

GOLDGROUP MINING INC.

(the “Company”)

Form 51-102F6V

**STATEMENT OF EXECUTIVE COMPENSATION
FOR THE YEAR ENDED DECEMBER 31, 2023
DATED EFFECTIVE JULY 2, 2024**

The Company’s executive compensation program is designed and operated with respect to the Company’s named executive officers (“NEOs”) defined as follows:

- the individual who acted as the Company’s Chief Executive Officer (“CEO”) or acted in a similar capacity for any part of the most recently completed financial year;
- the individual who acted as the Company’s Chief Financial Officer (“CFO”) or acted in a similar capacity for any part of the most recently completed financial year;
- each of the three most highly compensated executive officers of the Company, including any of its subsidiaries, 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; and
- each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries, nor acting in a similar capacity, at the end of that financial year.

The Company’s NEOs currently are Ralph Shearing and Anthony Balic. Mr. Shearing was appointed the Company’s CEO in October 2023.

Compensation Discussion and Analysis

The objectives of the Company’s executive compensation program are:

- to reward individual contributions in light of the Company’s performance;
- to be competitive with the companies with whom the Company competes for talent;
- to align the interests of the executives with the interests of the shareholders; and
- to attract and retain executives who could help the Company achieve its objectives.

The two basic components of executive compensation have been a fixed salary and performance-based variable incentive compensation which is comprised of stock option grants (the “**Total Direct Compensation**”). The allocation of Total Direct Compensation value to these different compensation elements is not based on a formula, but rather is intended to reflect market practices as well as the Compensation Committee’s discretionary assessment of an executive officer’s past contribution and ability to contribute to future short and long-term business results.

The Compensation Committee assists the Board of Directors in fulfilling its responsibility to shareholders, potential shareholders and the investment community by reviewing and providing recommendations to the Board of Directors regarding compensation of the Company’s executive officers, employees and directors, succession plans for executive officers, and the Company’s overall compensation and benefits policies, plans and programs.

The Compensation Committee is responsible for establishing, administering and evaluating the compensation philosophy based on criteria, including the Company’s performance for the accomplishment of long-term strategic objectives. The Compensation Committee oversees the Company plans, i.e. the Stock Option Plan. In the

determination of compensation for the executive management and directors, the Compensation Committee will utilize any or all of the following: compensation surveys, peer comparison, analysis, compensation consultants and any other reference or means deemed appropriate. All of the members of the Compensation Committee have experience setting compensation for executives in companies of similar size to the Company.

In the course of its deliberations, the Compensation Committee considered the implications of the risks associated with adopting the compensation program currently in place. The Compensation Committee does not believe that the compensation program adopted by the Company creates a material risk that the NEOs or any employee would be encouraged to take inappropriate or excessive risks and no such risks have been detected to date. The Compensation Committee will continue to include this consideration in its deliberations and believes that it and the Board of Directors would detect actions of management or employees of the Company that constitute or would lead to inappropriate or excessive risks.

The Company does not have a policy that would prohibit the NEOs or directors from purchasing financial instruments that are designed or would have the effect of hedging the value of equity securities granted to or held by these individuals.

Executive Compensation-Related Fees

During the year ended December 31, 2023, there were no fees paid to consultants or advisors with respect to executive compensation.

Base Salary

Base salary is the fixed portion of Total Direct Compensation and was designed to provide income certainty and to attract and retain executives. Base salaries for NEOs are reviewed annually. During the 2023 fiscal year, there were no increases to executive compensation.

Long-term Incentives

Long-term incentive compensation is provided through the granting of stock options. This incentive arrangement is typically designed to motivate executives to achieve longer-term sustainable business results, align their interests with those of the shareholders and to attract and retain executives.

Participants benefit only if the market value of the Company's Common Shares at the time of stock option exercise is greater than the exercise price of the stock options at the time of grant. In most instances to date, the vesting period and term of the option has been established by the Board of Directors in relation to the circumstances surrounding each grant.

For the 2023 fiscal year, the Compensation Committee reviewed all compensation to be awarded to the NEOs.

The Compensation Committee believed it was important to follow appropriate governance practices in carrying out its responsibilities with respect to the development and administration of executive compensation and benefit programs. Governance practices followed by the Compensation Committee included holding in-camera sessions without management present and, when necessary, obtaining advice from external consultants.

The Role of Management

For the 2023 fiscal year, management had direct involvement in and knowledge of the business goals, strategies, experiences and performance of the Company. As a result, management played an important role in the compensation decision-making process. The CEO may also provide a self-assessment of his own individual performance objectives and/or results achieved, if requested by the Compensation Committee. No such requests were made by the Compensation Committee during 2023.

