

LAURION MINERAL EXPLORATION INC.  
(THE “CORPORATION”)

40 King Street West, Suite 5800  
Toronto, ON M5H 3S1

FORM 51-102F6V  
STATEMENT OF EXECUTIVE COMPENSATION  
FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2022

## 1. Introduction

The following information, dated as of June 29, 2023, is presented in accordance with Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers* (“**Form 51-102F6V**”), and sets forth compensation provided to each Named Executive Officer (as defined below) and director of the Corporation for, or in connection with, services they have provided to the Corporation during the financial year ending December 31, 2022.

## 2. Compensation Discussion and Analysis

### *General*

The Corporation compensates its officers and consultants in a manner designed to support the Corporation’s strategic objectives, ensure that incentive programs are designed to motivate officers and consultants to achieve or exceed corporate objectives and enhance shareholder value.

The Corporation’s executive compensation is comprised of base salary and long-term incentives in the form of stock options (the “**Options**”).

The Corporation’s executive compensation is granted in a manner with the following objectives in mind:

- to attract, retain and motivate qualified executives;
- to provide incentives to executives to maximize productivity and enhance enterprise value by aligning the interests of the executives with those of the shareholders of the Corporation;
- to foster teamwork and entrepreneurial spirit;
- to establish a direct link between all elements of compensation and the performance of the Corporation and individual performance; and
- to integrate compensation incentives with the development and successful execution of strategic and operating plans.

## 3. Director and named executive officer compensation, excluding compensation securities

### *Named Executive Officers and Directors*

“**Named Executive Officer**” or “**NEO**” means, for the purposes of this Statement of Executive Compensation in regards to the Corporation, each of the following individuals:

- (a) a Chief Executive Officer (“**CEO**”) of the Corporation;
- (b) a Chief Financial Officer (“**CFO**”) of the Corporation;

- (c) each of the Corporation's three most highly compensated executive officers (including any of the Corporation's subsidiaries), 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(5) of Form 51-102F6V, for the financial year ended December 31, 2022; and
- (d) each individual who would be a Named Executive Officer under paragraph (c) but for the fact that the individual was neither an executive officer of the Corporation or its subsidiaries, nor acting in a similar capacity, at December 31, 2022.

For the years ended December 31, 2022, 2021 and 2020, the Corporation's NEOs consisted of the following individuals: (i) Cynthia Le Sueur-Aquin, the Corporation's President and CEO; (ii) Miles Nagamatsu, the Corporation's CFO from May 3, 2019 to October 5, 2022; and (iii) Tyler Dilney, the Corporation's current CFO who began serving in this role with the Corporation on October 5, 2022.

For the years ended December 31, 2022, 2021 and 2020, the Corporation's directors consisted of the following individuals: (i) Cynthia Le Sueur-Aquin; (ii) Michael Burmi; (iii) John Covello; and (iii) Nick Ierfino.

**Table of Compensation Excluding Compensation Securities**

Name and Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$) <sup>(4)</sup>	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Cynthia Le Sueur-Aquin <i>President, CEO and Director</i> <sup>(1)</sup>	2022	278,475	-	-	-	-	278,475
	2021	261,275	-	-	-	-	261,275
	2020	253,006	-	-	-	-	253,006
Miles Nagamatsu <i>Former CFO</i> <sup>(2)</sup>	2022	58,500	-	-	-	-	58,500
	2021	63,600	-	-	-	-	63,600
	2020	63,600	-	-	-	-	63,600
Tyler Dilney <i>CFO</i> <sup>(3)</sup>	2022	15,000	-	-	-	-	15,000
	2021	-	-	-	-	-	-
	2020	-	-	-	-	-	-
Michael Burmi <i>Director</i>	2022	-	-	-	-	-	-
	2021	-	-	-	-	-	-
	2020	-	-	-	-	-	-
John Covello <i>Director</i> <sup>(4)</sup>	2022	-	18,125	-	-	-	18,125
	2021	-	54,097	-	-	-	54,097
	2020	-	49,221	-	-	-	49,221
Nick Ierfino <i>Director</i> <sup>(4)</sup>	2022	-	18,125	-	-	-	18,125
	2021	-	54,097	-	-	-	54,097
	2020	-	13,827	-	-	-	13,827

