

PHENOM

RESOURCES

STATEMENT OF EXECUTIVE COMPENSATION

DATED: APRIL 28, 2025



OBJECTIVE

The objective of this disclosure is to communicate the compensation the Company 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. This disclosure provides insight into executive compensation as a key aspect of the overall stewardship and governance of the Company and will help investors understand how decisions about executive compensation are made.

DEFINITIONS

For the purpose of this Statement of Executive Compensation, the following terms shall be defined as follows:

- (a) **“Company”** means Phenom Resources Corp.;
- (b) **“company”** includes other types of business organizations such as partnerships, trusts and other unincorporated business entities;
- (c) **“Compensation Securities”** includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the Company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries;
- (d) **“Exchange”** means the TSX Venture Exchange;
- (e) **“Named Executive Officer”** or **“NEO”** means each of the following individuals:
 - (i) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief executive officer (**“CEO”**), including an individual performing functions similar to a CEO;
 - (ii) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief financial officer (**“CFO”**), including an individual performing functions similar to a CFO;
 - (iii) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (e)(i) and (ii) at the end of the most recently completed financial year whose total compensation was more than \$150,000 for that financial year;
 - (iv) each individual who would be a Named Executive Officer under paragraph (e)(iii) 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;
- (f) **“plan”** includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, compensation securities or any other property may be received, whether for one or more persons; and

(g) “**underlying securities**” means any securities issuable on conversion, exchange or exercise of compensation securities.

All figures stated herein are in Canadian dollars, unless otherwise stated.

DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

During the financial year ended November 30, 2024, based on the definition above, the NEOs of the Company were (a) Paul Cowley, who has served as President and CEO of the Company since December 2, 2013, and Director since June 23, 2006; and (b) Rebecca Moriarty, who has served as CFO since May 21, 2015, and who also served as Corporate Secretary from May 21, 2015, until January 16, 2024. Individuals serving as directors of the Company who were not NEOs during the financial year ended November 30, 2024, were John Anderson, Michael Mracek, Dave Matthewson, and Dr. Radomir Vukcevic.

Director and NEO compensation, excluding Compensation Securities

The following table sets forth all compensation, excluding Compensation Securities, paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company, or a subsidiary of the Company, for the two most recently completed financial years, to each NEO and director of the Company, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or director of the Company for services provided and for services to be provided, directly or indirectly, to the Company or a subsidiary of the Company.

Table of Compensation Excluding Compensation Securities							
Name and position	Year ⁽¹⁾	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Paul Cowley President, CEO, and Director	2024	180,000 ⁽²⁾	Nil	Nil	Nil	Nil	180,000
	2023	180,000 ⁽²⁾	50,750 ⁽³⁾	Nil	Nil	Nil	230,750
Rebecca Moriarty CFO	2024	31,545 ⁽⁴⁾	Nil	Nil	Nil	Nil	31,545
	2023	31,322 ⁽⁵⁾	Nil	Nil	Nil	Nil	31,322
John Anderson Director	2024	Nil	Nil	Nil	Nil	Nil	Nil
	2023	Nil	Nil	Nil	Nil	Nil	Nil
Michael Mracek Director	2024	3,600 ⁽⁶⁾	Nil	Nil	Nil	Nil	3,600
	2023	3,600 ⁽⁶⁾	Nil	Nil	Nil	Nil	3,600
Dave Matthewson ⁽⁷⁾ Director	2024	Nil	Nil	Nil	Nil	Nil	Nil
	2023	N/A	N/A	N/A	N/A	N/A	N/A
Dr. Radomir Vukcevic ⁽⁸⁾ Former Director	2024	Nil	Nil	Nil	Nil	Nil	Nil
	2023	Nil	Nil	Nil	Nil	Nil	Nil

NOTES:

- (1) Years ended November 30th
- (2) Buena Tierra Development Ltd. (“**Buena Tierra**”), a private company held by Paul Cowley, was paid or accrued consulting fees of \$180,000 (2023 - \$180,000) for providing geological and management consulting services to the Company.
- (3) On December 28, 2022, the Company issued 87,500 common shares valued at \$50,750 to Buena Tierra for reaching certain bonus benchmark criteria.
- (4) Rebecca Moriarty is an employee of Malaspina Consultants Inc. (“**Malaspina**”) and is not paid directly by the Company. The amount of Malaspina invoices relating directly to Ms. Moriarty was \$31,545 for the year ended November 30, 2024.
- (5) Rebecca Moriarty is an employee of Malaspina and is not paid directly by the Company. The amount of Malaspina invoices relating directly to Ms. Moriarty was \$31,322 for the year ended November 30, 2023.
- (6) Mracek Consulting Ltd., a private company held by Michael Mracek, was paid or accrued consulting fees of \$3,600 for mining consulting services for the years ended November 30, 2024 and November 30, 2023.
- (7) Dave Matthewson was appointed a Director on January 8, 2024.
- (8) Dr. Vukcevic resigned as Director on January 8, 2024.

Stock options and other Compensation Securities

The following table sets out all compensation securities granted or issued to each NEO and director by the Company or one of its subsidiaries during the financial year ended November 30, 2024, for services provided or to be provided, directly or indirectly, to the Company or any subsidiary thereof:

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	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
Paul Cowley ⁽¹⁾ President, CEO, and Director	Stock Options	300,000	February 15, 2024	0.200	0.215	0.38	February 15, 2029
Rebecca Moriarty ⁽²⁾ CFO	Stock Options	50,000	February 15, 2024	0.200	0.215	0.38	February 15, 2029
John Anderson ⁽³⁾ Director	Stock Options	200,000	February 15, 2024	0.200	0.215	0.38	February 15, 2029
Michael Mracek ⁽⁴⁾ Director	Stock Options	450,000	February 15, 2024	0.200	0.215	0.38	February 15, 2029
Dave Matthewson ⁽⁵⁾ Director	Stock Options	150,000	February 15, 2024	0.200	0.215	0.38	February 15, 2029

NOTES:

- (1) In addition to the options above, Paul Cowley held (i) 300,000 stock options (300,000 underlying common shares) each exercisable into a common share at a price of \$0.32 until August 5, 2025; and (ii) 350,000 stock options (350,000 underlying common shares) each exercisable into a common share at a price of \$0.59 until May 13, 2026;
- (2) In addition to the options above, Rebecca Moriarty held (i) 25,000 stock options (25,000 underlying common shares) each exercisable into a common share at a price of \$0.32 until August 5, 2025; and (ii) 100,000 stock options (100,000 underlying common shares) each exercisable into a common share at a price of \$0.59 until May 13, 2026;
- (3) In addition to the options above, John Anderson held (i) 250,000 stock options (250,000 underlying common shares) each exercisable into a common share at a price of \$0.32 until August 5, 2025; and (ii) 100,000 stock options (100,000 underlying common shares) each exercisable into a common share at a price of \$0.59 until May 13, 2026;
- (4) In addition to the options above, Michael Mracek held (i) 35,000 stock options (35,000 underlying common shares) each exercisable into a common share at a price of \$0.255 until March 18, 2024; and (ii) 340,000 stock options (340,000 underlying common shares) each exercisable into a common share at a price of \$0.59 until May 13, 2026; and
- (5) In addition to the options above, Dave Matthewson held (i) 125,000 stock options (125,000 underlying common shares) each exercisable into a common share at a price of \$0.32 until August 5, 2025; and (ii) 250,000 stock options (250,000 underlying common shares) each exercisable into a common share at a price of \$0.59 until May 13, 2026; (iii) 100,000 stock options (100,000 underlying common shares) each exercisable into a common share at a price of \$0.37 until March 11, 2028.

Exercise of Compensation Securities by Directors and NEOs

The following table discloses option exercises by any director or NEO during the financial year ended November 30, 2024.

