



AMENDED STATEMENT OF EXECUTIVE COMPENSATION
For the year ended December 31, 2023

For the purposes of this Statement, "**Named Executive Officers**" or "**NEOs**" means each of the following individuals:

- (a) each individual who, in respect of the Company, during any part of the financial year ended December 31, 2023, served as chief executive officer, including an individual performing functions similar to a chief executive officer ("**CEO**") of the Company;
- (b) each individual who, in respect of the Company, during any part of the financial year ended December 31, 2023, served as chief financial officer, including an individual performing functions similar to a chief financial officer ("**CFO**") of the Company;
- (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 financial year ended December 31, 2023 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 an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, as at December 31, 2023.

During the financial year ended December 31, 2023, the Company had two NEOs: namely, Todd L. Hilditch, CEO and Bryan McKenzie, CFO.

Director and NEO Compensation, excluding Compensation Securities

The compensation, excluding compensation securities, for the NEOs and directors for the Company's two most recently completed financial years is as set out below.

During the Company's financial year ended December 31, 2023, there were no arrangements under which directors were compensated in cash by the Company and its subsidiaries for their services in their capacity as directors.

Table of Compensation excluding compensation securities							
Name and Position	Year	Salary, Consulting Fee, retainer or Commission (\$)	Bonus (\$)	Committee or meeting Fees (\$)	Value of Perquisites (\$)	Value of all other Compensation (\$) ⁽¹⁾⁽²⁾	Total Compensation (\$)
WILLIAM LAMB ⁽³⁾⁽⁴⁾ Chairman of the Board	2023	12,000	NIL	NIL	NIL	NIL	12,000
	2022	48,000	NIL	NIL	NIL	NIL	48,000
TODD HILDITCH ⁽³⁾ Chief Executive Officer and Director	2023	192,000	NIL	NIL	NIL	NIL	192,000
	2022	192,000	NIL	NIL	NIL	NIL	192,000
BRYAN MCKENZIE ⁽³⁾⁽⁵⁾ Chief Financial Officer and Corporate Secretary	2023	150,000	NIL	NIL	NIL	NIL	150,000
	2022	150,000	NIL	NIL	NIL	NIL	150,000
CYNDI LAVAL ⁽³⁾ Director	2023	NIL	NIL	NIL	NIL	NIL	NIL
	2022	NIL	NIL	NIL	NIL	NIL	NIL
RICHARD DELONG ⁽³⁾ Director	2023	NIL	NIL	NIL	NIL	NIL	NIL
	2022	NIL	NIL	NIL	NIL	NIL	NIL
THOMAS PATTON ⁽³⁾⁽⁶⁾ Director	2023	NIL	NIL	NIL	NIL	NIL	NIL
	2022	NIL	NIL	NIL	NIL	NIL	NIL
JOHN SCHAFF ⁽³⁾⁽⁷⁾ Director	2023	NIL	NIL	NIL	NIL	NIL	NIL
	2022	NIL	NIL	NIL	NIL	NIL	NIL

Notes:

- (1) The Company does not currently have a non-equity incentive plan or a long-term incentive plan for any of its directors, Executive officers or its NEO.
- (2) The Company does not have any pension, retirement or deferred compensation plans, including defined contribution plan.
- (3) Messrs. Lamb, Hilditch, McKenzie, Patton, Schaff and DeLong have not received any compensation relating their roles as a director. Ms. Laval has not received any compensation relating to her role as a director.
- (4) William Lamb resigned as Executive Chairman of the Board and was appointed Chairman of the Board on April 6, 2023.
- (5) Bryan McKenzie resigned as a director on April 6, 2023.
- (6) Thomas Patton was appointed to the Board of Directors on April 6, 2023.
- (7) John Schaff was appointed to the Board of Directors and a member of the Audit Committee on April 6, 2023.

Ms. Cyndi Laval, a director of the Company is a partner of Gowling (WLG) Canada LLP which provides the Company with legal services. During the year ended December 31, 2023, Gowling (WLG) Canada LLP charged \$1,525 (2022-\$10,731) for legal services.

