

**COPPERNICO METALS INC.**  
**(the “Company” or Coppernico)**  
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**STATEMENT OF EXECUTIVE COMPENSATION OF THE COMPANY**  
**For the year ended December 31, 2022**

The following information is provided as required under Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers* and sets forth compensation for each “Named Executive Officer” (“NEO”) and director for the financial year ending December 31, 2022 and is effective June 28, 2023. (\$=CAD)

**General**

The following individuals are the Company’s NEOs:

- (a) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as either the chief executive officer (“CEO”) and chief financial officer (“CFO”), including an individual performing functions similar to a CEO or CFO;
- (b) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraph (a) at the end of the most recently completed financial year whose total compensation was more than \$150,000, for that financial year; and
- (c) each individual who would be a NEO under paragraph (b) 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.

**Oversight and Description of Director and NEO Compensation**

*Elements of the Compensation Program*

Coppernico is an expenditures-based junior exploration company with no revenues. Its business activities include investigating and acquiring mineral properties and conducting exploration programs. Its value proposition to investors lies in finding a mineral deposit and selling or partnering it with a major. As a result, the Board of Directors (the “**Board**”) must consider not only the financial situation of Coppernico at the time of determining executive compensation, but also the estimated financial situation of Coppernico over the projected period of exploration which is hard to predict.

The Company has established a compensation committee of the Board (the “**Compensation Committee**”) whose function is to assist the Board in carrying out its responsibilities relating to executive and director compensation, including reviewing and recommending director compensation, overseeing the Company’s base compensation structure, recommending compensation of the Company’s officers and employees, and evaluating the performance of officers generally and in light of annual goals and objectives. Director compensation is reviewed annually by the Compensation Committee and adjustments recommended if appropriate, followed by Board review. Upon the Company’s adoption of a share option plan, the Compensation Committee will also be responsible for recommending the granting of options in such amounts and upon such terms as may be approved by the Board from time to time.

The Board assumes responsibility for reviewing and monitoring the long-range compensation strategy for senior management of the Company although the Compensation Committee guides it in this role. The Compensation Committee reviews peer compensation market information on executive compensation levels as compiled by the Company's management.

### Philosophy and Objectives

The Company's compensation policies and programs are designed to be competitive with similar sized junior exploration mining companies, to recognize and reward executive performance consistent with the success of the Company's business and to achieve certain objectives, including to:

- (i) attract and retain experienced and talented mining executive officers;
- (ii) incentivize excellence in the performance of executive officers; and
- (iii) align shareholder and executive officer interests.

In compensating its senior management, the Company employs a combination of base salary and bonus compensation. Upon the Company adopting a share option plan, the Company will also compensate its senior management through equity participation.

The Company relies solely on the discussions of the Board, with direction from the Compensation Committee, based on a review of publicly available peer and market information, for determining executive compensation. The Company did not engage compensation consultants to determine the NEOs' compensation during the year ended December 31, 2022, or in previous years.

The Compensation Committee has not considered the implications of the risks associated with the Company's compensation policies and practices. The Compensation Committee monitors the market and considers risk assessments commensurate with the Company's market position.

A number of factors are considered by the Compensation Committee and the Board when determining NEO compensation, including:

- the NEO's individual contribution to the benefit of the Company and the assessment of each NEO's individual performance;
- the long-term interests of the Company and its shareholders particularly acquiring strategic mineral prospects and exploration success;
- the NEO's responsibilities, length of service and levels of compensation being provided by industry competitors to their own management; and
- the overall operational performance and financial position of the Company

### *Base Salary*

In the Board's view, paying base salaries which are competitive in the markets in which the Company operates is a first step to attracting and retaining talented, qualified and effective executives. Competitive salary information on comparable companies within the industry is compiled from a variety of sources, including surveys conducted by independent consultants and national and international publications. Comparable companies included but were not limited to: Signal Gold Inc., Xanadu Mines Limited, Marimaca Copper Corp., and Liberty Gold Corp. In selecting peer group companies, the Compensation Committee primarily looks for public companies that are comparable in terms of business and size (using the estimated market capitalization for Coppertino), and more specifically have similarities with: the fundraising requirements for exploration activities; their executive team based in Vancouver, Canada; Spanish speaking skills; copper exploration experience; experience in South American mineral exploration and extraction; and experience with business management and contract negotiation in the mineral

exploration field. The Company plans to seek a listing on a recognized stock exchange once it achieves minimum listing requirements of that exchange.

