



STATEMENT OF EXECUTIVE COMPENSATION
(for financial years ending December 31, 2021 and 2020)

The Company is a venture issuer and is disclosing the compensation of its directors and named executive officers in accordance with Form 51-102F6V *Statement of Executive Compensation – Venture Issuers*.

Director and Named Executive Officer Compensation

The following table provides information regarding compensation paid, payable, awarded to, or earned by the Company’s Chief Executive Officer and Chief Financial Officer during the most recently completed financial year (together, the “**Named Executive Officers**”) and any director who is not a Named Executive Officer for the financial years ended December 31, 2021 and 2020. There were no other executive officers of the Company or individuals who individually earned more than \$150,000 in total compensation.

Table of Compensation Excluding Compensation Securities

Name and Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees ⁽¹⁾ (\$)	Value of perquisites ⁽²⁾ (\$)	Value of All Other Compensation ⁽⁵⁾ (\$)	Total Compensation (\$)
Andrew Lee Smith President, CEO and Director	2021	254,613 ⁽³⁾	Nil	8,500	Nil	98,701	361,814
	2020	250,000 ⁽³⁾	Nil	8,500	Nil	Nil	258,500
Jacqueline Tucker Chief Financial Officer	2021	120,000 ⁽⁴⁾	Nil	Nil	Nil	56,401	176,401
	2020	120,000 ⁽⁴⁾	Nil	Nil	Nil	Nil	120,000
Jingbin Wang Director	2021	Nil	Nil	17,000	Nil	56,401	73,401
	2020	Nil	Nil	17,000	Nil	Nil	17,000
Antony Harwood Director	2021	Nil	Nil	10,000	Nil	47,001	57,001
	2020	Nil	Nil	10,000	Nil	Nil	10,000
Zhijun He Director	2021	Nil	Nil	7,500	Nil	47,001	54,501
	2020	Nil	Nil	7,500	Nil	Nil	7,500
David Parsons Director	2021	Nil	Nil	16,000	Nil	56,401	72,401
	2020	Nil	Nil	16,000	Nil	Nil	16,000
Sean Waller Director	2021	Nil	Nil	10,000	Nil	47,001	57,001
	2020	Nil	Nil	10,000	Nil	Nil	10,000

Notes

- (1) Represents all fees awarded, earned, paid or payable in cash for services as a director and member of a Board committee. Director fees of \$69,000 were accrued in 2020 and 2021 and as at December 31, 2021 a balance of \$137,500 remains unpaid.
- (2) The value of perquisites, if any, was less than the lesser of \$15,000 or 10% of the total annual salary or fee.
- (3) Consulting fees of \$250,000 paid or payable in 2020 and 2021 to Iron Mask Explorations Ltd., a company controlled by Mr. Smith, for services provided by Mr. Smith as President and CEO. Additionally, consulting fees of \$4,613 paid or payable in 2021 for exploration services provided by Brothers Creek Productions Inc., a company controlled by Mr. Smith.

- (4) Consulting fees paid or payable to J.M. Tucker Professional Corporation, a company controlled by Ms. Tucker, for services provided by Ms. Tucker as Chief Financial Officer.
- (5) Option based awards are calculated using the Black-Scholes pricing model for options vesting in the financial year based on the following assumptions: For the year ended December 31, 2021: expected dividend yield 0%; expected volatility 78.20% risk-free interest rate 0.91%; and, expected life of 5 years.

Stock Options and Other Compensation Securities

The following table discloses all compensation securities granted or issued to Named Executive Officers and directors during the most recently completed financial year ended December 31, 2021 for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries.

Name and Position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Andrew Lee Smith ⁽¹⁾ President, CEO and Director	Stock Options	525,000	Mar. 23, 2021	\$0.30	\$0.30	\$0.30	Mar. 23, 2026
Jacqueline Tucker ⁽²⁾ Chief Financial Officer	Stock Options	300,000	Mar. 23, 2021	\$0.30	\$0.30	\$0.30	Mar. 23, 2026
Jingbin Wang ⁽³⁾ Director	Stock Options	300,000	Mar. 23, 2021	\$0.30	\$0.30	\$0.30	Mar. 23, 2026
Antony Harwood ⁽⁴⁾ Director	Stock Options	250,000	Mar. 23, 2021	\$0.30	\$0.30	\$0.30	Mar. 23, 2026
Zhijun He ⁽⁵⁾ Director	Stock Options	250,000	Mar. 23, 2021	\$0.30	\$0.30	\$0.30	Mar. 23, 2026
David Parsons ⁽⁶⁾ Director	Stock Options	300,000	Mar. 23, 2021	\$0.30	\$0.30	\$0.30	Mar. 23, 2026
Sean Waller ⁽⁷⁾ Director	Stock Options	250,000	Mar. 23, 2021	\$0.30	\$0.30	\$0.30	Mar. 23, 2026

Notes

- (1) As at December 31, 2021, Mr. Smith held options to purchase 3,657,000 Common Shares.
- (2) As at December 31, 2021, Ms. Tucker held options to purchase 900,000 Common Shares.
- (3) As at December 31, 2021, Dr. Wang held options to purchase 2,150,000 Common Shares.
- (4) As at December 31, 2021, Dr. Harwood held options to purchase 1,950,000 Common Shares.
- (5) As at December 31, 2021, Dr. He held options to purchase 2,450,000 Common Shares.
- (6) As at December 31, 2021, Mr. Parsons held options to purchase 2,050,000 Common Shares.
- (7) As at December 31, 2021, Mr. Waller held options to purchase 2,900,000 Common Shares.

