TEMBO GOLD CORP.
(the "Company")

FORM 51-102F6V
STATEMENT OF EXECUTIVE COMPENSATION
(For the Year Ended December 31, 2022)

General

The following information, dated as of June 27, 2023, is provided as required under Form 51-102F6V for Venture Issuers (the "**Form**"), as such term is defined in National Instrument 51-102.

For the purposes of this Form:

"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;

"**named executive officer**" or "**NEO**" means each of the following individuals:

(a) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer;

(b) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer;

(c) in respect of the company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than $150,000, as determined in accordance with subsection 1.3(5), for that financial year;

(d) each individual who would be a named executive officer under paragraph (c) 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;

"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;

During the Company's financial year ended December 31, 2022, the following individuals were the NEOs of the Company:

- David Scott, President, CEO and a director of the Company
- Simon Benstead, CFO, VP Business Development and a director of the Company.

Director and Named Executive Officer Compensation, Excluding Compensation Securities

Table of Compensation Excluding Compensation Securities

The following table provides a summary of compensation 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 of the Company during the financial years ended December 31, 2022 and December 31, 2021:

All dollar amounts referenced herein are in Canadian dollars unless otherwise specified.

Name and Position	Year	Salary, Consulting Fee, Retainer or Commission	Bonus	Committee or Meeting Fees	Value of Perquisites	Value of all other Compensation	Total Compensation
David Scott President, CEO and Director	2022 2021	$250,383 $218,692	Nil Nil	Nil Nil	$39,146[1] $31,656[1]	Nil Nil	$289,529 $250,348
Simon Benstead CFO, VP Corporate Development and Director	2022 2021	$195,246 $148,851	Nil Nil	Nil Nil	Nil Nil	Nil Nil	$195,246 $148,851
Frank Högel Director	2022 2021	$14,000 Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	$14,000 Nil
Mark Cernovitch Director	2022 2021	$195,246 $128,851	Nil Nil	Nil Nil	Nil Nil	Nil Nil	$195,246 $128,851

NOTES:

(1) The Company had a rental agreement with an arm's length party (the "**Landlord**") for housing accommodation in Tanzania provided to Mr. Scott. The housing arrangement was terminated on July 31, 2021 and, commencing August 1, 2021, the Company provided to Mr. Scott a monthly housing allowance of US$2,500. During fiscal 2022 the Company paid or accrued $nil (2021 - $15,985) to the Landlord and $39,146 (2021 - $15,671) to Mr. Scott. As at December 31, 2022 $13,488 (2021 - $nil) remained unpaid.

Stock Options and Other Compensation Securities

Table of Compensation Securities

The following table discloses all compensation securities granted or issued to each director and Named Executive Officer by the Company or one of its subsidiaries during the fiscal year ended December 31, 2022 for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries:

Name and Position	Type of Compensation Security	Number of Compensation Securities, Number of Underlying[1] 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
David Scott President, CEO and Director	Stock options[1]	Nil	N/A	N/A	N/A	N/A	N/A
Simon Benstead CFO, VP Corporate Development and Director	Stock options[2]	Nil	N/A	N/A	N/A	N/A	N/A
Frank Högel Director	Stock options[3]	Nil	N/A	N/A	N/A	N/A	N/A
Mark Cernovitch Director	Stock options[4]	Nil	N/A	N/A	N/A	N/A	N/A

NOTES:

(1) As at December 31, 2022, Mr. Scott held 2,000,000 stock options of the Company entitling him to acquire, upon exercise, 2,000,000 common share s in the capital of the Company. All of these stock options were vested as at December 31, 2022.
(2) As at December 31, 2022, Mr. Benstead held 2,392,000 stock options of the Company entitling him to acquire, upon exercise, 2,392,000 common shares in the capital of the Company. All of these stock options were vested as at December 31, 2022. 2,000,000 of these stock options are held by 2016728 Ontario Inc.
(3) As at December 31, 2022, Mr. Högel held 500,000 stock options of the Company entitling him to acquire, upon exercise, 500,000 common shares in the capital of the Company. All of these stock options were vested as at December 31, 2022.
(4) As at December 31, 2021, Mr. Cernovitch held 892,000 stock options of the Company entitling him to acquire, upon exercise, 892,000 common shares in the capital of the Company. All of these stock options were vested as at December 31, 2022.