Base salaries are reviewed annually by the Compensation Committee and adjustments recommended if appropriate, followed by Board review.

#### *Short-Term Incentive Compensation*

The Company's objective is to achieve certain strategic objectives and milestones around property acquisition, achieving access for exploration and attracting investment capital and partners. The Board will consider executive bonus compensation dependent upon the Company meeting those strategic objectives and milestones, which are set at the beginning of each calendar year for the Executive team, as well as sufficient cash resources being available for the grant of bonuses. The Board considers the approval of executive bonuses as recommended by the Compensation Committee. Such recommendations are generally based on information provided by issuers that are similar in size and scope to the Company's operations.

No short-term incentive compensation was awarded in relation to the NEO performance in 2022.

#### *Share Options*

During the fiscal year ended December 31, 2022, no option-based awards were granted or outstanding.

The Company believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Accordingly, the Company intends to adopt a share option plan in connection with its proposed listing of common shares on a recognized stock exchange.

Given the evolving nature of the Company's business as a mineral exploration company, the Board continues to review and redesign the overall compensation plan for senior management so as to continue to address the objectives identified above.

#### *Pension Disclosure*

The Company does not have a pension plan that provides for payments or benefits to the NEOs at, following, or connection with retirement.

#### **Management Contracts and Universal Mineral Services Ltd. ("UMS")**

There are no management functions of the Company which are to any substantial degree performed by a person or company other than the directors or executive officers of the Company. The Company shares some administrative personnel services under a shared services agreement with UMS (the "**UMS Shared Services Agreement**") but these services are in support of the management personnel disclosed herein and not in lieu of them. The Company owns a 25% share interest in UMS which it acquired for nominal consideration. The remaining 75% of UMS is owned equally by three other junior resource issuers, namely Tier One Silver Inc, Fury Gold Mines Limited, and Torq Resources Inc. who share a head office location in Vancouver, BC. In 2022, Messrs. Bebek and Wallace sold their shares in UMS for nominal consideration and at the same time resigned as directors of UMS. Mr. Cook, who acquired the UMS shares, is also a director of Coppernico and on the date of transfer also took over as sole director of UMS. On April 1, 2022, UMS was restructured whereby Mr. Cook surrendered his ownership for \$1, and new equity was issued by UMS equally to the four public companies, for nominal consideration, which share UMS' services. UMS provides geological, financial, and transactional advisory services as well as administrative services to the Company on an ongoing, full cost recovery basis. Management believes that having these services available through UMS, on a shared and as-needed basis, allows the Company to maintain a more efficient and cost-effective corporate overhead structure by hiring fewer full-time employees and engaging outside professional advisory firms less frequently. The UMS Shared Services Agreement has an indefinite term and can be terminated by either party upon providing 180 days' notice although the Company will, in the event of termination of the shared services arrangements, remain liable for its share of the UMS premises

lease unless and until a replacement subtenant is found. Under the UMS Shared Services Agreement, the Company's CFO and VP, Exploration are employed by UMS and have entered into secondment employment arrangements between the Company and UMS. As indirect service providers to the Company, employees of UMS will be eligible for participation in the Company's share option plan in connection with its proposed listing of common shares on a recognized stock exchange.

As described in Note 7 to the annual financial statements and Item 9 to the MD&A for the financial year ended December 31, 2022, as filed under the Company's SEDAR profile at <https://www.sedar.com>, during 2022 the Company paid UMS, a total of \$1,519,958 for shared premises and the services of shared geological, administrative personnel and CFO services (2021: \$727,455).

### **Director and NEO Compensation**

The following table of compensation provides a summary of the compensation paid by the Company to NEOs and directors of the Company for the two most recently completed financial years ended December 31, 2022 and December 31, 2021.

During the year ended December 31, 2022, the NEOs of the Company were Ivan Bebek, President and CEO; Elizabeth Senez, CFO and Tim Kingsley, VP Exploration. The Directors of the Company were Ivan Bebek, Shawn Wallace, Steve Cook, Jeffrey Mason, Gordon Fretwell, Marie-Hélène Turgeon and Antonio Arribas.