Exercise of Compensation Securities by Directors and NEOs							
Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Dave Matthewson Director	Stock Options	100,000	0.25	November 14, 2024	0.425	0.175	17,500

Equity Incentive Plan

The Company’s Omnibus Equity Incentive Plan (the “**Omnibus Plan**”) is the Company’s only equity compensation plan as at the date of this Statement of Executive Compensation. The Omnibus Plan was adopted by the board of directors of the Company (the “**Board**”) on November 4, 2022, and last approved by the shareholders of the Company (“**Shareholders**” and each, a “**Shareholder**”) during the annual general meeting of Shareholders held December 12, 2024. Pursuant to Policy 4.4 of the Exchange, the Omnibus Plan must be submitted for Shareholder approval on an annual basis, and, accordingly, will be tabled for Shareholder approval at the next annual general meeting of Shareholders.

The following is a summary of the substantive terms and is qualified in its entirety by the full text of the Omnibus Plan, which is available under the Company’s profile on SEDAR+ at www.sedarplus.ca or from the Company upon written request. Capitalized terms shall have the same meaning ascribed to them in the Omnibus Plan and relevant policies of the Exchange.

Types of Compensation Securities that may be awarded	Stock options (“ Options ”), deferred share unit (“ DSUs ”), performance share unit (“ PSUs ”), restricted share unit (“ RSUs ”) or other share-based award granted to a participant pursuant to the terms of the Omnibus Plan (collectively, DSUs, PSUs, and RSUs shall be referred to as “ Share Units ”). Options and Share Units shall collectively be referred to as “ Awards ”.
Eligible participants	Bona fide directors, officers, consultants, management company employees, and other employees of the Company or a subsidiary, providing ongoing services to the Company and its affiliates. While the Company is listed on the Exchange, providers of Investor Relations Activities shall be entitled to receive only Options.
Number of shares subject to the Omnibus Plan	The Omnibus Plan is a “ <i>rolling up to 10% and fixed up to 10% plan</i> ” as described in the policies of the Exchange, permitting the issuance of: <ul style="list-style-type: none"> (i) Options of up to ten percent (10%) of the total issued and outstanding Shares at the date of grant or issuance; and

	<p>(ii) Share Units and other share-based compensation awards not to exceed 8,703,839.</p>
<p>Participation Limits</p>	<p>(i) The aggregate number of shares (a) issued to Insiders within any one-year period, and (b) issuable to Insiders at any time pursuant to the Omnibus Plan shall, in each case, not exceed ten percent (10%) of the total issued and outstanding Shares of the Company at any point in time;</p> <p>(ii) The total number of Shares which may be reserved for issuance to any one Eligible Participant shall not exceed 5% of the issued and outstanding Shares on the grant date or within any 12-month period (in each case on a non-diluted basis);</p> <p>(iii) The aggregate number of Awards to any one Eligible Participant that is a Consultant of the Company in any 12-month period must not exceed 2% of the issued Shares calculated at the date an Award is granted;</p> <p>(iv) The aggregate number of Options to all Persons retained to provide Investor Relations Activities must not exceed 2% of the issued Shares in any 12-month period calculated at the date an Option is granted (and including any Eligible Participant that performs Investor Relations Activities and/or whose role or duties primarily consist of Investor Relations Activities); and,</p> <p>(v) Options granted to any Person retained to provide Investor Relations Activities must vest in a period of not less than 12 months from the Date of Grant of the Award and with no more than 25% of the Options vesting in any three (3) month period notwithstanding any other provision of the Omnibus Plan.</p>
<p>Options</p>	<p>(i) Granting and Vesting. The Board may designate Eligible Participants who may receive Options; and determine the number of Options to be granted, when to grant, the Exercise Price, the vesting provisions, and the Expiry Date;</p> <p>(ii) Exercise Price. The Exercise Price shall not be less than the Market Price of such Shares at the time of the grant, except that at all times when the Company is listed on the Exchange, the Exercise Price shall not be less than the Discounted Market Price;</p> <p>(iii) Expiry Date and Black-Out Period. Each Option must be exercised no later than ten (10) years after the date the Option is granted or such shorter period as set out in the Participant's Option Agreement, at which time such Option shall expire. Notwithstanding any other provision of the Omnibus Plan, each Option that would expire during or within ten (10) Business Days immediately following a Black-Out Period shall expire on the date that is ten (10) Business Days</p>

