

CANSTAR RESOURCES INC.

(the “Company”)

STATEMENT OF EXECUTIVE COMPENSATION – VENTURE ISSUERS

For the fiscal year ended June 30, 2023

Dated as of December 21, 2023

The following information is provided as required under Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*. In this Statement of Executive Compensation, reference to the “Company” refers to Canstar Resources Inc. All monetary amounts in this form are expressed in Canadian dollars unless otherwise stated.

Compensation Discussion and Analysis

The purpose of this Compensation Discussion and Analysis is to provide information about the Company’s executive compensation philosophy, objectives, and processes and to discuss compensation decisions relating to the Company’s Chief Executive Officer, Chief Financial Officer, and, if applicable, its three (3) most highly compensated individuals acting as, or in a like capacity as, executive officers of the Company whose total compensation for the most recently completed financial year was individually equal to more than \$150,000 (the “NEOs” or “Named Executive Officers”). During the Company’s most recently completed financial year, being the financial year ended June 30, 2023 the only NEOs were Robert Bruggeman, President, Chief Executive Officer and Director and John E. Hurley, Chief Financial Officer.

Compensation Committee

The compensation committee (the “**Compensation Committee**”) of the board of directors of the Company (the “**Board**”) is responsible for ensuring that the Company has in place an appropriate plan for executive compensation, and for making recommendations to the Board with respect to the compensation of the Company’s executive officers. The Compensation Committee ensures that the total compensation paid to the Company’s NEOs is fair, reasonable, and consistent with the Company’s compensation philosophy.

The Compensation Committee is composed of Sam Leung (Chair), Jacqueline Allison and Neil Burns. All members of the Compensation Committee are considered independent (as defined in NI 52-110). All members of the Compensation Committee have direct experience with respect to executive compensation issues by virtue of their positions as officers and/or directors of various other businesses and publicly-traded companies, and as such they possess skills and experience that enable the Compensation Committee to make decisions on the suitability of the Company’s compensation policies and practices.

The Compensation Committee assists the Board in its oversight role with respect to (i) the Company’s human resource strategy, policies and programs, and (ii) all matters relating to the proper utilization of human resources within the Company, with a special focus on management succession, development and compensation.

The Compensation Committee:

- reviews and makes recommendations to the Board at least annually regarding the Company’s remuneration and compensation policies, including short and long-term incentive compensation plans and equity-based plans, bonus plans, pension plans (if any), executive stock option plans (including the Stock Option Plan), and grants and benefit plans;
- has sole authority to retain and terminate any compensation consultant to assist in the evaluation of director compensation, including sole authority to approve fees and other terms of the retention;
- reviews and approves at least annually all compensation arrangements with the senior executives of the Company;
- reviews and approves at least annually all compensation arrangements with the directors of the Company; and

- reviews the executive compensation sections disclosed in the annual management proxy circular distributed to Shareholders in respect of the Company’s annual meetings of Shareholders.

Compensation plays an important role in achieving short and long term business objectives that ultimately drive business success. The Company’s compensation philosophy is to foster entrepreneurship at all levels of the organization through, among other things, the granting of stock options as a significant component of executive compensation. This approach is based on the assumption that the price of the common shares of the Company (the “**Common Shares**”) over the long term is an important indicator of long term performance

The Company’s compensation philosophy is based on the following fundamental principles:

1. *Compensation programs align with Shareholder interests* – the Company aligns the goals of executive officers with maximizing long term value for shareholders of the Company (“**Shareholders**”);
2. *Performance-sensitive* – compensation for executive officers should be linked to the operating and market performance of the Company and should fluctuate with performance; and
3. *Offer market-competitive compensation to attract and retain talent* – the compensation program should provide market-competitive pay in terms of value and structure in order to retain existing employees who are performing according to their objectives, and to attract new individuals of the highest calibre.