**Notes:**

- (1) All amounts were paid to AquinTerra Inc. ("**AquinTerra**"), a consulting company of which Ms. Le Sueur-Aquin is the sole shareholder.
- (2) All amounts were paid to Marlborough Management Limited ("**MML**"), a consulting company of which Mr. Nagamatsu is the controlling shareholder. Mr. Nagamatsu resigned as Chief Financial Officer of the Corporation, effective October 5, 2022.
- (3) Mr. Dilney was appointed as Chief Financial Officer of the Corporation, effective October 5, 2022. All amounts were paid to Aux Advisory Inc. ("**AUX**"), a consulting company of which Mr. Dilney is the controlling shareholder.
- (4) During the year ended December 31, 2022, the Corporation paid John Covello and Nick Ierfino a discretionary cash bonus of \$18,125 and issued Options to acquire 29,000 Common Shares, exercisable on or before January 11, 2027, at an exercise price of \$0.82 per share, subject to vesting requirements. No other cash payments were made to directors for acting in their capacity as directors.

### **AquinTerra Inc.**

Ms. Le Sueur-Aquin's compensation is earned indirectly through a consulting agreement (the "**AquinTerra Agreement**") between the Corporation and AquinTerra, a consulting company of which Ms. Le Sueur-Aquin is the sole shareholder. Pursuant to the AquinTerra Agreement, AquinTerra charges the Corporation for services rendered by Ms. Le Sueur-Aquin, as President and CEO of the Corporation, at a rate of \$1,000 per day for each day she provides services to the Corporation. AquinTerra provides certain administrative, management, corporate development, investor relations and exploration services at no additional cost to the Corporation. Ms. Le Sueur-Aquin does not otherwise draw a salary from the Corporation. The principal business address of AquinTerra is located in Calgary, Alberta.

### **Marlborough Management Limited**

Mr. Nagamatsu's compensation was earned indirectly through a consulting agreement (the "**MML Agreement**") between the Corporation and MML, a consulting company. Pursuant to the MML Agreement, effective January 1, 2022, MML charged the Corporation for services rendered by Mr. Nagamatsu as Chief Financial Officer of the Corporation at a rate of \$6,200 per month, in addition to \$300 per month for administrative and general bookkeeping and accounting services, including, but not limited to, the maintenance of the Corporation's books. Mr. Nagamatsu did not otherwise draw a salary from the Corporation. The principal business address of MML is located in Toronto, Ontario. MML provided executive management services to other companies for the year ended December 31, 2022, including Cartier Silver Corporation, Eloro Resources Ltd., Bocana Resources Corp., Forsys Metals Corp., GreenBank Capital Inc. and its subsidiaries, and EV Minerals Corporation. Mr. Nagamatsu resigned as Chief Financial Officer of the Corporation and Tyler Dilney was appointed as Chief Financial Officer, effective October 5, 2022.

### **Aux Advisory Inc.**

Mr. Dilney's compensation is earned indirectly through a consulting agreement (the "**AUX Agreement**") between the Corporation and AUX, a consulting company. Pursuant to the AUX Agreement, AUX charges the Corporation for services rendered by Mr. Dilney as Chief Financial Officer of the Corporation at a rate of \$5,000 per month for administrative, general bookkeeping and accounting services, including, but not limited to, the maintenance of the Corporation's books. Mr. Dilney did not otherwise draw a salary from the Corporation. The principal business address of AUX is located in Halifax, Nova Scotia. Mr. Dilney was appointed as Chief Financial Officer, effective October 5, 2022.

