

BEMETALS CORP.
(the "Corporation")

FORM 51-102F6
STATEMENT OF EXECUTIVE COMPENSATION
(for the year ended December 31, 2019)

For the purpose of this Statement of Executive Compensation:

"CEO" means an individual who acted as chief executive officer of the Corporation, or acted in a similar capacity, for any part of the most recently completed financial year;

"CFO" means an individual who acted as chief financial officer of the Corporation, or acted in a similar capacity, for any part of the most recently completed financial year;

"closing market price" means the price at which the Corporation's security was last sold, on the applicable date,

- (a) in the security's principal marketplace in Canada, or
- (b) if the security is not listed or quoted on a marketplace in Canada, in the security's principal marketplace;

"company" includes other types of business organizations such as partnerships, trusts and other unincorporated business entities;

"equity incentive plan" means an incentive plan, or portion of an incentive plan, under which awards are granted and that falls within the scope of IFRS 2 Share-based Payment;

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

"grant date" means a date determined for financial statement reporting purposes under IFRS 2 Share-based Payment;

"incentive plan" means any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period;

"incentive plan award" means compensation awarded, earned, paid, or payable under an incentive plan;

"NEO" or "Named Executive Officer" means each of the following individuals:

- (a) a CEO;
- (b) a CFO;
- (c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 for that financial year; and
- (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 Corporation, nor acting in a similar capacity, at the end of that financial year;

"non-equity incentive plan" means an incentive plan or portion of an incentive plan that is not an equity incentive plan;

“option-based award” means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights, and similar instruments that have option-like features;

“plan” includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, securities, similar instruments or any other property may be received, whether for one or more persons;

“share-based award” means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, and stock.

The Corporation completed a share split on the basis of three post-split common shares for every one pre-split common shares on January 4, 2017. All figures in this Statement of Executive Compensation reflect the share split.

EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

The compensation of the Corporation's Named Executive Officers has been established with a view of attracting and retaining executives critical to the Corporation's short and long-term success and to continue providing executives with compensation that is in accordance with existing market standards. Compensation provided to the Corporation's NEOs is determined and reviewed by the Corporation's Compensation Committee. In establishing executive compensation policies, the Compensation Committee takes into consideration the recommendations of management and, following discussion and review, reports them to the Corporation's full board of directors (the "Board of Directors" or "Board") for final approval. The members of the Compensation Committee for the financial year ended December 31, 2019 were Clive Johnson, Roger Richer, and Tom Garagan.

Compensation of the Corporation's Named Executive Officers is comprised of a base salary and the granting of options to purchase common shares under the Corporation's stock option plan (as more particularly described below). Through its executive compensation practices, the Corporation seeks to provide value to its shareholders by employing a strong executive leadership team. Specifically, the Corporation's executive compensation structure seeks to attract and retain talented and experienced executives necessary to achieve the Corporation's strategic objectives, motivate and reward executives whose knowledge, skills and performance are critical to the Corporation's success, and align the interests of the Corporation's executives and shareholders by motivating executives to increase shareholder value.

Within the context of the overall objectives of the Corporation's compensation practices, the Corporation determined the specific amounts of compensation to be paid to its executives during the year ended December 31, 2019 based on a number of factors including the Corporation's executive performance during the fiscal year, the roles and responsibilities of the Corporation's executives, the individual experience and skills of, and expected contributions from, the Corporation's executives, the Corporation's executives' historical compensation and performance within the Corporation, and any contractual commitments the Corporation has made to its executives regarding compensation.

The Board of Directors of the Corporation has not conducted a formal evaluation of the implications of the risks associated with the Corporation's compensation practices and policies. Risk management is a consideration of the Board of Directors when implementing its compensation policies and the Board of Directors do not believe that the Corporation's compensation policies result in unnecessary or inappropriate risk taking including risks that are likely to have a material adverse effect on the Corporation.

Base Salary

The Corporation believes that a competitive base salary is a necessary element of any compensation program that is designed to attract and retain talented and experienced executives. The Corporation also believes that attractive base salaries can motivate and reward executives for their overall performance.

To the extent that the Corporation has entered into employment agreements with its executives, the base salaries of such individuals reflect the base salaries that the Corporation negotiated with them. The base salaries that the Corporation negotiated with its executives were based on the individual experience and skills of, and expected contribution from, each executive, the roles and responsibilities of the executive, the base salaries of the Corporation's existing executives and other factors. The employment agreements that were entered into with certain of the Corporation's Named Executive Officers are summarized under *“Named Executive Officer Employment Agreements”* below.

