



Cabral Gold

**CABRAL GOLD INC.**

#1500 – 409 Granville Street  
Vancouver, British Columbia, Canada, V6C 1T2

**FORM 51-102F6V  
STATEMENT OF EXECUTIVE COMPENSATION**

Except where otherwise indicated, the information contained herein is stated as of December 31, 2022. Set out below are particulars of compensation paid to the directors and the named executive officers of the Company. For the purposes set out below, “**Named Executive Officer**” or “**NEO**” means each of the following individuals:

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

As at December 31, 2022, the end of the most recently completed financial year of the Company, the Company had two NEOs, whose names and positions held within the Company are set out in the summary compensation table below.

An NEO or director of the Company is not permitted to purchase financial instruments, including, for greater certainty, 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 by the NEO or director.

**Director and Named Executive Officer Compensation**

The following table is a summary of compensation (excluding compensation securities) paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company, or a subsidiary of the Company, to each NEO and director, for services provided and for services to be provided, directly or indirectly to the Company or a subsidiary of the Company, for each of the Company’s two most recently completed financial years ended December 31, 2022 and December 31, 2021.

<b>Table of compensation excluding compensation securities</b>							
<b>Name and position</b>	<b>Year Ended December 31<sup>(1)</sup></b>	<b>Salary, consulting fee, retainer or commission (\$)</b>	<b>Bonus (\$)</b>	<b>Committee or meeting fees (\$)</b>	<b>Value of perquisites (\$)</b>	<b>Value of all other compensation (\$)</b>	<b>Total compensation (\$)</b>
<b>Alan Carter<sup>(1)</sup></b> CEO, President, Director	2022	\$150,000	Nil	Nil	Nil	Nil	\$150,000
	2021	\$150,000	Nil	Nil	Nil	Nil	\$150,000

<b>Table of compensation excluding compensation securities</b>							
<b>Name and position</b>	<b>Year Ended December 31<sup>(1)</sup></b>	<b>Salary, consulting fee, retainer or commission (\$)</b>	<b>Bonus (\$)</b>	<b>Committee or meeting fees (\$)</b>	<b>Value of perquisites (\$)</b>	<b>Value of all other compensation (\$)</b>	<b>Total compensation (\$)</b>
<b>Paul Hansed<sup>(2)</sup></b> CFO and Corporate Secretary	2022	\$125,000	Nil	Nil	Nil	Nil	\$125,000
	2021	\$125,000	\$15,000	Nil	Nil	Nil	\$140,000
<b>P. Mark Smith<sup>(3)</sup></b> Executive Chairman, Director	2022	\$104,167	Nil	Nil	Nil	Nil	\$104,167
	2021	\$108,333	\$15,000	Nil	Nil	Nil	\$123,333
<b>Derrick Weyrauch</b> Director	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
<b>Rodney Cooper<sup>(4)</sup></b> Director	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sami Arap Sobrinho<sup>(5)</sup></b> Director	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
<b>Carlos Vilhena<sup>(6)</sup></b> Former Director	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
<b>Dennis Moore<sup>(7)</sup></b> Former Director	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil

**Notes:**

- (1) All compensation paid to Dr. Carter is in connection with his position of President and CEO of the Company.
- (2) Paid to a private company controlled by Mr. Hansed.
- (3) Paid pursuant to a consulting agreement between the Company, a private company controlled by Mr. Smith and Mr. Smith directly.
- (4) Mr. Cooper was appointed a director of the Company on April 12, 2021.
- (5) Mr. Sobrinho was appointed a director of the Company on October 21, 2022.
- (6) Mr. Vilhena was appointed a director of the Company on November 13, 2020 and resigned from the board of directors of the Company (the “**Board**”) on October 20, 2022.
- (7) Mr. Moore was appointed a director of the Company on October 30, 2017 and resigned from the Board on April 9, 2021.

**Stock Options and Other Compensation Securities**

The following table provides information on all compensation securities granted or issued to each director and NEO by the Company or its subsidiaries in the most recently completed financial year ended December 31, 2022 for services provided or to be provided, directly or indirectly, to the company or any of its subsidiaries.

