



EXECUTIVE COMPENSATION

(for financial year ended December 31, 2023)

The Company is a venture issuer and is disclosing its executive compensation of its directors and named executive officers in accordance with Form 51-102F6V.

For the purpose of this Statement of Executive Compensation:

“Company” means Montero Mining and Exploration Ltd.;

“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;

“external management company” includes a subsidiary, affiliate or associate of the external management company;

“NEO” or **“named executive officer”** 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 ended December 31, 2023 whose total compensation was more than \$150,000 for that financial year; and
- (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;

“**underlying securities**” means any securities issuable on conversion, exchange or exercise of compensation securities.

Based on the foregoing definitions, during the most recently completed financial year ended **December 31, 2023** the Company had **two (2)** NEOs, namely Dr. Antony Harwood, President and Chief Executive Officer, and Sheri Rempel, Chief Financial Officer and Corporate Secretary.

DIRECTOR AND NEO COMPENSATION

Director and NEO compensation, excluding options and compensation securities

The following table sets forth all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company or its subsidiary, to each NEO and director of the Company, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or a director of the Company for services provided and for services to be provided, directly or indirectly, to the Company or its subsidiary.

Table of compensation excluding compensation securities							
Name and position	Year Ended Dec 31	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Antony Harwood <i>President, CEO and Director</i>	2023	120,000	Nil	Nil	Nil	6,721 ⁽²⁾	126,721
	2022	Nil ⁽¹⁾	Nil	Nil	Nil	2,767 ⁽²⁾	2,767
Sheri Rempel <i>CFO</i>	2023	10,954 ⁽³⁾	Nil	Nil	Nil	Nil	10,954
	2022	8,050 ⁽⁴⁾	Nil	Nil	Nil	Nil	8,050
Greg Hall <i>Director</i>	2023	Nil ⁽⁵⁾	Nil	Nil	Nil	Nil	Nil
	2022	Nil ⁽⁵⁾	Nil	Nil	Nil	Nil	Nil
Jamie Levy <i>Director</i>	2023	Nil ⁽⁶⁾	Nil	Nil	Nil	Nil	Nil
	2022	Nil ⁽⁶⁾	Nil	Nil	Nil	Nil	Nil
Andrew Thomson <i>Director</i>	2023	Nil ⁽⁷⁾	Nil	Nil	Nil	Nil	Nil
	2022	Nil ⁽⁷⁾	Nil	Nil	Nil	Nil	Nil

Table of compensation excluding compensation securities							
Name and position	Year Ended Dec 31	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Jean des Rivières ⁽⁸⁾ <i>Director</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil ⁽⁹⁾	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Humewood Limited, a company controlled by Dr. Harwood, has waived the consulting fees in the amount of \$120,000 owing by the Company for the services of Dr. Harwood for the financial year ended December 31, 2022.
- (2) This amount represents the amount paid to Dr. Harwood as a contribution towards an extended benefits plan.
- (3) Consulting fees in the total amount of \$72,444 were paid to ARO Consulting Inc., a company controlled by Ms. Rempel, during the financial year ended December 31, 2023. Of the \$72,444 paid to ARO Consulting Inc., Ms. Rempel received directly \$10,954 for her duties as CFO.
- (4) Consulting fees in the total amount of \$61,779 were paid to ARO Consulting Inc., a company controlled by Ms. Rempel, during the financial year ended December 31, 2022. Of the \$61,779 paid to ARO Consulting Inc., Ms. Rempel received directly \$8,050 for her duties as CFO.
- (5) Mr. Hall has waived his director fee of \$10,500 for the financial years ended December 31, 2023 and 2022.
- (6) Mr. Levy has waived his director fee of \$9,000 for the financial years ended December 31, 2023 and 2022.
- (7) Mr. Thompson has waived his director fee of \$10,500 for the financial years ended December 31, 2023 and 2022.
- (8) Mr. des Rivières was appointed to the board of directors of the Company on October 23, 2021. On August 1, 2022, Mr. des Rivières resigned as a director of the Company.
- (9) Mr. des Rivières has waived his director fee of \$9,500 for the financial year ended December 31, 2022.

Stock Options and Other Compensation Securities

The Company has not granted or issued any compensation securities to its directors or NEOs during the financial year ended December 31, 2023.