	<p>immediately following the expiration of the Black-Out Period. Where an Option shall expire on a date that falls immediately after a Black-Out Period, and for greater certainty, not later than ten (10) Business Days after the Black-Out Period, then the date such Option shall expire shall be automatically extended by such number of days equal to ten (10) Business Days less the number of Business Days after the Black-Out Period that the Option expires; and,</p> <p>(iv) Cashless Exercise. The Omnibus Plan provides for a “<i>cashless exercise</i>” procedure, which may include a sale of such number of Shares as is necessary to raise an amount equal to the aggregate Exercise Price for all Options being exercised by that Participant under an Exercise Notice and any applicable tax withholdings.</p>
Share Units	<p>(i) Grant of RSUs. The Board may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, grant RSUs to any Participant in respect of services rendered in the year of grant or subsequent thereto. The terms and conditions of each RSU grant shall be evidenced by an RSU Agreement;</p> <p>(ii) Grant of DSUs. The Board may fix, from time to time, a portion of the Director’s Fees in the form of DSUs. Only Non-Employee Directors are eligible to receive DSUs, who may also elect to receive an increased number of DSUs in lieu of Director’s Fees in cash;</p> <p>(iii) Grant of PSUs. The Board may, from time to time, grant PSUs to any Participant in respect of services rendered in the year of grant or subsequent thereto whereby each PSU shall consist of a right to receive a Share, cash payment, or a combination thereof upon the achievement of such Performance Goals issued by the Board, and during such performance periods as the Board shall establish;</p> <p>(iv) Vesting. The Board shall have the authority to determine the vesting terms applicable to grants of Share Units, except that, at all times when the Company is listed on the Exchange, no Share Units issued may vest before the date that is one year following the date it is granted or issued. However, the vesting required may be accelerated for a Participant who dies or who ceases to be an eligible Participant under the Omnibus Plan in connection with a Change of Control, take-over bid, reverse takeover or other similar transaction;</p> <p>(v) Settlement.</p> <p>a. The Board shall have the sole authority to determine the settlement terms, including time of settlement, applicable to the grant of RSUs and such terms shall be set forth in the applicable RSU Agreement.</p>

	<p>b. Subject to an RSU Agreement, on the settlement date for any RSU, each vested RSU shall be redeemed for: (a) one Share issued from treasury to the Participant or as the Participant may direct, or (b) a cash payment, or (c) a combination of Shares and cash as contemplated by clauses (a) and (b) above, in each case as determined by the Board in its discretion.</p> <p>c. DSUs shall be settled on the date established in the Award Agreement; provided, however, that in no event shall a DSU Award be settled prior to a Participant’s retirement, termination of employment or directorship or death, or in the case of a Participant that is a Canadian Participant, later than December 31 in the calendar year following the date of the applicable Participant’s retirement, termination of employment or directorship or death. If the Award Agreement does not establish a date for the settlement of the DSUs, then the settlement date shall be the date of the Participant’s retirement, termination of employment, or death, subject to the delays as set forth in the Omnibus Plan in the case of a U.S. Taxpayer.</p> <p>d. Subject to an Award Agreement, on the settlement date for any Share Unit, each vested Share Unit shall be redeemed for: (a) one Share issued from treasury to the Participant or as the Participant may direct, or (b) a cash payment, or (c) a combination of Shares and cash as contemplated by (a) and (b), in each case as determined by the Board in its discretion.</p>
<p>Conditions on Termination and Change of Control</p>	<p>(i) Termination for Cause. All unexercised vested or unvested Share Units and Options granted to the Participant shall terminate on the effective date of the termination;</p> <p>(ii) Retirement. Any unvested Share Units and/or Options held by the Participant as at the Termination Date shall continue to vest in accordance with their vesting schedules, and all vested Share Units and Options held by the Participant at the Termination Date may be exercised until the earlier of the expiry date or one (1) year following the Termination Date, provided that, if the Participant is determined to have breached any post-employment restrictive covenants in favour of the Company, then any Share Units and/or Options held by the Participant, whether vested or unvested, shall immediately expire and the Participant shall pay to the Company any “<i>in-the-money</i>” amounts realized upon exercise of Share Units and/or Options following the Termination Date;</p> <p>(iii) Other Termination or Cessation. In the case of a Participant ceasing to be an Eligible Participant for any reason other than for Cause, retirement, or death, subject to any later expiration</p>