Performance Assessment

Rather than strictly applying formulas and weightings to forward-looking performance objectives, which may lead to unintended consequences for compensation purposes, the Compensation Committee exercises its discretion and uses sound judgment in making compensation determinations. For this reason, the Compensation Committee does not measure performance using any pre-set formulas in determining compensation awards for NEOs. The Compensation Committee's assessment of the overall business performance of the Company, including corporate performance against both quantitative and qualitative objectives and, where appropriate, relative performance against peers, provides the context for individual executive officer evaluations for all direct compensation awards.

Corporate Performance

In the future the Compensation Committee will review the results achieved by the Company and discuss them with management on an annual basis. For the purposes of Total Direct Compensation deliberations, the Compensation Committee will then consider the results achieved by the Company to provide general context for the Compensation Committee's review of individual performance by the NEOs. A summary of the 2023 corporate performance results is noted in the section "*Overall Corporate Performance*", below.

Individual Performance

During the 2023 fiscal year, the compensation for the CEO and CFO was fixed. Compensation of the Company's CEO and CFO is disclosed under the heading "*Summary Compensation Table*".

Internal Equity and Retention Value

Executive officers pay relative to other executives' internal equity is generally considered in establishing compensation levels. The difference between one executive officer's compensation and that of the other NEOs reflects, in part, the difference in their relative responsibilities. The CEO's responsibility for the management and oversight of the enterprise is greater than each of the executive officers' respective business areas. The Compensation Committee also considers the retentive potential of its compensation decisions. Retention of the NEOs is generally critical to business continuity and succession planning.

Previously Awarded Compensation

The Compensation Committee approved or recommended compensation awards which were not contingent on the number, term or current value of other outstanding compensation previously awarded to the individual. The Compensation Committee believed that reducing or limiting current stock option grants or other forms of compensation because of prior gains realized by an executive officer would unfairly penalize the officer and reduce the motivation for continued high achievement. Similarly, the Compensation Committee did not purposely increase long-term incentive award values in a given year to offset less-than-expected returns from previous grants. During the annual Total Direct Compensation deliberations, the Compensation Committee was provided with summaries of the history of each executive officer's previously awarded Total Direct Compensation. These summaries help the Compensation Committee to track changes in an executive officer's Total Direct Compensation from year to year and to remain aware of the historical compensation for each individual.

Overall Corporate Performance

Highlights and Developments included:

- During the year ended December 31, 2023, the Company produced 12,911 ounces of gold (Cerro Prieto 4,828, Puma 8,083) (December 31, 2022 – Cerro Prieto 392, Puma 10,883).
- During the year ended December 31, 2023, the average realized price for the gold sold was \$1,934 (December 31, 2022 – \$1,810).