STOCK OPTIONS AND OTHER COMPENSATION SECURITIES

The table below discloses all compensation securities granted to each NEO and the directors by the Company for services provided, directly or indirectly to the Company during the financial year ended December 31, 2023:

Name and position	Type of compensation security (1)(2)(3)(4)	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 as at December 31, 2023 (\$)	Expiry Date
WILLIAM LAMB ⁽⁵⁾ <i>Chairman of the Board</i>	Stock Options	50,000	April 6, 2023	\$0.21	\$0.21	\$0.16	April 6, 2028
TODD L. HILDITCH ⁽⁶⁾ <i>CEO and Director</i>	Stock Options	100,000	April 6, 2023	\$0.21	\$0.21	\$0.16	April 6, 2028
BRYAN MCKENZIE ⁽⁷⁾ <i>CFO, Corporate Secretary</i>	Stock Options	85,000	April 6, 2023	\$0.21	\$0.21	\$0.16	April 6, 2028
CYNDI LAVAL ⁽⁸⁾ <i>Director</i>	Stock Options	50,000	April 6, 2023	\$0.21	\$0.21	\$0.16	April 6, 2028
RICHARD DELONG ⁽⁹⁾ <i>Director</i>	Stock Options	50,000	April 6, 2023	\$0.21	\$0.21	\$0.16	April 6, 2028
THOMAS PATTON ⁽¹⁰⁾ <i>Director</i>	Stock Options	100,000	April 6, 2023	\$0.21	\$0.21	\$0.16	April 6, 2028
JOHN SCHAFF ⁽¹¹⁾ <i>Director</i>	Stock Options	100,000	April 6, 2023	\$0.21	\$0.21	\$0.16	April 6, 2028

Notes:

- (1) There has been no compensation security that has been re-priced, cancelled and replaced, had its term extended, or otherwise been materially modified, in the most recently completed financial year.
- (2) There are no restrictions or conditions for converting, exercising or exchanging on the compensation securities granted in the most recently completed financial year.
- (3) Each outstanding stock option of the Company entitles the holder thereof to acquire, upon exercise, one Common Share.
- (4) All outstanding stock options granted vested 25% on the date of the grant and 25% on each of the dates that is 6, 12, and 18 months after the date of grant.
- (5) As at December 31, 2023, Mr. Lamb held 535,000 stock options of the Company entitling him to acquire, upon exercise 535,000 Common Shares. As of December 31, 2023, 510,000 stock options held by Mr. Lamb have vested.

- (6) As at December 31, 2023, Mr. Hilditch held 674,000 stock options of the Company entitling him to acquire, upon exercise 674,000 Common Shares. As of December 31, 2023, 624,000 stock options held by Mr. Hilditch have vested.
- (7) As at December 31, 2023, Mr. McKenzie held 453,000 stock options of the Company entitling him to acquire, upon exercise 453,000 Common Shares. As of December 31, 2023, 410,500 stock options held by Mr. McKenzie have vested.
- (8) As at December 31, 2023, Ms. Laval held 238,000 stock options of the Company entitling her to acquire, upon exercise 238,000 Common Shares. As of December 31, 2023, 213,000 stock options held by Ms. Laval have vested.
- (9) As at December 31, 2023, Mr. DeLong held 150,000 stock options of the Company entitling him to acquire, upon exercise 150,000 Common Shares. As of December 31, 2023, 125,000 stock options held by Mr. DeLong have vested.
- (10) As at December 31, 2023, Mr. Patton held 100,000 stock options of the Company entitling him to acquire, upon exercise 100,000 Common Shares. As of December 31, 2023, 50,000 stock options held by Mr. Patton have vested.
- (11) As at December 31, 2023, Mr. Schaff held 100,000 stock options of the Company entitling him to acquire, upon exercise 100,000 Common Shares. As of December 31, 2023, 50,000 stock options held by Mr. Schaff have vested.

During the financial year ended December 31, 2023, there were no exercises by a director or NEO of compensation securities.

Stock Option Plan

On October 17, 2014, the Board adopted the Stock Option Plan (the "Plan"). The Shareholders of the Company approved the Plan on December 5, 2017 and in accordance with the policies of the Exchange "rolling 10% plans" must be approved annually at the Company's annual meeting by the Shareholders of the Company. Accordingly, the Company received the approval of its Shareholders to the ratification of the Plan at the Annual General Meeting held on December 7, 2023. The Board of Directors approved the Plan on November 3, 2023.

The purpose of the Plan is to attract and motivate directors, employees and consultants to the Corporation and its subsidiaries, and thereby advance the Corporation's interests, by affording such persons with an opportunity to acquire an equity interest in the Corporation through the issuance of stock options.

The Plan is required to be approved by the Shareholders of the Corporation and the Exchange and once approved. While all existing grants of options under the Plan will continue to be exercisable in accordance with their terms, all future grants of options will be made pursuant to the Plan.

