

LUPAKA GOLD CORP.

Form 51-102F6V

**STATEMENT OF EXECUTIVE COMPENSATION
FOR THE YEAR ENDED DECMEBER 31, 2020**

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

- (a) each individual who, in respect of the company, during any part of the most recently completed financial year, served 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, served 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, as determined in accordance with subsection 1.3(5), for that financial year;
- (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 had two Named Executive Officers during the most recently completed financial year ended December 31, 2020 as set out below:

Gordon Ellis	President and Chief Executive Officer
Darryl F. Jones	Chief Financial Officer

Compensation Discussion and Analysis

As of November 13, 2015, the Company dissolved the Compensation Committee and the Governance and Nominating Committee and revoked each of their charters, given reduced activity in the Company. The Board as a whole has assumed the responsibilities once conducted by these two Committees.

Compensation Philosophy

The Company's compensation program is designed to be competitive with other companies of similar market capitalization, number of employees, stage of development and places of operation. The Company’s compensation program also reflects the financial resources of the Company.

Generally, the Company will be competitive in its total compensation package when compared to a benchmark group of similar companies. The Company has also adopted a policy to pay lower base salaries and higher incentive pay (cash bonuses and option awards), when compared to the benchmark group.

During 2012, the Company formalized its compensation policies and practices as set out in the Compensation Philosophy and Guidelines which was amended and approved by the Board on November 7, 2013 (the “**Compensation Philosophy and Guidelines**”).

The Board has taken on the responsibility for establishing, implementing and continually monitoring adherence with the Company’s compensation philosophy and guidelines.

Compensation Components

The Company's executive compensation is derived from a mix of a base salary, short term incentive compensation (cash bonuses), long-term incentive compensation (stock options and other non-cash awards) and Company-provided benefits/perquisites. Each year the Board reviews the aggregate amounts and cumulative mix of all of the components of

compensation for Executive Management to ensure that the Company remains competitive while following its Compensation Philosophy and Guidelines.

Generally, the Company's compensation programs are intended to attract, motivate and retain highly talented individuals who are able to assist the Company in implementing its strategies and achieving its goals. As part of the process the Board receives from management updates on long-term strategies and goals for the Company that are designed to increase shareholder value and protect and grow the Company. The Board shall receive from management a range of short-term milestones that it believes must be achieved in order to implement and fulfill the Company's overall business strategy and ultimately improve shareholder value as well as milestones for each executive of the Executive Management for the achievement of the short and long-term Company strategies.

Base Salaries

Base salary compensates Executive Management for services rendered during the fiscal year and provides Executive Management with a base level of earnings. Each Executive's base salary is recognized to be only one component of the overall compensation, and other forms of compensation are awarded to ensure the Executive Management's total compensation is in line with industry standards and the Company's overall compensation philosophy.

Base salaries for each member of Executive Management are established on their experience, performance, knowledge and the scope of their responsibilities, taking into account competitive market compensation paid by other companies in Lupaka's industry for similar positions and the overall market demand for such executives.

Adjustments are considered annually based upon merit as well as consideration of changes reflected in the comparable benchmark group of companies. Additionally, the Company adjusts base salaries as warranted for promotions or changes in the scope and breadth of each Executive's role or responsibility. Salary adjustments are considered in the first calendar quarter of each year following approval of the corporate annual budget, operating plan and business objectives.

Short Term Incentive Plan ("STIP", Annual Cash Bonus)

STIP rewards excellent individual performance and the achievement of certain short-term Company objectives with cash bonuses.

Largely, the Board will review with the CEO the success of each member of Executive Management in meeting their objectives, as well as that individual's contribution toward implementing Company's strategies and achieving Company goals. Also, cash bonuses paid to the CEO are developed and considered by the Board. The amount of annual cash bonus awarded is dependent on the level of achievement of the individual and success of the Company in achieving its goals and will take into consideration any extraordinary performance during the preceding fiscal year, as well as the financial position of the Company at the time of the award.

Long Term Incentive Plan ("LTIP", Stock Options and Other Non-Cash Awards)

Stock options and other non-cash awards are granted as long-term incentive compensation for continuity and retention of Executive Management. The LTIP allows Executive Management to participate in any appreciation of the market value of the Common Shares over a longer period of time and reinforce a commitment to long-term growth and shareholder value. Goals of management should be aligned with the best interests of the Company. Individual stock options awards are developed by management and recommended to the Board for approval. The size of the option grants are dependent on, among other things, the individual's position, level of responsibility and contribution to the longer-term operating performance of the Company.