The objectives of the compensation program in compensating NEOs were developed based on the above-mentioned compensation philosophy and are as follows:

- to attract and retain highly qualified executive officers;
- to align the interests of executive officers with Shareholders’ interests and with the execution of the Company’s business strategy;
- to evaluate performance on the basis of key measurements that correlate to long term Shareholder value; and
- to tie compensation directly to those measurements and rewards based on achieving and exceeding predetermined objectives.

Competitive Compensation

Aggregate compensation for NEOs is designed to be competitive. The Compensation Committee reviews compensation practices of similarly situated companies in determining compensation policy. Although the Compensation Committee reviews each element of compensation for market competitiveness, and it may weigh a particular element more heavily based on a NEO’s role within the Company, it is primarily focused on remaining competitive in the market with respect to total compensation.

Prior to making its decisions, the Compensation Committee reviews data related to compensation levels and programs of various companies that are similar in size to the Company and that operate within the mining exploration and development industry. These companies are used as the Company’s primary peer group because they have similar business characteristics or because they compete with the Company for employees and investors. The Compensation Committee also relies on the experience of its members as officers and/or directors of other companies in similar lines of business as the Company when assessing compensation levels.

The purpose of this process is to:

- understand the competitiveness of current pay levels for each executive position relative to companies with similar revenues and business characteristics;
- identify and understand any gaps that may exist between actual compensation levels and market compensation levels; and
- establish a basis for developing salary adjustments and short term and long term incentive awards for the Compensation Committee's approval.

Aligning the Interests of NEOs with the Interests of the Company's Shareholders

The Company believes that transparent, objective and easily verified corporate goals, combined with individual performance goals, play an important role in creating and maintaining an effective compensation strategy for NEOs. The Company's objective is to establish benchmarks and targets for NEOs which, if achieved, will enhance Shareholder value.

A combination of fixed and variable compensation is used to motivate executive officers to achieve overall corporate goals. For the 2023 financial year, the three basic components of executive compensation were:

- fixed (base) salary;
- annual incentives (cash bonus); and
- option-based compensation.

Fixed salary comprises a portion of the total cash-based compensation; however, annual incentives and option-based compensation represent compensation that is "at risk" and thus may or may not be paid to the respective executive officer depending on: (i) whether the executive officer is able to meet or exceed his or her applicable performance targets; and (ii) the market performance of the Common Shares. To date, no specific formulae have been developed to assign a specific weighting to each of these components. Instead, the Board considers each performance target and the Company's performance and assigns compensation based on this assessment and the recommendations of the Compensation Committee.

The Compensation Committee is responsible for considering, establishing and reviewing executive compensation programs, and whether the programs encourage unnecessary or excessive risk taking. The Company believes the programs are balanced and do not motivate unnecessary or excessive risk taking. The Company's securities trading policy prohibits directors or NEOs from purchasing 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. To the knowledge of the Company as of the date of hereof, no director or NEO of the Company has participated in the purchase of such financial instruments.

Base Salary

The Compensation Committee and the Board approve salary ranges for the NEOs. The base salary review for NEOs is based on an assessment of factors such as current competitive market conditions, compensation levels within the peer group, and particular skills such as leadership ability and management effectiveness, experience, responsibility, and proven or expected performance. Comparative data for the Company's peer group is also accumulated from a number of external sources including independent consultants. The Company's policy for determining salary for executive officers is consistent with the administration of salaries for all other employees. Robert Bruggeman is the only NEO that receives a base salary. See "*Summary Compensation Table for NEOs*" for details.

Annual Incentives

The Company is not currently awarding any annual incentives by way of cash bonuses. However, the Company, in its discretion, may award such incentives in order to motivate executive officers to achieve short term corporate goals. The Compensation Committee and the Board will approve any annual incentives.

The success of a NEO in achieving his individual objectives and his contribution to the Company in reaching its overall goals are factors in the determination of that NEO's annual bonus. The Compensation Committee assesses a NEO's performance on the basis of his contribution to the achievement of predetermined corporate objectives, as well as to needs of the Company that arise on a day-to-day basis. This assessment is used by the Compensation Committee in developing its recommendations to the Board with respect to the determination of annual bonuses for the NEOs. Where the Compensation Committee cannot unanimously agree, the matter is referred to the full Board for decision. The Board relies heavily on the recommendations of the Compensation Committee in granting annual incentives.

