

HILO MINING LTD.
503 – 905 West Pender Street
Vancouver, BC V6C 1L6

FORM 51-102F6V - STATEMENT OF EXECUTIVE COMPENSATION – VENTURE ISSUERS
(for the year ended May 31, 2022)

The following information is presented by the management of Hilo Mining Ltd. (the “**Company**”) in accordance with Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers* of National Instrument 51-102 – *Continuous Disclosure Obligations* (“**Form 51-102F6V**”).

General

For the purposes of this disclosure:

“**CEO**” of the Company means each individual who served as Chief Executive Officer of the Company or acted in a similar capacity for any part of the most recently completed financial year.

“**CFO**” of the Company means each individual who served as Chief Financial Officer of the Company or acted in similar capacity for any part of the most recently completed financial year.

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

- (a) a CEO;
- (b) a CFO;
- (c) the most highly compensated executive officer other than the individuals identified in (a) and (b) above, 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; and
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of the most recently completed financial year.

During the financial year ended May 31, 2022, the Company had three (3) NEOs, being Jeremy Poirier, the CEO, Lachlan McLeod, the CFO and Corporate Secretary and Joshua Kierce, the former CFO.

Director and NEO Compensation, Excluding Compensation Securities

Set out below is a summary of all compensation paid, payable, awarded, granted, given, or otherwise provided, excluding compensation securities, during the Company’s two most recently completed financial years to the Company’s NEOs and directors, in any capacity, for services provided and for services to be provided, directly or indirectly, to the Company or any subsidiary thereof.

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 (\$)	Total compensation (\$)
Jeremy Poirier ⁽¹⁾ CEO and Director	2022 2021 ⁽³⁾	30,000 ⁽²⁾ N/A	Nil N/A	Nil N/A	Nil N/A	Nil N/A	30,000 ⁽²⁾ N/A
Lachlan McLeod ⁽⁴⁾ CFO and Corporate Secretary	2022 2021 ⁽³⁾	39,208.38 ⁽⁵⁾ N/A	Nil N/A	Nil N/A	Nil N/A	Nil N/A	39,208.38 ⁽⁵⁾ N/A
Joshua Kierce ⁽⁶⁾ Former CFO	2022 2021 ⁽³⁾	Nil N/A	Nil N/A	Nil N/A	Nil N/A	Nil N/A	Nil N/A
Gino DeMichele ⁽⁷⁾ Executive Chairman and Director	2022 2021 ⁽³⁾	30,000 ⁽⁸⁾ N/A	Nil N/A	Nil N/A	Nil N/A	Nil N/A	30,000 ⁽⁸⁾ N/A
R. Timothy Henneberry ⁽⁹⁾ Director	2022 2021 ⁽³⁾	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Christos Doulis ⁽¹⁰⁾ Director	2022 2021 ⁽³⁾	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil

Notes:

- (1) Mr. Poirier was appointed CEO and a Director of the Company on June 10, 2021.
- (2) Accrued to Nico Consulting Inc., a company controlled by Mr. Poirier, for Mr. Poirier's role as CEO of the Company. In addition, during the year ended May 31, 2022, the Company paid \$800 per month to Nico Consulting Inc., for a total of \$3,200, for reimbursement of rent expenses.
- (3) From February 2, 2021, being the date of the Company's incorporation, until May 31, 2021.
- (4) Mr. McLeod was appointed CFO and Corporate Secretary of the Company on October 5, 2021.
- (5) Paid to Fehr & Associates for Mr. McLeod's role as CFO and Corporate Secretary of the Company and for providing financial reporting and tax services. Of this amount \$35,440.43 has been paid and \$3,767.95 has been accrued.
- (6) Mr. Kierce was appointed CFO of the Company on June 10, 2021 and resigned as CFO on October 5, 2021.
- (7) Mr. DeMichele was appointed a Director of the Company on November 12, 2021 and Executive Chairman of the Board on December 20, 2021.
- (8) Accrued to A2 Capital Management Inc., a company controlled by Mr. DeMichele, for Mr. DeMichele's role as Executive Chairman of the Company.
- (9) Mr. Henneberry was appointed a Director of the Company on February 2, 2021.
- (10) Mr. Doulis was appointed a Director of the Company on April 22, 2021.

Stock Options and Other Compensation Securities

The following table sets out all compensation securities granted or issued to each director and NEO by the Company, or any subsidiary thereof, in the year ended May 31, 2022 for services provided or to be provided, directly or indirectly, to the Company or any subsidiary thereof:

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities and percentage of class ⁽¹⁾	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$) ⁽²⁾	Closing price of security or underlying security at year end (\$)	Expiry Date
Jeremy Poirier CEO and Director	Stock Options	100,000 ⁽³⁾ 1.38% ⁽⁴⁾	February 1, 2022	0.15	N/A	0.26	February 1, 2027
Lachlan McLeod CFO and Corporate Secretary	Stock Options	30,000 ⁽⁵⁾ 0.41% ⁽⁴⁾	February 1, 2022	0.15	N/A	0.26	February 1, 2027
Joshua Kierce Former CFO	None	N/A	N/A	N/A	N/A	N/A	N/A
Gino DeMichele Chairman and Director	Stock Options	300,000 ⁽⁶⁾ 4.13% ⁽⁴⁾	February 1, 2022	0.15	N/A	0.26	February 1, 2027
R. Timothy Henneberry Director	Stock Options	60,000 ⁽⁷⁾ 0.83% ⁽⁴⁾	February 1, 2022	0.15	N/A	0.26	February 1, 2027
Christo Doulis Director	Stock Options	60,000 ⁽⁸⁾ 0.83% ⁽⁴⁾	February 1, 2022	0.15	N/A	0.26	February 1, 2027

Notes:

- (1) Stock options (the “Options”) were the only compensation securities granted or issued during the May 31, 2022 year end.
- (2) As the Company’s shares (the “Shares”) were not yet listed for trading on the TSX Venture Exchange (the “TSXV”) on the date that the Options were granted, the closing price of the Shares on the TSXV on the date of grant is not available.
- (3) As at May 31, 2022, Mr. Poirier held a total of 100,000 Options, representing an equal number of underlying Shares vesting immediately.
- (4) Represents the percentage of the issued and outstanding Shares of the Company as at May 31, 2022.
- (5) As at May 31, 2022, Mr. McLeod held a total of 18,000 Options, representing an equal number of underlying Shares vesting immediately. As at May 31, 2022, Fehr & Associates, a company that employs the CFO, held a total of 12,000 Options, representing an equal number of underlying Shares vesting immediately.
- (6) As at May 31, 2022, Mr. DeMichele held a total of 300,000 Options, representing an equal number of underlying Shares vesting immediately.
- (7) As at May 31, 2022, Mr. Henneberry held a total of 100,000 Options, representing an equal number of underlying Shares vesting immediately.
- (8) As at May 31, 2022, Mr. Doulis held a total of 60,000 Options, representing an equal number of underlying Shares vesting immediately.

Exercise of Compensation Securities by Directors and NEOs

There were no exercises of compensation securities by a director or NEO of the Company during the most recently completed financial year.

Stock Option Plans and Other Incentive Plans

As at May 31, 2022, the Company had one equity incentive plan, being a fixed 10% stock option plan allowing for the grant of up to 727,236 Options (the “Plan”) which was approved by the Board of Directors (the “Board”) on February 1, 2022. The Plan has not yet received shareholder approval, however shareholders will be asked to approve the Plan at the Company’s next shareholder meeting. The Plan is a “fixed” Plan that is administered by the Board, pursuant to which the number of Shares reserved for issuance will not exceed 727,236 Shares at the date of any grant, on an undiluted basis. The Plan provides

that the Board may, from time to time, in its discretion, grant Options to directors, officers, employees, management company employees, consultants, consultant companies and other personnel of the Company and its subsidiaries or affiliates. There are currently 550,000 Options outstanding under the Plan.

The following information is intended as a brief description of the Plan and is qualified in its entirety by the full text of the Plan, which is available under the Company's SEDAR profile at www.sedar.com:

- (a) the exercise price of any Options shall be fixed by the Board at the time of grant, provided that such price shall not be less than the closing price of the Company's Shares traded through the facilities of the TSXV on the day preceding the time of grant, or such other price as may be required by the TSXV. Any reduction in the exercise price of an Option or extension to the expiry date of an Option held by an option holder who is an insider of the Company at the time of the proposed reduction or extension will require Disinterested Shareholder Approval (as defined in the Corporate Finance Manual of the TSXV (the "**Policies**"));
- (b) upon expiry of an Option, or in the event an Option is otherwise terminated for any reason, without having been exercised in full, the number of Shares in respect of the expired or terminated Option shall again be available for a grant under the Plan. Exercised Options reduce the number of Options available under the Plan;
- (c) the term of an Option cannot exceed ten years from the date of grant, (unless automatically extended as a result of a blackout period as described below);
- (d) the expiry date of each Option will be automatically extended if the expiry date falls within a blackout period during which the Company prohibits option holders from exercising their Options, provided that:
 - (i) the blackout period has been formally imposed by the Company pursuant to its internal trading policies as a result of the bona fide existence of undisclosed Material Information (as defined in the Policies),
 - (ii) the blackout period expires upon the general disclosure of the undisclosed Material Information and the expiry date of the affected Options is extended to no later than ten business days after the expiry of the blackout period, and
 - (iii) the automatic extension will not be permitted where the option holder or the Company is subject to a cease trade order (or similar order under applicable securities laws) in respect of the Company's securities;
- (e) the total number of Shares reserved under option for issuance to: (a) insiders, at any point in time, or within a 12 month period, shall not exceed 10% of the issued Shares of the Company, (b) any option holder in any 12 month period shall not exceed 5% of the issued and outstanding Shares at the date of grant, (c) any one Consultant in any 12 month period shall not exceed 2% of the issued and outstanding Shares at the date of grant, and (d) all option holders providing investor relations activities in any 12 month period shall not exceed 2% of the issued and outstanding Shares at the date of grant, in each case subject to adjustment, as set out in the Plan;
- (f) if a director, officer, employee or consultant of the Company is terminated for cause, then any Option granted to them will terminate immediately upon their ceasing to be a director, officer, employee, or consultant of the Company by reason of termination for cause;

