

**DLV RESOURCES LTD.**  
**(the "Corporation")**

**FORM 51-102F6**  
**STATEMENT OF EXECUTIVE COMPENSATION**  
**(for the year ended November 30, 2017)**

**For the purpose of this Statement of Executive Compensation:**

**"Chief Executive Officer"** or **"CEO"** of the Corporation means an individual who acted as chief executive officer of the Corporation, or acted in a similar capacity, for any part of the most recently completed financial year;

**"Chief Financial Officer"** or **"CFO"** of the Corporation means an individual who acted as chief financial officer of the Corporation, or acted in a similar capacity, for any part of the most recently completed financial year;

**"closing market price"** means the price at which the Corporation's security was last sold, on the applicable date,

- (a) in the security's principal marketplace in Canada, or
- (b) if the security is not listed or quoted on a marketplace in Canada, in the security's principal marketplace;

**"company"** includes other types of business organizations such as partnerships, trusts and other unincorporated business entities;

**"equity incentive plan"** means an incentive plan, or portion of an incentive plan, under which awards are granted and that falls within the scope of IFRS2 *Share-based Payment*;

**"executive officer"** of the Corporation means an individual who at any time during the most recently completed financial year was:

- (a) a chair, vice-chair or president of the Corporation;
- (b) a vice-president of the Corporation in charge of a principal business unit, division or function including sales, finance or production; or
- (c) performing a policy-making function in respect of the Corporation.

**"grant date"** means a date determined for financial statement reporting purposes under IFRS2 *Share-based Payment*;

**"incentive plan"** means any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period;

**"incentive plan award"** means compensation awarded, earned, paid, or payable under an incentive plan;

**"NEO"** or **"Named Executive Officer"** means each of the following individuals:

- (a) a CEO;
- (b) a CFO;

- (c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, 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(6) of National Instrument 51-102, for that financial year; and
- (d) each individual who would be an NEO under paragraph (c) 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;

**“NI 52-107”** means National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency*;

**“non-equity incentive plan”** means an incentive plan or portion of an incentive plan that is not an equity incentive plan;

**“option-based award”** means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights, and similar instruments that have option-like features;

**“plan”** includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, securities, similar instruments or any other property may be received, whether for one or more persons;

**“share-based award”** means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, Common Shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, and stock.

## **STATEMENT OF EXECUTIVE COMPENSATION**

In accordance with the provisions of applicable securities legislation, the Corporation had five (5) “Named Executive Officers” during the financial year ended November 30, 2017, namely Mr. Geir Liland, President CEO and a Director since April 27, 2017, Ms. Jasvir Kaloti, CFO and Corporate Secretary since November 2, 2017, Melinda Coghill, former CFO and Corporate Secretary from April 27, 2017 to November 2, 2017, Thomas E. Wharton Jr., former President, CEO and Director from July 1, 2016 to April 27, 2017 and Peter W. Hogg, former CFO to April 27, 2017.

The Corporation’s process for determining executive compensation is very simple. In particular, the Corporation relies solely on board discussion without any formal objectives, criteria and analysis.

Through its executive compensation practices, the Corporation seeks to provide value to its Shareholders through a strong executive leadership. Specifically, the Corporation’s executive compensation structure seeks to attract and retain talented and experienced executives necessary to achieve the Corporation’s strategic objectives, motivate and reward executives whose knowledge, skills and performance are critical to the Corporation’s success, and align the interests of the Corporation’s executives and Shareholders by motivating executives to increase Shareholder value.

The Corporation does not currently pay any base salary compensation to its Named Executive Officers for their services in their capacity as Named Executive Officers. Compensation to Named Executive Officers currently consists solely of the granting of stock options. In determining executive compensation, the Corporation relies solely on the experience and knowledge of the Board of Directors in terms of appropriate compensation for executive officers with similar abilities and experience.

The Board of Directors has not conducted a formal evaluation of the implications of the risks associated with the Corporation’s compensation policies. Risk management is a consideration of the Board of

Directors when implementing its compensation policies and the Board of Directors do not believe that the Corporation's compensation policies result in unnecessary or inappropriate risk taking including risks that are likely to have a material adverse effect on the Corporation.