Option Based Awards

The Corporation has in effect a stock option plan (the “Stock Option Plan”) in order to provide effective incentives to directors, officers, and senior management personnel and consultants of the Corporation and to enable the Corporation to attract and retain experienced and qualified individuals in those positions by permitting such individuals to directly participate in an increase in per share value created for the Corporation’s Shareholders. In determining option grants to the Named Executive Officers, the Board of Directors together with management takes into consideration factors that include the amount and exercise price of previous option grants, the NEO’s experience, level of expertise and responsibilities, and the contributions of each NEO towards the completion of corporate transactions in any given fiscal year.

Under the Stock Option Plan, the number of common shares reserved for issuance pursuant to the exercise of stock options is equal to 10% of the issued common shares of the Company from time to time. For details of the Stock Option Plan, please refer to the Company’s Information Circular dated July 4, 2019 available on SEDAR at www.sedar.com.

Use of Financial Instruments

The Corporation does not have a policy that would prohibit a Named Executive Officer or director from purchasing 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 market value of equity securities granted as compensation or held, directly or indirectly, by the Named Executive Officer or director. However, management is not aware of any Named Executive or director purchasing such an instrument.

Named Executive Officers Compensation

In accordance with the provisions of applicable securities legislation, the Corporation had three (3) Named Executive Officers during the financial year ended December 31, 2019, namely John Wilton (President, CEO and a director), Kristen Reinertson (CFO, Corporate Secretary and a director), and Derek Iwanaka (VP of Investor Relations & Corporate Development).

The following table sets out certain information respecting the compensation paid to the Named Executive Officers of the Corporation during the financial years ended December 31, 2019, 2018 and 2017.

NEO Name And Principal Position	Financial Year ended December 31	Salary (C\$)	Share- based awards (C\$)	Option -based awards (C\$)	Non-equity incentive plan compensation (\$)		Pension value (C\$)	All other comp- ensation (C\$)	Total comp- ensation (C\$)
					Annual incentive plans	Long- term incentive plans			
John Wilton ⁽¹⁾ President, CEO and a director	2019	225,244	Nil	Nil	Nil	Nil	Nil	Nil	225,244
	2018	203,505	Nil	396,842 ⁽⁴⁾	Nil	Nil	Nil	Nil	600,347
	2017	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Kristen Reinertson ⁽²⁾ CFO, Corporate Secretary and a director	2019	Nil	Nil	Nil	Nil	Nil	Nil	Nil ⁽⁶⁾	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil	Nil ⁽⁶⁾	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil	Nil ⁽⁶⁾	Nil
Derek Iwanaka ⁽³⁾ VP Investor Relations & Corporate Development	2019	140,000	Nil	Nil	Nil	Nil	Nil	Nil	140,000
	2018	35,000	Nil	120,677 ⁽⁵⁾	Nil	Nil	Nil	Nil	155,677
	2017	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

- (1) *John Wilton has served as the President, Chief Executive Officer and a director of the Corporation since February 26, 2018. Mr. Wilton receives an annual salary of US\$170,000.*
- (2) *Kristen Reinertson has served as the Chief Financial Officer and Corporate Secretary of the Corporation since December 9, 2016 and as a director of the Corporation since May 11, 2018.*
- (3) *Derek Iwanaka has served as the Vice-President of Investor Relations and Corporate Development of the Corporation since October 1, 2018. Mr. Iwanaka receives an annual salary of C\$140,000.*
- (4) *This amount represents the estimated fair value of stock options granted on February 27, 2018 using the Black-Scholes fair value method for stock-based compensation, assuming a risk free interest rate of 2.17%, an average expected life of 8.5 years, a 75% annualized volatility rate, and a 0.0% dividend rate.*

- (5) This amount represents the estimated fair value of stock options granted on October 1, 2018 using the Black-Scholes fair value method for stock-based compensation, assuming a risk free interest rate of 2.48%, an average expected life of 9 years, a 75% annualized volatility rate, and a 0.0% dividend rate.
- (6) Fiore Management & Advisory Corp. (“FMAC”) received corporate administration consulting fees of C\$120,000 for the year ended December 31, 2019, C\$120,000 for the year ended December 31, 2018, and C\$127,200 for the year ended December 31, 2017. Ms. Reinertson is an employee of FMAC.

INCENTIVE PLAN AWARDS

The following table sets forth information concerning all awards outstanding at the end of the financial year ended December 31, 2019 for each Named Executive Officer.

OUTSTANDING SHARE-BASED AWARDS AND OPTION-BASED AWARDS TABLE

NEO Name	Option-based Awards				Share-based Awards ⁽³⁾		
	Number of securities underlying unexercised options (#)	Option exercise price (C\$)	Option expiration date	Value of unexercised in-the-money options ⁽²⁾ (C\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (C\$)	Market or payout value of vested share-based awards not paid out or distributed (C\$)
John Wilton	2,250,000	0.24	Feb 27, 2028	Nil	N/A	N/A	N/A
Kristen Reinertson	150,000	0.06	Dec 9, 2026	24,750	N/A	N/A	N/A
Derek Iwanaka	750,000	0.21	Oct 1, 2028	11,250	N/A	N/A	N/A

Notes:

- (1) The Corporation completed a 3:1 share split effective January 4, 2017. These numbers have been adjusted to reflect the share split.
- (2) Based on the difference between the exercise price of the options and the closing price of the Corporation's common shares on the TSX Venture Exchange on December 31, 2019 of C\$0.225. (See Note 1)
- (3) The Corporation has not granted any share-based awards.