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
<b>Alan Carter</b> <sup>(1)</sup> CEO, President, Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Paul Hansed</b> <sup>(2)</sup> CFO and Corporate Secretary	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>P. Mark Smith</b> <sup>(3)</sup> Executive Chairman, Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Derrick Weyrauch</b> <sup>(4)</sup> Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Rodney Cooper</b> <sup>(5)</sup> Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Sami Arap Sobrinho</b> <sup>(6)</sup> Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Carlos Vilhena</b> <sup>(7)</sup> Former Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**Notes:**

- (1) As at December 31, 2022, Dr. Carter held 700,000 stock options exercisable at a price of \$0.51 per share until August 30, 2026, 700,000 stock options exercisable at a price of \$0.27 per share until July 21, 2025, 600,000 stock options exercisable at a price of \$0.15 per share until September 6, 2024, and 500,000 stock options exercisable at a price of \$0.25 per share until January 22, 2024. Dr. Carter also held 125,000 Restricted Share Units which vest on April 12, 2024 and 25,000 Restricted Share Units which vest on July 30, 2023.
- (2) As at December 31, 2022, Mr. Hansed held 350,000 stock options exercisable at a price of \$0.51 per share until August 30, 2026, 300,000 stock options exercisable at a price of \$0.27 per share until July 21, 2025, 450,000 stock options exercisable at a price of \$0.15 per share until September 6, 2024, and 200,000 stock options exercisable at a price of \$0.25 per share until January 22, 2024. Mr. Hansed also held 45,833 Restricted Share Units which vest on April 12, 2024 and 50,000 Restricted Share Units which vest on July 30, 2023.
- (3) As at December 31, 2022, Mr. Smith held 350,000 stock options exercisable at a price of \$0.51 per share until August 30, 2026, 300,000 stock options exercisable at a price of \$0.27 per share until July 21, 2025, 100,000 stock options exercisable at a price of \$0.15 per share until September 6, 2024, 250,000 stock options exercisable at a price of \$0.25 per share until January 22, 2024, and 450,000 stock options exercisable at a price of \$0.23 until June 19, 2023. Mr. Smith also held 45,833 Restricted Share Units which vest on April 12, 2024, and 37,500 Restricted Share Units which vest on July 30, 2023.
- (4) As at December 31, 2022, Mr. Weyrauch held 300,000 stock options exercisable at a price of \$0.51 per share until August 30, 2026, 300,000 stock options exercisable at a price of \$0.27 per share until July 21, 2025, 175,000 stock options exercisable at a price of \$0.15 per share until September 6, 2024 and 168,224 stock options exercisable at a price of \$0.25 per share until January 22, 2024. Mr. Weyrauch also held 22,916 Restricted Share Units which vest on April 12, 2024 and 87,500 Restricted Share Units which vest on July 30, 2023.
- (5) As at December 31, 2022, Mr. Cooper held 100,000 stock options exercisable at a price of \$0.51 per share until August 30, 2026 and 300,000 stock options exercisable at a price of \$0.49 per share until April 11, 2026. Mr. Cooper also held 17,187 Restricted Share Units which vest on April 12, 2024.

- (6) As at December 31, 2022, Mr. Sobrinho held no compensation securities.
- (7) As at December 31, 2022, Mr. Vilhena held 120,000 stock options exercisable at a price of \$0.51 per share until August 30, 2026 and 240,000 stock options exercisable at a price of \$0.60 per share until November 13, 2025.

No compensation securities were exercised by the directors or NEOs during the most recently completed financial year ended December 31, 2022.

## **Stock Option Plans and Other Incentive Plans**

### Stock Option Plan

The Company currently has a stock option plan (the “**Plan**”), which was approved by shareholders at the annual general meeting of shareholders held on June 29, 2022. The purpose of the Plan is to provide an incentive to directors, employees and consultants to acquire a proprietary interest in the Company, to continue their participation in the affairs of the Company, to increase their efforts on behalf of the Company, and to reward or compensate their contributions towards the long-term goals of the Company.

The following summary of the material terms of the Plan does not purport to be complete and is qualified in its entirety by reference to the Plan.

Eligible Participants. Options may be granted under the Plan to directors and senior officers of the Company or its subsidiaries, management company employees (collectively, the “**Directors**”), employees of the Company or its subsidiaries (collectively, the “**Employees**”) or consultants of the Company or its subsidiaries (collectively, the “**Consultants**”). The Board, in its discretion, determines which of the Directors, Employees or Consultants will be awarded Options under the Plan.

