



**STATEMENT OF EXECUTIVE COMPENSATION**  
(for the year ended December 31, 2022)

**Lithium South Development**  
(the "Company")

For the purposes of this Statement of Executive Compensation, a Named Executive Officer ("NEO") of the Company means each of the following individuals:

In this section "NEO" means the CEO, the CFO and each of the three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers at the end of the most recently completed financial year and whose total compensation was more than \$150,000 as well as any additional individuals for whom disclosure would have been provided except that the individual was not serving as an executive officer of the Company at the end of the most recently completed financial year.

During the year ended December 31, 2022, the Company had three NEOs; Adrian Hobkirk, the President and CEO of the Company, Christopher P. Cherry, CFO of the Company and Fernando Alcocer, the VP, Business Development.

**Compensation Discussion and Analysis**

The board of directors (the "Board") of the Company has not appointed a compensation committee so the responsibilities relating to executive and director compensation, including reviewing and recommending director compensation, overseeing the Company's base compensation structure and equity-based compensation programs, recommending compensation of the Company's officers and employees, and evaluating the performance of officers generally and in light of annual goals and objectives, is performed by the Board as a whole.

The Board also assumes responsibility for reviewing and monitoring the long-range compensation strategy for the senior management of the Company. In determining and approving the base salary for each NEO, the Board takes into consideration available market data. A specific benchmark is not targeted, and a formal peer group has not yet been established by the Board.

The compensation for executives includes four components: (i) base consulting fees, (ii) bonus (if applicable), (iii) stock options ("Options") and (iv) perquisites. As a package, the compensation components are intended to satisfy the objectives of the compensation program (that is, to attract, retain and motivate qualified executives). There are no predefined or standard termination payments, change of control arrangements or employment contracts.

**Philosophy and Objectives**

The Company's compensation policies and programs are designed to be competitive with similar mining exploration companies and to recognize and reward executive performance consistent with the success of the Company's business. The compensation program for the senior management of the Company is designed to ensure that the level and form of compensation achieves certain objectives, including (i) attracting and retaining talented, qualified and effective executives, (ii) motivating the short and long-term performance of these executives; and (iii) better aligning their interests with those of the Company's shareholders.

In compensating its senior management, the Company has encouraged equity participation and in furtherance thereof employs its stock option plan (the "Option Plan").

**Equity Participation**

The Company believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation has been accomplished through the Company's Option Plan. Options are granted to executives and employees take into account a number of factors, including the amount and term of Options previously granted, base consulting fees and bonuses and competitive factors. The amounts and terms of Options granted are determined by the Board.

Given the evolving nature of the Company’s business, the Board continues to review the overall compensation plan for senior management to continue to address the objectives identified above.

### Option-Based Awards

On September 13, 2022, the Board adopted its new Option Plan, being a 10% rolling plan, which incorporated amendments required pursuant to TSX Venture Exchange (the “**Exchange**”) Policy 4.4 *Security Based Compensation* which became effective November 24, 2021 (formerly, Policy 4.4 *Incentive Stock Options*). The shareholders of the Company approved the Option Plan on October 31, 2022, and the Exchange approved the Option Plan on November 4, 2022.

All Option grants require approval of the Board. The Option Plan is administered by the Board and provides that Options will be issued to directors, officers, employees or consultants of the Company or a subsidiary of the Company.

### Summary Compensation Table

Name and Principal Positions	Year <sup>(1)</sup>	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Adrian Hobkirk <sup>(2)</sup> President and CEO	2022	362,566	N/A	196,675	N/A	N/A	N/A	Nil	559,241
	2021	331,820	N/A	508,969	N/A	N/A	N/A	Nil	840,789
	2020	171,625	N/A	65,450	N/A	N/A	N/A	Nil	237,075
Christopher P. Cherry <sup>(3)</sup> CFO	2022	225,000	N/A	196,675	N/A	N/A	N/A	Nil	421,675
	2021	270,000	N/A	326,262	N/A	N/A	N/A	Nil	596,262
	2020	120,000	N/A	74,375	N/A	N/A	N/A	Nil	194,375
Fernando Alcocer <sup>(4)</sup> VP, Business Development and Director, Project Development	2022	202,118	N/A	196,675	N/A	N/A	N/A	Nil	398,793
	2021	240,454	N/A	326,409	N/A	N/A	N/A	Nil	566,863
	2020	Nil	N/A	44,625	N/A	N/A	N/A	Nil	44,625

(1) For the financial years ended December 31.

(2) Mr. Hobkirk has served as President, CEO and a director of the Company since October 20, 2014.

(3) Mr. Cherry has served as CFO and a director of the Company since November 26, 2014.

(4) Mr. Alcocer was appointed as the VP, Business Development, on November 9, 2018 and Director of Project Development on April 12, 2021.

### Incentive Plan Awards

Pursuant to the Option Plan, the Company may grant up to 10% of the issued and outstanding common shares of the Company.

