2021
<b>James Randall Martin</b> COO and Director <sup>(7)</sup>	Stock Options	200,000 (2.86%)	October 28, 2016	0.22	0.22	0.18	October 28, 2021
	Stock Options	50,000 (0.72%)	December 14, 2017	0.15	0.165	0.18	December 14, 2022

<b>Ioannis Tsitos</b> Director <sup>(8)</sup>	Stock Options	100,000 (1.43%)	December 14, 2017	0.15	0.165	0.18	December 14, 2022
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Notes:

(1) All stock options are fully vested. One common share is issuable on the exercise of each stock option. Percentages based on 6,990,000 stock options outstanding as at December 31, 2017.

(2) On December 31, 2017, Mr. Hampson held stock options exercisable as follows 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.

(3) On December 31, 2017, 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, 2017, 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, 2017, 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, 2017, Mr. Walsh held stock options exercisable as follows: 200,000 at \$0.22 until October 28, 2021.

(7) On December 31, 2017, 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, 2017, 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.

### **Exercise of Compensation Securities by Directors and NEOs**

During the financial year ended December 31, 2017, no directors or Named Executive Officers exercised any compensation securities.

### **Stock Option Plans**

The only equity compensation plan which the Company currently has in place is its 2017 stock option plan (the "Plan"), approved by the shareholders of the Company on December 13, 2017 which was a 10% "rolling plan". In accordance with TSXV Policy 4.4, "rolling plans" must receive shareholder approval yearly.

The Plan complies with the current TSXV policies for Tier 2 issuers. Under the Plan, a maximum of 10% of the issued and outstanding share capital of the Company are proposed to be reserved at any time for issuance on the exercise of stock options. As the number of shares reserved for issuance under the Plan increases with the issue of additional shares of the Company, the Plan is considered to be a "rolling" stock option plan.

#### ***Terms of the Plan***

**Number of Shares Reserved.** The number of common shares reserved for issuance under the Plan is 10% of the number of common shares outstanding at any given time.

**Administration.** The Plan is to be administered by the board of directors of the Company or by a committee to which such authority is delegated by the board of directors from time to time.

**Eligible Persons.** The Plan provides that stock options may be issued only to directors, officers, employees, and consultants of the Company or of any of its affiliates or subsidiaries, to employees of

consultant companies providing management or administrative services to the Company, and to consultant companies themselves. Such persons and entities are referred to herein as “Eligible Persons”.

**Board Discretion.** The Plan provides that, generally, the number of shares subject to each option, the exercise price, the expiry time, the extent to which such option is exercisable and other terms and conditions relating to such options shall be determined by the board of directors of the Company or any committee to which such authority is delegated by the board of directors from time to time

**Maximum Term of Options.** Options granted under the Plan will be for a term not exceeding 10 years.

**Maximum Options per Person.** The number of shares reserved for issuance to any one option holder pursuant to options granted under the Plan during any twelve month period may not exceed 5% (or, in the case of a consultant, 2%) of the outstanding shares of the Company at the time of grant. The number of shares reserved for issuance to consultants and employees who are engaged in investor relations activities is limited to an aggregate of 2% of the outstanding shares of the Company at the time of grant.

**No Assignment.** The options may not be assigned or transferred.

**Termination Prior to Expiry.** Generally, options must expire and terminate on a date stipulated by the board of directors at the time of grant and, in any event, must terminate within a reasonable period to be determined by the Plan administrator commencing on the effective date the optionee ceases to be employed by or provide services to the Company (but only to the extent that such option has vested on or before the date the optionee ceased to be so employed or provide services to the Company) as provided for in the written option agreement between the Company and the optionee, and all rights to purchase common shares under such option will expire as of the last day of such Exercise Period, provided however that the maximum Exercise Period shall be six (6) months, unless the optionee has entered into a valid employment or consulting agreement that provides for a longer Exercise Period, but in no case shall the exercise period be greater than one (1) year unless prior TSXV approval has been given. If an option holder dies, the options of the deceased option holder will be exercisable by his or her estate for a period not exceeding 12 months or the balance of the term of the options, whichever is shorter.

**Exercise Price.** Options granted under the terms of the Plan will be exercisable at a price which is not less than the Discounted Market Price, as that term is defined in the TSXV policy manual as of the date hereof, or such other minimum price as is permitted by the TSXV in accordance with its policies from time to time.

**Full Payment for Shares.** The Company will not issue shares pursuant to options granted under the Plan unless and until the shares have been fully paid for. The Company will not provide financial assistance to option holders to assist them in exercising their options.

**Reduction of Exercise Price.** The exercise price of stock options granted to insiders may not be decreased without disinterested shareholder approval (in accordance with TSXV policy).

**Termination of Plan.** The Plan will terminate when all of the options have been granted or when the Plan is otherwise terminated by the Company. Any options outstanding when the Plan is terminated will remain in effect until they are exercised or they expire.

## **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 James P. Taylor as former CFO, 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 USD \$25,000. 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 an 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.