#### 4. Stock Options and Other Compensation Securities

##### *Stock options and other compensation securities as at December 31, 2022*

Name and position	Type of compensation security	Number of compensation securities, number of underlying securities	Date of Grant (mm/dd/yyyy)	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Value of unexercised in-the-money options (\$) <sup>(1)</sup>	Expiry date (mm/dd/yyyy)
Cynthia Le Sueur-Aquin <i>President, Chief Executive Officer and Director</i>	Options	500,000	06/02/2020	0.17	0.14	142,500	06/02/2025
Tyler Dilney <i>Chief Financial Officer</i>	Options	250,000	10/05/2022	0.95	0.81	-	10/05/2027
Michael Burmi <i>Director</i>	Options	150,000	06/02/2020	0.17	0.14	42,750	06/02/2025
	Options	250,000	12/14/2020	0.23	0.20	56,250	12/14/2025
	Options	250,000	07/16/2019	0.11	0.11	86,250	07/16/2029
John Covello <i>Director</i>	Options	367,379	06/02/2020	0.17	0.14	104,703	06/02/2025
	Options	326,837	12/14/2020	0.23	0.20	75,538	12/14/2025
	Options	212,045	04/13/2021	0.23	0.225	47,710	04/13/2026
	Options	18,106	08/19/2021	0.55	0.53	-	08/19/2026
	Options	29,000	01/11/2022	0.82	0.87	-	01/11/2027
	Options	250,000	07/16/2019	0.11	0.11	86,250	07/16/2029
	Options	241,664	09/09/2019	0.15	0.20	73,708	09/09/2029
Nick Ierfino <i>Director</i>	Options	250,000	02/14/2020	0.17	0.14	71,250	02/14/2025
	Options	326,837	12/14/2020	0.23	0.20	73,538	12/14/2025
	Options	212,045	04/13/2021	0.23	0.225	47,710	04/13/2026
	Options	18,106	08/19/2021	0.55	0.53	-	08/19/2026
	Options	29,000	01/11/2022	0.82	0.87	-	01/11/2027

**Notes:**

(1) For the purpose of calculating in-the-money values of Options, the exercise price of each Option was subtracted from the closing price of the Common Shares on December 31, 2022, which was \$0.455 per share.

(2) All Options issued vest 33.33% per annum from the date of grant until fully vested.

##### ***Exercise of compensation securities***

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 (mm/dd/yyyy)	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Cynthia Le Sueur-Aquin <i>President, Chief Executive Officer and Director</i>	Options	720,000	0.10	06/15/2022	1.02	0.92	662,400
	Options	510,000	0.05	06/15/2022	1.02	0.97	494,700
	Options	300,000	0.05	06/15/2022	1.02	0.97	291,000
Miles Nagamatsu <i>Former Chief Financial Officer</i>	-	-	-	-	-	-	-
Tyler Dilney <i>Chief Financial Officer</i>	-	-	-	-	-	-	-

Michael Burmi <i>Director</i>	-	-	-	-	-	-	-
John Covello <i>Director</i>	-	-	-	-	-	-	-
Nick Ierfino <i>Director</i>	-	-	-	-	-	-	-

## 5. Stock Options Plans and Other Incentive Plans

### Option-Based Awards

The stock-based compensation program of the Corporation provides for the granting of Options to encourage officers and consultants of the Corporation to acquire a proprietary interest in the Corporation and to provide an incentive to such persons related to the performance of the Corporation. The 2010 Stock Option Plan (as defined below) is administered by the board of directors of the Corporation (the "Board"), which accepts recommendation from the compensation committee (the "Compensation Committee"), at its discretion. The Compensation Committee currently consists of Nick Ierfino (Chair), Michael Burmi and John Covello.

In establishing the number of Options to be granted, reference is made to the number of Options granted to directors and officers of other publicly-traded companies of a similar size in the mineral exploration and development business. In addition, the Board and the Compensation Committee consider previous grants of Options and the overall number of Options which are outstanding relative to the number of outstanding common shares of the Corporation (the "Common Shares") in determining whether to grant any additional Options, and the size and terms of such Option grants, as well as the level of effort, time, responsibility, experience and level of commitment of the director or officer to determine the level of Option compensation.

### 2010 Stock Option Plan

Effective October 5, 2010, the Board adopted a rolling 10% stock option plan (the "2010 Stock Option Plan"), which was ratified by the Corporation's shareholders on November 5, 2010 and approved by the TSX Venture Exchange ("TSXV"). Pursuant to the 2010 Stock Option Plan, Options are exercisable over periods of up to ten years as determined by the Board. In addition, Options are required to have an exercise price no less than the closing market price of the Corporation's shares prevailing on the day that the option is granted less a discount of up to 25%, the amount of the discount varying with market price in accordance with the policies of the TSXV.