Exercises of Compensation Securities by Named Executive Officers and Directors

There were no exercises of any stock options or compensation securities by the directors and the Named Executive Officers of the Company and its subsidiaries during the fiscal year ended December 31, 2022.

Stock Option Plans and other Incentive Plans

A. <u>10% Rolling Stock Option Plan</u>

The Company adopted a new "rolling" 10% stock option plan (the "**Option Plan**") on June 21, 2022. The Option Plan was approved by the shareholders on July 25, 2022 and accepted for filing by the TSX Venture Exchange (the "**Exchange**") on August 9, 2022.

The purpose of the Option Plan is to, among other things: (i) provide the Company with a mechanism to attract, retain and motivate qualified directors, officers, employees and consultants of the Company and its subsidiaries; (ii) reward directors, officers, employees and consultants that have been granted stock options (each, an "**Option**") under the Option Plan for their contributions toward the long-term goals and success of the Company; and (iii) enable and encourage such directors, officers, employees and consultants to acquire Shares of the Company as long-term investments and proprietary interests in the Company.

A summary of certain provisions of the Option Plan is set out below, and a full copy of the Option Plan is attached as Schedule "B" to the Company's management information circular filed on SEDAR on June 23, 2022**.**

Summary of the Option Plan

Eligibility

The Option Plan allows the Company to grant Options to attract, retain and motivate qualified directors, officers, employees and consultants of the Company and its subsidiaries (collectively, the "**Option Plan Participants**").

Number of Shares Issuable

The aggregate number of Common Shares that may be issued to Option Plan Participants under the Option Plan will be that number of Shares equal to 10% of the issued and outstanding Shares on the particular date of grant of the Option, inclusive of the 8,832,334 Outstanding Options.

Limits on Participation

The Option Plan provides for the following limits on grants, for so long as the Company is subject to the requirements of the Exchange, unless disinterested shareholder approval is obtained or unless permitted otherwise pursuant to the policies of the Exchange:

(i) the maximum number of Shares that may be issued to any one Option Plan Participant (and where permitted pursuant to the policies of the Exchange, any company that is wholly-owned by the Option Plan Participant) under the Option Plan, together with any other security based compensation arrangements, within a 12-month period, may not exceed 5% of the issued Shares calculated on the date of grant;

(ii) the maximum number of Shares that may be issued to insiders collectively under the Option Plan, together with any other security based compensation arrangements, within a 12-month period, may not exceed 10% of the issued Shares calculated on the date of grant; and

(iii) the maximum number of Shares that may be issued to insiders collectively under the Option Plan, together with any other security based compensation arrangements, may not exceed 10% of the issued Shares at any time.

For so long as such limitation is required by the Exchange, the maximum number of Options which may be granted within any 12-month period to Option Plan Participants who perform investor relations activities must not exceed 2% of the issued and outstanding Shares, and such Options must vest in stages over 12 months with no more than 25% vesting in any three month period. In addition, the maximum number of Shares that may be granted to any one consultant under the Option Plan, together with any other security based compensation arrangements, within a 12-month period, may not exceed 2% of the issued Shares calculated on the date of grant.

Administration

The plan administrator of the Option Plan (the "**Option Plan Administrator**") will be the Board or a committee of the Board, if delegated. The Option Plan Administrator will, among other things, determine which directors, officers, employees or consultants are eligible to receive Options under the Option Plan; determine conditions under which Options may be granted, vested or exercised, including the expiry date, exercise price and vesting schedule of the Options; establish the form of option certificate ("**Option Certificate**"); interpret the Option Plan; and make all other determinations and take all other actions necessary or advisable for the implementation and administration of the Option Plan.

Subject to any required regulatory or shareholder approvals, the Option Plan Administrator may also, from time to time, without notice to or without approval of the shareholders or the Option Plan Participants, amend, modify, change, suspend or terminate the Options granted pursuant thereto as it, in its discretion, determines appropriate, provided that no such amendment, modification, change, suspension or termination of the Option Plan or any Option granted pursuant thereto may materially impair any rights of an Option Plan Participant or materially increase any obligations of an Option Plan Participant under the Option Plan without the consent of such Option Plan Participant, unless the Option Plan Administrator determines such adjustment is required or desirable in order to comply with any applicable securities laws or stock exchange requirements or as otherwise permitted pursuant to the Option Plan.