### **Option Based Awards**

The Corporation has in effect a stock option plan (the "**Stock Option Plan**") in order to provide effective incentives to directors, officers and senior management personnel and consultants of the Corporation and to enable the Corporation to attract and retain experienced and qualified individuals in those positions by permitting such individuals to directly participate in an increase in per share value created for the Corporation's Shareholders. The Corporation has no equity compensation plans other than the Stock Option Plan. The Stock Option Plan is an important part of the Corporation's long-term incentive strategy for its executive officers. The Stock Option Plan is intended to reinforce commitment to long-term growth in profitability and Shareholder value. The size of stock option grants to executive officers is dependent on each executive officer's level of responsibility, authority and importance to the Corporation and the degree to which such executive officer's long term contribution to the Corporation will be key to its long-term success. Previous grants of stock options are taken into account when considering new grants. The Corporation also grants options to charitable organizations as part of its commitment to social responsibility.

Under the Stock Option Plan, the number of common shares reserved for issuance pursuant to the exercise of stock options is equal to 10% of the issued common shares of the Corporation from time to time. For details of the Stock Option Plan, please refer to the Corporation's Information Circular dated May 1, 2017 available on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Use of Financial Instruments**

The Corporation does not have a policy that would prohibit a Named Executive Officer or director from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the Named Executive Officer or director. However, management is not aware of any Named Executive or director purchasing such an instrument.

### **NAMED EXECUTIVE OFFICERS COMPENSATION**

The following table sets out certain information respecting the compensation paid to the Named Executive Officers of the Corporation during the financial years ended November 30, 2017, 2016, and 2015. These individuals are referred to collectively as "**Named Executive Officers**" or "**NEOs**".

In accordance with the provisions of applicable securities legislation, the Corporation had six (5) Named Executive Officers, namely Geir Liland, Jasvir Kaloti, Melinda Coghill, Thomas E. Wharton Jr. and Peter W. Hogg during the financial year ended November 30, 2017. During the financial year ended November 30, 2016 the Corporation had three (3) Named Executive Officers, namely Clinton Smyth Thomas E. Wharton Jr. and Peter W. Hogg. During the financial year ended November 30, 2015 two (2) Named Executive Officers during the financial year ended November 30, 2015, namely Clinton Smyth, and Peter W. Hogg.

## SUMMARY COMPENSATION TABLE

NEO Name And Principal Position	Financial Year ended November 30	Salary (\$)	Share- based awards (\$)	Option -based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other comp- ensation (\$)	Total comp- ensation (\$)
					Annual incentive plans	Long- term incentive plans			
Geir Liland <sup>(1)</sup> , President, CEO and a Director	2017	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Jasvir Kaloti <sup>(2)</sup> CFO and Corporate Secretary	2017	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Melinda Coghill <sup>(3)</sup> Former CFO and Corporate Secretary	2017	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Thomas E. Wharton Jr. <sup>(4)</sup> former President, CEO and Director	2017	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Peter W. Hogg <sup>(5)</sup> former CFO	2017	Nil	Nil	Nil	Nil	Nil	Nil	3,709	3,709
	2016	Nil	Nil	Nil	Nil	Nil	Nil	3,210	3,210
	2015	Nil	Nil	Nil	Nil	Nil	Nil	16,025	16,025
Clinton Smyth <sup>(6)</sup> Former President, CEO and a director	2017	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2016	Nil	Nil	Nil	Nil	Nil	Nil	7,000	7,000
	2015	Nil	Nil	Nil	Nil	Nil	Nil	14,000	14,000

## Note:

- (1) Mr. Geir Liland has served as President, CEO and Director since April 27, 2017
- (2) Ms. Jasvir Kaloti has served as CFO & Corporate Secretary since November 2, 2017
- (3) Ms. Melinda Coghill served as CFO & Corporate Secretary from April 27, 2017 to November 2, 2017
- (4) Mr. Thomas E. Wharton served as President, CEO from July 1, 2016 to April 27, 2017, and a director from Jan 22, 2015 to April 27, 2017.
- (5) Peter W. Hogg was CFO of the Corporation to April 27, 2017. The amounts shown as paid to Mr. Hogg were paid to a company controlled by Mr. Hogg.
- (6) Clinton Smyth was President, CEO and a director from April 20, 2010 to June 30, 2016. The amounts shown as paid to Mr. Smith were paid to a company controlled by Mr. Smith.

## INCENTIVE PLAN AWARDS – Value Vested or Earned During the Year

No stock options were granted to the NEOs during the year ended November 30, 2017.

No stock options that were previously granted to the NEOs of the Corporation vested or were exercised during the year ended November 30, 2017. The Company has no stock options outstanding.

## **Narrative Discussion**

The only plan based award program that the Corporation currently operates with is its Stock Option Plan. The Corporation's current Stock Option Plan was adopted by the Board of Directors on May 1, 2017. The purpose of the Stock Option Plan is to advance the interests of the Corporation, through the grant of options, by (1) providing an incentive mechanism to foster the interest of directors, officers, employees and consultants in the success of the Corporation; (2) encouraging directors, officers, employees and consultants to remain with the Corporation; and (3) attracting new directors, officers, employees and consultants.