Incentive Plan Awards – Value Vested or Earned During the Year

1,000,000 stock options held by Named Executive Officers vested during the year ended December 31, 2019. None of the Named Executive Officers exercised any stock options during the year ended December 31, 2019. The following table summarizes, for the Named Executive Officers of the Corporation, the value of incentive plan awards vested or earned during the year ended December 31, 2019.

NEO Name	Option-based awards – Value vested during the year (C\$)	Share-based awards – Value vested during the year (C\$) ⁽³⁾	Non-equity incentive plan compensation – Value earned during the year (C\$)
John Wilton	22,500 ⁽¹⁾	N/A	Nil
Kristen Reinertson	Nil	N/A	Nil
Derek Iwanaka	1,250 ⁽²⁾	N/A	Nil

Notes:

- (1) 750,000 of Mr. Wilton’s stock options with an exercise price of C\$0.24 vested on February 1, 2019.
- (2) 250,000 of Mr. Iwanaka’s stock options with an exercise price of C\$0.21 vested on October 1, 2019.
- (3) The Corporation has not granted any share-based awards.

Narrative Discussion

The only plan based award program that the Company currently operates with is its Stock Option Plan. The Company's current Stock Option Plan was adopted by the Board of Directors on December 9, 2016. The purpose of the Stock Option Plan is to advance the interests of the Company, through the grant of options, by (1) providing an incentive mechanism to foster the interest of directors, officers, employees and consultants in the success of the Company; (2) encouraging directors, officers, employees and consultants to remain with the Company; and (3) attracting new directors, officers, employees and consultants.

The Stock Option Plan is administered by the Board or the Compensation Committee established by the Board for the purpose of administering the Stock Option Plan. At the present time, option grants are approved by either the Board or the Compensation Committee. It is the responsibility of the granting party to determine:

- (a) persons entitled to receive the option grant;
- (b) the number of options to be granted;
- (c) the exercise price, which shall not be less than market price for the Company's common shares at the date of grant;
- (d) an expiry date of no more than ten (10) years after the date of the grant; and
- (e) the manner, if any, in which the option shall vest and become exercisable.

For details of the Stock Option Plan, please refer to the Company's Information Circular dated July 4, 2019 available on SEDAR at www.sedar.com.

NAMED EXECUTIVE OFFICER EMPLOYMENT AGREEMENTS

The Corporation has entered into employment agreements with certain of its NEOs, namely John Wilton and Derek Iwanaka, which contain terms relating to duties, salaries, compensation, benefits, termination, change of control and severance. The benefits provided to the Corporation's NEOs are standard benefits, as provided to all of its employees, which include life insurance, short and long-term disability insurance, health and medical insurance programs and plans. The following sets out further details for the respective NEO relating to their agreement with the Corporation with respect to other terms of their contract:

John Wilton

In February 2018, the Corporation and John Wilton entered into an agreement whereby Mr. Wilton fulfills the role of Chief Executive Officer and President of the Corporation on a full time basis. Pursuant to this agreement, Mr. Wilton is entitled to receive an annual salary in the amount of US\$170,000.

Derek Iwanaka

In October 2018, the Corporation and Derek Iwanaka entered into an agreement whereby Mr. Iwanaka fulfills the role of Vice-President of Investor Relations and Corporate Development of the Corporation on a full time basis. Pursuant to this agreement, Mr. Iwanaka is entitled to receive an annual salary in the amount of C\$140,000.

TERMINATION AND CHANGE OF CONTROL BENEFITS

Pursuant to the employment agreements entered into between the Corporation and each of Mr. Wilton and Mr. Iwanaka, the respective Named Executive Officer is entitled to compensation from the Corporation in the event of termination without cause or resignation for "good cause". In the event that the Named Executive Officer's employment agreement is terminated by the Corporation without cause, or the Named Executive Officer resigns on two weeks' notice for "good cause", the Corporation must pay a severance payment to such Named Executive Officer, equal to 1 week of annual salary plus 4 additional weeks for each consecutively completed 12 months of employment, as well as continuation of benefits for the same period or until the Named Executive Officer secures alternative benefits. For purposes of the employment agreements, the definition of "good cause" means the occurrence of any of the following: (i) a material reduction in the Employee's responsibilities; (ii) a reduction by the Corporation in the Employee's Annual Salary; or (iii) any reduction by the Corporation of the number of paid vacation days to which the

Employee is entitled. Assuming Mr. Wilton was terminated for cause or resigned for good cause on December 31, 2019, he would be entitled to receive severance of US\$16,346. Assuming Mr. Iwanaka was terminated for cause or resigned for good cause on December 31, 2019, he would be entitled to receive severance of C\$13,462.

