

VOLEO TRADING SYSTEMS INC.
(formerly LOGAN RESOURCES LTD.)
 (the “Company”)

FORM 51-102F6V
STATEMENT OF EXECUTIVE COMPENSATION
(For the Year Ended December 31, 2019)

GENERAL

The following information, dated as of June 19, 2020, 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, a “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 (“CEO”), including an individual performing functions similar to a CEO;
- (b) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief financial officer (“CFO”), including an individual performing functions similar to a CFO;
- (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) of Form 51-102F6V, for that financial year;
- (d) each individual who would be a NEO 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.

DIRECTOR AND NEO COMPENSATION

Director and NEO Compensation, Excluding Options and Compensation Securities

The following table of compensation, excluding options and compensation securities, provides a summary of the compensation paid by the Company to each NEO and director of the Company for the two most recently completed financial years ended December 31, 2019 and 2018. Options and compensation securities are disclosed under the heading “Stock Options and Other Compensation Securities and Instruments” of this Form.

Table of Compensation, Excluding Compensation Securities							
Name and position	Year ⁽¹⁾	Salary, consulting fee, retainer or commission (\$) ⁽²⁾	Bonus (\$) ⁽²⁾	Committee or meeting fees (\$) ⁽²⁾	Value of perquisites (\$) ⁽²⁾	Value of all other compensation (\$) ⁽²⁾	Total compensation (\$) ⁽²⁾
Carlo Valente ⁽³⁾ Former CFO	2019	808	Nil	Nil	Nil	Nil	808
	2018	4,090	Nil	Nil	Nil	Nil	4,090

Table of Compensation, Excluding Compensation Securities							
Name and position	Year ⁽¹⁾	Salary, consulting fee, retainer or commission (\$) ⁽²⁾	Bonus (\$) ⁽²⁾	Committee or meeting fees (\$) ⁽²⁾	Value of perquisites (\$) ⁽²⁾	Value of all other compensation (\$) ⁽²⁾	Total compensation (\$) ⁽²⁾
Stewart Wallis ⁽⁴⁾ Director	2019 2018	Nil 510	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil 510
Richard Grayston ⁽⁵⁾ Director and Former Interim CEO	2019 2018	Nil Nil	Nil Nil	Nil 3,000	Nil Nil	Nil Nil	Nil 3,000
Olen Aasen ⁽⁶⁾ Director	2019 2018	20,103 16,859	Nil Nil	Nil Nil	Nil Nil	Nil Nil	20,103 16,859
Mark Lotz ⁽⁷⁾ Director and Former Interim CFO	2019 2018	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Mark Morabito ⁽⁸⁾ Executive Chairman	2019 2018	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Jay Sujir ⁽⁹⁾ Co-Chair	2019 2018	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Brad Wiggins ⁽¹⁰⁾ Director	2019 2018	8,247 Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	8,247 Nil
Nicky Senyard ⁽¹¹⁾ Director	2019 2018	40,000 Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	40,000 Nil
Glen Wilson ⁽¹²⁾ Director	2019 2018	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Thomas Beattie ⁽¹³⁾ CEO	2019 2018	160,000 Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	160,000 Nil
Kate-Lynn Genzel ⁽¹⁴⁾ CFO	2019 2018	21,079 Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	21,079 Nil

NOTES:

- (1) Financial years ended December 31.
- (2) All amounts shown were paid in Canadian currency, the reporting currency of the Company.
- (3) Mr. Valente was appointed CFO on July 26, 2013. Mr. Valente did not receive compensation directly from the Company. Mr. Valente was an employee of King & Bay West Management Corp. (“**King & Bay West**”). King & Bay West is a company that provides management services to the Company. King & Bay West invoices the Company on a monthly basis for fees for management services, which are determined based on the usage of such services by the Company. The amount set out for Mr. Valente is the amount paid by King & Bay West directly to Mr. Valente during the applicable fiscal year based on the estimated time Mr. Valente spent providing services to the Company. Mr. Valente resigned as CFO effective May 27, 2019.
- (4) Mr. Wallis, through his company, Sundance Geological Ltd., is a consultant to King & Bay West. King & Bay West is a company that provides management services to the Company. King & Bay West invoices the Company on a monthly basis for fees for management services provided which are determined based on the usage of such services by the Company. The amount set out for Mr. Wallis is the amount paid by King & Bay West directly to Mr. Wallis, through Sundance Geological Ltd., during the applicable fiscal year based on the estimated time Mr. Wallis spent providing services to the Company. Mr. Wallis served on the Board of Directors of the Company but was not compensated for his services as a director. Mr. Wallis resigned as a Director effective May 27, 2019.
- (5) Mr. Grayston was appointed as a director of the Company effective July 26, 2012 and as Interim Chief Executive Officer effective September 22, 2018. Mr. Grayston received directors’ fees in the amount of \$1,000 per quarter for acting as the former chair of the audit committee and as Interim Chief Executive Officer. Mr. Grayston passed away in April 2019.
- (6) Mr. Aasen was appointed as a director of the Company effective September 22, 2017 and received no compensation for his services as a director. Mr. Aasen is a consultant of King & Bay West. King & Bay West is a company that provides management services to the Company. King & Bay West invoices the Company on a monthly basis for fees for management services provided which are determined based on the usage of such services by the Company. The amount set out for Mr. Aasen is the amount paid by King & Bay West directly to Mr. Aasen during the applicable fiscal year based on the estimated time Mr. Aasen spent providing services to the Company. Mr. Aasen resigned as a director effective May 27, 2019.

- (7) Mr. Lotz was appointed as a director of the Company effective July 7, 2017 and receives no compensation for his services as a director. Mr. Lotz was appointed as Interim Chief Executive Officer on April 23, 2019 and resigned as Interim CEO effective May 27, 2019.
- (8) Mr. Morabito was appointed as a director and Executive Chairman of the Company effective May 28, 2019 and receives no compensation for his services as a director or Executive Chairman.
- (9) Mr. Sujir was appointed as a director and Co-Chair of the Company effective May 28, 2019 and receives no compensation for his services as a director or Co-Chair.
- (10) Mr. Wiggins was appointed as a director of the Company effective May 28, 2019. Mr. Wiggins, through his company SecuritiesLawUSA, PC, provides regulatory and legal consulting services to the Company. The amount set out for Mr. Wiggins is the amount paid by the Company to SecuritiesLawUSA for consulting services provided by Mr. Wiggins to the Company for the applicable fiscal year. Mr. Wiggins receives no compensation for his services as a director.
- (11) Ms. Senyard was appointed as a director of the Company effective May 28, 2019. Ms. Senyard, through her company, Share Results Inc. provided consulting services to the Company. The amount set out for Ms. Senyard is the amount paid by the Company to Shared Results Inc. for consulting services provided by Ms. Senyard for the applicable fiscal year. Ms. Senyard receives no compensation for her services as a director.
- (12) Mr. Wilson was appointed as a director of the Company effective May 28, 2019 and receives no compensation for his services as a director.
- (13) Mr. Beattie was appointed Chief Executive Officer of the Company effective May 28, 2019. Pursuant to a consulting agreement between the Company and Momentum Ventures Inc. (“**Momentum**”), a company controlled by Mr. Beattie, the Company paid Momentum a monthly consulting fee of \$15,000 for the services of Mr. Beattie. The amount set out for Mr. Beattie is the amount paid by the Company to Momentum for Mr. Beattie’s services.
- (14) Ms. Genzel was appointed CFO effective May 28, 2019. Ms. Genzel does not receive compensation directly from the Company. Ms. Genzel is an employee of King & Bay West. King & Bay West is a company that provides management services to the Company. King & Bay West invoices the Company on a monthly basis for fees for management services provided which are determined based on the usage of such services by the Company. The amount set out for Ms. Genzel is the amount paid by King & Bay West directly to Ms. Genzel during the applicable fiscal year based on the estimated time Ms. Genzel spent providing services to the Company.