Exercise of Compensation Securities by Directors and NEOs

There were no compensation securities exercised by a director or NEO during the financial year ended December 31, 2023.

Employment, consulting and management agreements

Antony Harwood provided his services as a CEO and President of the Company for the last financial year, pursuant to a consulting arrangement with Humewood Limited, a company wholly owned by Dr. Harwood, at a rate of \$10,000 per month. Humewood Limited agreed to write-off the fees accrued in the last financial year in the amount of \$120,000 owing by the Company to Humewood Limited.

Sheri Rempel provided her services as CFO of the Company for the last financial year, pursuant to a consulting agreement with ARO Consulting Inc. on a *per diem* basis. During the last financial year, fees payable to ARO Consulting in respect of Ms. Rempel's services were paid and not accrued.

Termination and Change of Control Benefits

In the event of a change in control of the Company by way of a successful take-over, merger, amalgamation or reorganization pursuant to which ownership of more than 51% of the Company's Common Shares are acquired, if within six months thereafter the agreement is terminated by the Company, in lieu of notice the Company shall pay Humewood Limited equal to two years' annual fees as at the date of termination, equivalent to \$240,000.

Stock Option Plans and Other Incentive Plans

The Company's Stock Option Plan is the Company's only securities-based compensation plan. It was adopted by the Board on November 4, 2022, and was last approved by Shareholders on December 13, 2023.

The Stock Option Plan is a rolling stock option plan, under which 10% of the outstanding Common Shares at any given time are available for issuance thereunder. The purpose of the Stock Option Plan is to advance the interests of the Company by (i) providing certain employees, officers, directors or consultants of the Company (collectively, the "**Optionees**") with additional performance incentives; (ii) encouraging Common Share ownership by the Optionees; (iii) increasing the proprietary interest of the Optionees in the success of the Company; (iv) encouraging the Optionees to remain with the Company; and (v) attracting new employees, officers, directors and consultants to the Company.

The Stock Option Plan provides that the Board may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Company, or any subsidiary of the Company, the option to purchase Common Shares. The Stock Option Plan provides for a floating maximum limit of 10% of the outstanding Common Shares as permitted by the policies of the TSX Venture Exchange ("**TSX-V**"). The following information is intended to be a brief description and summary of the material features of the Stock Option Plan, and is qualified in its entirety by the full text of the Stock Option Plan.

- (a) Persons who are eligible for the grant of options are a director, officer, employee, service provider or consultant of the Company or of a subsidiary of the Company;
- (b) The aggregate maximum number of Common Shares available for issuance from treasury under the Stock Option Plan and all of the Company's other security based compensation arrangements at any given time is 10% of the outstanding Common Shares as at the date of grant of an option under the Stock Option Plan, subject to adjustment or increase of such number pursuant to the terms of the Stock Option Plan. Any Common Shares subject to an option which has been granted under the Stock Option Plan and which has been cancelled, repurchased, expired or terminated in accordance with the terms of the Stock Option Plan without having been exercised will again be available under the Stock Option Plan.
- (c) The exercise price of an option shall be determined by the Board at the time each option is granted, provided that such price shall not be less than (i) if the Common Shares are listed on the TSX-V, the last closing price of the Common Shares on the TSX-V; or (ii) if the Common Shares are not listed on the TSX-V, in accordance with the rules of the stock exchange on which the Common Shares are listed at the time of the grant; or (iii) if the Common Shares are not listed on any stock exchange, the minimum exercise price as determined by the Board.
- (d) The aggregate number of Common Shares reserved for issuance pursuant to options granted to insiders of the Company at any given time, or within a 12-month period, shall not exceed 10% of

the total number of Common Shares then outstanding, unless disinterested shareholder approval is obtained. The aggregate number of Common Shares reserved for issuance pursuant to options granted to any one person or entity within any 12-month period shall not exceed 5% of the total number of the Common Shares then outstanding unless disinterested shareholder approval is obtained.

