



FORM 51-102F6V
STATEMENT OF EXECUTIVE COMPENSATION
(for the fiscal year ended December 31, 2018)

During the fiscal year ended December 31, 2018, four individuals were “named executive officers” of Volcanic Gold Mines Inc. (the “**Company**”) within the meaning of the definition set out in National Instrument Form 51-102F6V, “Statement of Executive Compensation – Venture Issuers” (“**Form 51-102F6V**”). As required by Form 51-102F6V, the following includes disclosure of the compensation paid or payable by the Company to:

- Jeremy Crozier, its former President and Chief Executive Officer (“**CEO**”),
- Simon Ridgway, its CEO and former Executive Chairman,
- Kevin Bales, its Chief Financial Officer (“**CFO**”), and
- Alexander Langer, its former Vice-President, Capital Markets,

(hereinafter together referred to as “**NEOs**”), and to its directors.

Compensation Excluding Compensation Securities

The following summarizes compensation, excluding Compensation Securities (as defined below), paid or payable to NEOs and directors of the Company during the fiscal years ended December 31, 2018 and 2017:

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 (\$)	Total Compensation (\$)
Simon Ridgway ⁽¹⁾ Director & CEO (formerly Executive Chairman)	2018	66,000 ⁽¹⁾	Nil	Nil	Nil	Nil	66,000
	2017	66,000 ⁽¹⁾	Nil	Nil	Nil	Nil	66,000
Kevin Bales ⁽²⁾ CFO	2018	27,500 ⁽²⁾	Nil	Nil	Nil	Nil	27,500
	2017	26,722 ⁽²⁾	Nil	Nil	Nil	Nil	26,722
Jeremy Crozier ⁽³⁾ Director (former President & CEO)	2018	161,000 ⁽³⁾	Nil	Nil	Nil	Nil	161,000
	2017	197,200 ⁽³⁾	Nil	Nil	Nil	Nil	197,200
Alexander Langer ⁽⁴⁾ former VP, Capital Markets	2018	35,000 ⁽⁴⁾	Nil	Nil	Nil	Nil	35,000
	2017	55,000 ⁽⁴⁾	Nil	Nil	Nil	Nil	55,000
Michael Iverson Director	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil
Scott Ackerman Director	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil
Robert Schafer Director	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Simon Ridgway was appointed a director and Executive Chairman on August 29, 2017, and on April 23, 2019, he was appointed CEO of the Company. Amounts shown were paid to Mill Street Services Ltd. (“**Mill Street**”) for the corporate development and financial advisory services of Simon Ridgway.
- (2) Kevin Bales was appointed as CFO on March 27, 2017. Amounts shown were paid or payable to Gold Group Management Inc. (“**Gold Group**”) for the services of Kevin Bales as CFO of the Company.
- (3) Jeremy Crozier was appointed a director and President on January 19, 2017, and as CEO on August 29, 2017. Prior to his appointment as President, he was paid as a geological consultant to the Company. Mr. Crozier resigned as President and CEO on April 23, 2019.
- (4) Alexander Langer was appointed as Vice-President, Capital Markets on March 9, 2017 and ceased in that position on November 21, 2018. Amounts shown were paid or payable to Andros Capital Corp. (“**Andros**”) for the services of Alexander Langer as Vice-President, Capital Markets of the Company.

Compensation Securities

The Company did not grant or issue any stock options, convertible securities, exchangeable securities or similar instruments including stock appreciation rights, deferred share units or restricted stock units (collectively “**Compensation Securities**”) to its NEOs and directors during the fiscal year ended December 31, 2018.

The total number of Compensation Securities, and underlying securities, held by each NEO and director as at December 31, 2018 are:

Simon Ridgway	750,000 stock options (and underlying common shares)
Kevin Bales	200,000 stock options (and underlying common shares)
Jeremy Crozier	750,000 stock options (and underlying common shares)
Michael Iverson	200,000 stock options (and underlying common shares)
Scott Ackerman	100,000 stock options (and underlying common shares)
Robert Schafer	200,000 stock options (and underlying common shares)

The Company's NEOs and directors did not exercise any Compensation Securities during the fiscal year ended December 31, 2018.

