

**PURE ENERGY MINERALS LTD.**  
(the “Company”)

*Statement of Executive Compensation – Venture Issuers  
(for financial years ended June 30, 2021 and June 30, 2020)*

**STATEMENT OF EXECUTIVE COMPENSATION**

**GENERAL**

The following information, dated as of December 30, 2021, is provided as required under Form 51-102F6V (the “Form”), as such term is defined in National Instrument 51-102.

For purposes of this Statement of Executive Compensation form:

“**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;

“**named executive officer**” of the Company means each of the following individuals (each, an “**NEO**”):

- (a) Each individual who, in respect of the company, during any part of the most recently completed financial year, serves as chief executive officer, including an individual performing functions similar to a chief executive officer;
- (b) Each individual who, in respect of the company, during any part of the most recently completed financial year, serves as chief financial officer, including an individual performing functions similar to a chief financial officer;
- (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;
- (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.

The Company is authorized to issue an unlimited number of Common Shares without par value.

The Company’s Common Shares are listed on the TSX Venture Exchange under stock symbol “PE”.

**DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION**

***Director and NEO Compensation Excluding Compensation Securities***

During the financial year ended June 30, 2021, based on the definitions above, the NEOs of the Company were Mary Little, Lead Director, and Ann Fehr, Interim Chief Financial Officer. The directors of the

Company who were not NEOs during the financial year ended June 30, 2021 were Frank Wells, Michael Dake, Joseph Mullin, Tyler Durham and Hua Huang.

During the financial year ended June 30, 2020, based on the definitions above, the NEOs of the Company were Mary Little, Lead Director, Frank Wells, Interim Chief Financial Officer (until January 31, 2020), and effective February 1, 2020, Ann Fehr, Interim Chief Financial Officer. The directors of the Company who were not NEOs during the financial year ended June 30, 2020 were Michael Dake, He Yaping and Tyler Durham.

**Table of Compensation, Excluding Compensation Securities in Financial Years ended  
June 30, 2021 and June 30, 2020**

The following table of compensation, excluding options and compensation securities, of compensation provides a summary of the compensation paid by the Company to NEOs and directors who were not NEOs of the Company for the two financial years ended June 30, 2021 and June 30, 2020. Options and compensation securities are disclosed under the heading “**Stock Options and Other Compensation Securities**”.

| Name and position  | Year Ended June 30 | Salary, consulting fee, retainer or Commission paid or accrued (\$) | Bonus (\$) | Committee or meeting Fees (\$) | Value of Prerequisites (\$) | Value of all other compensation (\$) | Total compensation (\$) |
|--|--------------------|---|------------|--------------------------------|-----------------------------|--------------------------------------|-------------------------|
| Mary Little,<br><i>Lead Director</i>                                 | 2021               | 81,564  | Nil        | Nil                            | Nil                         | Nil                                  | 81,564                  |
|  | 2020               | 100,705   | Nil        | Nil                            | Nil                         | Nil                                  | 100,705                 |
| Frank Wells <sup>(1)</sup><br><i>Interim Chief Financial Officer</i> | 2021               | Nil   | Nil        | Nil                            | Nil                         | Nil                                  | Nil                     |
|  | 2020               | 67,136  | Nil        | Nil                            | Nil                         | Nil                                  | 67,136                  |
| Ann Fehr <sup>(2)</sup><br><i>Interim Chief Financial Officer</i>    | 2021               | 93,074 <sup>(3)</sup>   | Nil        | Nil                            | Nil                         | Nil                                  | 93,074                  |
|  | 2020               | 32,213 <sup>(4)</sup>   | Nil        | Nil                            | Nil                         | Nil                                  | 25,000                  |

(1) Mr. Wells served as Interim Chief Financial Officer from October 31, 2018 to January 31, 2020.

(2) Ms. Fehr has served as Interim Chief Financial Officer since February 1, 2020.

(3) Represents compensation paid to Fehr & Associates Inc., a private accounting firm controlled by Ann Fehr, the Interim Chief Financial Officer. Of this amount, \$33,074 was paid to Fehr & Associates Inc. for professional fees and \$60,000 was paid for services provided as CFO.

(4) Represents compensation paid to Fehr & Associates Inc., a private accounting firm controlled by Ann Fehr, the Interim Chief Financial Officer. Of this amount, \$7,213 was paid to Fehr & Associates Inc. for professional fees and \$25,000 was paid for services provided as CFO.

## Stock Options and Other Compensation Securities

### Option Based Awards

The Company has in place a 10% rolling Plan pursuant to which the Company's board of directors (the "Board") can grant Options to directors, officers, employees, management and others who provide services to the Company. At the Company's Annual General and Special Meeting held on January 14, 2021 shareholders re-approved the Company's 10% rolling Plan (the "Plan"). The Plan provides compensation to participants and an additional incentive to work toward long-term Company performance.