The Stock Option Plan is administered by the Board or the Compensation Committee established by the Board for the purpose of administering the Stock Option Plan. At the present time, option grants are approved by either the Board or the Compensation Committee. It is the responsibility of the granting party to determine:

- (a) persons entitled to receive the option grant;
- (b) the number of options to be granted;
- (c) the exercise price, which shall not be less than market price for the Corporation's common shares at the date of grant;
- (d) an expiry date of no more than ten (10) years after the date of the grant; and
- (e) the manner, if any, in which the option shall vest and become exercisable.

For details of the Stock Option Plan, please refer to the Corporation's Information Circular dated May 1, 2017 available on SEDAR at [www.sedar.com](http://www.sedar.com).

## **PENSION PLAN BENEFITS**

No pension, retirement or deferred compensation plans, including defined contribution plans, have been instituted by the Corporation and none are proposed at this time.

## **TERMINATION AND CHANGE OF CONTROL BENEFITS**

During the financial years ended November 30, 2015 and November 30, 2016, the Corporation did not have any contracts or arrangements with any of its Named Executive Officers and thus there are no termination or change of control benefits issuable thereto. There are no compensatory plan, contract or arrangement where a Named Executive Officer is entitled to receive payments from the Corporation or its subsidiaries in the event of (i) the resignation, retirement or any termination of the Named Executive Officer's employment with the Corporation and its subsidiaries (whether voluntary, involuntary or constructive), (ii) a change of control of the Corporation or any of its subsidiaries, or (iii) a change in the Named Executive Officer's responsibilities.

## **DIRECTOR COMPENSATION**

The Corporation had no standard arrangements for compensation of Directors for their services in their capacity as directors or for committee participation, involvement in special assignments or for services as consultants or experts during the year ended November 30, 2017 or subsequently, up to and including the date of this Statement of Executive Compensation, although directors may be compensated on an ad hoc basis, subject to the approval of the other board members, for certain services provided to the Corporation. Directors are eligible to receive grants of stock options pursuant to the Corporation's Stock Option Plan.

During the financial year ended November 30, 2017, the Corporation had seven Directors, three of whom were Named Executive Officer. Compensation for the NEO's, namely Geir Liland, and Thomas E. Wharton Jr. have been disclosed above.

The following table sets forth all compensation paid to Directors of the Corporation who were not NEO's during the financial year ended November 30, 2017:

**SUMMARY COMPENSATION TABLE**

<b>Name</b>	<b>Fees earned (\$)</b>	<b>Share-based awards (\$)</b>	<b>Option-based awards (\$)</b>	<b>Non-equity incentive plan compensation (\$)</b>	<b>Pension value (\$)</b>	<b>All other compensation (\$)</b>	<b>Total (\$)</b>
Peter Leitch <sup>(1)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Larry Copeland <sup>(2)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Brian Paes-Braga <sup>(3)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Carl R. Jonsson <sup>(4)</sup>	Nil	Nil	Nil	Nil	Nil	\$9,176	\$9,176
Theo Sanidas <sup>(5)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Note:

(1) Peter Leitch – director since April 27, 2017

(2) Larry Copeland has served as a director since April 27, 2017

(3) Brian Paes-Braga served as a director from June 5, 2017 to November 2, 2017

(4) Carl R. Jonsson served as the Secretary and a director of the Corporation from May 14, 2001 to April 27, 2017 as well as acting as the Corporation's lawyer. The amounts shown as paid to Mr. Jonsson were paid to his law firm. No separate fees were paid to Mr. Jonsson.

(5) Theo Sanidas served as a director from October 17, 2014 to April 27, 2017

#### **OUTSTANDING SHARE-BASED AWARDS AND OPTION BASED AWARDS**

The Corporation has not granted any share-based awards. As at the financial years ended November 30, 2017 no stock options were issued or outstanding. None of the directors of the Corporation exercised any stock options. None of the previously granted stock options held by directors of the Corporation vested during the financial year ended November 30, 2017.

#### **INCENTIVE PLAN AWARDS – VALUE VESTED OR EARNED DURING THE YEAR**

No stock options or other incentive plan awards were granted to the Director who were not Named Executive Officers during the year ended November 30, 2017

No stock options that were previously granted to the Directors who were not Named Executive Officers were exercised during the year ended November 30, 2017. The Company has no stock options outstanding.