



**RAISE PRODUCTION INC.
(the "Company")**

**FORM 51-102F6V
STATEMENT OF EXECUTIVE COMPENSATION – VENTURE ISSUERS
(for the year ended December 31, 2017)**

DATED JUNE 27, 2018

The following information is presented in accordance with Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers* and provides details of all compensation for each of the Named Executive Officers (the "NEO's") as defined in Form 51-102F6V, and members of the Board of Directors (the "Directors") of the Company for the years ended December 31, 2017 and 2016.

During the year ended December 31, 2017, the NEO's of the Company were Mr. Eric Laing, President & Chief Executive Officer and Ms. Susan Scullion, Chief Financial Officer & Corporate Secretary. The Directors of the Company were Dr. Sherry Austin, Mr. Dell Chapman, Mr. Marvin Clifton, Mr. John Grisdale, Mr. Rod Graham, Mr. Eric Laing, Mr. Warren Steckley and Mr. Ken Zinger. Mr. Clifton and Mr. Graham did not stand for re-election as Directors of the Company at the Company's last Annual General Meeting on October 18, 2017.

Compensation Oversight and Description

Overview

The Corporation has a corporate governance, compensation and nomination committee (the "**Compensation Committee**"), comprised solely of independent directors, that is responsible for setting the overall compensation strategy of the Corporation and evaluating and making recommendations to the Board for the compensation of directors and senior officers on an annual basis.

In developing the compensation strategy, the Compensation Committee considers the stage of development of the Corporation, the small number of executive officers, the external market for similar positions and the financial performance of the Corporation. These factors influence both the elements of compensation and the sophistication of the manner of their determination. In addition, the Corporation relies on the flexibility of the executive officers in relation to their receipt of compensation.

No significant events occurred or compensation policies changed during the Corporation's most recently completed financial year that have had a significant effect on the Director or NEO compensation.

Objectives of Compensation Program

It is the objective of the Corporation's compensation program to attract and retain highly qualified executives and to link incentive compensation to personal and corporate performance and enhancing shareholder value. In evaluating the annual performance of the executive officers, the Compensation Committee considers quantitative objectives including relative shareholder value as well as qualitative aspects of the individual's performance and achievements. However, total annual compensation for each NEO is not tied to certain performance criteria or goals of the Corporation.

Role of the Executive Officers in the Compensation Process

The Compensation Committee will receive and review any recommendations of the President and Chief Executive Officer relating to the general compensation structure and programs for the Corporation and the salary and benefit levels of executive officers.

Risks of Compensation Program

The Compensation Committee has considered the implications of the risks associated with the Corporation's compensation policies and practices and it has a significant role in this risk oversight through regular discussions with the Corporation's President and Chief Executive Officer. An identified risk is the ability of the Corporation to attract and retain qualified executives and employee's given the current development stage status of the Corporation requiring it to offer below-market salaries and bonuses to these individuals.

Elements of the NEO Compensation Program

The Corporation's compensation comprises: (i) base salary and benefits, (ii) a discretionary incentive bonus plan and (iii) incentive stock options under a fixed stock option plan. Each component of the executive compensation program is addressed below.

Base Salaries and Benefits

Salaries for each of the executive officers are reviewed annually based on corporate and personal performance and on individual levels of responsibility. Salaries for the executive officers are not determined based on a specific formula or comparison with a peer group. The Compensation Committee submits its recommendation to the Board as to the salary of the President and Chief Executive Officer. The Compensation Committee considers, and if thought appropriate, approves salaries recommended by the President and Chief Executive officer for the other executive officers of the Corporation. Base salaries are established to be competitive in order to attract and retain highly qualified executives.

Other components of compensation may include personal benefits as determined by the Compensation Committee that are consistent with the overall compensation strategy. There is no formula for how personal benefits are utilized in the total compensation package. The Corporation does not provide any pension or retirement benefits to its executive officers.

Incentive Bonus Plan

To relate the compensation of the senior executive officers of the Corporation to the performance of the Corporation, the Board, on the recommendation of the Compensation Committee, adopted a senior executive bonus plan (the "**Bonus Plan**") pursuant to which a discretionary incentive bonus is provided from time to time. Special bonuses may be provided related to significant projects.

The Board, through the Compensation Committee, will review the Bonus Plan on an annual basis at the time of approving the annual budget. The Board, through its Compensation Committee, has the authority to make any changes to the Bonus Plan at any time to consider any extenuating circumstances or to correct any inequities which may have not been foreseen at the time the Bonus Plan was established or at any annual review. The last bonus payments under the Bonus Plan were those related to the 2013 fiscal period.