The Plan was implemented to grant Options in consideration of the level of responsibility as well as optionee impact and/or contribution to the longer-term operating performance of the Company. In determining the number of stock options to be granted, the Company's Board takes into account the number of Options, if any, previously granted, and the exercise price of any outstanding Options to ensure that such grants are in accordance with the policies of the TSX Venture Exchange (the "TSXV"), and closely aligns the interests of the executive officers with the interests of the Company's shareholders.

Management proposes stock option grants to the Board based on such criteria as performance, previous grants, and hiring incentives. All grants require approval of the Board. The Plan is administered by the Board and provides that Options will be issued to directors, officers, employees or consultants of the Company, or a subsidiary of the Company.

The Plan is subject to the following restrictions:

**Number of Shares Reserved.** The number of common shares reserved for issuance under the Plan is 10% of the number of common shares outstanding at any given time.

**Administration.** The Plan is to be administered by the Board of Directors of the Company or by a committee to which such authority is delegated by the Board from time to time.

**Eligible Persons.** The Plan provides that stock options may be issued only to directors, officers, employees and consultants of the Company or of any of its affiliates or subsidiaries, and to employees of consultant companies providing management or administrative services to the Company, and to consultant companies themselves. Such persons and entities are referred to herein as "Eligible Persons".

**Board Discretion.** The Plan provides that, generally, the number of shares subject to each option, the exercise price, the expiry time, the extent to which such option is exercisable and other terms and conditions relating to such options shall be determined by the Board of Directors of the Company or any committee to which such authority is delegated by the Board from time to time.

**Maximum Term of Options.** Options granted under the Plan will be for a term not exceeding ten years from the date of grant.

**Maximum Options per Person.** The number of shares reserved for issuance to any one option holder pursuant to options granted under the Plan during any twelve month period may not exceed 5% (or, in the case of a Consultant, 2%) of the outstanding shares of the Company at the time of grant. The number of shares reserved for issuance to Consultants and Employees who are engaged in investor relations activities is limited to an aggregate of 2% of the outstanding shares of the Company at the time of grant.

**No Assignment.** The options may not be assigned or transferred.

**Vesting.** Subject to the discretion of the Board to apply vesting to the grant of any Option, the Options granted to an Optionee under the Plan will fully vest on the date of grant of such Options. In accordance with the policies of the Exchange, Options granted to Consultants performing Investor Relations Activities must vest (and not otherwise be exercisable) in stages over a minimum of 12 months with no more than  $\frac{1}{4}$  of the Options vesting in any 3 month period.

**Termination Prior to Expiry.** Generally, Options must expire and terminate on a date stipulated by the Board at the time of grant and, in any event, must terminate within a reasonable period following the date on which the option holder ceases to be an Eligible Person. If an option holder dies, the options of the deceased option holder will be exercisable by his or her estate for a period not exceeding 12 months or the balance of the term of the options, whichever is shorter.

**Exercise Price.** Options granted under the terms of the Plan will be exercisable at a price which is not less than the Discounted Market Price, as that term is defined in the TSXV policy manual as of the date hereof, or such other minimum price as is permitted by the TSXV in accordance with its policies from time to time.

**Full Payment for Shares.** The Company will not issue shares pursuant to options granted under the Plan unless and until the shares have been fully paid for. The Company will not provide financial assistance to option holders to assist them in exercising their options.

**Reduction of Exercise Price.** The exercise price of stock options granted to Insiders (as that term is defined in the Plan) may not be decreased without disinterested shareholder approval.

**Termination of Plan.** The Plan will terminate pursuant to a resolution of the Board or the Company's shareholders.

The Board reserves the right in its absolute discretion to amend, modify or terminate the Plan with respect to all common shares in respect of options which have not yet been granted under the Plan. Any amendment to any provision of the Plan will be subject to any necessary Regulatory approvals unless the effect of such amendment is intended to reduce (but not to increase) the benefits of the Plan to Service Providers.