- (e) The Board may determine when any option will become exercisable and in the absence of a vesting schedule being specified at the time of grant, the Options shall vest on the date of the grant, except that options issued to persons employed in Investor Relations Activities (as defined under TSX-V Policy) must vest in stages over not less than 12 months with no more than one-quarter (1/4) of the options vesting in any three month period.
- (f) Options will be exercisable over periods of up to 10 years as determined by the Board, except in the event that any Option expires during, a self-imposed black-out period on trading securities of the Company, such expiry date will become the 10th business day following the end of such black-out period.
- (g) "Cashless exercise" of options is permitted under the Stock Option Plan, whereby the Common Shares underlying the Options are transferred to a brokerage firm appointed by the Company and at the optionee's election the brokerage firm will: (i) sell at market and retain the proceeds of a sufficient number of Common Shares to cover the aggregate exercise price of the Options and deliver the remaining Common Shares to the Optionee; or (ii) sell at market all of the Common Shares and deliver to the optionee the cash balance remaining after deducting the aggregate exercise price of the Options.
- (h) "Net exercise" of options is permitted under the Stock Option Plan, whereby the Company will issue to an optionee Common Shares equal to the number determined by dividing (i) the product of the number of Options being exercised multiplied by the difference between the volume weighted average price of the underlying Common Shares and the exercise price of the subject Options by (ii) the volume weighted average price of the underlying Common Shares. The net exercise procedure may not be utilized by persons performing investor relations services.
- (i) In the event an Optionee ceases to be eligible for the grant of options under the Stock Option Plan, options previously granted to such person will cease to be exercisable within a period of 90 days after the date such person ceases to be eligible under the Stock Option Plan, or such longer or shorter period as determined by the Board, provided that no option shall remain outstanding for any period which exceeds the earlier of: (i) the expiry date of such option; and (ii) 12 months following the date such person ceases to be eligible under the Stock Option Plan.
- (j) In the event of a change in control (as described in the Stock Option Plan), the Optionee shall be entitled to exercise the Options to the full amount of the Common Shares remaining at that time within 90 days of the close of such transaction.
- (k) The Stock Option Plan contains provisions governing the acceleration of the vesting of options in the event of a change in control of the Company or in the event of a take-over proposal, provided that the vesting schedule of options granted to persons conducting investor relations activities cannot be accelerated without prior acceptance of the TSX-V.
- (l) In the event of the death of an Optionee, such Optionee's Option may, subject to the terms thereof and any other terms of the Stock Option Plan, be exercised by the legal representative(s)

of the estate of the Optionee at any time during the first six months following the death of the Optionee or such longer period as may be determined by the Board up to a period of one (1) year (but prior to the expiry of the Option in accordance with the terms thereof).

The Stock Option Plan requires any of the following amendments to the Stock Option Plan in the future to be approved by disinterested shareholder:

- any amendments to the Stock Option Plan that, together with all other share compensation arrangements, could result at any time in: (i) the aggregate number of Common Shares reserved for issuance under Options granted to insiders, together with any equity compensation awarded pursuant to all other share compensation arrangements of the Company, exceeding 10% of the outstanding Common Shares; (ii) the number of Common Shares issued to insiders, as a group, pursuant to the exercise of Options within any 12-month period, together with any equity compensation awarded pursuant to all other share compensation arrangements of the Company, exceeding 10% of the outstanding Common Shares; (iii) the issuance to any one optionee, within any 12-month period, of a number of Common Shares, together with any equity compensation awarded pursuant to all other share compensation arrangements of the Company, exceeding 5% of the outstanding Common Shares;
- any reduction in the exercise price of an Option previously granted to an insider; or
- the extension to the term of an outstanding Option, held by an insider.

The Stock Option Plan also provides that the Board may, without shareholder approval, subject to prior written approval of the TSX-V, as applicable, make the following revisions to the Stock Option Plan:

- change the date or dates as of which, or the price at which, an Option becomes exercisable;
- reduce the number of Options that may be issued under the Stock Option Plan;
- increase the exercise price of an Option;
- make any amendments required to comply with applicable laws or the requirements of the TSX-V or any regulatory body or stock exchange with jurisdiction over the Company; and
- any change fundamental or otherwise, not requiring shareholder approval under applicable laws or the rules of the TSX-V, including amendments of a “clerical” or “housekeeping” nature and amendments to ensure that the Options granted under the Stock Option Plan will comply with any provisions respecting income tax and other laws in force in any country or jurisdiction of which an Eligible Person may from time to time be resident or a citizen.

As at the financial year end of December 31, 2023, there were no Stock Options outstanding.