All of the Options are subject to the conditions, limitations, restrictions, vesting, exercise and forfeiture provisions determined by the Option Plan Administrator, in its sole discretion, subject to such limitations provided in the Option Plan, and will be evidenced by an Option Certificate. In addition, subject to the limitations provided in the Option Plan and in accordance with applicable law, the Option Plan Administrator may accelerate the vesting of Options, cancel or modify outstanding Options and waive any condition imposed with respect to Options or Shares issued pursuant to Options.

Exercise of Options

Options shall be exercisable as determined by the Option Plan Administrator at the time of grant, provided that no Option shall have a term exceeding 10 years so long as the Shares are listed on the Exchange.

Subject to all applicable regulatory rules, the vesting schedule for an Option, if any, shall be determined by the Option Plan Administrator. The Option Plan Administrator may elect, at any time, to accelerate the vesting schedule of an Option, and such acceleration will not be considered an amendment to such Option and will not require the consent of the Option Plan Participant in question. However, no acceleration to the vesting schedule of an Option granted to an Option Plan Participant performing investor relations services may be made without prior acceptance of the Exchange.

The exercise price of an Option shall be determined by the Option Plan Administrator and cannot be lower than the greater of: (i) the minimum price required by the Exchange; and (ii) the market value of the Shares on the applicable grant date.

An Option Plan Participant may exercise the Options in whole or in part through any one of the following forms of consideration, subject to applicable laws, prior to the expiry date of such Options, as determined by the Option Plan Administrator:

- the Option Plan Participant may send a wire transfer, certified cheque or bank draft payable to the Company in an amount equal to the aggregate exercise price of the Shares being purchased pursuant to the exercise of the Options;

- subject to approval from the Option Plan Administrator and the Shares being traded on the Exchange, consideration may be paid on a "cashless exercise" basis where a brokerage firm may be engaged to loan money to the Option Plan Participant in order for the Option Plan Participant to exercise the Options to acquire the Shares, subsequent to which the brokerage firm shall sell a sufficient number of Shares to cover the exercise price of such Options to satisfy the loan. The brokerage firm shall receive an equivalent number of Shares from the exercise of the Options, and the Option Plan Participant shall receive the balance of the Shares or cash proceeds from the balance of such Shares; and

- subject to approval from the Option Plan Administrator and the Shares being traded on the Exchange, consideration may be paid on a "net exercise" basis where Options held by an Option Plan Participant (excluding those Option Plan Participants providing investor relations services) are exercised without the Option Plan Participant making any cash payment to the Company. The Option Plan Participant only receives the number of Shares that is equal to the quotient obtained by dividing: (i) the product of the number of Options being exercised multiplied by the difference between the volume-weighted average trading price of the Shares and the exercise price of the Options, by (ii) the volume-weighted average trading price of the Shares. The number of Shares delivered to the Option Plan Participant may be further reduced to satisfy applicable tax withholding obligations. The number of Options exercised, surrendered or converted, and not the number of Shares issued by the Issuer, must be included in calculating the number of Shares issuable under the Option Plan and the limits on participation.

If an exercise date for an Option occurs during a trading black-out period imposed by the Company to restrict trades in its securities, then, notwithstanding any other provision of the Option Plan, the Option shall be exercised no more than ten business days after the trading black-out period is lifted by the Company, subject to certain exceptions.

Termination of Employment or Services and Change in Control

The following describes the impact of certain events that may, unless otherwise determined by the Option Plan Administrator or as set forth in an Option Certificate, lead to the early expiry of Options granted under the Option Plan.

Termination by the Company for cause:	Forfeiture of all unvested Options. The Option Plan Administrator may determine that all vested Options shall be forfeited, failing which all vested Options shall be exercised in accordance with the Option Plan.
Voluntary resignation of an Option Plan Participant:	Forfeiture of all unvested Options. Exercise of vested Options in accordance with the Option Plan.
Termination by the Company other than for cause:	Acceleration of vesting of a portion of unvested Options in accordance with a prescribed formula as set out in the Option Plan.[1] Forfeiture of the remaining unvested Options. Exercise of vested Options in accordance with the Option Plan.
Death or disability of an Option Plan Participant:	Acceleration of vesting of all unvested Options.[1] Exercise of vested Options in accordance with the Option Plan.
Termination or voluntary resignation for good reason within 12 months of a change in control:	Acceleration of vesting of all unvested Options.[1] Exercise of vested Options in accordance with the Option Plan.