The Board approves targeted amounts of annual incentives for NEOs at the beginning of each financial year. The targeted amounts are determined by the Compensation Committee based on a number of factors, including comparable compensation at similar companies.

Achieving predetermined individual and/or corporate targets and objectives, as well as general performance in day-to-day corporate activities, will trigger the award of a bonus payment to the NEOs. NEOs will receive a partial or full incentive payment depending on the number of predetermined targets met and the Compensation Committee's and Board's assessment of overall performance. The determination as to whether a target has been met is ultimately made by the Board and it reserves the right to make positive or negative adjustments to any bonus payment if considered appropriate.

Option-Based Compensation

The Company currently has no long term incentive plans other than stock options granted from time to time by the Board under the provisions of the Company's existing incentive stock option plan (the "**Stock Option Plan**").

The purpose of the Stock Option Plan is to encourage Common Share ownership by directors, officers, employees and consultants of the Company and its affiliates, and by other designated persons. The Compensation Committee believes that the Stock Option Plan aligns the interests of NEOs with those of Shareholders by linking a component of executive compensation to the longer term performance of the Common Shares. Eligibility for participation in the Stock Option Plan is restricted to directors, officers, employees and consultants of the Company and its affiliates, and to other designated persons.

The following is a summary of the material terms of the Stock Option Plan (any terms not defined herein have the meaning defined in the Stock Option Plan):

- (a) The aggregate maximum number of Common Shares available for issuance from treasury under the Stock Option Plan is fixed at 11,025,366 Common Shares. As of June 30, 2023, outstanding options to purchase a total of 8,325,000 Common Shares have been issued to directors, officers, employees and consultants of the Company and remain outstanding. As at the date hereof, the number of options to purchase Common Shares remaining available for issuance under the Stock Option Plan is 2,700,366.
- (b) No Options shall be granted to any Participant if such grant could result, at any time, in:
 - (i) the issuance of any one individual, within a one-year period, of a number of Common Shares exceeding 5% of the issued and outstanding Common Shares;
 - (ii) the issuance to any one consultant, within any 12-month period, of a number of Common Shares exceeding 2% of the issued and outstanding Common Shares; and
 - (iii) the issuance to employees conducting investor relations activities, within any 12 month

period, of an aggregate number of Common Shares exceeding 2% of the issued and outstanding Common Shares;

unless permitted otherwise by any applicable stock exchange.

- (c) Disinterested Shareholder Approval is required for the following:
 - (i) Any amendment to Options held by an insider of the Company (an “Insider”) that would have the effect of decreasing the exercise price of the Options; and
 - (ii) Any extension of the expiry date of an Option held by an Insider.
- (d) The term of an Option shall not exceed 10 years from the date of grant of the option.
- (e) An Option shall vest and may be exercised in whole or in part at any time during the term of such Option after the date of the grant as determined by the Board, subject to extension where the expiry date falls within a Blackout Period (as defined in the Stock Option Plan).
- (f) Options may be granted by the Company pursuant to the recommendations of the Board or a committee appointed to administer the Stock Option Plan from time to time provided and to the extent that such decisions are approved by the Board.
- (g) Options shall not be transferable or assignable by the Participant (as defined in the Stock Option Plan) otherwise than by will or the laws of descent and distribution, and shall be exercisable during the lifetime of a Participant only by the Participant and after death only by the Participant’s legal representative.
- (h) If a Participant who is a non-executive director of the Company ceases to be an Eligible Person as a result of his or her retirement from the Board, each vested Option held by such Participant shall automatically vest on the date of his or her retirement from the Board, and thereafter each vested Option held by such Participant will cease to be exercisable on the earlier of the original Expiry Date of the Option and one year after the date of his or her retirement from the Board
- (i) If a Participant ceases to be an Eligible Person (as defined in the Stock Option Plan) for any reason whatsoever, other than under an exception under the Stock Option Plan, each vested Option held by the Participant will cease to be exercisable on the earlier of the original Expiry Date of the Option and 6 months after the Termination Date (as defined in the Stock Option Plan); provided that all unvested Options held by such Participant shall automatically terminate and become void on the Termination Date of such Participant.
- (j) If a Participant dies, the legal representative of the Participant may exercise the Participant’s vested Options for a period until the earlier of the original Expiry Date of the Option and 12 months after the date of the Participant’s death, but only to the extent the Options were by their terms exercisable on the date of death.
- (k) The exercise price of any option granted under the Stock Option Plan may not be less than fair market value (e.g. the prevailing market price) of the Common Shares at the time the option is granted, less any permitted discount.
- (l) The options are subject to early termination upon the termination of the optionee’s employment, the optionee ceasing to be a director and/or officer of the Company, or the retirement, permanent disability or death of the optionee; and
- (m) In the event of a change of control event, the Board may accelerate Options granted to Participants, subject to that there may be no acceleration of the vesting requirements applicable to Options