Stock Options and Other Compensation Securities and Instruments

The following table of compensation securities provides a summary of all compensation securities granted or issued under the Security-Based Compensation Plans by the Company to each NEO and director of the Company for the financial year ended December 31, 2019, for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries:

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date
Carlo Valente Former CFO	Options ⁽¹⁾	140,000 Options 140,000 Common Share 1.3%	2019-05-28	0.25	0.30	0.075	2024-05-28
Olen Aasen Director	Options ⁽¹⁾	240,000 Options 240,000 Common Shares 2.2%	2019-05-28	0.25	0.30	0.075	2024-05-28
Mark Lotz Director	Options ⁽¹⁾	150,000 Options 150,000 Common Shares 1.4%	2019-05-28	0.25	0.30	0.075	2024-05-28

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date
Mark Morabito Executive Chairman	Options ⁽¹⁾	500,000 Options 500,000 Common Shares 4.6%	2019-05-28	0.25	0.30	0.075	2024-05-28
Jay Sujir Co-Chair	Options ⁽¹⁾	292,500 Options 292,500 Common Shares 2.7%	2019-05-28	0.25	0.30	0.075	2024-05-28
Brad Wiggins Director	Options ⁽¹⁾	150,000 Options 150,000 Common Shares 1.4%	2019-05-28	0.25	0.30	0.075	2024-05-28
Nicky Senyard Director	Options ⁽¹⁾	235,000 Options 235,000 Common Shares 2.2%	2019-05-28	0.25	0.30	0.075	2024-05-28
Glen Wilson Director	Options ⁽¹⁾	150,000 Options 150,000 Common Shares 1.4%	2019-05-28	0.25	0.30	0.075	2024-05-28
Thomas Beattie CEO	Options ⁽¹⁾	500,000 Options 500,000 Common Shares 4.6%	2019-05-28	0.25	0.30	0.075	2024-05-28
Kate-Lynn Genzel CFO	Options ⁽¹⁾	175,000 Options 175,000 Common Shares 1.6%	2019-05-28	0.25	0.30	0.075	2024-05-28

NOTES:

- (1) Options vest over a period of two years such that 25% become available for exercise on each of the sixth, twelfth, eighteenth and twenty-fourth month anniversaries of the date of grant.

No compensation securities were exercised by any NEOs or directors of the Company during the financial year ended December 31, 2019.

Security-Based Compensation Plans

The Company currently has an Amended Stock Option Plan and a Restricted Share Unit (“**RSU**”) Plan (collectively, the “**Security-Based Compensation Plans**”), which are subject to Shareholder approval. Descriptions of the Company’s Security-Based Compensation Plans are set out below.

Amended Stock Option Plan (the “Plan”)

The Plan is a “rolling” stock option plan and is established to attract and retain employees, consultants, officers or directors to the Company and to motivate them to advance the interests of the Company by affording them with the opportunity to acquire an equity interest in the Company.

The Plan reserves for issuance a maximum of 10% of the Common Shares at the time of a grant of options under the Plan. The Plan is administered by the Board of Directors and provides for grants of non-transferable options under the Plan at the discretion of the Board of Directors to directors, senior officers, employees, management company employees of, or consultants to, the Company and its subsidiaries, or their permitted assigns (each an “**Eligible Person**”).

The Board of Directors has the authority under the Plan to determine the exercise price per Common Share at the time an option is granted, but such price shall not be less than the closing price of the Common Shares on the TSX Venture Exchange (the “**Exchange**” or “**TSX-V**”) on the last trading day preceding the date on which the grant of the option is approved by the Board of Directors. The Board of Directors also has the authority under the Plan to determine other terms and conditions relating to the grant of options, including any applicable vesting provisions, provided that any options granted to consultants performing Investor Relations Activities must vest in stages over a period of not less than 12 months with no more than one-quarter of the options vesting in any three-month period.