Typically, annual incentive stock option grants are determined in the fourth quarter of each calendar year, in accordance with the 2010 Option Plan. In December 2020, the Board determined and approved the LTIP for Executive Management and all other employees.

Perquisites

Executive Management may be eligible for other benefits and perquisites provided by the Company including the Company's employee health benefits program, health club membership, and others. There is currently no pension plan or disability benefits in place for directors or Executive Management.

Compensation Oversight and Determinations

In the absence of a Compensation Committee, the Board reviews the results achieved by the Company and discusses them with management. The Board determines an overall assessment for actual corporate performance relative to an expected level of performance. This overall corporate performance assessment as well as a review of the benchmark group of similar companies, and the Company's compensation philosophy to pay lower base salaries and higher incentive pay (cash bonuses and option awards), keeping in mind, the financial position of the Company, determines Executive Management's compensation.

As of October 2018, the Company's was significantly impacted by an illegal blockade and demonstrations by the neighbouring community of Paran on its previously-owned Invicta Gold project located in Peru, then subsequently, lost control and ownership of the project in July 2019. In consideration of the arbitration and the lack of financial resources, the Company has since delayed any determinations on corporate performance assessments until a resolution has been made of its Arbitration Claim against the Republic of Peru under the 2009 Canada-Peru Free Trade Agreement ("CPFTA").

For further information we refer to the Company's management discussion and analysis dated and filed on April 30, 2021, at www.sedar.com and in particular "**Outlook – The Company's Arbitration Claim and PLI-Lupaka Gold Mutual Releases**" or on the Company's website at www.lupakagold.com.

Compensation Risks

The Board reviews the Company's compensation program for safeguards designed to mitigate compensation risks. The Compensation Committee determined that the risks associated with the remuneration of executives were determined to be:

- (a) attract and retain qualified people;
- (b) over compensation;
- (c) inappropriate or excessive risk-taking.

The Company has not adopted a formal policy forbidding directors or officers from purchasing financial instruments that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by directors or officers. The Company has, however, included in the Company's Insider Trading Policy that Lupaka considers it improper and inappropriate for any employee to engage in short-term or speculative transactions in Lupaka's securities. Moreover, employees are prohibited from engaging in short sales and other speculative transactions involving Lupaka's securities, whether directly or indirectly, except in cases where shares are sold short in connection with a concurrent exercise of stock options. The Company is not aware of any directors or officers having entered into this type of transaction.

Pension Plan Benefits

The Company does not have a pension plan.

Other Compensation

Executive Management 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 Management and consists of medical, life insurance, extended health and dental coverage, the level of which is consistent with industry practice and generally available to all employees.

Director Compensation

No cash compensation was paid to any director of the Company in his capacity as a director, during the most recently completed financial year ended December 31, 2020. The Company does not have any arrangements, standard or otherwise, pursuant to which directors are compensated by the Company for their services as directors except for the granting of incentive stock options from time to time in accordance with the 2010 Option Plan and the reimbursement of reasonable expenditures incurred in performing their duties as directors.

Retirement Policy for Directors

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

DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

Table of Executive and Director Compensation Excluding Compensation Securities

The following table sets out compensation awarded, earned, paid, payable, or otherwise provided, directly or indirectly, by the Company or a subsidiary of the Company, to each NEO and director, in any capacity, for each of the financial years ended December 31, 2020 and 2019:

Name and Position	Year	Salary, consulting fee, retainer or commission ⁽¹⁾ (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of other compensation (\$)	Total compensation (\$)
Gordon L. Ellis, Director and President, Chief Executive Officer ⁽²⁾	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Darryl F. Jones, Chief Financial Officer ⁽³⁾	2020	4,000	Nil	Nil	Nil	Nil	4,000
	2019	Nil	Nil	Nil	Nil	Nil	Ni
Norman B. Keevil, Director ⁽⁴⁾	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Lucio D. Pareja Director ⁽⁵⁾	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Luquman A. Shaheen, Director ⁽⁶⁾	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Mario Stifano, Director ⁽⁷⁾	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) This column includes the dollar value of cash and non-cash base salary paid or earned (accrued) during the financial year to each NEO or director.
- (2) Mr. Ellis, Director and Board Chair, was appointed as President and Chief Executive Officer in July 2019.
- (3) Mr. Jones was re-appointed as Chief Financial Officer in July 2019, after he had retired from office in June 2018.
- (4) Mr. Keevil was appointed as a director in August 2010.
- (5) Mr. Pareja was appointed as a director in August 2016.
- (6) Mr. Shaheen was appointed as a director in May 2013.
- (7) Mr. Stifano was appointed as a director in May 2018.