Note: (1) Any acceleration of vesting of unvested Options granted to an investor relations service provider is subject to the prior written approval of the Exchange.

Any Options granted to an Option Plan Participant under the Option Plan shall terminate at a date no later than 12 months from the date such Option Plan Participant ceases to be an Option Plan Participant.

In the event of a triggering event, which includes a change in control, dissolution or winding-up of the Company, a material alteration of the capital structure of the Company and a disposition of substantially all of the Company's assets, the Option Plan Administrator may, without the consent of the Option Plan Participant, cause all or a portion of the Options granted to terminate upon the occurrence of such event.

Amendment or Termination of the Option Plan

Subject to any necessary regulatory approvals, the Option Plan may be suspended or terminated at any time by the Option Plan Administrator, provided that no such suspension or termination shall alter or impact any rights or obligations under an Option previously granted without the consent of the Option Plan Participant.

The following limitations apply to the Option Plan and all Options thereunder as long as such limitations are required by the Exchange:

- any adjustment to Options, other than in connection with a security consolidation or security split, is subject to prior Exchange acceptance and the issuance of a news release by the Company outlining the terms thereof;

- any amendment to the Option Plan is subject to prior Exchange acceptance, except for amendments to reduce the number of Shares issuable under the Option Plan, to increase the exercise price of Options or to cancel Options;

- any amendments made to the Option Plan shall require regulatory and shareholder approval and the issuance of a news release by the Company outlining the terms thereof, except for amendments to: (i) fix typographical errors; and (ii) clarify existing provisions of the Option Plan and which do not have the effect of altering the scope, nature and intent of such provisions; and

- the exercise price of an Option previously granted to an insider must not be reduced, or the extension of the expiry date of an Option held by an insider may not be extended, unless the Company has obtained disinterested shareholder approval to do so in accordance with Exchange policies.

Subject to the foregoing limitations and any necessary regulatory approvals, the Option Plan Administrator may amend any existing Options or the Option Plan or the terms and conditions of any Option granted thereafter, although the Option Plan Administrator must obtain written consent of the Option Plan Participant (unless otherwise excepted out by a provision of the Option Plan) where such amendment would materially decrease the rights or benefits accruing to an Option Plan Participant or materially increase the obligations of an Option Plan Participant.

(B) <u>Equity Incentive Plan</u>

In addition to the Option Plan, the Company also adopted an equity incentive plan (the "**Equity Incentive Plan**") on June 21, 2022. The Equity Incentive Plan was approved by the shareholders on July 25, 2022 and accepted for filing by the Exchange on August 9, 2022. The Board has determined that it is in the best interests of the Company to adopt a security-based compensation plan which would provide the Company with the ability and flexibility to make broader and different forms of equity rewards as part of its need to retain a competitive compensation structure for its directors, officers, employees and consultants. The purpose of the Equity Incentive Plan is to, among other things: (i) provide the Company with a mechanism to attract, retain and motivate qualified directors, officers, employees and consultants of the Company and its subsidiaries; (ii) reward directors, officers, employees and consultants that have been granted Awards (as defined below) under the Equity Incentive Plan for their contributions toward the long-term goals and success of the Company; and (iii) enable and encourage such directors, officers, employees and consultants to acquire Shares of the Company as long-term investments and proprietary interests in the Company. The approval of the Equity Incentive Plan by the Board is subject to approval of the shareholders and to the final acceptance of the Exchange.

A summary of certain provisions of the Equity Incentive Plan is set out below, and a full copy of the Equity Incentive Plan is attached as Schedule "C" to the Company's management information circular filed on SEDAR on June 23, 2022**.**

Summary of Equity Incentive Plan

Eligibility

The Equity Incentive Plan provides flexibility to the Company to grant equity-based incentive awards in the form of restricted share units ("**RSUs**"), performance share units ("**PSUs**") and deferred share units ("**DSUs**") (collectively, the "**Awards**") to attract, retain and motivate qualified directors, officers, employees and consultants of the Company and its subsidiaries, excluding, for so long, and to the extent, that such limitation is required pursuant to the policies of the Exchange, any investor relations service providers (collectively, the "**Equity Incentive Plan Participants**").