Exercise of Compensation Securities by Directors and Named Executive Officers

The following table sets out all exercises of compensation securities by Named Executive Officers and directors during the most recently completed financial year ended December 31, 2021.

Name and Position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price of security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Andrew Lee Smith President, CEO and Director	Stock Options	1,950,000	\$0.10	Jan 14, 2021	\$0.33	\$0.23	448,500

Name and Position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price of security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Andrew Lee Smith President, CEO and Director	Stock Options	68,000	\$0.22	Feb 10, 2021	\$0.44	\$0.22	14,960
Jingbin Wang Director	Stock Options	1,200,000	\$0.10	Jan 6, 2021	\$0.34	\$0.24	288,000
Sean Waller	Stock Options	900,000	\$0.10	Feb 12, 2021	\$0.42	\$0.32	288,000

Stock Option Plan

The Company has a “fixed” stock option plan, as amended and restated and dated November 5, 2021 (the “**Option Plan**”), which was approved by the Company’s shareholders on December 17, 2021. The purpose of the Option Plan is to enhance the Company’s ability to compensate employees, officers and directors and others providing services to the Company by means other than cash incentives to allow such persons an opportunity to participate in the success of the Company. The granting of options is intended to align the interests of such persons with that of the Company’s shareholders.

Pursuant to the Option Plan, options entitling the purchase of an aggregate of 40,856,047 Common Shares may be issued upon exercise of options to directors, officers, employees, and consultants or management company employees of the Company from time to time. As of the date hereof, 24,782,000 Common Shares are issuable under previously granted and outstanding stock options, and the number of Common Shares available for future grants of stock options under the Option Plan is 16,074,047. If stock options expire or otherwise terminate for any reason without having been exercised, the number of Common Shares in respect of the expired or terminated stock options will again be available for grant. The exercise price of the stock options must be paid for in full at the time of such exercise.

The aggregate number of options granted to all persons retained to provide investor relations activities must not exceed 2% of the issued shares of the Company in any 12 month period. The aggregate number of options granted to any one consultant (other than an employee or director of the Company) in a 12 month period must not exceed 2% of the issued shares of the Company. The Option Plan contains no vesting requirements, but permits the Board to specify a vesting schedule in its discretion, provided that if required by any stock exchange on which the Common Shares trade, options issued to a Person conducting Investor Relations Activities must vest in stages over not less than 12 months with no more than one-quarter of the options vesting in any three month period.

In the event that any option expires during, or within 48 hours after, a self-imposed blackout period on trading securities of the Company, such expiry date will become the tenth day following the end of the blackout period. Except as otherwise determined by the Board and subject to the limitation that options may not be exercised later than 10 years from their date of grant, if a participant ceases to be an eligible person for any reason whatsoever other than death, each option held by the participant will cease to be exercisable 90 days after the termination date, or such longer period as determined by the Board. If any portion of an option is not vested by the termination date, that portion of the option may not be exercised by the participant or by a permitted assign of such participant unless the Board determines otherwise. For greater certainty, any such determination regarding the period for exercise or vesting of options made by the Board

may be made at any time subsequent to the date of grant of options, provided, however, that the Board may not extend the period for exercise beyond the expiry date of the option. If a participant ceases to be an eligible person because their relationship with the Company or an affiliate of the Company is terminated by the Company or an affiliate of the Company, as applicable, for cause, such participant's options shall cease to be exercisable immediately upon the termination date.

Options are exercisable at exercise prices as determined by the Board, which will not be less than the closing price of the Common Shares on the day immediately prior to the date of grant, less a discount of up to 25%, with the amount of the discount varying with the market price of the Common Shares in accordance with the policies of the TSXV.

The Option Plan permits:

- (a) The aggregate number of Common Shares reserved for issuance under stock options granted to insiders (as a group) at any point in time to exceed 10% of the issued Common Shares;
- (b) The grant to insiders (as a group), within a 12 month period, of an aggregate number of options to exceed 10% of the issued Common Shares, calculated on the date an option is granted to any insider; and
- (c) The aggregate number of options granted to any one person (and companies wholly owned by that person) within a 12 month period to exceed 5% of the issued Common Shares, calculated on the date an option is granted to the person.