granted to persons conducting investor relations activities unless the prior written approval of the TSX-V has been obtained.

Compensation Risk Considerations

The Compensation Committee is responsible for considering, establishing and reviewing executive compensation programs, and whether the programs encourage unnecessary or excessive risk taking. The Company believes the programs are balanced and do not motivate unnecessary or excessive risk taking. The Company's securities trading policy prohibits directors or NEOs from purchasing 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. To the knowledge of the Company, as of the date of hereof, no NEO or director of the Company has participated in the purchase of such financial instruments.

Base salaries, if any, are fixed in amount thus do not encourage risk taking. While annual incentive awards focus on the achievement of short term or annual goals and short-term goals may encourage the taking of short-term risks at the expense of long term results, the Company's annual incentive award program does not represent a significant percentage of employee's potential compensation opportunities. Annual incentive awards are based on various personal and company-wide achievements. Such performance goals are subjective and include achieving individual and/or corporate targets and objectives, as well as general performance in day-to-day corporate activities which would trigger the award of a bonus payment to the NEO. The determination as to whether a target has been met is ultimately made by the Board (after receiving recommendations of the Compensation Committee) and the Board reserves the right to make positive or negative adjustments to any bonus payment if they consider them to be appropriate. Funding of the annual incentive awards is capped at the company level and the distribution of funds to the executive officers is at the discretion of the Compensation Committee.

Stock option awards are important to further align employees' interests with those of the Shareholders. The ultimate value of the awards is tied to the Company's stock price and since awards are staggered and subject to long-term vesting schedules, they help ensure that NEOs have significant value tied in long-term stock price performance.

Compensation Summary

Summary Compensation Table for NEOs

The following table sets forth information concerning the compensation paid, awarded or earned by the Company's NEOs for services rendered in all capacities to the Company during the three most recently completed financial years:

Name and Principal Position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards ⁽¹⁾ (\$)	Non-equity incentive plan compensation (\$)		Pension Value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long term incentive plans			
Robert Bruggeman <i>President, Chief Executive Officer, and Director</i> ⁽²⁾	2023	180,000	Nil	32,966	Nil	Nil	Nil	Nil	212,966
	2022	137,681	Nil	136,176 ⁽³⁾	Nil	Nil	Nil	Nil	273,857
	2021	75,975	Nil	375,179 ⁽²⁾	Nil	Nil	Nil	Nil	451,154
John E. Hurley <i>Chief Financial Officer</i>	2023	Nil	Nil	8,241	Nil	Nil	Nil	Nil	8,241
	2022	Nil	Nil	41,900 ⁽³⁾	Nil	Nil	Nil	Nil	41,900
	2021	Nil	Nil	37,518 ⁽²⁾	Nil	Nil	Nil	Nil	37,518

Notes:

- (1) Grant date fair value calculations are based on the Black-Scholes Option Pricing Model. Option-pricing models require the use of highly subjective estimates and assumptions including expected share price volatility. Changes in the underlying assumptions can materially affect the fair value estimates and therefore, in management's opinion, existing models do not necessarily provide a reliable measure of the fair value of the Company's option-based awards.
- (2) The fair value of these options at the date of grant was estimated using the Black-Scholes option pricing model with the following assumptions: 5 year expected term; 160% expected volatility; risk-free interest rate of 0.35% per annum; and an expected dividend yield of 0%.
- (3) The fair value of these options at the date of grant was estimated using the Black-Scholes option pricing model with the following assumptions: 5 year expected term; 155% expected volatility; risk-free interest rate of 1.31% per annum; and an expected dividend yield of 0%.
- (4) The fair value of these options at the date of grant was estimated using the Black-Scholes option pricing model with the following assumptions: 5 year expected term; 151% expected volatility; risk-free interest rate of 2.77% per annum; and an expected dividend yield of 0%.

Incentive Plan Awards

Outstanding Option-Based Awards

The following table provides information regarding the incentive plan awards for each NEO outstanding as of June 30, 2023:

Name and Principal Position	Option-based awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)
John E. Hurley Chief Financial Officer	200,000	0.28	Dec. 10, 2026	Nil
	150,000	0.28	Oct. 14, 2025	Nil
	150,000	0.06	Mar 24 2028	Nil
Robert Bruggeman President, Chief Executive Officer and Director	650,000	0.28	Dec. 10, 2026	Nil
	500,000	0.28	Oct. 14, 2025	Nil
	600,000	0.06	Mar 24, 2028	Nil

Notes:

- (1) Aggregate dollar amount of in-the-money unexercised options held as at June 30, 2023. Calculated based on the difference between the market value of the securities at June 30, 2023 and the exercise price of the option. The closing price of the Common Shares on the TSX-V on June 30, 2023 was \$0.04.

Value Vested or Earned During the Year

The following table provides information regarding the value vested or earned on incentive plan awards for each NEO during the year ended June 30, 2023:

Name and Principal Position	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 (\$)
John E. Hurley Chief Financial Officer	Nil	Nil	Nil
Robert Bruggeman President, Chief Executive Officer and Director ⁽¹⁾	Nil	Nil	Nil

Notes:

- (1) Calculated based on the closing price of the Common Shares on the TSX-V at the vesting date less the exercise price of the vested options multiplied by the number of vested options.

Employment Agreements and Termination and Change of Control Benefits

Other than as described below, there are no agreements, compensation plans, contracts or arrangements whereby a NEO is entitled to receive payments from the Company in the event of the resignation, retirement or other termination of the NEO's employment with the Company, change of control of the Company or a change in the NEO's responsibilities following a change in control.

Pursuant to a consulting agreement between the Company and Robert Bruggeman dated January 6, 2022 (the "**Consulting Agreement**"), the Company engaged Mr. Bruggeman to provide the services of President and Chief Executive Officer of the Company. The Consulting Agreement replaced and superseded a consulting agreement between the Company, Mr. Bruggeman, and Alpha Advisory Services Inc, dated September 15, 2020 (the "**Prior Consulting Agreement**"), whereby Mr. Bruggeman provided his services as President and Chief Executive Officer of the Company. The Prior Consulting Agreement was terminated on January 5, 2022 with mutual agreement by all parties. Pursuant to the Consulting Agreement, the Company may, in its sole and unfettered discretion, terminate the Consulting Agreement for any reason by providing the Mr. Bruggeman with: (a) thirty (30) days' written notice, and (b) a one-time lump sum payment equal to one (1) month of Mr. Bruggeman's monthly base compensation. Upon a Change of Control (as defined in the Consulting Agreement) event that results in the termination of the Consulting Agreement, the Company shall, within thirty (30) days of such termination, pay Mr. Bruggeman a one-time lump sum payment equal to twelve (12) months of Mr. Bruggeman's then annual compensation (the "**Change of Control Payment**"). If such Change of Control event does not result in the termination of the Consulting Agreement, no Change of Control Payment will be payable by the Company to the Mr. Bruggeman. Whether or not the Consulting Agreement is terminated as a result of a Change of Control event, all of Mr. Bruggeman's then unvested Options shall immediately vest and become exercisable. Mr. Bruggeman's monthly base compensation is currently \$15,000.