The term of options granted under the Plan shall not exceed 10 years from the date of grant. However, as permitted by the Policy, the Plan has been amended to include an automatic extension of the expiry date associated with any option that expires during a trading blackout period imposed by the Company in accordance with insider trading policies. Under the Plan, if an option expires within a blackout period, the expiry date will be automatically extended to ten (10) business days following the date on which the blackout period is lifted.

All options granted under the Plan are not assignable or transferable other than by will or the laws of dissent and distribution. Other than Eligible Persons engaged in Investor Relations Activities, if an optionee ceases to be an Eligible Person for any reason whatsoever other than termination for cause or death, each fully vested option held by such optionee will cease to be exercisable 90 days following the termination date (being the date on which such optionee ceases to be an Eligible Person), provided that in no event shall such right extend beyond the expiry date of such options. If an optionee dies, the legal representative of the optionee may exercise the optionee's options within one year after the date of the optionee's death but only up to and including the original option expiry date. In the case of an optionee who is an Eligible Person engaged in Investor Relations Activities, each fully vested option held by such optionee will cease to be exercisable within 30 days from the date such optionee ceases to provide Investor Relations Activities, provided that in no event shall such right extend beyond the expiry date of such options. In the case of an optionee who is an Eligible Person who is terminated for cause, any option held by such optionee shall expire immediately.

In adherence with the TSX Venture Exchange Policy 4.4 – *Incentive Stock Options* (the “**Policy**”), the Plan also includes the following limitations on stock option grants:

- (a) unless the Company obtains shareholder approval (which must be disinterested shareholder approval if required by the policies of the Exchange) the aggregate number of Common Shares issuable pursuant to options granted under the Plan, together with Common Shares issuable under any other Share Compensation Arrangement of the Company shall not at any time exceed 10% of the number of Common Shares outstanding immediately prior to the grant of any such option;
- (b) the aggregate number of Common Shares issuable to any one Eligible Person who is a Consultant (as defined in the Plan) shall not, within a one year period, exceed 2% of the number of Common Shares outstanding immediately prior to the grant of any such option;

- (c) the aggregate number of Common Shares issuable to all Eligible Persons retained in Investor Relations Activities shall not, within a one year period, exceed 2% of the number of Common Shares outstanding immediately prior to the grant of any such option; and
- (d) unless the Company obtains disinterested shareholder approval, the aggregate number of Common Shares issuable to any one Eligible Person (and where permitted, any companies that are wholly owned by that Eligible) shall not, within a one year period, exceed 5% of the number of Common Shares outstanding immediately prior to the grant of any such option.

Furthermore, the Plan provides that shareholder approval must be obtained to effect any of the following modifications to the Plan: (a) an increase in the benefits under the Plan; (b) an increase in the number of Common Shares which may be issued under the Plan; (c) modifications to the requirements as to the eligibility for participation in the Plan; (d) modifications to the limitations on the number of options that may be granted to any one person or category of persons under the Plan; (e) modifications to the method for determining the exercise price of options granted under the Plan; (f) an increase in the maximum option period; or (g) modifications to the expiry and termination provisions applicable to options granted under the Plan.

The Plan is subject to yearly approval by the Company's shareholders. The Plan was last approved by the Company's shareholders on December 19, 2019.

RSU Plan

Eligibility

RSUs may be granted to a person who is a director, officer, employee, management company employees of, or consultants to, the Company or its related entities, or their permitted assigns (each, a "**Participant**").

Limitations

The maximum aggregate number of Common Shares issuable to Participants at any time pursuant to the RSU Plan, together with all other Security-Based Compensation Plans of the Company, may not exceed 10,765,387 Common Shares at the time of a grant of the RSU. However, if any RSU has been vested and redeemed, then the number of Common Shares into which such RSU was redeemed shall become available to be issued under all Security-Based Compensation Plans.