	<p>dates determined by the Board, all Share Units and Options shall expire on the earlier of:</p> <p>(a) one (1) year after the effective date of such termination or cessation of a Participant that is a Director or Officer of the Company or a Subsidiary, or the expiry date of such Share Unit or Option, to the extent such Share Unit or Option was vested and exercisable by the Participant on the effective date of such termination or cessation; and</p> <p>(b) ninety (90) days after the effective date of such termination or cessation of a Participant that is not a Director or Officer of the Company or a Subsidiary, or the expiry date of such Share Unit or Option, to the extent such Share Unit or Option was vested and exercisable by the Participant on the effective date of such termination or cessation,</p> <p>and all unexercised unvested Share Units and/or Options granted to such Participant shall terminate on the effective date of such termination or cessation;</p> <p>(iv) Death. All vested Share Units and Options held by the Participant at the date of death of such Participant may be exercised until the earlier of their expiry date or one (1) year following the date of death of such Participant; and,</p> <p>(v) Change of Control. If a Participant is terminated without Cause or resigns for good reason during the 12 month period following a Change of Control, or after the Company has signed a written agreement to effect a Change of Control but before the Change of Control is completed, then any unvested Share Units and/or Options shall immediately vest and may be exercised prior to the earlier of ninety (90) days of such date or the expiry date of such Options.</p>
Other Share-Based Awards	Subject to prior acceptance of the Exchange, the Board may, from time to time, grant Other Share-Based Awards to any Participant.
Other terms	<p>(i) Except as set forth in the Omnibus Plan (i.e., in case of death of a Participant), Awards are non-transferable and non-assignable.</p> <p>(ii) At all times when the Company is listed on the Exchange, the granting of an Award to Insiders, or where the exercise price is at a discount to the Market Price, shall be subject to a four-month hold period.</p> <p>(iii) When dividends (other than stock dividends) are paid on Shares, as part of a Participant's grant of Share Units, and in respect of the services provided by the Participant for such original grant, Participants shall receive additional Share Units ("Dividend Share Units") as of the dividend payment date.</p>

Adjustments and Amendments	<p>(i) Any adjustment, other than in connection with a security consolidation or security split, to any Awards granted or issued under the Omnibus Plan must be subject to the prior acceptance of the Exchange, including adjustments related to an amalgamation, merger, arrangement, reorganization, spin-off, dividend or recapitalization; and,</p> <p>(ii) The Board may amend the Omnibus Plan or any Award at any time without the consent of the Participants provided that such amendment (a) shall not adversely alter or impair any Award previously granted (except as otherwise permitted in the Omnibus Plan), (b) be in compliance with applicable law and subject to any regulatory approvals, and (c) be subject to shareholder approval, where required by law, the requirements of the Exchange or the provisions of the Omnibus Plan.</p>
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External Management Companies

During the year ended November 30, 2024, no management functions of the Company were, to any substantial degree, performed by a person other than the directors or NEOs of the Company.