Pension Plan Benefits

There are no pension plan benefits, pension plans or retirement plans in place for the NEOs.

Director Compensation

Director Compensation Table

At present the Company does not pay its directors any fees for their services in such capacities. The following table describes the compensation of independent directors for the year ended June 30, 2023:

Name ⁽¹⁾	Fees earned (\$)	Option-based awards (\$)	All other compensation (\$)	Total compensation ⁽²⁾ (\$)
Jacqueline Allison ⁽³⁾	Nil	10,989	Nil	10,989
Sam Leung ⁽³⁾	Nil	9,615	Nil	9,615
James Clare ⁽³⁾	Nil	9,615	Nil	9,615
Neil Burns ⁽³⁾	Nil	9,615	Nil	9,615

Notes:

- (1) Mr. Bruggeman was a director and NEO during the year ended June 30, 2023. Any compensation received by him in his capacity as a director of the Company is reflected in the Summary Compensation Table for the NEOs elsewhere in this Circular.
- (2) Directors are reimbursed for all reasonable expenses incurred in the performance of their duties as directors of the Company. The table does not include any amounts paid as reimbursement for expenses.
- (3) The fair value of these options at the date of grant was estimated using the Black-Scholes option pricing model with the following assumptions: 5 year expected term; 151% expected volatility; risk-free interest rate of 2.77% per annum; and an expected dividend yield of 0%.

Option-Based Awards to Directors

The following table provides information regarding the incentive plan awards for each director outstanding as of June 30, 2023:

Name ⁽¹⁾	Option-based awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽²⁾
Jacqueline Allison	300,000	0.28	Dec. 10, 2026	Nil
	200,000	0.06	Mar 24 2028	Nil
Sam Leung	300,000	0.28	Oct. 14, 2025	Nil
	200,000	0.28	Dec. 10, 2026	Nil
	175,000	0.06	Mar 24 2028	Nil
James Clare	200,000	0.28	Apr. 26, 2026	Nil
	200,000	0.28	Dec. 10, 2026	Nil
	175,000	0.06	Mar 24 2028	Nil
Neil Burns	200,000	0.28	Apr. 26, 2026	Nil
	200,000	0.28	Dec. 10, 2026	Nil
	175,000	0.06	Mar 24 2028	Nil

Notes:

- (1) Mr. Bruggeman was a director and NEO during the year ended June 30, 2023. Any compensation received by him in his capacity as a director of the Company is reflected in the Summary Compensation Table for the NEOs elsewhere in this Circular.
- (2) Aggregate dollar amount of in-the-money unexercised options held as at June 30, 2023. Calculated based on the difference between the market value of the securities at June 30, 2023 and the exercise price of the option. The closing price of the Common Shares on the TSX-V on June 30, 2023 was \$0.04.

Value Vested or Earned During the Year

Options granted to the directors of the Company vest at the time of grant. Because the exercise price of options at the time of grant is set at or above the market price of the Common Shares on the grant date, the value of these incentive stock option grants at the time of vesting is \$nil.

The following table provides information regarding the value vested or earned on incentive plan awards for each director during the year ended June 30, 2023:

Name ⁽¹⁾	Option-based awards - Value vested during the year ⁽²⁾ (\$)	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
Jacqueline Allison	Nil	Nil	Nil
Sam Leung	Nil	Nil	Nil
James Clare	Nil	Nil	Nil
Neil Burns	Nil	Nil	Nil

Notes:

- (1) Mr. Bruggeman was a director and NEO during the year ended June 30, 2023. Any compensation received by **him** in **his** capacity as a director of the Company is reflected in the Summary Compensation Table for the NEOs elsewhere in this Circular.
- (2) Calculated based on the closing price of the Common Shares on the TSX-V at the vesting date less the exercise price of the vested options multiplied by the number of vested options.