Stock Option Plan and Other Incentive Plans

The Company has a stock option plan (the "**Option Plan**") which was approved by the shareholders of the Company on November 21, 2018. The TSX Venture Exchange (the "**Exchange**") requires that the Company obtain shareholder approval to its stock option plan yearly at its annual general meeting. The material terms of the Option Plan are as follows:

- (a) the Option Plan reserves, for issue pursuant to stock options, a maximum number of Common Shares equal to 10% of the outstanding Common Shares of the Company from time to time, with no mandatory vesting provisions (apart from options granted to Consultants performing Investor Relations Activities, see (e) below);
- (b) the number of Common Shares reserved for issue to any one person in any 12 month period under the Option Plan may not exceed 5% of the outstanding Common Shares at the time of grant without Disinterested Shareholder Approval;
- (c) the number of Common Shares reserved for issue to any Consultant in any 12 month period under the Option Plan may not exceed 2% of the outstanding Common Shares at the time of grant;
- (d) the aggregate number of Common Shares reserved for issue to any person providing Investor Relations Activities in any 12 month period may not exceed 2% of the outstanding Common Shares at the time of grant;
- (e) options granted to persons performing Investor Relations Activities shall vest as prescribed by the Exchange's policies;
- (f) the exercise price per Common Share for a stock option may not be less than the Market Price of the Common Shares at the time of the grant;
- (g) stock options may have a term not exceeding ten years;
- (h) stock options are non-assignable and non-transferable; and
- (i) the Option Plan contains provisions for adjustment in the number of Common Shares issuable on exercise of a stock option in the event of a share consolidation, split, reclassification or other capital reorganization, or a stock dividend, amalgamation, merger or other relevant corporate transaction, or any other relevant change in or event affecting the Common Shares.

"Consultant", "Disinterested Shareholder Approval", "Investor Relations Activities", and "Market Price" all have the same definition as in the policies of the Exchange.

Compensation Agreements or Arrangements

Pursuant to an employment agreement dated effective February 1, 2017, Jeremy Crozier was paid a monthly salary of \$15,000. The agreement had no fixed expiry date and contained provisions regarding salary, paid vacation time, benefits, and change of control of the Company. In the event of termination without cause, Mr. Crozier was entitled to severance pay equal to six months' salary. If Mr. Crozier chose to terminate his employment, he was required to give three months' notice to the Company.

If, on December 31, 2018, Mr. Crozier had been terminated without cause, \$90,000 (six months' salary) would have been payable to him. If a change of control of the Company had occurred, \$135,000 (nine months' salary) would have been payable to him.

Mill Street is paid a monthly fee for the corporate development and financial advisory services of Simon Ridgway. Mill Street is controlled by Mr. Ridgway. There is no written agreement between the parties regarding these services.

Pursuant to an agreement dated February 1, 2017, Gold Group is reimbursed by the Company on a monthly basis for certain shared costs and other business related expenses paid by Gold Group on behalf of the Company, including the services of the Company's CFO. The agreement may be terminated by Gold Group on three months' notice and by the Company on 12 months' notice. Gold Group is controlled by Simon Ridgway, the CEO of the Company.

Andros was paid a monthly fee for the services of Alexander Langer as Vice-President, Capital Markets of the Company. Andros is controlled by Mr. Langer. There was no written agreement between the parties regarding these services.

Oversight and Description of Director and NEO Compensation

The Company does not have a formal compensation program. The Board relies on the experience of its members as officers or directors of other junior exploration companies to ensure that total compensation paid to the Company's NEOs and directors is fair and reasonable. The Board meets periodically to discuss and determine such compensation, without reference to formal objectives, criteria or analysis.

The general philosophy of the Company's compensation strategy is to: (a) encourage management to achieve a high level of performance and results with a view to increasing long-term shareholder value; (b) align management's interests with the long-term interest of shareholders; (c) provide a compensation package that is designed to attract and retain highly qualified executives and directors; and (d) ensure that total compensation paid takes into account the Company's overall financial position.

Compensation of the Company's NEOs is comprised of salaries and/or incentive stock options. During the fiscal year ended December 31, 2018, the compensation to the Company's NEOs was comprised solely of cash salaries. Stock options were mostly recently granted to NEOs and directors in the 2017 fiscal year. The Company may in the future grant stock options to its NEOs and directors.

In establishing levels of cash compensation and the granting of stock options, the individual's performance, level of expertise, and responsibilities are considered. Stock options are generally granted at the time of the individual's appointment and periodically thereafter. Previous grants of options are taken into account by the Board when it considers the granting of new stock options.

Incentive stock options are granted pursuant to the Company's stock option plan which is designed to encourage share ownership on the part of the Company's management, directors, employees and consultants. The Board believes that the stock option plan aligns the interests of the Company's personnel with shareholders by linking compensation to the longer term performance of the Company's shares. The granting of incentive stock options is an important component of executive compensation as it allows the Company to reward an individual's efforts to increase shareholder value without requiring the use of the Company's cash reserves.