External Management Companies

The Company entered into a verbal consulting agreement with Gordann Consultants Ltd. (the “Consultant”), a consulting company controlled by Mr. Gordon Ellis as of July 31, 2019, when Mr. Ellis became the President and Chief Executive Officer of the Company. (see “*Employment, Consulting, Management Agreements*” below regarding compensation for services provided).

Stock Options and Other Compensation Securities

The following table sets out all compensation securities granted or issued to each NEO and director by the Company or one of its subsidiaries in the financial year ended December 31, 2020 for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries and the total amount of compensation securities held as at the Company's financial year of December 31, 2020.

Name and position	Type of compensation security	Number of compensation securities, number of underlying securities and % 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	Total amount of compensation securities held as at December 31, 2020 (#)
Gordon Ellis, President, Chief Executive Officer, Director	Option	300,000	December 11, 2020	0.05	0.05	0.045	December 22, 2025	1,850,000
Darryl F. Jones, Chief Financial Officer	Option	250,000	June 22, 2020	0.05	0.05	0.045	June 22, 2025	1,300,000
	Option	300,000	December 11, 2020	0.05			December 22, 2025	
Norman B. Keevil, Director	Option	300,000	June 22, 2020	0.05	0.05	0.045	June 22, 2025	900,000
	Option	200,000	December 11, 2020	0.05			December 22, 2025	
Lucio D. Pareja Director	Option	300,000	June 22, 2020	0.05	0.05	0.045	June 22, 2025	980,000
	Option	200,000	December 11, 2020	0.05			December 22, 2025	
Luquman A. Shaheen, Director	Option	300,000	June 22, 2020	0.05	0.05	0.045	June 22, 2025	900,000
	Option	200,000	December 11, 2020	0.05			December 22, 2025	
Mario Stifano, Director	Option	300,000	June 22, 2020	0.05	0.05	0.045	June 22, 2025	750,000
	Option	200,000	December 11, 2020	0.05			December 22, 2025	

Notes:

- (1) No compensation security has been re-priced, cancelled and replaced, had its term extended, or otherwise been materially modified, in the most recently completed financial year.
- (2) Generally, all options vest as to 25% on the day of grant and 25% each six-month period thereafter.

Exercise of Compensation Securities by Directors and NEOs

No compensation securities have been exercised by a NEO or director of the Company or one of its subsidiaries in the financial year ended December 31, 2020.

Employment, Consulting, Management Agreements

As at December 31, 2020, the Company had a verbal understanding with certain Executive Management and employee consultants of the Company.

As of July 31, 2019, Mr. Ellis has agreed verbally to provide services as Chair, President and Chief Executive Officer of the Company, up until such time as his successor is appointed. Further, as mutually agreed to, no compensation is to be paid or has been paid during the year ended December 31, 2020. The Company has agreed that Mr. Ellis is eligible and will be considered for a bonus and stock options to be determined at the sole discretion of the Company's directors.

As of July 31, 2019, Mr. Jones agreed verbally to provide services as Chief Financial Officer of the Company, up until such time as his successor is appointed. For the year ended December 31, 2020, Mr. Jones' compensation of \$1,000 for each of Q2-20 and Q3-20, and \$2,000 for Q4-20 will be paid or has been paid. The Company has agreed that Mr. Jones is eligible and will be considered for a bonus and stock options to be determined at the sole discretion of the Company's directors.

Mr. Ellis and Mr. Jones are each entitled to participate in all benefit plans provided by the Company, if any.

Termination and Change of Control Benefits

The Company has not entered into any contracts, agreements, plans or arrangements that provides for payments to a Named Executive Officer at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control of the Company, or a change in responsibilities of the director or officer following a change in control.

A "change of control" is defined as an acquisition by any person or group of persons acting jointly or in concert of direct or indirect beneficial ownership of securities representing 50% or more of the Company's voting securities; completion of a business combination which results in the Company's shareholders holding less than 50% of the voting securities of the resulting or successor corporation; or the current directors of the Company ceasing to represent a majority of the members of the Board as a result of a proxy solicitation other than by management.

Stock Option Plans and Other Incentive Plans

The Company adopted the 2010 Option Plan to permit the Company to grant incentive stock options up to 10% of the issued and outstanding Common Shares to bona fide directors, officers, employees and consultants of the Company or its subsidiaries as represented by the Board (the "Optionees"). The 2010 Option Plan was originally approved by the Shareholders on September 20, 2010 and last approved on November 23, 2020 as required under the policies of the TSX.V., whereby the Company requires shareholder approval each year.