Pursuant to the 2010 Stock Option Plan, the Board may from time to time authorize the issuance of Options to directors, officers, employees and consultants of the Corporation and its subsidiaries or employees of companies providing management or consulting services to the Corporation or its subsidiaries. The number of Common Shares which may be issued pursuant to options granted under the 2010 Stock Option Plan will be a maximum of 10% of the issued and outstanding Common Shares at the time of the grant. As per the terms of the 2010 Stock Option Plan, all Options granted vest at a rate of 33.33% per annum from the date of grant, subject to the Board's final determination.

Pursuant to the 2010 Stock Option Plan, if any participant who is a director, officer, employee or consultant of the Corporation or an affiliate shall cease to act in that capacity for any reason other than death or permanent disability, such participant's options will terminate on the earlier of the date of the expiration of the relevant date and 90 days after the date such participant ceases to be a director, officer, employee or consultant of the Corporation or any affiliate.

The 2010 Stock Option Plan also provides that if a change of control, as defined therein in accordance with TSXV rules, occurs, all Common Shares subject to Option shall immediately become vested and may thereupon be exercised in whole or in part by the Option holder. Options are non-assignable and non-transferable, although they are assignable to and may be exercisable by an optionee's legal heirs, personal representatives or guardians in certain cases.

Under applicable TSXV policies, a rolling stock option plan must be approved and ratified by the Corporation's shareholders on an annual basis.

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

Under the AquinTerra Agreement, Ms. Le Sueur-Aquin's consulting services may be terminated at any time upon the provision of 18 months written notice, or pay in lieu thereof, which pay shall be eighteen times the \$25,000 monthly rate for a total of \$450,000.

Under the AUX Agreement, Mr. Dilney's consulting services may be terminated at any time upon 60 days advance written notice.

Under the MML Agreement, when such agreement was in force and effect, Mr. Nagamatsu's consulting services could be terminated at any time upon 90 days advance written notice.

In the event of a Change of Control (as defined below) by way of a sale of all or substantially all of the assets of the Corporation, the Corporation is obligated to use commercially reasonable best efforts to negotiate a transaction with the AquinTerra Agreement. This was also the case in regards to the MML Agreement when such agreement was in force and effect (prior to Mr. Nagamatsu's resignation as Chief Financial Officer of the Corporation).

**"Change in Control"** means any change in the holding, direct or indirect, of shares of the Corporation as a result of which,

- a. the acquisition by any Person or group of Persons "acting in concert" (as interpreted in accordance with applicable securities legislation) of Shares of rights or options to acquire Shares or any securities which are convertible into Shares or any combination thereof, such that after the completion of such acquisition such Person would be entitled, directly or indirectly, through beneficial ownership or control, to exercise 20% or more of the votes entitled to be cast at a meeting of the shareholders of the Corporation;
- b. the sale, exchange, lease or other disposition, in a single transaction or a series of related transactions, by the Corporation of all or substantially all of the property, rights or assets of the Corporation;
- c. a plan of liquidation or dissolution of the Corporation or an agreement for the sale, liquidation or dissolution of the Corporation is approved and completed;
- d. the election at a meeting of the Corporation's shareholders of that number of persons which would represent a majority of the Board as directors of the Corporation, who are not included in the slate for election as directors proposed to the Corporation's shareholders by management of the Corporation; and
- e. a transaction or series of transactions as a result of which a majority of the directors of the Corporation are removed from office at any annual or special meeting of shareholders, or a majority of the directors resign from office over a period of sixty (60) days or less, and the vacancies created thereby are filled by nominees proposed by any person other than directors or management of the Corporation in place immediately prior to the removal or resignation of the directors, or any other event that would be considered by the Board in its sole discretion as a Change of Control.

In the event the AquinTerra Agreement is terminated by either the Corporation or Ms. Le Sueur-Aquin within six months of an event giving rise to a Change of Control, the Corporation is obligated to pay to AquinTerra eighteen times the \$25,000 monthly fee for a total of \$450,000.

In the event of a Change of Control and the AUX Agreement is terminated by either the Corporation or Mr. Dilney at the effective date of a Change of Control, the Corporation is obligated to pay AUX an amount equal to fees for six months.