Number of Shares Reserved. The number of common shares of the Company (the “**Common Shares**”) which may be issued pursuant to options granted under the Plan may not exceed 10% of the issued and outstanding Common Shares at the date of granting of Options. Options that are exercised, cancelled or expire prior to exercise continue to be issuable under the Plan.

Limitations. Under the Plan, the aggregate number of options granted to any one person (including companies wholly-owned by that person) in a 12-month period must not exceed 5% of the issued and outstanding Common Shares of the Company, calculated on the date the Option is granted. The aggregate number of Options granted to any one Consultant in a 12-month period must not exceed 2% of the issued and outstanding Common Shares of the Company, calculated at the date the option is granted. The aggregate number of Options granted to all persons retained to provide investor relations services to the Company (including Consultants and Employees or Directors whose role and duties primarily consist of providing investor relations services) must not exceed 2% of the issued and outstanding Common Shares of the Company in any 12 month period, calculated at the date an Option is granted to any such person. Disinterested shareholder approval will be required for any grant of options which will result in the number of options granted to Insiders (as defined in the *Securities Act* (British Columbia)) as a group at any point in time or within a 12 month period exceeding 10% of the issued and outstanding Common Shares of the Company.

Exercise Price. The exercise price of Options granted under the Plan is determined by the Board, provided that it is not less than the discounted market price, as that term is defined in the Exchange’s Corporate Finance policy manual or such other minimum price as is permitted by the Exchange in accordance with the policies in effect at the time of the grant, or, if the Common Shares are no longer listed on the Exchange, then such other exchange or quotation system on which the Common Shares are listed or quoted for trading. The exercise price of Options granted to Insiders may not be decreased without disinterested shareholder approval at the time of the proposed amendment.

Term of Options. Subject to the termination and change of control provisions noted below, the term of any options granted under the Plan is determined by the Board and may not exceed ten (10) years from the date of grant. Disinterested shareholder approval will be required for any extension to stock options granted to individuals that are Insiders at the time of the proposed amendment.

Vesting. All Options granted pursuant to the Plan will be subject to such vesting requirements as may be prescribed by the Exchange, if applicable, or as may be imposed by the Board. Options issued to persons retained to provide Investor Relations Activities must vest in stages over 12 months with no more than one-quarter of the options vesting in any three month period.

Termination. Any Options granted pursuant to the Plan will terminate upon the earliest of:

- (a) the end of the term of the option;
- (b) on the date the holder ceases to be eligible to hold the option (the “**Cessation Date**”), if the Cessation Date is as a result of dismissal for cause;
- (c) one year from the date of death or disability, if the Cessation Date is as a result of death or disability;
- (d) 90 days from the Cessation Date, if the Cessation Date is as a result of a reason other than death, disability or cause;
- (e) on such other date as fixed by the Board, provided that the date is no more than one year from the Cessation Date, if the Cessation Date is as a result of a reason other than death, disability or cause; or
- (f) 30 days from the Cessation Date, if the optionee was engaged in investor relations activities.

Adjustments. Any adjustment to Options granted or issued (except in relation to a consolidation or share split) will be subject to the prior acceptance of the Exchange.

Disinterested shareholder approval will be sought in respect of any material amendment to the Plan.

#### Restricted Share Unit Plan

The Company’s 2019 Restricted Share Unit Plan (the “**RSU Plan**”) was approved by shareholders at the annual general meeting of the shareholders held on June 20, 2019. The Board intends to use restricted share units (“**RSUs**”) issued under the RSU Plan, as well as stock options issued under the Plan (as described above under “*Stock option plans and Other Incentive Plans - Stock Option Plan*”), as part of the Company’s overall executive compensation plan. Since the value of RSUs increase or decrease with the price of the Common Shares, RSUs achieve the compensation objective of aligning the interests of executives with those of shareholders. In addition, RSUs have both time-based and performance-based vesting features that can be used to better motivate executives and to encourage qualified and experienced executives to make long-term commitments to the Company.

The following summary of the material terms of the RSU Plan does not purport to be complete and is qualified in its entirety by reference to the RSU Plan, a copy of which is available for review at the registered office of the Company.

Eligible Participants. Directors, officers, eligible employees and eligible consultants of the Company are eligible to participate in the RSU Plan (the “**Participants**”). In accordance with the terms of the RSU Plan, the Board will approve those Participants who are entitled to receive RSUs and the number of RSUs to be awarded to each Participant. The RSU Plan shall be administered by the Board.