The number of Common Shares issuable to any individual under any Security-Based Compensation Plan of the Company shall not, within a one-year period, exceed 5% of the number of Common Shares outstanding immediately prior to the subject grant.

The number of Common Shares: (i) issued to insiders of the Company, within any one-year period, and (ii) issuable to insiders of the Company, at any time, under the RSU Plan, or when combined with all of the Company's other Security-Based Compensation Plans, will not exceed 10% of the Company's total issued and outstanding Common Shares.

The aggregate number of Common Shares issuable to any one Participant who is a Consultant (as defined in the RSU Plan) shall not, within a one year period, exceed 2% of the number of Common Shares outstanding immediately prior to the grant of any such option.

The aggregate number of Common Shares issuable to all Participants retained in Investor Relations Activities shall not, within a one year period, exceed 2% of the number of Common Shares outstanding immediately prior to the grant of any such option.

Fair Market Value

At any particular date, the market value of a Common Share at that date will be the closing price of the Common Shares on the principal stock exchange where the Common Shares are listed for the trading day immediately

preceding such date; provided that if the Common Shares are no longer listed on any stock exchange, then the fair market value will be the fair market value of the Common Shares as determined by the Board.

Vesting

RSUs shall vest and be subject to the terms and conditions of the RSU Plan and such other terms and conditions, in each case, as determined in the sole discretion of the Board at the time of grant.

The Board of Directors may, in its sole discretion, (i) shorten the vesting period of any RSUs or waive any conditions applicable to such RSUs and (ii) determine on the grant date of RSUs that such RSUs may not be satisfied by the issuance of Common Shares and such RSUs must be satisfied by cash payment only.

In the event of a Change in Control (as defined in the RSU Plan), if the surviving corporation fails to continue or assume the obligations with respect to each RSU or fails to provide for the conversion or replacement of each RSU with an equivalent award, then all RSUs credited to a Participant's account that have not otherwise previously been cancelled shall immediately vest on the date on which a Change in Control occurs.

If vesting occurs during a period when a blackout on trading has been imposed, or within ten business days following the end of a blackout, the redemption date of such vested units shall be extended to a date which is the earlier of (i) ten (10) business days following the end of such blackout and (ii) the expiry date, provided that in order to avoid a salary deferral arrangement, in the case of a Participant that is a Canadian taxpayer, any redemption that is effected during a blackout period will be redeemed for cash.

Termination

Subject to the terms of any agreement between a Participant and the Company, or unless otherwise determined by the Board of Directors, upon termination of a Participant without cause or death of a Participant: (i) all RSUs credited to the Participant's account which have vested may be redeemed; and (ii) all RSUs credited to the Participant's account which have not yet vested shall be cancelled and no further payments shall be made under the RSU Plan in relation to such RSUs and the Participant shall have no further rights, title or interest with respect to such RSUs.

Subject to the terms of any agreement between a Participant and the Company, or unless otherwise determined by the Board of Directors, upon termination of a Participant for cause, all RSUs credited to the Participant's account, whether vested or unvested, shall be cancelled and no further payments shall be made under the RSU Plan in relation to such RSUs and the Participant shall have no further rights, title or interest with respect to such RSUs.

Assignability and Transferability

RSUs are not assignable or transferable and payments with respect to vested RSUs may only be made to the Participant, other than in the case of the death of the Participant.

Amendments to the RSU Plan

The RSU Plan provides that the Board may amend the RSU Plan without the approval of Shareholders, provided however, that the Shareholders must approve any amendment to the RSU Plan which:

- (i) increases the fixed number of Common Shares issuable pursuant to the RSU Plan (in combination with all of the Company's other Share-Based Compensation Plans);
- (ii) amends the definition of "Participant" so as to broaden the categories of persons eligible to receive RSUs;
- (iii) amends the provisions of the RSU Plan with respect to the assignability and transferability of units; or
- (iv) amends the provisions of the RSU plan so as to increase the ability of the Board of Directors to amend or modify the RSU Plan.