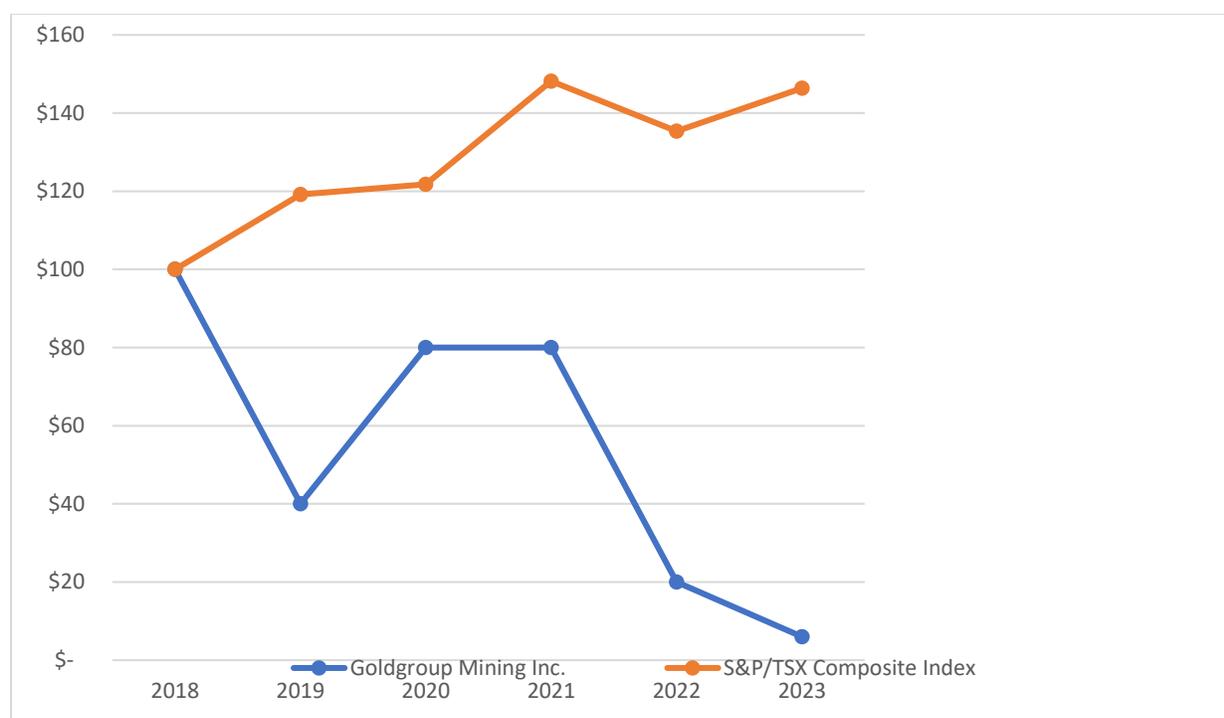
- During the year ended December 31, 2023, Cerro Prieto’s all-in sustaining cost of production per ounce was \$2,078(1) and all-in cost per ounce was \$2,318(1)
- During the year ended December 31, 2023, Puma’s all-in sustaining cost of production per ounce was \$1,715(1) and all-in cost per ounce was \$1,960(1)
- During the year ended December 31, 2022, Puma’s all-in sustaining cost of production per ounce was \$2,360(1) and all-in cost per ounce was \$2,619(1).
- During the year ended December 31, 2022, Cerro Prieto’s all-in sustaining cost of production per ounce was \$2,485(1) and all-in cost per ounce was \$2,804.(1)
- On December 9, 2022, the Company entered into an amending loan agreement (the “Amended Loan Agreement”) with Calu Opportunity Fund LP, previously known as Sail Natural Resources LP, (the “Lender”) in the principal amount of \$2,160,000 (the “Amended Loan”). This Amended Loan includes \$550,000 previously advanced to the Company under the Loan Agreement, which was restructured into the current Amended Loan amount. The Amended Loan is unsecured, bears interest at 6% per annum and is repayable on December 31, 2023. On June 28, 2023, the Company received shareholder approval to transition the Amended Loan into a convertible debt instrument with the face value of \$2,160,000 being convertible into common shares of the Company at CAD \$0.10 per share at a fixed FX rate of 1.345 USD to CAD. On July 28, 2023, the total convertible debt outstanding was converted into 29,052,000 shares.
- On July 1, 2023, the Company entered into a settlement agreement (“Settlement Agreement”) with Minera Cerro Esperanza S.A de C.V. (“MER”) who acquired the Company’s Accendo loan. As part of the Settlement Agreement the Company transferred all of the Minas de Oroco concessions to MER in satisfaction of the Accendo Loan and entered into an Exploitation and Option to Purchase Agreement with MER, which provided the Company with the right to continue to operate the Minas de Oroco mine in exchange for a 2% NSR and provides that the Company will have the option to repurchase the assets for a payment of \$1,850,000 in cash or common shares of the Company an initial term of thirty (30) years and shall automatically renew for additional thirty (30) year periods not to exceed 99 years. During the year ended December 31, 2023, the Company recorded an impairment of \$4,955,000 (2022 - \$nil) on the exploration and evaluation property which represents the settlement value. On October 17, 2023, the Company exercised the purchase option and acquired all the issued and outstanding common shares of Minera Cerro Esperanza S.A de C.V. (“MER”) which owns the Company’s previously held Cerro Prieto mining concessions. The Company has elected to settle the full option price of \$1,850,000 in common shares of the Company and issued 25,067,500 common shares to Calu.
- On October 1, 2023, the Company appointed Mr. Ralph Shearing as Chief Executive Officer. Mr. Shearing is an experienced and accomplished exploration and mining executive holding a designation of Professional Geologist registered in Alberta (APEGA). Since 1987 he has held senior executive positions of CEO and/or President with public junior mining and exploration companies, primarily with Luca Mining Corp., a company he founded in 1986 and successfully guided the company through the exploration and initial development phase of the Tahuehueto mine located in northwestern Durango México. Recently Mr. Shearing resigned as CEO and president of Luca Mining in place of mining professionals more qualified and experienced in operating underground mining assets.

(1) Cash cost is a non IFRS measure. See “Non IFRS Measures” in the Company’s MD&A for the financial year ended December 31, 2022 filed on SEDAR on March 31, 2023.

Performance Graph

The Board of Directors recognizes that the mining industry is volatile in relation to share price. Goldgroup’s focus is on long-term shareholder value growth. Goldgroup’s Common Shares were valued at \$0.03 on the TSX at December 31, 2023 compared to \$0.50 at December 31, 2018, a decrease of approximately 94%. The following chart compares the total cumulative shareholder return for \$100 invested in the Company’s Common Shares since December 31, 2018, with the cumulative total return of the S&P/TSX Composite Index for the five most recently completed fiscal years of the Company.

Goldgroup has experienced significant changes with the acquisition and disposition of certain assets, and market fluctuations. Goldgroup’s compensation to the NEOs has stayed relatively flat, with the exception of a slight increase in the CFO compensation in 2022 and the appointment of a new CEO in October 2023. Also, a significant portion of NEO compensation is based on long-term incentives with the ultimate value received tied directly to Goldgroup’s share price performance. The trend in the performance graph does not directly correlate to the trend of the compensation paid to the NEOs.