- (g) if an option holder ceases to be a director, officer, employee or consultant of the Company (other than by reason of death, disability or termination of services for cause), or if an option holder resigns, as the case may be, then any Option granted to the holder that had vested and was exercisable on the date of termination will expire on the earlier of the expiry date and the date that is 90 days following the date that the holder ceases to be a director, officer, employee or service provider of the Company;
- (h) if the engagement of an option holder engaged in investor relations activities as a consultant is terminated for any reason other than cause, disability or death, any Option granted to such holder that was exercisable and had vested on the date of termination will be exercisable until the earlier of the expiry date and the date that is 30 days after the effective date of the holder ceasing to be a consultant;
- (i) if an option holder dies, the holder's lawful personal representatives, heirs or executors may exercise any Option granted to the holder that had vested and was exercisable on the date of death until the earlier of the expiry date and one year after the date of death of the holder;
- (j) Options granted to directors, employees or consultants will vest when granted unless determined by the Board on a case by case basis, other than Options granted to consultants performing investor relations activities, which will vest in stages over 12 months with no more than one quarter of the Options vesting in any three month period;
- (k) Options granted under the Plan shall not be assignable or transferable by an option holder;
- (l) in the event of a change of control, all Options that are not vested shall vest immediately and automatically without further action by the Board, subject to any restrictions imposed by the TSXV pursuant to its Policies. Options granted to investor relations providers are not eligible for accelerated vesting without prior TSXV approval; and
- (m) the Board may from time to time, subject to regulatory or shareholder approval, amend or revise the terms of the Plan.

External Management Companies

Jeremy Poirier – CEO and Director

Effective June 10, 2021, Jeremy Poirier was appointed as CEO and a director of the Company. Nico Consulting Inc. ("**Nico**") entered into a consulting agreement with the Company dated for reference December 1, 2021 (the "**Nico Agreement**"), pursuant to which Nico agreed to provide the services of the CEO to the Company, in exchange for a fixed fee of \$5,000 per month.

Lachlan McLeod – CFO and Corporate Secretary

Effective October 5, 2021, Lachlan McLeod was appointed as CFO and Corporate Secretary of the Company. Fehr & Associates ("**Fehr**") entered into a consulting agreement with the Company dated April 16, 2021 (the "**Fehr Contract**"), pursuant to which Fehr agreed to provide the services of the CFO and Corporate Secretary to the Company, in exchange for a fixed fee of \$1,500 per month. Pursuant to the Fehr Contract, Mr. McLeod also provides financial, bookkeeping and tax reporting services to the Company, for an additional amount of \$125, \$75 and \$150 per hour, respectively. In the most recently completed financial year, Fehr accrued or was paid \$18,750 related to CFO and Corporate Secretary services under the Fehr Contract and \$20,458 related to financial reporting services under the Fehr

Contract.

Gino DeMichele – Executive Chairman and Director

Effective December 20, 2021, Gino DeMichele was appointed as Executive Chairman of the Company. A2 Capital Management Ltd. (“A2”) entered into a consulting agreement with the Company dated for reference December 1, 2021 (the “A2 Agreement”), pursuant to which A2 agreed to provide the services of the Executive Chairman to the Company, in exchange for a fixed fee of \$5,000 per month.

Other than the above, no persons have been retained or employed by an external management company which has entered into an understanding, arrangement or agreement with the Company to provide executive management services to the Company, directly or indirectly.

Employment, Consulting and Management Agreements

Other than the Nico Agreement, the Fehr Contract and the A2 Agreement disclosed above, during the year ended May 31, 2022, the Company did not have any written employment, consulting or management agreements. The Nico Agreement, the Fehr Contract and the A2 Agreement do not contain provisions with respect to payments at, following or in connection with any change of control, severance, termination or constructive dismissal.

Oversight and Description of Director and NEO Compensation

The Board is responsible for ensuring that the Company has appropriate procedures for setting director and executive compensation paid to each of the executive officers and directors and ensuring that the compensation is fair, reasonable and is consistent with the Company’s compensation philosophy.

The Board is also responsible for granting Options to the directors, officers, employees, and consultants of the Company pursuant to the Company’s Plan. Executive officers are compensated solely through the payment of consulting fees and the issuance of Options.

Due to the stage of development of the Company, the Company does not have a formal compensation program and has not established any quantitative or identifiable measures to assess performance and the performance goals are largely subjective, based on qualitative measures such as consistent and focused leadership, ability to manage risks, enhancing the Company’s profile and growth profile. The Company does not use a peer group to determine compensation. During the year ended May 31, 2022, there were no significant events that affected compensation.

Pension Disclosure

The Company does not have a pension plan that provides for payments or benefits to the NEOs or directors at, following, or in connection with retirement.

No other elements of compensation were awarded to, earned by, paid or payable to the NEOs or directors in the most recently completed financial year ended May 31, 2022.