Number of Shares Issuable

The aggregate number of Shares that may be issued to Equity Incentive Plan Participants under the Equity Incentive Plan may not exceed 10,068,634, which number equals 10% of the outstanding Shares as at June 21, 2022, subject to adjustment as provided for in the Equity Incentive Plan.

Limits on Participation

The Equity Incentive Plan provides for the following limits on grants, for so long as the Company is subject to the requirements of the Exchange, unless disinterested shareholder approval is obtained or unless permitted otherwise pursuant to the policies of the Exchange:

(iv) the maximum number of Shares that may be issued to any one Equity Incentive Plan Participant (and where permitted pursuant to the policies of the Exchange, any company that is wholly-owned by the Equity Incentive Plan Participant) under the Equity Incentive Plan, together with any other security based compensation arrangements, within a 12-month period, may not exceed 5% of the issued Shares calculated on the date of grant;

(v) the maximum number of Shares that may be issued to insiders collectively under the Equity Incentive Plan, together with any other security based compensation arrangements, within a 12-month period, may not exceed 10% of the issued Shares calculated on the date of grant; and

(vi) the maximum number of Shares that may be issued to insiders collectively under the Equity Incentive Plan, together with any other security based compensation arrangements, may not exceed 10% of the issued Shares at any time.

For so long as such limitation is required by the Exchange, the maximum number of Shares that may be granted to any one consultant under the Equity Incentive Plan, together with any other security based compensation arrangements, within a 12-month period, may not exceed 2% of the issued Shares calculated on the date of grant.

Administration

The plan administrator of the Equity Incentive Plan (the "**Equity Incentive Plan Administrator**") will be the Board or a committee of the Board, if delegated. The Equity Incentive Plan Administrator will, among other things, determine which directors, officers, employees or consultants are eligible to receive Awards under the Equity Incentive Plan; determine any vesting provisions or other restrictions on Awards, subject to the requirements of the policies of the Exchange; determine conditions under which Awards may be granted, vested or settled, including establishing performance goals, subject to the requirements of the Exchange; establish the form of Award agreement ("**Award Agreement**"); interpret the Equity Incentive Plan; and make all other determinations and take all other actions necessary or advisable for the implementation and administration of the Equity Incentive Plan.

Subject to any required regulatory or shareholder approvals, the Equity Incentive Plan Administrator may also, from time to time, without notice to or without approval of the shareholders or the Equity Incentive Plan Participants, amend, modify, change, suspend or terminate the Awards granted pursuant thereto as it, in its discretion, determines appropriate, provided that no such amendment, modification, change, suspension or termination of the Equity Incentive Plan or any Award granted pursuant thereto may materially impair any rights of an Equity Incentive Plan Participant or materially increase any obligations of an Equity Incentive Plan Participant under the Equity Incentive Plan without the consent of such Equity Incentive Plan Participant, unless the Equity Incentive Plan Administrator determines such adjustment is required or desirable in order to

comply with any applicable securities laws or stock exchange requirements or as otherwise permitted pursuant to the Equity Incentive Plan.

All of the Awards are subject to the conditions, limitations, restrictions, vesting, settlement and forfeiture provisions determined by the Equity Incentive Plan Administrator, in its sole discretion, subject to such limitations provided in the Equity Incentive Plan and the policies of the Exchange, and will be evidenced by an Award Agreement. In addition, subject to the limitations provided in the Equity Incentive Plan and in accordance with applicable laws and the policies of the Exchange, the Equity Incentive Plan Administrator may accelerate the vesting or payment of Awards, cancel or modify outstanding Awards and waive any condition imposed with respect to Awards or Shares issued pursuant to Awards.

Subject to the terms and conditions of the Equity Incentive Plan, the Plan Administrator, may, in its discretion, credit outstanding Share Units and DSUs with dividend equivalents in the form of additional Share Units and DSUs, respectively, as of each dividend payment date in respect of which normal cash dividends are paid on Shares. Dividend equivalents credited to an Equity Incentive Plan Participant's accounts shall vest in proportion to the Share Units and DSUs to which they relate, and shall be settled in accordance with terms of the Plan. Where the issuance of Shares pursuant to the settlement of dividend equivalents will result in the Company having insufficient Shares available for issuance or would result in the Company breaching its limits on grants of Awards, as set out above, the Company shall settle such dividend equivalents in cash.