Prior to Mr. Nagamatsu's resignation as Chief Financial Officer of the Corporation, if there was a Change Control at any time during the term of the MML Agreement, MML would have the option to terminate the MML Agreement by giving written notice to the Corporation within 30 days of the Change of Control, and then, 30 days thereafter: (i) the MML Agreement would terminate; (ii) the appointment of Mr. Nagamatsu as Chief Financial Officer of the Corporation would terminate; and (iii) the Corporation would pay MML an amount equal to fees for six months.

## 7. Oversight and Description of Director and NEO Compensation

### ***Named Executive Officer Compensation***

The Board determines Named Executive Officer compensation based on the recommendation of the Compensation Committee at the time of engagement of the Named Executive Officer and subsequently reviews compensation payable to a Named Executive Officer from time to time.

The components of the Corporation's executive compensation program are described in the table below:

<b>Compensation Element</b>	<b>How it is paid</b>	<b>What is it designed to reward</b>
Base salary / management fees	Cash	Rewards skills, capabilities, knowledge and experience, reflecting the level of responsibility, as well as the contribution expected from each executive.
Long-term Incentive	Options	Provides alignment between the interest of executives and shareholders. Rewards contribution to the long-term performance of the Corporation and demonstrated potential for future contribution. Aligns with long-term corporate performance and provides added incentive for executives to enhance shareholder value.

In determining actual compensation levels, the Compensation Committee uses a holistic approach rather than considering any single element in isolation. Total compensation levels are set at levels which reflect both the marketplace (to ensure competitiveness) and the responsibility of each position (to ensure internal equity).

### ***Base Salary***

The base salary provides an executive with basic compensation and reflects individual responsibility, knowledge and experience, market competitiveness and the contribution expected from each individual.

### ***Long-term Incentive***

The long-term incentive component of executive compensation is designed to ensure commonality of interests between management and shareholders. This is accomplished by connecting shareholder return and long-term compensation, motivating executives to achieve long-range objectives that directly benefit shareholders.

Options reward executives for growth in the value of the Corporation's shares over the long term. This is the high risk, high-return component of the executive compensation program because Options deliver value to an executive only if the share price is above the grant price.

See "Stock Option Plans and Other Incentive Plans" for a discussion on incentive Options that may be awarded to Named Executive Officers. See "Stock Options and Other Compensation Securities" for details of outstanding Options held by the Named Executive Officers.

### ***Director Compensation***

The Board determines director compensation for the Corporation. Directors of the Corporation are currently not paid any cash fees for serving on the Board. Directors are entitled to receive discretionary bonuses from the Corporation to the extent that they provide other services to the Corporation that requires unusually time-consuming contributions to the Corporation during a specific fiscal year within their current role as a director. The bonus compensation is based on the level of contribution provided by each director and determined by the Board. See "Table of Compensation Excluding Compensation Securities" for bonuses paid during the fiscal year ended December 31, 2022. Directors are also entitled to be reimbursed for reasonable expenditures incurred in performing their duties as directors. See "Stock Option and Other Incentive Plans" for a discussion on incentive Options that may be awarded to directors. See "Stock Options and Other Compensation Securities" for details of outstanding Options held by the directors of the Corporation.

### ***Recent Significant Changes to the Corporation's Compensation Policies***

There have been no significant changes to the Corporation's compensation policies during the fiscal year ended December 31, 2022 that could or will have an effect on director or Named Executive Officer compensation.

## **8. Pension Disclosure**

The Company does not have any pension, defined benefit, defined contribution or deferred compensation plans in place.

### **Additional Information**

Additional information relating to the Corporation is on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders may contact the Corporation at 40 King Street West, Suite 5800, Toronto, ON, M5H 3S1 to request copies of the Corporation's financial statements and management's discussion and analysis. Financial information about the Corporation is contained in the Corporation's comparative audited financial statements and management's discussion and analysis for its year ended December 31, 2022.

**DATED** at Toronto, Ontario, this 29<sup>th</sup> day of June 2023

**ON BEHALF OF THE BOARD OF DIRECTORS**

(signed) "*Cynthia Le Sueur-Aquin*"

Cynthia Le Sueur-Aquin  
President and Chief Executive Officer