Stock Option Plan

The Compensation Committee is responsible for making recommendations to the Board regarding the administration of and the awarding of options under the Corporation's stock option plan ("**Option Plan**"). The shareholders approved a fixed Option Plan on October 19, 2012, which provides 10,600,000 of the issued and outstanding Common Shares to be reserved for issuance to directors, officers, employees and consultants of the Corporation on the exercise of options granted under the Option Plan. The Compensation Committee determines the number of options to be granted to each executive officer based on the level of responsibility and experience in the position.

The Compensation Committee regularly reviews and where appropriate adjusts the number of options granted to individuals and determines the vesting provisions of such options. The maximum term of options granted may not exceed ten years. The vesting terms vary by grant with one-third released at each of three specified dates during the vesting period, not exceeding three years from the date of grant.

The Compensation Committee sets the number of options as appropriate to attract and retain qualified and talented employees. The Compensation Committee also takes account of the Corporation's contractual obligations and the award history for all participants in the Option Plan. The Option Plan is designed to provide a long-term incentive to officer and employees that is linked to shareholder value. Executive officers and directors of the Board are 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 granted as compensation or held, directly or indirectly, by the officer or director.

Director and Named Executive Officer Compensation

The following table provides a summary of compensation, excluding compensation securities, earned in respect of the Corporation's two most recently completed financial years by the Chief Executive Officer and the Chief Financial Officer (the NEO's of the Company as defined in Form 51-102F6V) who served as executive officers of the Corporation during the year ended December 31, 2017. There were no other executive officers of the Corporation at the end of the most recently completed financial year whose total compensation (excluding compensation securities) exceeded \$150,000 per year.

Table of Compensation (excluding Compensation Securities)				
Name and Position	Year	Salary (\$)	Value of Perquisites⁽²⁾ (\$)	Total Compensation (\$)
Eric Laing President, Chief Executive Officer and Director ⁽¹⁾	2017	150,000	10,800	160,800
	2016	150,000	10,800	160,800
Susan Scullion Chief Financial Officer and Corporate Secretary	2017	140,000	9,600	149,600
	2016	140,000	9,600	149,600

Notes:

- (1) All compensation earned by Mr. Laing was received in his position of President and CEO only.
- (2) Consists of vehicle allowances.

No compensation (excluding compensation securities) was earned by the Directors during the Corporation's two most recently completed financial years.

Director and Named Executive Officer Stock Option and Other Compensation Securities

The following table provides a summary of all compensation securities granted to the Directors and NEO's of the Corporation during the year ended December 31, 2017.

Compensation Securities							
Name & Position	Type of Compensation Security	Number of compensation securities, underlying securities ⁽¹⁾ and % of class ⁽²⁾	Date of issue or grant	Issue, conversion or exercise price ⁽³⁾ (\$)	Closing price on date of issue (\$)	Closing price at Dec 31, 2017 (\$)	Expiry date
Eric Laing President, CEO & Director ⁽⁴⁾	Stock options	150,000 ⁽¹³⁾ – 2.2%	May 29, 2017	0.205	0.230	0.45	May 29, 2022
		526,250 ⁽¹⁵⁾ – 7.7%	Nov 24, 2017	0.240	0.225	0.45	Nov 24, 2022
Susan Scullion CFO & Corporate Secretary ⁽⁵⁾	Stock options	300,000 ⁽¹³⁾ – 4.4%	May 29, 2017	0.205	0.230	0.45	May 29, 2022
		350,000 ⁽¹⁶⁾ – 5.1%	Nov 24, 2017	0.240	0.225	0.45	Nov 24, 2022
Sherry Austin Director ⁽⁶⁾	Stock options	50,000 ⁽¹³⁾ – 0.7%	May 29, 2017	0.205	0.230	0.45	May 29, 2022
		125,000 ⁽¹⁴⁾ – 1.8%	Nov 24, 2017	0.240	0.225	0.45	Nov 24, 2022
Dell Chapman Director ⁽⁷⁾	Stock options	50,000 ⁽¹³⁾ – 0.7%	May 29, 2017	0.205	0.230	0.45	May 29, 2022
		100,000 ⁽¹⁴⁾ – 1.5%	Nov 24, 2017	0.240	0.225	0.45	Nov 24, 2022
Marvin Clifton Director ⁽⁸⁾	Stock option	50,000 ⁽¹³⁾ – 0.7%	May 29, 2017	0.205	0.230	0.45	May 29, 2022
Rod Graham Director ⁽⁹⁾	Stock option	150,000 ⁽¹³⁾ – 2.2%	May 29, 2017	0.205	0.230	0.45	May 29, 2022
John Grisdale Director ⁽¹⁰⁾	Stock option	150,000 ⁽¹³⁾ – 2.2%	Nov 24, 2017	0.240	0.225	0.45	Nov 24, 2022
Warren Steckley Director ⁽¹¹⁾	Stock option	150,000 ⁽¹³⁾ – 2.2%	Nov 24, 2017	0.240	0.225	0.45	Nov 24, 2022
Ken Zinger Director ⁽¹²⁾	Stock options	150,000 ⁽¹³⁾ – 2.2%	May 29, 2017	0.205	0.230	0.45	May 29, 2022
		150,000 ⁽¹⁴⁾ – 2.2%	Nov 24, 2017	0.240	0.225	0.45	Nov 24, 2022