Employment, Consulting, and Management Agreements

The Company has entered into agreements or arrangements pursuant to which it pays its NEOs and non-NEO directors, as follows:

- (a) NEOs

Paul Cowley, President, CEO, and Director

Pursuant to a written agreement between the Company and Buena Tierra having an effective date of October 1, 2017, Buena Tierra provides to the Company the President and CEO services of Paul Cowley. This agreement will continue until terminated in accordance with its terms. Pursuant to the terms of the agreement, as amended, Mr. Cowley provides a minimum of 75% of his working time to the Company and Buena Tierra is currently paid a consulting fee at the base rate of \$15,000 per month, plus applicable tax(es). Buena Tierra is also entitled to an annual bonus (the “**Buena Tierra Bonus**”) in an amount not to exceed, in the aggregate, 12 x Buena Tierra’s monthly base rate for the given year. The initial annual benchmarks and calculations for the Buena Tierra Bonus are set out in the agreement and include considerations such as Buena Tierra’s (Paul Cowley’s) contribution to an increase in the Company’s share price (provided such increase is not a direct result of its/his trading of the Company’s shares), market capitalization, financing activities, achieving budgets, the advancement of the Company’s vanadium project and value added to the Company through other acquisitions during the year. The consulting fee and bonus compensation is required to be reviewed by the Board on an annual basis by October 1st of each year during the term of the contract. Buena Tierra is also entitled to participate in the Company’s Omnibus Plan on such terms as would be commensurate with its impact on the Company.

Buena Tierra may terminate the agreement at any time by providing 60 days’ prior written notice, unless the Company is in fundamental breach (as defined in the agreement), in which event Buena Tierra may terminate the agreement immediately where such fundamental breach has not been cured within 14 days of the Company’s receipt of written notice of the breach. In the event of fundamental breach by the Company, the Company will be obligated to pay to Buena Tierra an amount equal to 12 months x the then applicable monthly base rate, plus one additional month’s pay for each additional full year of service provided by Buena Tierra to the Company under the agreement, up to a maximum of the equivalent of 18 months’ pay.

The Company may terminate the agreement:

- (a) at any time without notice or payment in lieu of notice where there is a fundamental breach by Buena Tierra, in which case no compensation will be paid to Buena Tierra beyond the date of termination; or
- (b) for any other reason other than those set out in paragraphs (a) and (c) of this paragraph, at any time by providing 12 months' notice plus one additional month's notice for each additional full year of service provided by Buena Tierra to the Company under the agreement, up to a maximum of the equivalent of 18 months' notice. The notice period may be working notice or payment in lieu of notice or any combination thereof; or
- (c) in the event of a change of control (as defined in the agreement) and within 365 days thereof, if there is a fundamental breach by the Company or if the Company terminates the agreement other than as a result of a fundamental breach by Buena Tierra, then the Company will be required to pay Buena Tierra an amount equal to the monthly base rate in effect at termination x 24.

Rebecca Moriarty, CFO

Ms. Moriarty is paid for her CFO-related services to the Company under an annual engagement agreement with Malaspina. Fees are due and payable upon rendering of an invoice by Malaspina. The term of the agreement is for 12 months, expiring on December 31st of each year, with a new agreement being executed by the Company and Malaspina on January 1st of each year. The rates are set on a per hour basis and adjusted annually with the execution of each new agreement. Malaspina is also entitled to participate in the Company's Omnibus Plan on such terms as would be commensurate with its impact on the Company.

(c) Non-NEO Directors

Pursuant to an oral arrangement, Michael Mracek provides mining advisory services to the Company through his private consulting company, Mracek Consulting Ltd., at an hourly charge out rate of \$225.00.

Non-NEO director fees are payable on an ad hoc basis at the discretion of the Board. During the year ended November 30, 2024, no directors' fees were paid to the non-NEO directors.

Non-NEO directors are entitled to participate in the Omnibus Plan.