The following table sets forth as at the year ended December 31, 2020, the number of securities authorized for issuance under the 2010 Option Plan.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plan (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	13,755,000	\$0.09	1,595,936
Equity compensation plans not approved by security holders	Nil	Nil	Nil
Total	13,755,000	\$0.09	1,595,936

Note:

As of December 31, 2020, there were 13,755,000 options issued and outstanding under the 2010 Option Plan, representing 8.96% of the Company's issued and outstanding capital.

Stock Option Grant Process

Grants of stock options are made pursuant to the Company's 2010 Option Plan. The Company's directors are responsible for reviewing and approving all individual stock option grants, which are typically made upon the commencement of employment by a new Optionee and annually thereafter.

The following is a summary of the material terms of the Plan and is qualified in its entirety by the full text of the amended and restated Plan available at www.sedar.com or may be obtained upon request from the Company at 1569 Dempsey Road, North Vancouver, BC V7K 1S8. The 2010 Option Plan authorizes the Board to grant stock options to the Optionees on the following terms:

1. The maximum number of Common Shares of the Company which may be issued pursuant to stock options granted under the 2010 Option Plan, unless otherwise approved by Shareholders, is 10% of the issued and outstanding Common Shares at the time of the grant. Any increase in the issued and outstanding Common Shares will result in an increase in the available number of Common Shares issuable under the 2010 Option Plan, and any exercises of stock options will make new grants available under the 2010 Option Plan.
2. The aggregate number of issued and outstanding Common Shares reserved for issuance pursuant to all options granted to any one Optionee shall not exceed 5% of the number of issued and outstanding Common Shares outstanding on a non-diluted basis at the time of such grant. In addition, the issuance to any one insider and such insider's associates, within a one-year period, of issued and outstanding Common Shares on the exercise of options may not exceed 5% of the issued and outstanding Common Shares, and the number of issued and outstanding Common Shares which may be reserved for issuance under the 2010 Option Plan and under any other security based compensation arrangements of the Company to all insiders and insiders' associates shall not exceed 10% of the issued and outstanding Common Shares. Notwithstanding any other provision of the 2010 Option Plan, the number of issued and outstanding Common Shares which may be issued within any one-year period pursuant to the 2010 Option Plan and all other security-based compensation arrangements of the Company to insiders of the Company, or such insiders' affiliates shall not exceed 10% of the issued and outstanding Common Shares.

Furthermore, any one consultant within a one-year period shall not exceed 2% of the issued and outstanding Common Shares at the time of grant and the number of Common Shares which may be reserved for issuance under the Plan and under any other security based compensation arrangements of the Company to any one Consultant shall not exceed 2% of the issued and outstanding Common Shares; and all Optionees performing investor relations activities within a one-year period, may not in the aggregate exceed 2% of the issued and outstanding Common Shares, and the number of Common Shares which may be reserved for issuance under the Plan and under any other security based compensation arrangements of the Company shall not exceed, in the aggregate, 2% of the issued and outstanding Common Shares.

3. The Board shall fix the option price per Common Share which shall not be less than the greater of \$0.05 per Common Share or the closing market price of the Common Shares on the TSX.V one trading day prior to the effective date on which the option is granted by the Board and if there is no sale on such trading day, then the last closing market price on the TSX.V prior to the effective date on which the option is granted.
4. The term of an option shall not be less than one year and not more than ten years from the date of grant, subject to the other terms of the 2010 Option Plan.
5. The Board shall determine at the time of granting an option to an Optionee pursuant to the Plan the maximum number of Common Shares that may be exercised by such Optionee in each year during the term of the option. Subject, however, to the restriction that any options granted to an Optionee performing investor relations activities shall vest over a minimum of a one-year period and no more than one-quarter (1/4) of such options may vest in any three (3) month period. Notwithstanding the foregoing, any unvested options shall vest immediately on the date that is one business day prior to the date on which the Sale provided for in such agreement is completed, or, in the case of a Take-over Bid (as defined in the *Securities Act* (British Columbia)) having been made, one business day prior to the date on which the Common Shares shall have been taken up by the offeror, or in either case on such other date as may be set by resolution of the Board. "Sale" means the sale of all or substantially all of the assets of the Company as an entirety or substantially as an entirety to any person or entity (other than a wholly-owned subsidiary of the Company) under

circumstances such that, following the completion of such sale, the Company will cease to carry on an active business, either directly or indirectly through one or more subsidiaries.