The following table sets out all Option-based awards outstanding as at the year-ended December 31, 2022 for each NEO. There were no share-based awards granted to any of the NEOs:

Option-based Awards				
Name and Principal Positions	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-Money Options (\$) <sup>(1)</sup>
Adrian Hobkirk President and CEO	120,000	0.20	February 10, 2025	36,000
	100,000	0.305	April 9, 2025	19,500
	780,000	0.70	February 4, 2026	Nil
	280,000	0.75	January 28, 2027	Nil
Christopher P. Cherry CFO	150,000	0.20	February 10, 2025	45,000
	100,000	0.305	April 9, 2025	19,500
	500,000	0.70	February 4, 2026	Nil
	280,000	0.75	January 28, 2027	Nil

Option-based Awards				
Name and Principal Positions	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-Money Options (\$) <sup>(1)</sup>
<b>Fernando Alcocer</b> VP, Business Development and Director, Project Development	150,000	0.20	February 10, 2025	45,000
	100,000	0.70	February 4, 2026	Nil
	350,000	0.80	March 24, 2026	Nil
	280,000	0.75	January 28, 2027	Nil

(1) This amount is based on the difference between the market value of the securities underlying the Options on December 30, 2022, which was \$0.50, being the last trading day of the Company's shares for the financial year and the exercise price of any outstanding Options.

### Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets out the value vested during the financial year-ended December 31, 2022 for Options awarded under the Option Plan for the NEO, as well as the value earned under non-equity incentive plans for the same period.

Name	Option-based awards- Value vested during the year (\$)	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation Value earned during the year (\$)
<b>Adrian Hobkirk</b> President and CEO	Nil	Nil	Nil
<b>Christopher P. Cherry</b> CFO	Nil	Nil	Nil
<b>Fernando Alcocer</b> VP, Business Development and Director, Project Development	Nil	Nil	Nil

### Termination and Change of Control Benefits

There are no compensatory plans or arrangements with respect to any NEO resulting from the resignation, retirement or any other termination of employment of the officer's employment or from a change of an NEO's responsibilities following a change in control.

### Director Compensation

During the most recently completed financial year-ended December 31, 2022, the directors who were not NEOs received the following compensation for services provided to the Company:

Name	Fees earned (\$)	Share-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Alison Xiao Tian Dai <sup>(1)</sup>	41,510	196,675	N/A	N/A	N/A	238,185
Yi Hua Dai <sup>(2)</sup>	41,457	196,675	N/A	N/A	N/A	238,132

(1) Ms. Dai was appointed a director of the Company on December 22, 2017.

(2) Mr. Dai was appointed a director of the Company on June 30, 2021.

### Outstanding Option-Based Awards

The following table sets forth for each director, other than those who are also NEOs of the Company, all awards outstanding at the end of the most recently completed financial year-ended December 31, 2022, including awards granted before the most recently completed financial year.

Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>
Alison Xiao Tian Dai	50,000	0.20	February 10, 2025	15,000
	100,000	0.305	April 9, 2025	Nil
	600,000	0.70	February 4, 2026	Nil
	280,000	0.75	January 28, 2027	Nil
Yi Hua Dai	250,000	0.68	October 26, 2026	Nil
	280,000	0.75	January 28, 2027	Nil

- (1) This amount is based on the difference between the market value of the securities underlying the Options on December 30, 2022, which was \$0.50, being the last trading day of the Company's shares for the financial year and the exercise price of any outstanding Options.

### Narrative Discussion

The Company has no arrangements, standard or otherwise, pursuant to which directors were compensated by the Company for their services as directors, for committee participation, for involvement in special assignments during the most recently completed financial year.

The purpose of granting such Options is to assist the Company in compensating, attracting, retaining and motivating the directors, officers, employees and consultants and to closely align the personal interests of such persons to that of the shareholders.

### Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth, for each director, other than those who are also NEOs of the Company, the value of all incentive plan awards vested during the financial year-ended December 31, 2022:

Name	Option-based awards - Value vested during the year (\$)	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation Value earned during the year (\$)
Alison Xiao Tian Dai	Nil	Nil	Nil
Yi Hua Dai	Nil	Nil	Nil

### ADDITIONAL INFORMATION

Additional information concerning the Company can be found on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's website at <https://www.lithiumsouth.com/>.

Financial information relating to the Company is provided in the Company's audited financial statements and the management discussion and analysis ("MD&A") for the year-ended December 31, 2022. Shareholders may download the financial statements and MD&A from SEDAR ([www.sedar.com](http://www.sedar.com)) or contact the Company directly to request copies of the financial statements and MD&A by: mail to Suite 400 – 1681 Chestnut Street, Vancouver, BC, V6J 4M6; or fax to 604.737.1140. Additional financial information concerning the Company may be obtained by any shareholder free of charge by contacting the Company at 604.737.2303.