Five Year Cumulative Return on \$100 Investment

	Dec. 31, 2018	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2023
Goldgroup Mining Inc.	\$100	\$40	\$80	\$80	\$20	\$6
S&P/TSX Composite Index	\$100	\$119	\$122	\$148	\$135	\$146

Stock Options

Stock Option Granting Process

Grants of stock options are typically made annually, or for new employees, at the next quarterly meeting of the Board of Directors after the commencement of employment.

The CEO makes recommendations to the Compensation Committee regarding individual employee stock option awards for all recipients. In other circumstances, the Compensation Committee makes its own recommendations to the Board of Directors. The CEO does not engage in discussions with the Compensation Committee regarding his own stock option grants.

The Compensation Committee typically reviews the appropriateness of the stock option grant recommendations from the CEO for all eligible employees and accepts or adjusts these recommendations. The Compensation Committee is responsible for approving all individual stock option grants, including grants that are awarded outside the annual compensation deliberation process for such things as promotions or new hires.

The Compensation Committee is also responsible for recommending to the Board of Directors for its approval any stock option grants for executive officers. The Compensation Committee typically approves or recommends compensation awards, including stock option grants, which are not contingent on the number, term or current value of other outstanding compensation previously awarded to the individual.

Stock Option Plan

At the Company's annual general and special meeting of shareholders held August 6, 2021, a resolution was passed concerning a new stock option plan (the "**Stock Option Plan**") to replace the Company's previous stock option plan, which conformed to requirements of the *Income Tax Act* (Canada), the TSX and best practices regarding security-based compensation arrangements.

The Stock Option Plan is a 10% rolling stock option plan under which the maximum issuance of stock options granted thereunder ("**Options**") cannot exceed 10% of the issued and outstanding Common Shares of the Company from time to time. As a result, should the Company issue additional Common Shares in the future, the number of Common Shares issuable under the Stock Option Plan will increase accordingly. The Stock Option Plan is considered an "evergreen" plan, since the Common Shares covered by Options which have been exercised shall be available for subsequent grants under the Stock Option Plan and the number of Options available to grant increases as the number of issued and outstanding Common Shares of the Company increases.

As of the date hereof, the Company has 82,743,156 issued and outstanding Common Shares, meaning that, pursuant to the terms of the Stock Option Plan, 8,274,315 Common Shares may be reserved for issuance pursuant to the exercise of Options granted. To date, an aggregate of 7,990,000 Options have been granted under the Stock Option Plan, representing 9.66% of the current total number of issued and outstanding Common Shares. An aggregate of 284,315 Options remain available for grant under the Stock Option Plan, representing 0.34% of the current total number of issued and outstanding Common Shares (such Options are hereinafter referred to as the "unallocated" Options).

The Stock Option Plan does not include an automatic expiration date. Pursuant to TSX policies and for so long as the Stock Option Plan stays active, all unallocated Options, rights or other entitlements available under the Stock Option Plan must be approved by the majority of the Shareholders every three (3) years, which approval was last obtained at the 2021 AGM. Note, the Company transitioned onto the TSX Venture Exchange (TSX-V") on February 20, 2024 and will approve the Stock Option Plan per the TSX-V rules at the 2024 AGM.

A summary of the terms of the Stock Option Plan is set out below. The summary is qualified in its entirety by reference to the Stock Option Plan, which can be found at Schedule "A" of the Company's management information circular dated June 6, 2018 which was filed on the Company's SEDAR profile at www.sedar.com on June 14, 2018. All capitalized terms used in the summary but not defined shall have the meanings ascribed thereto in the Stock Option Plan.

Employees, independent-contractors, officers, directors (subject to limitations) and consultants of the Company or any of its subsidiaries (each, an "**Eligible Participant**") are eligible to participate in the Stock Option Plan, which is intended to continue to achieve a number of objectives through the grant of Options including:

1. attracting, retaining and motivating qualified directors, employees and consultants; and
2. aligning the interests of directors, employees and consultants with those of the Shareholders.

The Stock Option Plan provides that:

1. *Plan Maximum* - The maximum number of Common Shares reserved for issuance by the Company pursuant to the Stock Option Plan, plus any other security-based compensation arrangements (involving an issuance of shares from treasury) shall not exceed 10% of the issued and outstanding Common Shares from time to time (on a non-diluted basis).
2. *Insider participation limit (aggregate)* - The number of securities issuable to insiders, at any time, under the Stock Option Plan, plus any other security-based compensation arrangements, cannot exceed 10% of issued and outstanding securities of the Company.
3. *Insider participation limit (one-year)* - The number of securities issued to insiders, within any one-year period, under the Stock Option Plan, plus any other security-based compensation arrangements, cannot exceed 10% of issued and outstanding securities of the Company.
4. *Maximum issuable to one person* - The number of Common Shares reserved for issuance pursuant to the Stock Option Plan (together with those Common Shares which may be issued pursuant to any other security-based compensation agreement of the Company or options for services granted by the Company) to any one person cannot exceed 5% of the Common Shares outstanding on a non-diluted basis on the date of grant.
5. *Exercise Price* - The Stock Option Plan provides that the exercise price is determined by the Compensation Committee when the Option is granted and, in any event, may not be less than the closing price of the Common Shares on the stock exchange on which such Common Shares are listed, on the last market trading day prior to the date of the grant of the Option.
6. *Vesting* - The Stock Option Plan provides that the Compensation Committee may, at its discretion, provide for Options to vest at one time (including, if they deem necessary, at the time of grant) or from time-to-time periodically or otherwise, in such number of Common Shares or percentage of Common Shares as the Compensation Committee determines.
7. *Term* - The maximum term for any Option issued pursuant to the Stock Option Plan will be ten years, provided that in the circumstance where the end of the term of an Option falls within, or within ten business days after the end of, a “black out” or similar period imposed under any insider trading policy or similar policy of the Company (but not, for greater certainty, a restrictive period resulting from the Company or its insiders being the subject of a cease trade order of a securities regulatory authority), the end of the term of such Option shall be the tenth business day after the earlier of the end of such black out period or, provided the blackout period has ended, the scheduled expiry date.
8. *Cessation* - The Stock Option Plan provides that, in the event a holder of Options (an “**Optionholder**”) is terminated for cause, all Options granted to such individual will expire immediately and be of no further force or effect. The treatment of Options upon other termination events is as follows:
 - if an Optionholder ceases to be a director, employee or consultant of Goldgroup (or one of Goldgroup’s subsidiaries) by reason of death, the Options then vested will be exercisable for a maximum period of twelve months; and
 - if an Optionholder ceases to be a director, employee or consultant of Goldgroup (or one of Goldgroup’s subsidiaries), other than because of termination for cause or termination by reason of death, only those Options vested at the date of such cessation will be exercisable for a maximum period of 60 days.
9. *Assignability* - The Stock Option Plan provides that the Options are non-transferable and non-assignable, unless by will or operation of law.

10. *Amendments (Board of Directors)* - The Stock Option Plan provides that the Board of Directors shall have the power to amend, suspend or terminate the Stock Option Plan or any Option granted thereunder, from time to time without shareholder approval, including changes of a clerical or grammatical nature, changes regarding the persons eligible to participate in the Plan and changes regarding the vesting of the Options provided that (i) such amendment, suspension or termination is in accordance with applicable laws and the rules of the TSX; and (ii) no such amendment, suspension or termination shall be made that would materially adversely affect the existing rights of the Optionholder.
11. *Amendments (Shareholders)* - The Board of Directors shall obtain shareholder approval for amendments:
- to the maximum number Common Shares that may be reserved for issuance upon exercise of Options granted pursuant to the Stock Option Plan;
 - that would reduce the exercise price of an outstanding Option held by an insider;
 - that would extend the term of any Option granted under the Stock Option Plan beyond the expiry date of the Option if such extension would benefit an insider of the Company;
 - that result in cancellation and re-issue of Options; and
 - which would permit Options to be granted under the Plan to be transferable or assignable other than for normal estate settlement purposes.
12. *Financial Assistance* - The Stock Option Plan does not provide the option for any financial assistance being made available by the Company to the Optionholder in order to facilitate the exercise of any Options granted thereunder.
13. The Stock Option Plan includes a cashless exercise feature in the event of a Change of Control (as defined in the Stock Option Plan) which allows holders of Options to surrender vested Options that have not been exercised, to the Company, in consideration for a payment in Common Shares or cash (at the option of the holder and subject to the approval of the Board of Directors), equal to the difference between (i) the fair market value of the Common Shares underlying the surrendered Options and (ii) the aggregate exercise price for the Common Shares pursuant to the surrendered Options.
14. The Stock Option Plan also provides that the Company may withhold from any amount payable to an Optionholder, in such manner as in its discretion determines necessary, such amount as it reasonably believes is necessary to enable the Company to comply with the applicable legal requirements relating to the withholding of tax or any other required deductions with respect to Options.

Other Compensation

Executive officers may receive other benefits that the Company believes are reasonable and consistent with its overall executive compensation program. These benefits, which are based on competitive market practices, support the attraction and retention of executive officers. Benefits consist of extended medical and dental coverage, the level of which is consistent with industry practice and limited executive perquisites. Any non-policy perquisites are outlined in the discussion following the Summary Compensation Table.

Summary Compensation Table

The following table is a summary of compensation paid in the Company's previous three financial years to the Company's NEOs. All amounts noted below are in US Dollars.