The terms of the Plan authorize the Board to grant stock options to the Optionees on the following terms (all capitalized terms have the meaning as defined in the Plan):

1. The aggregate maximum number of Common Shares which may be issued pursuant to options granted under the Plan, unless otherwise approved by the Shareholders, may not exceed that number which is equal to 10% of the number of Common Shares issued and outstanding at the time of the option grant.
2. The number of Common Shares under each option will be determined by the Board provided that the aggregate maximum number of Common Shares reserved for issuance pursuant to options granted during any twelve (12) month period to:
 - (a) Insiders may not exceed 10% of the total issued and outstanding shares of the Corporation at the time of grant unless approval by the Disinterested Shareholders (as defined below) has been obtained in accordance with the policies of the Exchange;
 - (b) subject to (c) below, any one Person may not exceed 5% of the total issued and outstanding Common Shares (unless approval by the Disinterested Shareholders has been obtained);
 - (c) any one Consultant may not exceed 2% of the total issued and outstanding Common Shares at the date of such grant; and
 - (d) any one Person engaged in Investor Relations Activities for the Corporation may not exceed 2% of the total issued and outstanding Common Shares and must vest in stages over a 12-month period with no more than $\frac{1}{4}$ of the Options vesting in any three-month period;

in each case calculated as at the date of grant of the Option, including all other shares under Option to such Person at that time.

3. The exercise price of an Option may not be set at less than the minimum price permitted by the Exchange or less than the Discounted Market Price.
4. Options granted will have a maximum term of up to 10 years from the date of grant.
5. Options are non assignable and non transferable.
6. Options can only be exercised by the Optionee as long as the Optionee remains an eligible Optionee pursuant to the Plan or within a period of not more than 90 days after ceasing to be an eligible Optionee (30 days in the case of a person engaged in Investor Relations Activities). In the event of death of an Optionee, the Optionee's heirs or administrators may exercise any portion of such Optionee's outstanding Option until the earlier of one year following the date of the Optionee's death or the expiry of the Option Period.
7. In the event that the Optionee shall cease to be a Director, Employee or Consultant by reason of such Optionee's disability, any Options held by such Optionee that could have been exercised immediately prior to such cessation shall be exercisable by such Optionee, or by his Guardian, for a period of 30 days following the date of such cessation. If such Optionee dies within that 30 day period, any Option held by such Optionee that could have been exercised immediately prior to his or her death shall pass to the Qualified Successor of such Optionee, and shall be exercisable by the Qualified Successor until the earlier of 30 days following the death of such Optionee and the expiry of the Option Period.
8. Employment shall be deemed to continue intact during any military or sick leave or other bona fide leave of absence if the period of such leave does not exceed 180 days or, if longer, for so long as the Optionee's right to re-employment with the Corporation or its subsidiary is guaranteed either by statute or by contract. If the period of such leave exceeds 180 days and the Optionee's re employment is not so guaranteed, then the Optionee's employment shall be deemed to have terminated on the 181st day of such leave.
9. In the event an Optionee shall cease to be a Director, Employee or Consultant of the Corporation for termination for cause, the Option shall terminate and shall cease to be exercisable upon such termination for cause.
10. Subject to any required regulatory approval, the Board may, in its discretion, accelerate the vesting or exercisability of any Option and all Option shares subject to an Option become vested in the event of a take over bid. The exercise price and the number of Common Shares which are subject to an Option may be adjusted from time to time for share dividends, and in the event of recapitalization, subdivision, arrangement, amalgamation, reorganization or change in the capital structure of the Corporation.
11. Subject to Exchange approval and certain other conditions, the exercise price of an Option may be reduced at the discretion of the Board if prior Exchange approval is obtained and at least six (6) months have elapsed since the date the Option was granted and the date the exercise price for such Option was last amended. For any reduction in the exercise price of an Option held by an Insider of the Corporation, approval by the Disinterested Shareholders (as defined below) will be required.
12. Options issued to Optionees other than Consultants who perform Investor Relations Activities, may at the discretion of the Board be subject to vesting conditions.
13. The "disinterested shareholder" approval will be required for any extension of the Option Period of an Option if the Optionee is an Insider of the Corporation at the time of the proposed amendment.

The Exchange requires that "rolling" stock option plans such as the Corporation's Plan must receive annual approval by the shareholders. Thereafter, notice of options granted under the Plan must be given to the Exchange. Any amendments to the Plan must also be approved by the Exchange and, if necessary, approval by the disinterested shareholders of the Corporation obtained prior to becoming effective.