6. Where an option expires during a Black-Out Period or during the ten business days following the end of the Black-Out Period, the term of such option shall be extended to the date that is the tenth business day following the end of such Black-Out Period. "**Black-Out Period**" means the period during which designated employees of the Company cannot trade the Common Shares pursuant to the Company's policy respecting restrictions on employee trading which is in effect at that time (which, for greater certainty, does not include the period during which a cease trade order is in effect to which the Company or in respect of an insider, that insider, is subject).
7. In the event of the death of an Optionee while in the employment, or as a director or officer, of the Company or a subsidiary of the Company prior to 5:00 p.m. (Vancouver time) on the expiry date of the option (the "**Expiry Date**"), the option may be exercised by the legal representatives of such Optionee at any time up to and including, but not after, 5:00 p.m. (Vancouver time) on the date which is the first anniversary of the date of death of such Optionee or the Expiry Date, whichever is the earlier, after which the option shall in all respects cease and terminate and be of no further force or effect whatsoever.
8. In the event of: (i) the removal of an Optionee as a director of the Company or a subsidiary of the Company other than in the event of death of the Optionee, such that the Optionee is no longer an Eligible Participant; or (ii) the discharge of an Optionee as an officer or employee of the Company or a subsidiary of the Company for Cause (as such term is defined in the 2010 Option Plan), in each such case all options granted to such Optionee under the 2010 Option Plan shall in all respects forthwith cease and terminate and be of no further force or effect whatsoever, upon notice of such removal or discharge being given by the Company or subsidiary of the Company to such Optionee. "**Eligible Participants**" means such bona fide directors, officers, employees and consultants of the Company or its subsidiaries as represented by the Board, which shall from time to time be determined in its sole discretion.
9. In the event of termination of employment of an Optionee by the Company or a subsidiary of the Company other than in the circumstances referred in paragraphs (7) and (8), above, such that the Optionee is no longer an Eligible Participant, such Optionee may exercise each vested option then held by such Optionee under the 2010 Option Plan to the extent that such Optionee was entitled to do so at the time of such termination of employment, at any time up to and including, but not after, 5:00 p.m. (Pacific time) on the ninetieth (90) day (or such later day as the Board in its sole discretion may determine) following the effective date of termination of employment, or the Expiry Date, whichever is earlier, after which the option shall in all respects cease and terminate and be of no further force or effect whatsoever.
10. Each option granted under the 2010 Option Plan is non-assignable and non-transferable by the Optionee.

Under the 2010 Option Plan, the CEO makes recommendations to the Board regarding individual stock option awards for all recipients including grants that are awarded outside the annual compensation deliberation process for such things as promotions, new or rehires. The Board reviews the appropriateness of the stock option grant recommended by the CEO. The CEO does not engage in discussions with the Board regarding his own stock option grants.

Plan Amendments

The Board may amend, vary or discontinue the 2010 Option Plan, provided that any such amendment, variance or discontinuance will not become effective unless and until approved by the Shareholders as required by applicable regulatory authorities. The Board shall have the power and authority to approve amendments relating to the 2010 Option Plan without further approval of the Shareholders, to the extent that such amendments relate to, among other things:

- (a) the provisions of a "housekeeping" or "clerical" nature;
- (b) the vesting provisions of the 2010 Option Plan or any option under the 2010 Option Plan;
- (c) the early termination provisions of the 2010 Option Plan or any option granted under the 2010 Option Plan (provided that the change does not entail an extension beyond the original expiry date of such option);
- (d) any adjustments in event of change in structure of capital/change of control;

- (e) any addition to or deletion or alteration of the provisions of the 2010 Option Plan that are reasonably necessary to allow participants to receive fair and favourable tax treatment under relevant tax legislation;
- (f) the mechanics of exercise of the options, such as changing the form to be used to give notice of exercise and the person to whom the notice of exercise is to be directed; and
- (g) any other amendment, whether fundamental or otherwise, not requiring Shareholder approval under applicable laws.

Pursuant to the policies of the TSX.V, listed companies must obtain approval of both the TSX.V and a majority of its Shareholders to adopt or renew a stock option plan and moreover, disinterested Shareholder approval for: (i) a reduction in the exercise price or an extension of the term of any option issued under the 2010 Option Plan benefiting an insider of the Company; (ii) any amendment to remove or to exceed the insider or individual participation limit under the 2010 Option Plan; (iii) an increase to the maximum number of options issuable, either as a fixed number or a fixed percentage of the Company's outstanding Common Shares; and (iv) any amendments to the amending provisions of the 2010 Option Plan.

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