Name and Position	Year	Salary (\$) ⁽¹⁾	Share-based awards ⁽²⁾ (\$)	Option-based awards ⁽³⁾ (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Ralph Shearing ⁽⁴⁾ CEO	2023	29,640	Nil	43,021	Nil	Nil	Nil	Nil	72,661
	2022	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
John McClintock ⁽⁵⁾ Former CEO	2023	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2022	131,250	Nil	Nil	Nil	Nil	Nil	Nil	131,250
	2021	18,750	Nil	78,670	Nil	Nil	Nil	Nil	97,420
Anthony B. Balic CFO & Corporate Secretary	2023	131,157	Nil	25,813	Nil	Nil	Nil	Nil	156,970
	2022	135,379	Nil	Nil	Nil	Nil	Nil	Nil	135,379
	2021	123,000	Nil	39,500	Nil	Nil	Nil	37,000 ⁽⁶⁾	199,500

Notes:

- 1) This figure includes the US dollar value of cash and non-cash base salary each NEO earned (accrued) during the financial year.
- 2) Share-based awards are awards 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, phantom shares, phantom share units, common share equivalent units and stock.
- 3) Option-based awards are awards under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights and similar instruments that have option-like features. This does not represent cash paid to the NEO. This figure is based on the grant date fair value of such options. The value of stock options was calculated using the Black-Scholes option pricing model using the assumption described in the table “*Share Option Values and Assumptions*” below.
- 4) Mr. Shearing was appointed the Company’s CEO in October 2023 as which point Mr. Balic resigned from the position of Interim CEO.
- 5) Mr. McClintock was appointed the Company’s CEO in November 2021 and resigned on November 14, 2022. Mr. Balic assumed the position of Interim CEO upon the resignation of Mr. McClintock. At the time of his resignation, the Company owed Mr. McClintock \$40,000 which the parties agreed would be paid in Common Shares the next time the Company undertakes a conversion of shares for debt transaction.
- 6) During the financial year ended December 31, 2021, Mr. Balic was awarded a one-time discretionary bonus of \$37,000.

Narrative Discussion

The Company has calculated the “grant date fair value” amounts in the ‘Option-based Awards’ column using the Black-Scholes model, a mathematical valuation model that ascribes a value to a stock option based on a number of factors in valuing the option-based awards, including the exercise price of the options, the price of the underlying security on the date the option was granted, and assumptions with respect to the volatility of the price of the underlying security and the risk-free rate of return. Calculating the value of stock options using this methodology is very different from a simple “in-the-money” value calculation. Stock options that are well “out-of-the-money” can still have a significant “grant date fair value” based on a Black-Scholes valuation. Accordingly, caution must be exercised in comparing grant date fair value amounts with cash compensation or an in-the-money option value calculation. The assumptions used in this calculation are described in the table “*Share Option Values and Assumptions*” below.

Share Option Values and Assumptions

2023 Grant	
Number of options granted	6,450,000
Share Price at Grant Date	\$0.04
Exercise Price	\$0.04
Expected Volatility (weighted average volatility)	188%
Option life (expected weighted average life)	5 years
Expected Dividends	0%
Risk-free interest rate (based on government bonds)	3.99%
Resulting fair value at grant date	\$249,650

Incentive Plan Awards

The following table sets out all option-based awards and share based awards outstanding for each NEO at December 31, 2023. The Company's NEOs do not have any outstanding share-based awards.

Name	OPTIONS-BASED AWARDS				SHARE-BASED AWARDS		
	Number of securities underlying unexercised options (#)	Option exercise price (CDN\$)	Option expiration date	Value of Unexercised in-the-money options (CDN\$) ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (CDN\$)	Market or payout value of vested share-based awards not paid out or distributed (CDN\$)
Ralph Shearing CEO ⁽²⁾	1,500,000	\$0.04	Oct. 31, 2028	Nil	Nil	Nil	Nil
Anthony B. Balic CFO & Corporate Secretary ⁽²⁾	900,000 200,000 125,000	\$0.04 \$0.35 \$0.35	Oct. 31, 2028 Jul. 27, 2025 Dec. 22, 2026	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil

Notes:

- Value calculated based on the difference between the closing price of the Common Shares on December 31, 2023 (\$0.03) and the option exercise price.
- Mr. Shearing was appointed the Company's CEO in October 2023 as which point Mr. Balic resigned from the position of Interim CEO.

Incentive Plan Awards – Value Vested or Earned During the Year ended December 31, 2023

For each NEO, the following table sets forth: (1) the value of option-based awards which vested or were earned during the financial year ended December 31, 2023, (2) the value of share-based awards which vested or were earned during the financial year ended December 31, 2023, and (3) the value of non-equity incentive plan compensation earned during the financial year ended December 31, 2023.

Name	Option-based awards Value vested during the year (\$) ⁽¹⁾	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Ralph Shearing , Former CEO ⁽²⁾	Nil	Nil	Nil
Anthony B. Balic , CFO & Corporate Secretary ⁽²⁾	Nil	Nil	Nil

Notes:

- Calculated based on the difference between the market price of the Common Shares underlying the option-based award at the vesting date and the exercise price of the option-based award on the vesting date.
- Mr. Shearing was appointed the Company's CEO in October 2023 as which point Mr. Balic resigned from the position of Interim CEO.