#### **Outstanding Compensation Securities**

The following table discloses the particulars of the outstanding option-based awards to the NEOs and Directors of the Company who were not NEOs pursuant to the Plan at the financial year ended June 30, 2021:

| Name and position                          | Type of Compensation security | Compensation Securities   |                        |  | Closing price of security or underlying security on date of grant (\$ (2)) | Closing price of security or underlying security at year end (\$) (2) | Expiry date   |
|--|-------------------------------|---|------------------------|--|--|---|---------------|
|  |                               | Number of compensation securities, number of underlying (1) securities, and percentage of class | Date of issue or grant | Issue, conversion or exercise price (\$ (2)) |  |   |               |
| <b>Michael Dake</b><br><i>Director</i>     | Stock Options                 | 41,667<br>.13%  | July 11, 2017          | 3.42   | 3.42   | 1.32  | July 11, 2022 |
|  |                               | 50,000<br>.15%  | Feb 26, 2018           | 2.22   | 2.22   | 1.32  | Feb 26, 2023  |
|  |                               | 83,333<br>.25%  | June 8, 2020           | 0.30   | 0.30   | 1.32  | June 8, 2025  |
| <b>Mary Little</b><br><i>Lead Director</i> | Stock Options                 | 41,667<br>.13%  | July 11, 2017          | 3.42   | 3.42   | 1.32  | July 11, 2022 |
|  |                               | 50,000<br>.15%  | Feb 26, 2018           | 2.22   | 2.22   | 1.32  | Feb 26, 2023  |
|  |                               | 116,667<br>.36%   | June 8, 2020           | 0.30   | 0.30   | 1.32  | June 8, 2025  |
| <b>Frank Wells</b><br><i>Director</i>      | Stock Options                 | 41,666<br>.13%  | May 21, 2018           | 1.62   | 1.62   | 1.32  | May 21, 2023  |
|  |                               | 83,333<br>.25%  | June 8, 2020           | 0.30   | 0.30   | 1.32  | June 8, 2025  |
| <b>Ann Fehr</b><br><i>Interim CFO</i>      | Stock Options                 | 41,667 <sup>(3)</sup><br>.13%   | Feb 26, 2018           | 2.22   | 2.22   | 1.32  | Feb 26, 2023  |
|  |                               | 66,667<br>.20%  | June 8, 2020           | 0.30   | 0.30   | 1.32  | June 8, 2025  |
|  |                               | 41,667 <sup>(3)</sup><br>.13%   | June 8, 2020           | 0.30   | 0.30   | 1.32  | June 8, 2025  |
| <b>Joseph Mullin</b><br><i>Director</i>    | Stock Options                 | 83,333<br>.25%  | Oct 27, 2020           | 0.90   | .84  | 1.32  | Oct 27, 2025  |

**Note:** Percentage based on 32,872,233 Common Shares issued and outstanding as at December 21, 2021.

(1) The Company's common shares were consolidated on a 6:1 basis effective November 23, 2020. Each outstanding stock option of the Company entitles the holder thereof to acquire, upon exercise, one post-consolidation common share in the capital of the Company. All share figures and per share figures have been retroactively adjusted to reflect the share consolidation.

(2) Post consolidation.

(3) Granted in the name of Fehr & Associates Inc., a private accounting firm controlled by Ann Fehr, the Interim Chief Financial Officer.

## Exercise of Compensation Securities by Named Executive Officers and Directors

The following table provides each exercise by a Director or NEO of compensation securities during the most recently completed financial year:

| Exercise of Compensation Securities by Directors and NEOs |                               |  |                                   |                  |  |   |                                   |
|---|-------------------------------|--|-----------------------------------|------------------|--|---|-----------------------------------|
| Name and position   | Type of Compensation security | Number of underlying securities exercised* | Exercise price per security* (\$) | Date of exercise | Closing price per security on date of exercise* (\$) | Difference between exercise price and closing price on date of exercise* (\$) | Total value on exercise date (\$) |
| Michael Dake<br><i>Director</i>                           | Options                       | 20,833                                     | 0.30                              | July 14, 2020    | 1.08   | 0.78  | 16,250                            |
| Michael Dake<br><i>Director</i>                           | Options                       | 20,833                                     | 0.30                              | Oct 1, 2020      | 1.02   | .72   | 15,000                            |
| Mary Little<br><i>Lead Director</i>                       | Options                       | 50,000                                     | 0.30                              | Oct 1, 2020      | 1.02   | .72   | 36,000                            |
| Ann Fehr<br><i>Interim CFO</i>                            | Options                       | 50,000                                     | 0.30                              | Jan 26, 2021     | 1.96   | 1.66  | 83,000                            |
| Ann Fehr<br><i>Interim CFO</i>                            | Options                       | 30,000                                     | 0.30                              | Jan 26, 2021     | 1.96   | 1.66  | 49,800                            |
| Michael Dake<br><i>Director</i>                           | Options                       | 41,667                                     | 0.30                              | Jan 26, 2021     | 1.96   | 1.66  | 69,167                            |
| Michael Dake<br><i>Director</i>                           | Options                       | 20,833                                     | 0.30                              | Jun 8, 2021      | 1.25   | .95   | 19,791                            |

\*On November 23, 2021 the Company completed a six for one (6:1) common share consolidation. All share figures and per share figures have been retroactively adjusted to reflect the share consolidation.