“Approval by the Disinterested Shareholders” means approval by a majority of votes cast by all Shareholders at the Meeting, excluding votes attached to Common Shares beneficially owned by Insiders of the Corporation to whom Options may be granted pursuant to the Plan and their associates in accordance with the policies of the Exchange.

A copy of the Plan may be inspected at the offices of Gowling (WLG) Canada LLP, counsel to the Company, Suite 2300, 550 Burrard Street, Vancouver, BC, during normal business hours and at the Meeting. In addition, a copy of the Plan will be mailed, free of charge, to any Shareholder who makes a request in writing to the Company. Any such requests should be mailed to the Company, at its head office at Suite 2390, 1055 West Hastings Street, Vancouver, BC V6E 2E9, Canada, to the attention of the Corporate Secretary

See *“Particulars of Matters to Be Acted Upon – Approval of Stock Option Plan”* for further particulars.

Employment, Consulting and Management Agreements

The Company does not have any contract, agreement, plan or arrangement that provides for payments to a NEO at following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control of the Company or a change in the NEO’s responsibilities other than outlined below:

WLP Agreement

Effective June 21, 2021, the Company entered into a consulting services agreement with WLP (the **“WLP Agreement”**) whereby WLP agreed to provide the services of Mr. Lamb to act as the Company’s Executive Chairman of the Board for an annual fee of \$48,000 plus GST (the **“WLP Consulting Fee”**). The Company agreed to \$4,000 payable in equal monthly installments, including reimbursement of expenses, subject to periodic revision by the Company and WLP.

The WLP Agreement was terminated on April 6, 2023.

RMC Agreement

Effective June 21, 2021, the Company entered into a consulting services agreement with RMC (the **“RMC Agreement”**) whereby RMC agreed to provide the services of Mr. Hilditch to act as the Company’s Chief Executive Officer for an annual fee \$192,000 plus GST (the **“RMC Consulting Fee”**). The Company agreed to \$16,000 payable in equal monthly installments, including reimbursement of expenses, subject to periodic revision by the Company and RMC.

The term of the RMC Agreement is indefinite, but the engagement of RMC and the RMC Agreement may be terminated by RMC giving the Company three months’ written notice and the Company may terminate the RMC Agreement as set forth below. The RMC Agreement provides for certain payments and benefits to RMC on its termination without cause or resignation for good cause and on termination or resignation following a change of control of the Company as such terms are defined below. The Company may terminate the RMC Agreement without cause at any time by notice in writing stating the last day of engagement and RMC may resign for good cause under the RMC Agreement on three months’ written notice (the end of such notice being the **“Termination Date”**).

In the event, the Company terminates the RMC Agreement without cause or RMC resigns for good cause, the Company will be obligated to provide compensation in the form of a termination payment on the 5th day following the Termination Date, as follows:

- (a) the full amount of the unpaid RMC Consulting Fee through to the Termination Date;
- (b) the full amount of any accrued unpaid reimbursable expenses due to RMC; and
- (c) an additional lump sum amount equivalent to 24 months of the RMC Consulting Fees, calculated based on the RMC Consulting Fee at the highest rate in effect during the 12-month period immediately preceding the Termination Date, exclusive of other remuneration.

In the event the Company terminates the RMC Agreement within 12 months after the occurrence of a change of control, in addition to (a) and (b) above, RMC will be entitled to receive a lump sum payment equivalent to 24 months of the RMC Consulting Fee calculated at the highest rate paid during the 12 months immediately preceding the Termination Date.

Sandstone Agreement

Effective June 21, 2021, the Company entered into a consulting services agreement with Sandstone (the "**Sandstone Agreement**"). Pursuant to the Sandstone Agreement, Sandstone agreed to provide the services of Mr. McKenzie to act as the Company's Chief Financial Officer for an annual fee of \$150,000 plus GST (the "**Sandstone Consulting Fee**"). The Company agreed to \$12,500 payable in equal monthly installments, including reimbursement of expenses, subject to periodic revision by the Company and Sandstone.

The term of the Sandstone Agreement is indefinite, but the engagement of Sandstone and the Sandstone Agreement may be terminated by Sandstone giving the Company three months' written notice and the Company may terminate the Sandstone Agreement as set forth below. The Sandstone Agreement provides for certain payments and benefits to Sandstone on its termination without cause or resignation for good cause and on termination or resignation following a change of control of the Company as such terms are defined below. The Company may terminate the Sandstone Agreement without cause at any time by notice in writing stating the last day of engagement and Sandstone may resign for good cause under the Sandstone Agreement on three months' written notice (the end of such notice being the "**Termination Date**").