Management Contracts

Effective February 2022, the Company entered into an agreement with Anthony Balic setting forth the terms and conditions of his employment as Chief Financial Officer. The agreement provides for a base salary, bonus payments and reimbursement of expenses, and includes, among other things, customary provisions regarding confidentiality and non-competition. The agreement with Mr. Balic provides that the agreement can be terminated upon three months notice by the Company or immediately for cause. If his employment is terminated without cause, Mr. Balic will be entitled to a severance payment of 50% of the incentive bonus due to him. Under the agreement with Mr. Balic, upon a change of control, as defined below, the Company will pay Mr. Balic an amount equal to 1.5 times his annualized salary.

“Change of Control” under the agreement with Mr. Balic means the occurrence of any one or more of the following events: (a) a consolidation, merger, amalgamation, arrangement, share exchange or other reorganization or acquisition in which the Company is not the continuing or surviving entity; (b) the sale, lease, exchange or other disposition, in a single transaction or a series of related transactions, of all or substantially all the assets, rights or properties of the Company to any other person or entity, other than the disposition to a wholly or majority-owned subsidiary of the Company in the course of a reorganization of the assets of the Company; and (c) any person, entity or group of persons acting jointly or in concert, who as of the date of this Agreement do not directly or indirectly control over 50% of the voting stock of the Company, acquires or acquires control directly or indirectly of voting stock of the Company (“Acquiror”) which when added to shares already controlled by the Acquiror constitutes over 50% of the voting stock of the Company (regardless of whether a meeting has been called to elect directors).

Effective October 2023, the Company entered into an agreement with Ralph Shearing setting forth the terms and conditions of his employment as Chief Executive Officer. The agreement provides for a base salary, bonus payments and reimbursement of expenses, and includes, among other things, customary provisions regarding confidentiality and non-competition. The agreement with Mr. Shearing provides that the agreement can be terminated upon three months notice by the Company or immediately for cause. If his employment is terminated without cause, Mr. Shearing will be entitled to a severance payment of 100% of the incentive bonus due to him.

Under the agreement with Mr. Shearing, upon a change of control, as defined below, and the Mr. Shearing is terminated by the Company other than for just cause in the twelve-month period following the Change in Control (as defined below) the Company will pay the Mr. Shearing an amount equal to 1.5 times his annualized salary. At the sole option of the Company, the Change of Control Payment can be paid 60% in common shares of the Company, or upon written request of the Consultant approved by the Company, any amount in excess of 60% in common shares. Share shall be issued at a price calculated using a 20-day VWAP as of the date of first public announcement of the change of control, subject to regulatory approval and if required, the Company having received shareholder approval for such Change of Control payment at the next annual or special general meeting of the Company.

“Change of Control” means a transaction or series of transactions whereby directly or indirectly the occurrence of any one or more of the following events:

- (a) any Person or combination of Persons obtains a sufficient number of securities of the Company to affect materially the control of the Company; for the purposes of this Agreement, a Person or combination of Persons holding shares or other securities in excess of the number which, directly or following conversion thereof, would entitle the holders thereof to cast 51% or more of the votes attaching to all shares of the Company which may be cast to elect directors of the Company, shall be deemed to be in a position to affect materially the control of the Company; or
- (b) the Company shall: (A) consolidate or merge with or into, (B) amalgamate with, or (C) enter into a statutory arrangement with, any other Person (other than an Affiliate of the Company) and, in connection therewith, all or part of the outstanding voting shares shall be changed in any way, reclassified or converted into, exchanged or otherwise acquired for shares or other securities of the Company or any other Person or for cash or any other property; or

- (c) any other Person (other than an Affiliate of the Company) shall: (A) consolidate or merge with or into, (B) amalgamate with, or (C) enter into a statutory arrangement with, the Company, and, in connection therewith, all or part of the outstanding voting shares shall be changed in any way, reclassified or converted into, exchanged or otherwise acquired for shares or other securities of the Company or any other Person or for cash or any other property; or
- (d) there occurs a change in the composition of the Board, which occurs at a single meeting of the shareholders of the Company, or a succession of meetings of the shareholders of the Company occurring within 2 months of each other, whereby such individuals who were members of the Board immediately prior to such meeting or succession of meetings cease to constitute a majority of the Board, as constituted immediately subsequent to such meeting or meetings approving of such change;

STATEMENT OF DIRECTOR COMPENSATION

Compensation of Directors

The following table sets forth all compensation the Company paid or granted to the Company's directors, other than NEOs, for the most recently completed financial year ended December 31, 2023. All amounts noted below are in US Dollars.