Each employment agreement also provides that if, within 18 months of a change of control of the Corporation, a Named Executive Officer is terminated without cause or resigns for “good cause”, the Named Executive Officer will be entitled to receive a lump sum payment equal to 12 months of the Named Executive Officer’s annual salary, as well as continuation of benefits for the same period or until the Named Executive Officer secures alternative benefits. For the purposes of the employment agreements, a “change of control” means: (i) the acquisition of Common Shares by a person or group of persons acting jointly or in concert that, when added to all of the Common Shares owned by such person or persons, constitutes for the first time in the aggregate 20% or more of the Common Shares; (ii) the removal of more than 50% of the incumbent Board of Directors of the Corporation, or the election of a majority of the directors to the Board of Directors of the Corporation that were not nominees of the Board of Directors at the time immediately preceding such election; (iii) a sale of all or substantially all of the assets of the Corporation; or (iv) a reorganization, plan of arrangement, merger or other transaction which has substantially the same effect as (a) to (c) above. Assuming Mr. Wilton was terminated for cause or resigned for good cause on December 31, 2019 following a change of control, he would be entitled to receive severance of US\$170,000. Assuming Mr. Iwanaka was terminated for cause or resigned for good cause on December 31, 2019 following a change of control, he would be entitled to receive severance of C\$140,000.

PENSION PLAN BENEFITS

No pension, retirement or deferred compensation plans, including defined contribution plans, have been instituted by the Corporation and none are proposed at this time.

DIRECTOR COMPENSATION

During the financial year ended December 31, 2019, there were five (5) individuals who served as a director of the Corporation for either all or a portion of the year, two of which were also Named Executive Officers of the Corporation – namely John Wilton and Kristen Reinertson.

The following table sets out the amounts of compensation paid to directors of the Corporation other than Named Executive Officers during the financial year ended December 31, 2019.

DIRECTORS COMPENSATION TABLE

Name	Fees earned (C\$)	Share-based awards (C\$)	Option-based awards (C\$)	Non-equity incentive plan compensation (C\$)	Pension value (C\$)	All other compensation (C\$)	Total (C\$)
Clive Johnson ⁽¹⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Tom Garagan ⁽¹⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Roger Richer ⁽¹⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

(1) Messrs. Johnson, Garagan and Richer have each served as a director of the Corporation since December 9, 2016.

NARRATIVE DISCUSSION

Other than the granting of stock options from time to time, the Corporation does not have any other arrangements pursuant to which directors are compensated by the Corporation or its subsidiaries for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultants or experts during the financial year ended December 31, 2019 or subsequently, up to and including the date of this Statement of Executive Compensation.

SHARE-BASED AWARDS, OPTION-BASED AWARDS AND NON-EQUITY PLAN COMPENSATION

The following table sets forth information concerning all awards outstanding at the end of the financial year ended December 31, 2019, for each director of the Corporation other than Named Executive Officers.

OUTSTANDING SHARE-BASED AWARDS AND OPTION-BASED AWARDS TABLE

Name	Option-based Awards				Share-based Awards ⁽³⁾		
	Number of securities underlying unexercised options (#)	Option exercise price (C\$)	Option expiration date	Value of unexercised in-the-money options (C\$) ⁽²⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (C\$)	Market or payout value of vested share-based awards not paid out or distributed (C\$)
Clive Johnson	750,000	0.06	Dec 9, 2026	123,750	N/A	N/A	N/A
Tom Garagan	750,000	0.06	Dec 9, 2026	123,750	N/A	N/A	N/A
Roger Richer	750,000	0.06	Dec 9, 2026	123,750	N/A	N/A	N/A

Notes:

- (1) *The Corporation completed a 3:1 share split effective January 4, 2017. These numbers have been adjusted to reflect the share split.*
- (2) *Based on the difference between the exercise price of the options and the closing price of the Corporation's common shares on the TSX Venture Exchange on December 31, 2019 of C\$0.225. (See Note 1)*
- (3) *The Corporation has not granted any share-based awards.*

Incentive Plan Awards – Value Vested or Earned During the Year

No incentive plan awards that were previously granted to non-NEO directors vested during the year ended December 31, 2019 and no incentive plan awards were granted to non-NEO directors during the year ended December 31, 2019.

None of the non-NEO directors exercised any stock options during the year ended December 31, 2019.