Except as otherwise set out below, the Board shall seek shareholder and regulatory approval for any amendments to the Option Plan. The approval of disinterested shareholders will be required for any reduction in the exercise price of a previously granted option to an insider of the Company. The Board may discontinue the Option Plan at any time without first obtaining shareholder approval, provided that, without the consent of a participant, such discontinuance may not in any manner adversely affect the participant's rights under any Option granted under the Option Plan.

The Board may, subject to receipt of requisite regulatory approval, where required, and without further shareholder approval, in its sole discretion make the following amendments to the Option Plan:

- (a) amending typographical, clerical and grammatical errors;
- (b) reflecting changes to applicable securities laws;
- (c) changing the termination provisions of an option or the Option Plan which do not entail an extension beyond the original expiry date;
- (d) including the addition of a cashless exercise feature, payable in cash or securities, which provides for a full deduction of the number of underlying securities from the Option Plan reserve; and
- (e) ensuring that the options granted under the Option Plan will comply with any provisions respecting income tax and other laws in force in any country or jurisdiction of which a participant may from time to time be resident or a citizen.

Notwithstanding the foregoing, the Company shall obtain requisite shareholder approval and where applicable, disinterested shareholder approval, in respect of amendments to the Option Plan to the extent such approval is required by any applicable laws or regulations.

Employment, Consulting and Management Agreements

President and Chief Executive Officer

The Company's President and Chief Executive Officer, Andrew Lee Smith, provided management and consulting services to the Company pursuant to a consulting agreement with Iron Mask Explorations Ltd. ("IMX") dated January 1, 2016 and amended December 31, 2016, that expired on December 31, 2019 (the "IMX Consulting Agreement"). Pursuant to such agreement, IMX is entitled to an annual fee of \$250,000. In addition, the Company may terminate the IMX Consulting Agreement upon written notice at any time and by providing IMX with (i) a lump sum payment equal to \$750,000, (ii) payment of all outstanding fees accrued to the date of termination, (iii) reimbursement of any outstanding expenses, and (iv) immediate vesting of all unvested stock options, if any, as of the date of termination (collectively, the "CEO Termination Payment"). In the event the Company enters into a written agreement providing for a "corporate transaction" (as defined in the IMX Consulting Agreement) or a corporate transaction occurs, and within six months a triggering event occurs and IMX terminates the IMX Consulting Agreement within 30 days of the triggering event, IMX will be entitled to items (i), (ii) and (iii) of the CEO Termination Payment, and will also be entitled to the immediate vesting of all unvested stock options, if any, as of the date the notice of termination is delivered. Although the IMX Consulting Agreement expired on December 31, 2019, the Board recognized the occurrence of a "corporate transaction" during the term of the IMX Consulting Agreement. IMX and the Company are negotiating the terms to renew the agreement and the payment of the Transaction Fee (as defined in the IMX Consulting Agreement).

Chief Financial Officer

The Company's Chief Financial Officer, Jacqueline Tucker, provided management and consulting services to the Company via J.M. Tucker Professional Corporation, a company controlled by Ms. Tucker, for an annual fee of \$120,000. Ms. Tucker does not have a written contract with the Company.

Estimated Incremental Payments on Change of Control and Termination without Cause

The following table provides details regarding the estimated incremental payments from the Company to each of the Named Executive Officers: (i) on termination without cause; or (ii) if a corporate transaction occurs followed by a triggering event within six months of such corporate transaction or change of control and subsequent termination by the Named Executive Officer; assuming the termination occurred on December 31, 2021.

Compensation⁽¹⁾	Severance Payment – Termination	Severance Payment – Corporate Transaction or Change of Control	Options
Andrew Lee Smith	\$750,000	\$750,000	Immediately vest
Jacqueline Tucker	Nil	Nil	N/A

Oversight and Description of Director and Name Executive Officer Compensation

The Compensation Committee has the responsibility for determining compensation for the directors and senior management (including the Named Executive Officers) to be recommended to the Board for approval. The Compensation Committee reviews compensation paid to directors and executive officers of companies of similar size and stage of development in the mineral exploration/mining industry and determines appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and senior

management while taking into account the financial and other resources of the Company. The Compensation Committee will annually review the performance of senior management in light of the Company's objectives and consider other factors which may have impacted the success of the Company in achieving its objectives.

The Company's executive compensation program has two key elements:

1. **Base Compensation and Bonus** - The Company establishes a base compensation level unique to each executive that reflects the executive's business credentials, level and length of experience, past compensation history and existing levels of executive compensation. This ensures that the Company can attract experienced and qualified executives. The Company may also pay bonuses (or issue bonus shares) to its executives that are tied to performance criteria and goals established from time to time. Base compensation and bonuses are recommended by the Compensation Committee and approved by the Board.
2. **Corporate Share Ownership** - The Company's Option Plan provides an opportunity for each executive to acquire equity in the Company. Ownership of Common Shares aligns the interests of executives with that of the shareholders, and encourages them to focus on increasing shareholder value. Option grants are recommended by the Compensation Committee and approved by the Board of Directors.