Examples of amendments to the RSU Plan which could be made without the approval of Shareholders include the following:

- (i) amendments ensuring continuing compliance with applicable laws, regulations, requirements, rules or policies of any governmental authority or any stock exchange;
- (ii) amendments of a “housekeeping” nature, which include amendments to eliminate any ambiguity or correct or supplement any provision contained in the RSU Plan which may be incorrect or incompatible with any other provision thereof;
- (iii) amendments, modification or termination of any outstanding RSU, including, but not limited to, substituting another award of the same or of a different type; and
- (iv) changing the vesting provisions of the RSU Plan or any RSU, including to provide for accelerated vesting.

The RSU Plan was last approved by the Company’s shareholders on December 19, 2019.

As of December 31, 2019, 10,765,387 Common Shares were reserved for issuance under all other Security-Based Compensation Plans of the Company combined. As of December 31, 2019, there were 4,398,000 Common Shares reserved for the exercise of outstanding stock options and no Common Shares reserved for issuance with respect to outstanding RSUs.

Employment, Consulting and Management Agreements

The material terms of the employment, consulting and management agreements of the Company are described under the heading “Director and NEO Compensation, Excluding Options and Compensation Securities”. As of December 31, 2019, there were no provisions in any contract, agreement, plan or arrangement that provide for payments to a NEO or director at, following, or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control in the Company or a change in the NEO's responsibilities.

Oversight and Description of Director and NEO Compensation

The Company has a compensation, corporate governance and nominating committee (the “**CCGN Committee**”) During the year ended December 31, 2019, the CCGN Committee was comprised of Jay Sujir (Chair), Mark Morabito and Nicky Senyard. The CCGN Committee is responsible for determining all forms of compensation to be granted to the Named Executive Officers and the directors, and for reviewing the President and CEO’s recommendations respecting compensation of the other officers of the Company. The Company’s Named Executive Officers are compensated through employment agreements, consulting agreements and or management services arrangements. The CCGN Committee does not have a pre-determined compensation plan and does not engage in benchmarking practices.

Compensation for the NEOs is composed of three components: base salary, performance bonuses and stock options. Performance bonuses are considered from time to time. The CCGN Committee does not rely on any formula, or objective criteria and analysis to determine an exact amount of compensation to pay. The establishment of base salary, award of stock options and/or RSUs and performance bonuses is based on subjective criteria including individual performance, level of responsibility, length of service and available market data.

Base compensation is determined following a review of comparable compensation packages for that position, together with an assessment of the responsibility and experience required for the position to ensure that it reflects the contribution expected from each NEO. Information regarding comparable salaries and overall compensation is derived from the knowledge and experience of the CCGN Committee, which takes into consideration a variety of factors. These factors include overall financial and operating performance of the Company and the Board’s

overall assessment of each NEO's individual performance and contribution towards meeting corporate objectives, levels of responsibility and length of service. Each of these factors is evaluated on a subjective basis.

Base Salary

In the Board's view, paying base compensation that is competitive in the markets in which the Company operates is a first step to attracting and retaining talented, qualified and effective executives. The Board considers each NEO's responsibilities based on subjective factors and made appropriate base salary increases or decreases.

Until his resignation on May 27, 2019, Carlo Valente served as Chief Financial Officer of the Company. Mr. Valente did not receive compensation directly from the Company. He was an employee of King & Bay West.

Richard Grayston was appointed as a director of the Company effective July 26, 2012 and as Interim Chief Executive Officer effective September 22, 2018. Mr. Grayston received directors' fees in the amount of \$1,000 per quarter for acting as the former chair of the audit committee and as Interim Chief Executive Officer. Mr. Grayston passed away in April 2019.

Mark Morabito was appointed Executive Chairman of the Company effective May 28, 2019. Mr. Morabito receives no compensation for serving as Executive Chairman.