Settlement of Vested Share Units

The Equity Incentive Plan provides for the grant of restricted share units (each, a "**RSU**"). A RSU is a unit equivalent in value to a Share which entitles the holder to receive one Share, or cash, or a combination thereof for each vested RSU. RSUs shall, unless otherwise determined by the Equity Incentive Plan Administrator, and as specifically set out in the Award Agreement, vest, if at all, following a period of continuous employment of the Equity Incentive Plan Participant with the Company or a subsidiary of the Company.

The Equity Incentive Plan also provides for the grant of performance share units (each, a "**PSU**", together with RSUs, the "**Share Units**"), which entitles the holder to receive one Share, or cash, or a combination thereof, for each vested PSU. PSUs shall, unless otherwise determined by the Equity Incentive Plan Administrator, and as specifically set out in the Award Agreement, vest, if at all, subject to the attainment of certain performance goals and satisfaction of such other conditions to vesting, if any, as may be determined by the Equity Incentive Plan Administrator and in compliance with the policies of the Exchange.

Except where an Equity Incentive Plan Participant dies or ceases to be an Equity Incentive Plan Participant due to a change in control of the Company, no Share Unit shall vest prior to the first anniversary of its date of grant. Upon settlement of the Share Units, which shall be within 60 days of the date that the applicable vesting criteria are met, deemed to have been met or waived, and in any event no later than three years following the end of the year in respect of which the Share Units are granted, holders of the Share Units will receive any, or a combination of, the following (as determined solely at the discretion of the Equity Incentive Plan Administrator):

(i) one fully paid and non-assessable Share issued from treasury in respect of each vested Share Unit; or

(ii) a cash payment, which shall be determined by multiplying the number of Share Units redeemed for cash by the market value of a Share (calculated with reference to the five-day volume weighted average trading price) (the "**Market Price**") on the date of settlement.

The Company reserves the right to change its allocation of Shares and/or cash payment in respect of a Share Unit settlement at any time up until payment is actually made. If a settlement date for an Share Unit occurs during a trading black-out period imposed by the Company to restrict trades in its securities, then, notwithstanding any other provision of the Equity Incentive Plan, the Share Unit shall be settled no more than ten business days after the trading black-out period is lifted by the Company, subject to certain exceptions.

Settlement of Vested DSUs

The Equity Incentive Plan also provides for the grant of deferred share units (each, a "**DSU**"). A DSU is a unit equivalent in value to a Share which entitles the holder to receive one Share, or cash, or a combination thereof, for each vested DSU on a future date following the Equity Incentive Plan Participant's separation of services from the Company or its subsidiaries.

Except where an Equity Incentive Plan Participant dies or ceases to be an Equity Incentive Plan Participant due to a change in control of the Company and as set out below, no DSU shall vest prior to the first anniversary of its date of grant. Upon settlement of the DSUs, which shall be no earlier than the date of the Equity Incentive Plan Participant's termination of services to the Company or its subsidiaries and no later than one year after such date, holders of DSUs will receive any or a combination of the following (as determined solely at the discretion of the Equity Incentive Plan Administrator):

(i) one fully paid and non-assessable Share issued from treasury in respect of each vested DSU; or

(ii) a cash payment, determined by multiplying the number of DSUs redeemed for cash by the Market Price of a Share on the date of settlement.

In addition to grants made by the Equity Incentive Plan Administrator to all Equity Incentive Plan Participants, directors of the Company may elect, subject to acceptance by the Company, in whole or in part, of such election, to receive any portion of their director's fees to be payable in DSUs.

The Company reserves the right to change its allocation of Shares and/or cash payment in respect of a DSU settlement at any time up until payment is actually made. If a settlement date for a DSU occurs during a trading black-out period imposed by the Company to restrict trades in its securities, then, notwithstanding any other provision of the Equity Incentive Plan, the DSU shall be settled no more than ten business days after the trading black-out period is lifted by the Company, subject to certain exceptions.