Notes:

- (1) Each stock option is exercisable into one common share of the Company.
- (2) Percentage of class is based on 6,865,000 stock options outstanding as at December 31, 2017.
- (3) The exercise price is equal to the last closing price before the market closed on the day of issue, thus reflects the market closing price for the day prior to issuance.
- (4) At December 31, 2017, Mr. Laing held a total of 2,000,000 stock options. The expiry date of 1,223,750 of these stock options issued to Mr. Laing on August 24, 2012 was extended on January 23, 2017 from the original expiry date of August 23, 2017 to January 23, 2022 to allow Mr. Laing additional time to exercise these options.
- (5) At December 31, 2017, Ms. Scullion held a total of 1,430,000 stock options.
- (6) At December 31, 2017, Dr. Austin held a total of 175,000 stock options.
- (7) At December 31, 2017, Mr. Chapman held a total of 150,000 stock options.
- (8) Mr. Clifton did not stand for re-election at the Company's shareholder meeting on October 18, 2017. At such date, Mr. Clifton held a total of 150,000 stock options.
- (9) Mr. Graham did not stand for re-election at the Company's shareholder meeting on October 18, 2017. At such date, Mr. Graham held a total of 400,000 stock options.
- (10) At December 31, 2017, Mr. Grisdale held a total of 150,000 stock options.
- (11) At December 31, 2017, Mr. Steckley held a total of 150,000 stock options.
- (12) At December 31, 2017, Mr. Zinger held a total of 400,000 stock options.
- (13) One-third of these stock options vest annually over 36 months from the date of grant.
- (14) One-third of these stock options vest immediately and the remaining annually over 24 months from the date of the grant.
- (15) One-third of these stock options vest immediately, one-third on December 31, 2017 and one-third on December 31, 2018.
- (16) One-third of these stock options vest immediately, one-third on May 24, 2018 and one-third on December 31, 2018.

Exercise of Compensation Securities by Directors and NEO's

The following table provides a summary of all compensation securities the were exercised by the Directors and NEO's of the Corporation during the year ended December 31, 2017.

Exercise of Compensation Securities by Directors and NEO's							
Name & Position	Type of Compensation Security	Number of underlying securities exercised	Exercise price (\$)	Date of exercise	Closing price on date of exercise (\$)	Difference between ex-price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Eric Laing President, CEO & Director	Stock option	180,000	0.14	Feb 7, 2017	0.24	0.10	18,000
Sherry Austin Director	Stock option	75,000	0.14	Jan 9, 2017	0.23	0.09	6,750
Dell Chapman Director	Stock option	150,000	0.14	Feb 3, 2017	0.25	0.11	16,500
Marvin Clifton ⁽¹⁾ Director	Stock option	150,000	0.14	Jan 20, 2017	0.24	0.10	15,000

Notes:

(1) Mr. Clifton did not stand for re-election at the Company's shareholder meeting on October 18, 2017.

Termination of Employment, Change in Responsibilities and Employment Contracts

Other than as set forth below, the Corporation has no contract, agreement, plan or arrangement that provides for payments to a NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Corporation or a change in a NEO's responsibilities.

Pursuant to an employment agreement (the "**Employment Agreement**") between Mr. Eric Laing and the Corporation dated June 17, 2011, the Corporation agreed to engage Mr. Laing upon the following terms and conditions:

- (a) Mr. Laing was appointed as President of the Corporation;
- (b) the annual compensation was initially set at \$150,000, subject to review by the board of directors on a periodic basis, and Mr. Laing is eligible, under certain circumstances, to bonuses and stock options;
- (c) Mr. Laing will be reimbursed for reasonable expenses incurred in connection with his employment, including those incurred while traveling on business on the Corporation's behalf;
- (d) after the end of his employment, Mr. Laing is subject to a number of conditions owing to non-competition, non-solicitation and confidentiality provisions; and
- (e) Mr. Laing is entitled to receive a \$300,000 termination payment in the event that he is terminated or constructively dismissed without cause or he resigns his position as a result of the following:
 - (i) there is a change of control event as defined by the Employment Agreement that was not supported by Mr. Laing; or
 - (ii) there is a material breach of the Employment Agreement by the Corporation.