Vesting. Each award of RSUs under the RSU Plan to a Participant (a “**Restricted Share Unit Award**”) will entitle the Participant, subject to the Participant’s satisfaction of any conditions (including performance conditions), restrictions, vesting period or limitations imposed under the RSU Plan or set out in a RSU grant letter, to receive one previously unissued Common Share for each RSU on the date when the RSU is fully vested. Except as otherwise provided in a RSU grant letter or any other provision of the RSU Plan, the vesting period of the RSUs granted pursuant to Section 3.4 of the RSU Plan will be determined by the Board and may not exceed three years following the Grant Date.

Maximum Number to be Granted. The RSU Plan includes the following restrictions on issuances:

- (a) The number of Common Shares issuable from treasury under the RSU Plan shall not exceed 3,886,000 Common Shares, or such greater number as may be approved from time to time by the Company's disinterested shareholders. Under no circumstances may the number of RSUs granted in aggregate together with any other Security Based Compensation Arrangements of the Company (as defined in the RSU Plan and which includes Common Shares issued pursuant to the Plan) exceed 10% of the total number of Common Shares then outstanding;
- (b) The number of Common Shares issuable from treasury to insiders under the RSU Plan, together with any Common Shares issuable pursuant to all other Security Based Compensation Arrangements of the Company, within any one-year period, shall not exceed 10% of the issued and outstanding Common Shares;
- (c) The maximum number of Common Shares issuable to any one individual, at any time, pursuant to the RSU Plan is 1% of the total number of Common Shares outstanding and in the aggregate at such time; and
- (d) The maximum number of RSUs issuable to any one individual in the aggregate in any 12 month period is 2% of the total number of outstanding Common Shares at the proposed Grant Date.

Cessation of Entitlement. Subject to the foregoing, in the event of:

- (a) the death of a Participant, all unvested RSUs credited to the Participant will vest on the date of the Participant's death. The Common Shares underlying the RSUs credited to the Participant's account shall be issued to the Participant's estate as soon as practicable thereafter;
- (b) the total disability of a Participant, all unvested RSUs credited to the Participant will vest on the date on which the Participant is determined to be totally disabled, and the Common Shares underlying such RSUs credited to the Participant's account shall be issued to the Participant as soon as practicable thereafter;
- (c) the termination (with or without cause) or retirement of an employee or officer, any cessation of services of a consultant, or the resignation, removal of or failure to re-elect a director, then, except as provided for in the vesting provisions or other terms of the RSU grant, or as determined by the Board, all RSUs will be forfeited by the Participant, and be of no further force and effect; and
- (d) a Change of Control, all RSUs outstanding shall immediately vest on the date of such Change of Control notwithstanding any stated vesting period or performance condition. In any event, upon a Change of Control, Participants shall not be treated any more favourably than shareholders of the Company with respect to the consideration that the Participants would be entitled to receive for the Common Shares underlying the RSUs.

Transferability. Except pursuant to a will or by the laws of descent and distribution, no RSU and no other right or interest of a Participant is assignable or transferable.

Amendments to the RSU Plan. The Board may discontinue the RSU Plan at any time without first obtaining shareholder approval, provided that, without the consent of a Participant, such discontinuance may not in any manner adversely affect the Participant's rights under any RSU granted under the RSU Plan.

- (a) The Board may, subject to receipt of requisite regulatory and disinterested shareholder approval, make the following amendments to the RSU Plan:
  - (i) increase the number of RSUs which may be issued pursuant to the RSU Plan;
  - (ii) change the definition of "Participant" under the RSU Plan which would have the potential of narrowing, broadening or increasing insider participation;
  - (iii) reduce the range of amendments requiring shareholder approval contemplated in Section 5.3 of the RSU Plan;
  - (iv) make amendments that may lead to significant or unreasonable dilution to the Company's outstanding securities, or that may provide additional benefits to Participants at the expense of the Company or its shareholders;