Termination of Employment or Services and Change in Control

The following describes the impact of certain events that may, unless otherwise determined by the Equity Incentive Plan Administrator or as set forth in an Award Agreement, lead to the early expiry of Awards granted under the Equity Incentive Plan.

Termination by the Company for cause:	Forfeiture of all unvested Awards. The Plan Administrator may determine that all vested Awards shall be forfeited, failing which all vested Awards shall be settled in accordance with the Equity Incentive Plan.
Voluntary resignation of an Equity Incentive Plan Participant:	Forfeiture of all unvested Awards. Settlement of all vested Awards in accordance with the Equity Incentive Plan.
Termination by the Company other than for cause:	Acceleration of vesting of a portion of unvested Awards in accordance with a prescribed formula as set out in the Equity Incentive Plan, subject to the policies of the Exchange. Forfeiture of the remaining unvested Awards. Settlement of all vested Awards in accordance with the Equity Incentive Plan.
Death or disability of an Equity Incentive Plan Participant:	Acceleration of vesting of all unvested Awards. Settlement of all vested Awards in accordance with the Equity Incentive Plan.
Termination or voluntary resignation for good reason within 12 months of a change in control:	Acceleration of vesting of all unvested Awards. Settlement of all vested Awards in accordance with the Equity Incentive Plan.

Any Awards granted to an Equity Incentive Plan Participant under the Equity Incentive Plan shall terminate at a date no later than 12 months from the date such Equity Incentive Plan Participant ceases to be an Equity Incentive Plan Participant.

In the event of a triggering event, which includes a change in control, dissolution or winding-up of the Company, a material alteration of the capital structure of the Company and a disposition of substantially all of the Company's assets, the Plan Administrator may, without the consent of the Equity Incentive Plan Participant, cause all or a portion of the Awards granted to terminate upon the occurrence of such event, subject to any necessary approvals.

Amendment or Termination of the Equity Incentive Plan

Subject to the approval of the Exchange, where required, the Equity Plan Administrator may from time to time, without notice to or approval of the Equity Incentive Plan Participants or shareholders, terminate the Equity Incentive Plan. Amendments made to the Equity Incentive Plan shall require regulatory and shareholder approval, except for amendments to: (i) fix typographical errors; and (ii) clarify existing provisions of the Equity Incentive Plan and which do not have the effect of altering the scope, nature and intent of such provisions.

Employment, Consulting and Management Agreements

David Scott is the only NEO that had an employment agreement with the Company during the financial year ending December 31, 2022. Mr. Scott's employment agreement has an indefinite term and provides for an initial annual base salary of US$180,000, which is subject to adjustment by the Board, and an annual discretionary bonus (with a target of 50% of base salary) designed to compensate Mr. Scott for personal and corporate performances, as determined at the discretion of the Board. Under the terms of the employment agreement, Mr. Scott is entitled to certain long-term incentives, including participation in the Company's incentive plans, termination and change of control payments, as well as various benefits that the Company makes available. The employment agreement also includes non-solicitation and noncompetition provisions that are effective during the length of his employment with the Company and for 12 months following his termination or resignation.

The employment contract with Mr. Scott provides for the following termination and change of control benefits: (a) if the Company terminates Mr. Scott's employment other than for cause, Mr. Scott is entitled to (i) the sum of three times his monthly base salary; and (ii) one month's base salary for every year of completed service up to an aggregate of 12 months; (b) if there is a change of control of the Company and within 12 months of that change of control Mr. Scott is terminated due to the change of control or the terms of Mr. Scott's employment are materially changed and he elects to resign, he is entitled to: (i) his annual base salary; and (ii) one month's base salary for every year of completed service up to an aggregate of 24 months; (iii) continue to participate in the Company's benefit plans for 12 months or until alternative coverage is obtained, or if such participation is not permitted, the Company shall pay Mr. Scott an amount sufficient to enable him to obtain equivalent benefit coverage; and (iv) immediate vesting of Mr. Scott's stock options.

Other than Mr. Scott's employment agreement, the Company does not have in place any compensatory plan, severance pay provisions or other arrangement with any NEO as of the financial year ended December 31, 2022 that would be triggered by the resignation, retirement or other termination of employment of such officer, resulting from a change of control of the Company or change in the executive's responsibilities following any such change in control.