Termination and Change of Control Benefits

Other than as disclosed herein, during the financial year ended November 30, 2024, the Company did not have any contract, agreement, plan or arrangement that provides for payment to any NEOs or directors 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 or director's responsibilities.

Oversight and Description of Director and NEO Compensation

(i) Compensation Arrangements

The Company has no standard arrangements pursuant to which directors are compensated by the Company for their services in their capacity as directors, except for the granting from time to time of Compensation Securities in accordance with the Omnibus Plan and the policies of the Exchange, as well as ad hoc awards

of director fees. Currently, no formalized fee structure has been implemented with respect to the payment of fees to directors for serving as directors of the Company.

On the other hand, NEOs are currently compensated pursuant to the terms of the consulting agreements governing their respective appointments, and by way of Compensation Securities in accordance with the Omnibus Plan and the policies of the Exchange. See “*Employment, Consulting, and Management Agreements*” as discussed above.

The directors may be reimbursed for actual expenses reasonably incurred in connection with the performance of their duties as such. NEOs may also reimburse certain expenses from the Company, subject to the terms of their respective consulting agreements with the Company.

(ii) Recommending and Approving Authority

Pursuant to the terms of the Omnibus Plan, the Board is authorized to provide for the granting of Compensation Securities to directors, officers, and consultants of the Company. All consulting or other compensation arrangements between the Company and its NEOs are considered and approved by the independent members of the Board.

The Company also has a Compensation Committee comprised of John Anderson, Dave Mathewson and Michael Mracek. The Compensation Committee recommends director and executive compensation arrangements, bonus benchmarks, and adjustments thereto to the Board, although it has no written mandate or formal procedure for this purpose.

To date, the Compensation Committee has reviewed and recommended to the Board, and the Board has approved, executive compensation on a case-by-case basis when executives are appointed and thereafter annually, or more frequently if deemed necessary by the Compensation Committee.

(iii) Compensation Strategy

The general objectives of the Company’s compensation strategy are to (a) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value; (b) align management’s interests with the long-term interests of shareholders; (c) provide a compensation package that enables the Company to attract and retain talent; and (d) ensure that the total compensation package is designed in a manner that takes into account the financial constraints that the Company is under by virtue of the fact that it is an advanced exploration-stage resource company without a history of earnings.

The Company is engaged in the exploration and development of mineral property interests. The Company has, as of yet, no significant revenues from operations and from time to time operates with limited financial resources to ensure that funds are available to complete scheduled programs, if any. As a result, the Board and the Compensation Committee of the Company consider not only the financial situation of the Company at the time of the determination of director and NEO compensation, but also the estimated financial situation of the Company in the mid and long term.

The granting of Compensation Securities allows the Company to reward directors and NEOs for their efforts to increase value for shareholders without requiring the Company to use cash from its treasury. The terms and conditions of the Company’s grants of Compensation Securities, including vesting provisions and exercise prices, are governed by the terms of the Company’s equity compensation plan in effect at the applicable time. The Board believes that the granting of Compensation Securities provides a reward to directors and NEOs for achieving results that improve Company performance and thereby increase shareholder value, where such improvement is reflected in an increase in the Company’s share price. In making a determination as to whether a grant of Compensation Securities is appropriate and if so, the

number of Compensation Securities that should be granted, the Board considers: the number and terms of outstanding Compensation Securities held by each director and NEO, the aggregate value in securities of the Company that the Board intends to award as compensation, the potential dilution to shareholders, general industry standards, and the limits imposed by the terms of the Omnibus Plan and Exchange policies.

The Company has not placed a restriction on the purchase by its directors, NEOs or other employees of financial instruments that are designed to hedge or offset a decrease in the market value of Compensation Securities granted to directors, NEOs or employees.

The Company does not use specific benchmark groups in determining compensation or any element of compensation.

Pension Disclosure

The Company does not have any pension, retirement, defined benefit, defined contribution or deferred compensation plans that provides for payments or benefits to its directors and NEOs at, following, or in connection with retirement.