## Employment, consulting and management agreements

On March 30, 2020 the Company entered into an Engagement Letter with Fehr & Associates to provide Chief Financial Officer services to the Company at the rate of \$5,000 per month. The Engagement Letter can be terminated with or without cause upon 30 days notice. If, after one year of service, upon a change of control of the board or the Chief Executive Officer, the notice period required for termination increases from 30 days to 3 months. Fehr & Associates is a private accounting firm controlled by Ann Fehr, the Interim Chief Financial Officer.

## Pension Plan Benefits

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

### **Termination and Change of Control Benefits**

The Company does not have any plan or arrangement to pay or otherwise compensate any Named Executive Officer, if his employment is terminated as a result of resignation, retirement, change of control, etc. or if his responsibilities change following a change of control.

### **Compensation Discussion and Analysis**

Remuneration plays an important role in attracting, motivating, rewarding and retaining knowledgeable and skilled individuals to the Company's management team. The Company does not have a formal compensation policy. The main objectives the Company hopes to achieve through its compensation are:

- To attract and retain executives critical to the Company's success, who will be key in helping the Company achieve its corporate objectives and increase shareholder value;
- To motivate the Company's management team to meet or exceed targets;
- To recognize the contribution of the Company's executive directors to the overall success and strategic growth of the Company; and
- To align the interests of management and the Company's shareholders by providing performance-based compensation in addition to salary.

The Company's Board determines an appropriate amount of compensation for its executives, reflecting the need to provide incentive and compensation for the time and effort expended by the executives while taking into account the financial and other resources of the Company. The Board did not consider the implications of the risks associated with the Company's compensation practices; however, given the Company's size and nature of compensation provided to its executives in the last financial year, the Board does not believe that there is significant compensation risk that would be likely to have a material adverse effect on the Company.

The Company's management is not permitted to purchase 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 of the Company granted as compensation or held, directly or indirectly, by management.

### **Compensation Governance**

The Company's Board determines an appropriate amount of compensation for its executives, reflecting the need to provide incentive and compensation for the time and effort expended by the executives, while taking into account the financial and other resources of the Company.

The Company's Compensation Committee determines the allocation and terms of any stock option grants. When granting stock options, the Compensation Committee considers the amount of past options that have been granted.

The Company has a Compensation Committee which is currently comprised of Frank Wells, Mary Little and Michael Dake. All tasks related to developing and monitoring the Company's approach to the

compensation of its officers, consultants and directors are performed by the Compensation Committee. Officers and consultants that are also directors of the Company are involved in discussions relating to compensation, and disclose their interest in and abstain from voting on compensation decisions relating to them, as applicable, in accordance with the applicable corporate legislation. The Company's compensation program is intended to attract, motivate, reward and retain the management talent needed to achieve the Company's business objective of creating long-term value for the shareholders. The compensation program is intended to reward officers, consultants and directors on the basis of individual performance and achievement of corporate objectives, including the advancement of the acquisition and exploration goals of the Company. The Company's current compensation program is comprised of two components: base salary or fees and long term incentives such as stock options. The Board believes that the granting of options is an effective way to support the achievement of the Company's long-term performance objectives, ensure officer, consultant and Board commitment to the longer term interests of the Company and its shareholders and provide compensation opportunities to attract, retain and motivate employees critical to the success to the Company. In making compensation decisions, the Board strives to find a balance between short-term and long-term compensation and cash versus equity incentive compensation. Base salaries or fees primarily reward recent performance, and incentive stock options encourage officers, consultants and directors to continue to deliver results over a longer period of time and serve as a retention tool. The annual salary or fee for each officer and consultant, as applicable, is determined by the Board, based on the level of responsibility and experience of the individual, the relative importance of the position to the Company, the professional qualifications of the individual and the performance of the individual over time. Each individual's performance and salaries or fees are to be reviewed periodically. Increases in salary or fees are to be evaluated on an individual basis and are performance based. The amount and award of cash bonuses to key executives and senior management is discretionary, depending on, among other factors, the financial performance of the Company and the position of a participant.

### **Compensation of Directors**

As at June 30, 2021, the Company had six directors, one of whom was also an NEO. For a description of the compensation paid to the NEO of the Company who was also as a director, see "*Table of Compensation*".

There was no other compensation granted to Directors (other than those who were also NEOs during the financial year ended June 30, 2021) other than as set out herein.

The Company currently does not pay directors who are not employees or officers of the Company for attending directors' meetings or for serving on committees. The Company has no arrangements, standard or otherwise, pursuant to which directors are compensated by the Company for their services as directors, for committee participation, or for involvement in special assignments, during the most recent financial year ended June 30, 2021, other than as set out above. None of the Company's directors have received any cash compensation for services provided in their capacity as directors, during the financial year ended June 30, 2021.