Oversight and Description of Director and Named Executive Officer Compensation

Compensation, Philosophy and Objectives

The Board meets to discuss and determine management compensation, without reference to formal objectives, criteria or analysis. 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; and (c) ensure that the total compensation package is designed in a manner that takes into account the constraints that the Company is under by virtue of the fact that it is a junior mineral exploration company without a history of earnings.

The Board, as a whole, ensures that total compensation paid to all NEOs is fair and reasonable. The Board, as a whole, recommends levels of executive compensation that are competitive, motivating and commensurate with the time spent by executive officers in meeting their obligations.

Analysis of Elements

Base salary is used to provide the NEOs with a set amount of money during the year with the expectation that each NEO will perform his responsibilities to the best of his ability and in the best interests of the Company. The Company considers the granting of incentive stock options to be a significant component of executive compensation as it allows the Company to reward each NEO's efforts to increase value for shareholders without requiring the Company to use cash from its treasury. Stock options are generally awarded to executive officers at the commencement of employment and periodically thereafter.

The terms and conditions of the Company's stock option grants, including vesting provisions and exercise prices, are governed by the terms of the Option Plan. A description of the significant terms of the Option Plan is found under the heading "*Stock Option Plans and other Incentive Plans*".

The Company does not determine executive compensation based on the share price performance. Overall the salaries or consulting fees payable to the NEOs, in particular to the Company's CEO, have had an upward trend in order to provide competitive levels of compensation necessary to attract and maintain executive talent.

Option Based Awards

The Company has no long-term incentive plans other than the Option Plan. The Company's directors, employees, officers and certain consultants are entitled to participate in the Option Plan. The Option Plan is designed to encourage share ownership and entrepreneurship on the part of the senior management and other employees. The Board believes that the Option Plan aligns the interests of the NEOs and the Board with shareholders by linking a component of executive compensation to the longer term performance of the Company's common shares.

Options are granted by the Board. In monitoring or adjusting the option allotments, the Board takes into account its own observations on individual performance (where possible) and its assessment of individual contribution to shareholder value, previous option grants and the objectives set for the NEOs and the Board. The scale of options is generally commensurate to the appropriate level of base compensation for each level of responsibility.

In addition to determining the number of options to be granted pursuant to the methodology outlined above, the Board also makes the following determinations:

- parties who are entitled to participate in the Option Plan;
- the exercise price for each stock option granted, subject to the provision that the exercise price cannot be lower than the prescribed discount permitted by the Exchange from the market price on the date of grant;
- the date on which each option is granted;
- the vesting period, if any, for each stock option;
- the other material terms and conditions of each stock option grant; and
- any re-pricing or amendment to a stock option grant.

The Board makes these determinations subject to and in accordance with the provisions of the Option Plan. The Board reviews and approves grants of stock options on an annual basis and periodically during a financial year.

Director Compensation

The Company has no arrangements, standard or otherwise, pursuant to which directors are compensated by the Company for their services in their capacity as directors or for committee participation. No compensation was paid or is payable to any director of the Company for their respective services as a director during the financial year ended December 31, 2022. Directors are entitled to be reimbursed for reasonable expenditures incurred in performing their duties as directors, and the Company may, from time to time, grant to its directors incentive stock options to purchase Shares. Directors are entitled to receive compensation from the Company to the extent that they provide other services to the Company and any such compensation is based on rates that would be charged by such directors for such services to arm's length parties. The Company currently relies solely on Board discussion without any formal objectives, criteria and analysis to determine the number of incentive stock options, and the terms and conditions of such stock options, to be granted to the directors and officers of the Company in accordance with the policies of the Exchange and the Option Plan. The Board also takes into consideration the number and value of outstanding stock options already held by each option holder when determining stock option grants. See "*Statement of Executive Compensation – Table of Stock Options and other Compensation Securities*" for stock options granted to the directors of the Company during the financial year ended December 31, 2022.

Recent Significant Changes to the Company's Compensation Policies

There have been no significant changes to the Company'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.

Pension Benefits

Neither the Company nor any of its subsidiaries currently has a pension benefits arrangement under which the Company or any of its subsidiaries has made payments to the directors or Named Executive Officers of the Company during its financial year ended December 31, 2022 or intends to make payments to the Company's directors or Named Executive Officers upon their retirement (other than the payments made, if any, pursuant to the Canada Pension Plan or any government plan similar to it).