Name	Fees earned	Share-based Awards	Option-based Awards ⁽¹⁾	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total
Corry J. Silbernagel	\$37,375	Nil	25,813	N/A	N/A	Nil	\$63,188
Javier Reyes	\$26,650	Nil	25,813	N/A	N/A	\$72,000 ⁽²⁾	\$124,463
Javier Montano ⁽³⁾	\$21,450	Nil	2,868	N/A	N/A	Nil	\$24,318
Anthony Balic	Nil	Nil	Nil	N/A	N/A	Nil	Nil
Blair Jordan	\$29,250	Nil	25,813	N/A	N/A	Nil	\$55,063

Notes:

- (1) Fair value at the time of grant calculated using the Black-Scholes option pricing model using the assumption described in the table "Share Option Values and Assumptions" above.
- (2) Javier Reyes received \$6,000 per month in management fees for providing corporate development services. Mr. Reyes resigned from the Board of Directors on January 26, 2024.
- (3) Mr. Montano resigned from the Board of Directors on January 16, 2024.

Other than amounts already included in the above table, the Company has no arrangements, standard or otherwise, pursuant to which directors are compensated by the Company or its subsidiaries for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as a consultant or expert during the most recently completed financial year or subsequently, up to and including the date of this Statement of Executive Compensation.

The Company has a Stock Option Plan for the granting of incentive stock options to the officers, employees and directors. The purpose of granting such options to the Company's directors is to assist the Company in compensating, attracting, retaining and motivating the directors and to closely align the personal interests of the directors to that of the Company's shareholders.

Incentive Plan Awards

The following table sets out all option-based awards and share based awards outstanding for each of the Company's directors, other than NEOs, at December 31, 2023. The Company's directors do not have any outstanding share-based awards.

Name	OPTIONS-BASED AWARDS				SHARE-BASED AWARDS		
	Number of securities underlying unexercised options (#)	Option exercise price (CDN\$)	Option expiration date	Value of Unexercised in-the-money options (CDN\$) ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (CDN\$)	Market or payout value of vested share-based awards not paid out or distributed (CDN\$)
Corry J. Silbernagel	900,000	\$0.04	Oct. 31, 2028	Nil	Nil	Nil	Nil
	200,000	\$0.35	Jul. 27, 2025	Nil	Nil	Nil	Nil
	125,000	\$0.35	Dec. 22,2026	Nil	Nil	Nil	Nil
Javier Reyes	900,000	\$0.04	Oct. 31, 2028	Nil	Nil	Nil	Nil
	200,000	\$0.35	Jul. 27, 2025	Nil	Nil	Nil	Nil
	125,000	\$0.35	Dec. 22,2026	Nil	Nil	Nil	Nil
Javier Montaña	100,000	\$0.04	Oct. 31, 2028	Nil	Nil	Nil	Nil
	10,000	\$0.35	Jul. 27, 2025	Nil	Nil	Nil	Nil
	35,000	\$0.35	Dec. 22,2026	Nil	Nil	Nil	Nil
Anthony Balic	900,000	\$0.04	Oct. 31, 2028	Nil	Nil	Nil	Nil
	200,000	\$0.35	Jul. 27, 2025	Nil	Nil	Nil	Nil
	125,000	\$0.35	Dec. 22,2026	Nil	Nil	Nil	Nil
Blair Jordan	900,000	\$0.04	Oct. 31, 2028	Nil	Nil	Nil	Nil
	175,000	\$0.35	Dec. 22,2026	Nil	Nil	Nil	Nil

Notes:

- Value calculated based on the difference between the closing price of the Common Shares on December 31, 2023 (\$0.03) and the option exercise price.

Incentive Plan Awards - Value Vested or Earned During the Year ended December 31, 2023

Name	Option-based awards Value vested during the year (\$) ⁽¹⁾	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Corry J. Silbernagel	Nil	Nil	Nil
Javier Reyes	Nil	Nil	Nil
Javier Montano	Nil	Nil	Nil
Anthony Balic	Nil	Nil	Nil
Blair Jordan	Nil	Nil	Nil

Notes:

- Calculated based on the difference between the market price of the Common Shares underlying the option-based award at the vesting date and the exercise price of the option-based award on the vesting date.

Material Factors Necessary to Understand Director Compensation

The Company has adopted a compensation scheme for non-executive directors that pay cash amounts. Below is a description of the directors' compensation fees.

A cash retainer is paid quarterly effective after the Company's annual general meeting. Directors are also reimbursed for their board-related expenses incurred on our behalf. The cash retainer (in US Dollars) is comprised of the following:

Annual fees:

1. an annual fee of \$15,600;
2. an additional annual retainer fee of \$3,900 for each committee of which he is a member, other than the Audit Committee, and an additional annual retainer fee of \$5,850 for being a member of the audit committee;
3. the Chair of each committee receives an annual retainer fee of \$3,250 in addition to their \$3,900 committee fee, except for the Chair of the Audit Committee who receives an annual retainer fee of \$4,875 in addition to their \$5,850 committee fee; and
4. The Lead Director receives an annual fee of \$12,000. Currently, the Company does not have a Lead Director.

Retirement Policy for Directors

The Company does not have a retirement policy for its directors.