<b>Table of Compensation Excluding Compensation Securities</b>						
<b>Name and Position</b>	<b>Year</b>	<b>Salary, Consulting Fee, Retainer or Commission (\$)</b>	<b>Bonus (\$)</b>	<b>Committee or Meeting Fees (\$)</b>	<b>Value of all Other Compensation (\$)</b>	<b>Total Compensation (\$)</b>
Ivan Bebek <sup>(1)(3)</sup> <i>President, CEO and Director</i>	2022	175,000	Nil	Nil	14,062 <sup>(12)</sup>	189,062
	2021	175,000	Nil	Nil	Nil	175,000
Elizabeth Senez <sup>(2)</sup> <i>CFO</i>	2022	85,181	Nil	Nil	Nil	85,181
	2021	86,667	22,000	Nil	Nil	108,667
Timothy Kingsley <sup>(4)</sup> <i>VP, Exploration</i>	2022	170,612	Nil	Nil	Nil	170,612
	2021	Nil	Nil	Nil	Nil	Nil
Shawn Wallace <sup>(5)</sup> <i>Director and Chair</i>	2022	60,000	Nil	Nil	Nil	60,000
	2021	60,000	Nil	Nil	Nil	60,000
Steve Cook <sup>(6)(11)</sup> <i>Director</i>	2022	27,500	Nil	Nil	Nil	27,500
	2021	15,000	Nil	Nil	Nil	15,000
Jeffrey Mason <sup>(7)</sup> <i>Director</i>	2022	15,000	Nil	Nil	Nil	15,000
	2021	15,000	Nil	Nil	Nil	15,000
Gordon Fretwell <sup>(8)</sup> <i>Director</i>	2022	15,000	Nil	Nil	Nil	15,000
	2021	15,000	Nil	Nil	Nil	15,000
Marie-Hélène Turgeon <sup>(9)</sup> <i>Director</i>	2022	11,301	Nil	Nil	Nil	11,301
	2021	Nil	Nil	Nil	Nil	Nil
Antonio Arribas <sup>(10)</sup> <i>Director</i>	2022	15,000	Nil	Nil	Nil	15,000
	2021	15,000	Nil	Nil	Nil	15,000

Notes:

- (1) Ivan Bebek was appointed as a director on July 23, 2020, and was appointed President and CEO of the Company on October 9, 2020 upon the spin out from the predecessor company.
- (2) Elizabeth Senez was appointed interim CFO of the Company effective October 9, 2020 on a fixed term basis to August 31, 2021; upon completion of the fixed term Ms. Senez was awarded a contract completion bonus of \$22,000. On September 1, 2021, Ms. Senez was made CFO on a permanent basis. During 2022, Ms. Senez held fixed-term executive employment directly with the Company under an employment agreement. In April 2022, Ms. Senez terminated her direct employment status with the Company and became directly employed by UMS and was seconded to the Company on a part time basis. Ms. Senez is taking four months of parental leave from May 15, 2023, and the Company's CEO has appointed Oliver Foeste, CPA, CA to take the interim role of CFO from mid-May to mid-September 2023.

- (3) None of Ivan Bebek's compensation relate to his services as a director.
- (4) Mr. Kingsley was hired on March 7, 2022. Mr. Kingsley is employed directly by UMS and was immediately seconded to the Company in March 2022.
- (5) Shawn Wallace was appointed as a director on July 23, 2020 and was appointed Chair on October 9, 2020.
- (6) Steve Cook was appointed as a director on October 9, 2020.
- (7) Jeffrey Mason was appointed as a director on October 9, 2020.
- (8) Gordon Fretwell was appointed as a director on October 9, 2020.
- (9) Marie Hélène Turgeon was appointed as a director on March 31, 2022.
- (10) Antonio Arribas was appointed as a director on October 9, 2020.
- (11) Mr. Cook was appointed as the Company's representative on the Board of UMS on January 1, 2022, and receives an additional director fee from the Company of \$12,500 for this role.
- (12) Other compensation for Mr. Bebek includes parking and executive health coverage which are provided as part of his compensation package.

### **Termination and change of control benefits**

Except as follows, the Company has not entered into any contracts, agreements, plans or arrangements that provide payments to an NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Company or a change in an NEO's responsibilities.