- (v) change insider participation limits which would result in shareholder approval being required on a disinterested basis; or
  - (vi) make amendments to Section 5.4 of the RSU Plan that would permit RSUs, or any other right or interest of a Participant under the RSU Plan, to be assigned or transferred, other than for normal estate settlement purposes.
- (b) The Board may, subject to receipt of requisite regulatory approval (where required), but not subject to shareholder approval, in its sole discretion make all other amendments to the RSU Plan that are not of the type contemplated above, including, without limitation:
- (i) amendments of a housekeeping nature;
  - (ii) the addition or a change to the vesting provisions of a RSU or the RSU Plan;
  - (iii) a change to the termination provisions of a RSU or the RSU Plan;
  - (iv) amendments to reflect changes to applicable securities laws; and
  - (v) amendments to ensure that the RSUs granted under the RSU Plan will comply with any provisions respecting income tax and other laws in force in any country or jurisdiction of which a Participant to whom a RSU has been granted may from time to time be a resident, citizen or otherwise subject to tax therein.

### **Employment, Consulting and Management Agreements**

Other than as disclosed herein, does not have any agreement or arrangement under which compensation was provided during the most recently completed financial year or is payable in respect of services provided to the Company that were performed by a director or NEO.

On May 1, 2018, the Company entered into a consulting agreement with Peter Mark Smith and a private company controlled by Mr. Smith (“**Smithco**”) pursuant to which the Company agreed to retain Mr. Smith and Smithco to provide consulting services. Pursuant to the consulting agreement, the Company agreed to pay Smithco \$60,000 per annum (plus applicable taxes), payable monthly in arrears, in consideration for services provided. Mr. Smith is the Executive Chairman and a director of the Company. The consulting agreement has a term of one year and will automatically renew for further one year terms unless terminated by either party in accordance with the consulting agreement. Either party may, upon 90 days’ written notice, terminate the consulting agreement. If the Company terminates the consulting agreement without cause, the Company will pay Smithco \$30,000 if it has been retained by the Company for less than one year, \$60,000 if it has been retained by the Company for more than one year but less than two years, or \$90,000 if it has been retained by the Company for more than two years. Effective December 1, 2018, the monthly rate was increased from \$5,000 to \$7,500 and effective August 1, 2020, the monthly rate was increased from \$7,500 to \$9,000.

### **Oversight and Description of Director and Named Executive Officer Compensation**

No cash compensation was paid to any director of the Company for the director’s services as a director during the financial year ended December 31, 2022. The compensation of directors is reviewed annually by the compensation committee of the Board (the “**Compensation Committee**”), who then makes a recommendation to the Board. The independent members of the Board approve the annual compensation levels, if any, for the directors. Currently, the Company has no standard arrangement pursuant to which directors are compensated for their services in their capacity as directors.

The objectives of the Company’s executive compensation program are as follows:

- to attract, retain and motivate talented executives;
- to align the interests of the Company’s executives with the interests of the shareholders;
- to reward executive officers based on their skill and experience level, the level of responsibility involved in their position, the individual’s experience and qualifications;
- to reward executives for reinforcing the Company’s business objectives and values, for achieving the Company’s performance objectives, and for their individual performance; and
- to provide total compensation to executives that is competitive with that paid by other companies of comparable size engaged in a similar business in appropriate regions.

The Company aims to design executive compensation packages that are comparable to those for executives with similar talents, qualifications and responsibilities at companies with similar financial and operating characteristics. However, executive compensation is not evaluated against a formal “peer group”.

The Company has implemented three levels of compensation. First, executive officers may be paid a monthly consulting fee or salary. Second, executive officers may be awarded long term incentives in the form of stock options or RSUs. Finally, and only in special circumstances, cash or share bonuses for exceptional performance that results in a significant increase in shareholder value may be awarded. The Company does not provide pension benefits to the executive officers.

The base compensation of the executive officers is reviewed annually by the Compensation Committee, who then makes a recommendation to the Board. The independent members of the Board approve the annual compensation levels for the executive officers. The Compensation Committee may make recommendations to the Board from time to time regarding stock option grants to be made pursuant to the Plan and RSU grants made pursuant to the RSU Plan. The Compensation Committee may also make recommendations regarding awarding bonuses, which are then approved by the independent members of the Board at their discretion. The Compensation Committee and Board do not have pre-existing performance criteria or objectives that they consider in setting compensation amounts.

See “*Director and named executive officer compensation*” above for a description of the compensation awarded to each NEO during the most recently completed financial year ended December 31, 2022. Compensation for the most recently completed financial period should not be considered an indicator of expected compensation levels in future periods. All compensation is subject to and dependent on the Company’s financial resources and prospects.