In the event, the Company terminates the Sandstone Agreement without cause or Sandstone resigns for good cause, the Company will be obligated to provide compensation in the form of a termination payment on the 5th day following the Termination Date, as follows:

- (a) the full amount of the unpaid Sandstone Consulting Fee through to the Termination Date;
- (b) the full amount of any accrued unpaid reimbursable expenses due to Sandstone; and
- (c) an additional lump sum amount equivalent to 18 months of the Sandstone Consulting Fees, calculated based on the Sandstone Consulting Fee at the highest rate in effect during the 12- month period immediately preceding the Termination Date, exclusive of other remuneration.

In the event the Company terminates the Sandstone Agreement within 12 months after the occurrence of a change of control, in addition to (a) and (b) above, Sandstone will be entitled to receive a lump sum payment equivalent to 18 months of the Sandstone Consulting Fee calculated at the highest rate paid during the 12 months immediately preceding the Termination Date.

Oversight and Description of Director and Named Executive Officer Compensation

Compensation Discussion and Analysis

The Board is responsible for implementing and overseeing the human resources and compensation philosophy of the Company and making recommendations with respect to the compensation to the NEO and directors of the Company. The Board ensures that total compensation paid to NEO and directors is fair and reasonable and is consistent with the Company's compensation philosophy.

During the financial year ended December 31, 2023, no compensation was paid to directors in their capacity as directors of the Company or in their capacity as members of a committee of the Board, other than through the grant of stock options.

Executive Compensation Philosophy and Objectives

The Company's principal goal is to create value for its Shareholders. The Company's compensation philosophy reflects this goal and is based on the following fundamental principles:

1. compensation programs align with Shareholders' interests – the Company aligns the goals of executives with maximizing long-term Shareholder value;
2. performance sensitive – compensation for executive officers should be linked to operating and market performance of the Company and fluctuate with the performance; and
3. offer market competitive compensation to attract and retain talent – the compensation program should provide market competitive pay in terms of value and structure in order to retain existing executive officers who are performing according to their objectives and to attract new individuals of the highest calibre.

The objectives of the Company in compensating all NEOs were developed based on the above-mentioned compensation philosophy and are as follows: to attract, motivate and retain highly qualified executive officers; to align the interests of executive officers with Shareholders' interests by making long-term, equity-based incentives through the granting of stock options and evaluating executive performance on the basis of key measurements that correlate to long-term Shareholder value; and to tie compensation directly to those measurements and rewards based on achieving and exceeding predetermined objectives.

Option-based Awards

The Company has no long-term incentive plan other than its Plan. The Company's Plan provides for the grant of stock options to directors, officers, employees and consultants of the Company. The purpose of the Plan is to provide an incentive for directors, officers, employees and consultants of the Company to directly participate in the Company's growth and development by providing them with the opportunity through options to purchase Common Shares. The grant of such stock options advances the interests of the Company and its shareholders through the motivation, attraction and retention of these individuals.

The Board determines the ranges of stock option grants for each level of directors, officers, employees and consultants to whom it recommends that grants be made. Individual grants are determined by an assessment of an individual's current and expected future performance, level of responsibilities and the importance of the position and contribution to the Company.

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 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 of the Common Shares on the date of grant;
- the date on which each stock 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 Plan. The Board reviews and approves grants of options on an annual basis and periodically during a financial year. Previous grants are taken into account when considering new grants.

The Board has responsibility for determining the appropriate levels of compensation for management and for determining related compensatory matters such as the granting of incentive stock options. The Board has not formally considered the implications of the risks associated with the Company's compensation policies and practices.

The Company has not placed a restriction on NEOs or directors concerning the purchase of financial instruments (including prepaid variable forward contracts, equity swaps, collars or units of exchange funds) that are designed to hedge or offset a decrease in the market value of equity securities granted as compensation or held, directly or indirectly by the NEOs or employees.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out equity securities of the Company which have been authorized for issuance under the Plan, as amended, as of the end of the Company's most recently completed financial year, December 31, 2023.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options (a)	Weighted-Average Exercise Price of Outstanding Options (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding securities reflected in column (a))(2) (c)
Equity Compensation Plans Approved By Shareholders ⁽¹⁾	2,820,000	\$0.21	398,288

Note:

(1) Issued under the Plan. See "Executive Compensation – Stock Options and other Incentive Plans.