#### **Ivan Bebek, Chair and CEO**

Mr. Ivan Bebek serves as President and CEO of the Company. Pursuant to his executive employment agreement, Mr. Bebek is entitled to a base salary, which is \$175,000 for the 2022 fiscal year, and will be entitled to participate in the Company's share option plan and in the Company's group benefit plan(s), as the Company makes available. The Company may terminate Mr. Bebek without just cause by providing one year's notice of termination (or in the Company's sole discretion, base salary and benefits continuation in lieu of notice), plus an additional one months' notice of termination per each completed year of service, up to a maximum of six additional months, for a total of 18 months' notice of termination (or in the Company's sole discretion, base salary and benefits continuation in lieu thereof).

In the event Mr. Bebek resigns for good reason, or is terminated without just cause within 24 months after a change in control, the Company shall provide Mr. Bebek with the below immediately following the termination (the "**Date of Termination**"):

- (a) Mr. Bebek's annual salary and all accrued vacation pay earned by him to the Date of Termination;
- (b) an amount equal to two times Mr. Bebek's base salary and annual bonus;
- (c) a bonus for the year of termination prorated to the Date of Termination based on the terms of any incentive plans;
- (d) if Mr. Bebek holds any entitlements which are subject to vesting terms, all such securities will be deemed to be vested and available for immediate exercise;
- (e) job relocation counselling services of a firm chosen by Mr. Bebek, at a cost to the Company not to exceed \$5,000; and
- (f) the Company shall continue at its cost the benefits then in effect for Mr. Bebek until the earlier of 24-months from the Date of Termination or Mr. Bebek obtaining comparable benefits through other employment, provided that if the Company is insolvent or cannot continue to provide such benefits, Mr. Bebek is entitled to receive a lump sum payment sufficient to permit the purchase of equivalent benefits for the 24-month period after the Date of Termination.

#### **Elizabeth Senez, CFO**

Ms. Elizabeth Senez currently serves as CFO of the Company. During 2022, Ms. Senez held fixed-term executive employment directly with the Company under an employment agreement. In April 2022, Ms.

Senez terminated her direct employment status with the Company and became directly employed by UMS which seconds her to the Company on a part time basis as described below.

Timothy Kingsley

Mr. Kingsley was employed directly by UMS and immediately seconded to the Company in March 2022. See “*CFO and Other Secondment Arrangements for 2023*” below.

*CFO and Other Secondment Arrangements for 2023*

Pursuant to the above UMS Shared Services Agreement, Ms. Senez and Mr. Kingsley are seconded to the Company by UMS on a part-time basis. The compensation of seconded personnel, including Ms. Senez and Mr. Kingsley, is charged by UMS to the participating companies on an agreed level of time-spent basis. In addition to the cash compensation, each secondee is entitled to indirectly participate in the Company’s share option plan, once adopted, and to be reimbursed by the Company for professional dues and education expenses.

In the event the Company terminates a secondment without just cause, there is no termination payment due unless UMS also terminates the secondee’s employment agreement within 6 months. In such a situation, the Company would be required to reimburse UMS for its agreed share of the termination payment which is based on 12 months for Ms. Senez or 6 months for Mr. Kingsley (“**Notice Period**”) base secondment compensation. The Company is also required to continue any benefits during the Notice Period or payment in lieu thereof. Any outstanding Company share options shall continue to vest and be exercisable over the Notice Period and the secondees, including Ms. Senez and Mr. Kingsley, will only cease to be qualified service providers for the purposes of the Company’s share option plan at the end of the applicable Notice Period.

In the event of a change of control of the Company, followed by termination of the secondment, or resignation by any secondee, including Ms. Senez and Mr. Kingsley for good reason, within 12 months, the Company will pay a lump sum termination fee. In the case of Ms. Senez and Mr. Kingsley the termination fee is calculated as approximately 24 months of secondment payment made by the Company to UMS for their respective services.

**External management companies**

During the fiscal years ended December 31, 2022 and 2021, none of the executive officers or the directors of the Company were providing services to the Company as employees of an external management company. Ms. Senez was employed directly by the Company until March 31, 2022, whereupon she terminated her direct employment status with the Company and became directly employed by UMS and seconded to the Company.