Securities Authorized For Issuance Under Equity Compensation Plans

The following table sets out information with respect to all compensation plans under which equity securities are authorized for issuance as of the financial year ended **December 31, 2023**:

Equity Compensation Plan Information			
Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by Securityholders	Nil	N/A	3,864,748 common shares ⁽¹⁾
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	Nil	N/A	3,864,748 common shares ⁽¹⁾

Notes:

⁽¹⁾ Represents the number of common shares available under the Option Plan, which reserves a number of common shares for issuance, pursuant to the exercise of stock options, that is equal to 10% of the issued and outstanding common shares from time to time. As of December 31, 2023, the Company had 38,647,485 Common Shares issued and outstanding.

Oversight and description of director and named executive officer compensation

COMPENSATION OF DIRECTORS

The Compensation Committee is comprised of Gregory Hall (Chair), Jamie Levy and Dr. Antony Harwood. Messrs. Hall and Levy are considered “independent” directors within the meaning of NI 58-101. Dr. Harwood is not considered an independent director, as he is an officer of the Company. The role of the Compensation Committee is, among other things, to: (i) review and make recommendations to the Board at least annually regarding the Company’s remuneration and compensation policies, including short and long-term incentive compensation plans and equity-based plans, bonus plans, securities-based compensation plans including the Stock Option Plan and grants thereunder, and benefit plans; (ii) exercise sole authority to retain and terminate any compensation consultant to assist in the evaluation of director compensation, including sole authority to approve fees and other terms of the retention; (iii) review and approve at least annually all compensation arrangements with the senior executives of the Company; (iv) review and approve at least annually all compensation arrangements with the directors of the Company; and (v) review the executive compensation sections disclosed in the Company’s management proxy circular distributed to the Shareholders in respect of the Company’s annual meetings of Shareholders.

The Company currently pays its non-employee directors an annual stipend of \$8,000 as remuneration for acting as directors, however, each director waived their 2023 entitlement to this stipend. In addition the Company pays members of the Audit Committee an annual fee of \$500 and the Chair of the Audit Committee an annual fee of \$2,000. The Company pays members of the Nominating and Corporate Governance Committee an annual fee of \$500 and the Chair of the Nominating and Corporate Governance Committee an annual fee of \$1,000. The Company pays members of the Compensation Committee an annual fee of \$500 and the Chair of the Compensation Committee an annual fee of \$1,000.

Directors are reimbursed for all reasonable out-of-pocket expenses incurred in attending Board, committee or Shareholder meetings and otherwise incurred in carrying out their duties as directors of the Company. Directors are eligible to receive option grants pursuant to the Stock Option Plan, the number and exercise price of which is at the discretion of the Board.

The Board determines the level of compensation for directors based on recommendations from the Compensation Committee. The level of compensation for directors is determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the availability of financial resources.

The quantity and quality of the Board compensation is reviewed on an annual basis. At present, the Board is satisfied that the current Board compensation arrangements adequately reflect the responsibilities and risks involved in being an effective director of the Company. The number of options to be granted to any director or officer is determined by the Board as a whole, thereby providing the independent directors with significant input into compensation decisions. Stock options to be granted to “management” directors are required, as a matter of board practice, to be reviewed and approved by the “non-management” directors. See *“Director and NEO Compensation”*.

COMPENSATION OF NEOS

The Compensation Committee is responsible for assisting the Board in determining compensation of NEOs of the Company. The Compensation Committee is expected to annually review the goals and objectives of the Company’s Chief Executive Officer for the upcoming year and to perform an appraisal of the Company’s Chief Executive Officer’s performance for the past year. The level of compensation for NEOs is determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the availability of financial resources. In the Board’s view, there is, and has been, no need for the Company to design or implement a formal compensation program for NEOs.

Elements of NEO Compensation

As discussed above, the Company’s Stock Option Plan is designed to motivate NEOs by providing them with the opportunity, through stock options, to acquire an interest in the Company and benefit from the Company’s growth. The Board does not employ a prescribed methodology when determining the grant or allocation of stock options to NEOs. Other than the Stock Option Plan, the Company does not offer any long-term incentive plans, share compensation plans, retirement plans, pension plans, or any other such benefit programs for NEOs.

Pension disclosure

The Company does not have any pension, defined benefit, defined contribution or deferred compensation plans currently in place or proposed at this time.