Thomas Beattie was appointed Chief Executive Officer of the Company effective May 28, 2019. Pursuant to a consulting agreement between the Company and Momentum Ventures Inc., a company controlled by Mr. Beattie, the Company pays Momentum a monthly consulting fee of \$15,000 for the services of Mr. Beattie.

Kate-Lynn Genzel was appointed Chief Financial Officer of the Company effective May 28, 2019. Ms. Genzel does not receive compensation directly from the Company. She is an employee of King & Bay West.

Bonus Payments

NEOs are eligible for annual cash bonuses. The CCGN Committee does not currently prescribe a set of formal objective measures to determine discretionary bonus entitlements. Rather, the CCGN Committee uses informal goals typical for early stage companies such as strategic acquisitions, operations and development, equity and debt financings and other transactions and developments that serve to increase the Company's valuation. Precise goals or milestones are not pre-set by the CCGN Committee. During the two most recently completed financial years, the Company has not paid any discretionary cash bonuses to its NEOs.

Long Term Incentives

The Company believes that granting incentive compensation stock, including stock options and RSUs, to key personnel encourages retention and more closely aligns the interests of executive management with the intent of shareholders. The inclusion of incentive compensation stock in compensation packages allows the Company to compensate employees while not drawing on limited cash resources. Further, the Company believes that the incentive compensation stock component serves to further align the interests of management with the interests of the Company's shareholders. The amount of incentive compensation stock to be granted is based on the relative contribution and involvement of the individual in question, as well as taking into consideration previous grants. There are no other specific quantitative or qualitative measures associated with incentive compensation stock grants and no specific weights are assigned to any criteria individually, rather, the performance of the Company is broadly considered as a whole when determining the number of incentive stock-based compensation (if any) to be granted and the Company does not focus on any particular performance metric. During the financial year ended December 31, 2019, the Company granted an aggregate of 1,315,000 stock options to its NEOs. No RSUs were granted during the year ended December 31, 2019.

Hedging Restrictions

The Company does not have any policies that restrict an NEO or director from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

Risk Management and Assessment

In light of the Company's size, current activity level and the balance between long-term objectives and short-term financial goals with respect to the Company's executive compensation program, the Board does not deem it necessary to consider at this time the implications of the risks associated with its compensation policies and practices.

While the Company has not awarded any discretionary bonuses in the past three financial years, there is a risk associated with its approach to discretionary bonuses as there are no pre-defined objectives, target amounts or caps. As a result, there is some incentive for Named Executive Officers to take on unmanageable risk and unsustainable performance over the long term in order to achieve a short term discretionary bonus payout. The Company is aware of this risk and at such time the Company moves to a more advanced stage of development, it is expected that the Company will develop a bonus program with pre-defined objectives and target amounts in order to mitigate these risks.

The Company views stock options as a valuable tool for aligning the interest of management and shareholders in the long-term growth and success of the Company. The Company is aware that stock option grants that vest immediately may create an incentive for management to maximize short term gains at the expense of the long-term success of the Company. In order to mitigate this risk, option grants are generally subject to vesting period of two years from the date of grant.

Director Compensation

During the fiscal year ended December 31, 2019, the Company had no formal director compensation program; Other than directors' fees paid to Richard Grayston (Chair of the Audit Committee until September 22, 2017 and Interim Chief Executive Officer from September 22, 2017 to April 19, 2019), no cash compensation was paid to the directors of the Company in their capacity as directors during the financial year ended December 31, 2019. During the year ended December 31, 2019, an aggregate of 1,217,500 stock options to purchase Common Shares pursuant to the Company's incentive stock option plan were granted to the directors of the Company who are not Named Executive Officers. No RSUs were granted during the year ended December 31, 2019.

Changes Subsequent to Year-End

Subsequent to the year ended December 31, 2019, the Company has not made any significant changes to its compensation practices.

Pension

The Company does not have any form of pension plan that provides for payments or benefits to the NEO at, following, or in connection with retirement. The Company does not have any form of deferred compensation plan.