



Notes:

- (1) Paid to Mill Street Services Ltd. (“**Mill Street**”) for the corporate development and financial advisory services of Simon Ridgway.
- (2) Mr. Ridgway was Chairman of the Board from January 4, 2021 until he was appointed Executive Chairman of the Board on April 24, 2023.
- (3) In addition to the cash salary paid to Mr. Smith for his services rendered in 2023, the Company issued to him in 2023 Common Shares having a fair market value of \$120,625 for his services rendered during the two-year period ended December 31, 2022. See “Compensation Arrangements or Arrangements” herein.
- (4) Paid or payable to Gold Group Management Inc. (“**Gold Group**”) for the services of Kevin Bales as CFO of the Company.

**Compensation Securities**

The following sets forth the details of stock options, convertible securities, exchangeable securities or similar instruments including stock appreciation rights, deferred share units or restricted stock units (collectively “**Compensation Securities**”) granted or issued to NEOs and directors during the fiscal year ended December 31, 2023:

<b>COMPENSATION SECURITIES</b>							
Name and Position	Type of Compensation Security	No. of Compensation Securities, No. of Underlying Securities, and Percentage 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
Simon Ridgway Director & Executive Chairman	Stock Option	350,000 5.5%	June 7, 2023	0.18	0.175	0.135	June 6, 2033
Bruce Smith Director, President & CEO	Stock Option	70,000 1.1%	June 7, 2023	0.18	0.175	0.135	June 6, 2033
Kevin Bales CFO	Stock Option	140,000 2.2%	June 7, 2023	0.18	0.175	0.135	June 6, 2033
Mario Sotlender Director	Stock Option	225,000 3.5%	June 7, 2023	0.18	0.175	0.135	June 6, 2033
William Katzin Director	Stock Option	250,000 3.9%	June 7, 2023	0.18	0.175	0.135	June 6, 2033

Notes:

- (1) Stock options are exercisable to purchase an equal number of underlying common shares of the Company.
- (2) The total number of Compensation Securities, and underlying securities, held by each NEO and director as at December 31, 2023 are:

Simon Ridgway	800,000 stock options (and underlying common shares)
Bruce Smith	1,070,000 stock options (and underlying common shares)
Kevin Bales	400,000 stock options (and underlying common shares)
Mario Sotlender	500,000 stock options (and underlying common shares)
William Katzin	500,000 stock options (and underlying common shares)

The Company’s NEOs and directors did not exercise any Compensation Securities during the fiscal year ended December 31, 2023.

### **Stock Option Plans and Other Incentive Plans**

The Company has a stock option plan (the “**Stock Option Plan**”) which was approved by the shareholders of the Company on December 14, 2023. The TSX Venture Exchange (the “**Exchange**”) requires that the Company obtain shareholder approval to its stock option plan yearly at its annual general meeting. The material terms of the Stock Option Plan are as follows:

- (a) Persons eligible to be granted a stock option under the Stock Option Plan are Directors, Officers, Employees, Management Company Employees, and Consultants, and an entity all the voting securities of which are owned by such persons;
- (b) the Stock Option Plan reserves for issue pursuant to stock options and any other share compensation arrangement of the Company, a maximum number of Common Shares equal to 10% of the outstanding Common Shares of the Company from time to time;
- (c) unless Disinterested Shareholder Approval is obtained:
  - i. the aggregate number of Common Shares reserved for issue to Insiders under the Stock Option Plan and any other share compensation arrangement of the Company may not exceed 10% of the outstanding Common Shares at any point in time;
  - ii. the aggregate number of Common Shares reserved for issue to Insiders under the Stock Option Plan and any other share compensation arrangement of the Company in any 12-month period may not exceed 10% of the outstanding Common shares as at the time of grant;
  - iii. the number of Common Shares reserved for issue to any one person in any 12 month period under the Stock Option Plan may not exceed 5% of the outstanding Common Shares at the time of grant; and
  - iv. the number of Common Shares issued to any person within a 12 month period pursuant to the exercise of stock options granted under the Stock Option Plan and any other share compensation arrangement of the Company shall not exceed 5% of the outstanding Common Shares at the time of the exercise;
- (d) the number of Common Shares reserved for issue to any Consultant in any 12 month period under the Stock Option Plan may not exceed 2% of the outstanding Common Shares at the time of grant;
- (e) the aggregate number of Common Shares reserved for issue to any person providing Investor Relations Activities in any 12 month period may not exceed 2% of the outstanding Common Shares at the time of grant;
- (f) the Board of Directors of the Company (the “**Board**”) may determine the manner in which a stock option may vest and become exercisable (apart from stock options granted to persons performing Investor Relations Activities which shall vest as prescribed by the Exchange’s policies);
- (g) the exercise price per Common Share for a stock option may not be less than the Market Price of the Common Shares at the time of the grant;
- (h) stock options may have a term not exceeding ten years;
- (i) stock options are non-assignable and non-transferable;
- (j) the Stock Option Plan contains provisions for adjustment in the number of Common Shares issuable on exercise of a stock option in the event of a share consolidation, split, reclassification or other capital reorganization, or a stock dividend, amalgamation, merger or other relevant corporate transaction, or any other relevant change in or event affecting the Common Shares;
- (k) unless Disinterested Shareholder Approval is obtained, the Board may not reduce the exercise price of a stock option or extend the term of a stock option if such option is held by an Insider at the time of the proposed amendment;
- (l) the Board may, subject to the approval of any regulatory authority whose approval is required, amend, suspend or terminate the Stock Option Plan or any portion thereof; provided, however, that, except as otherwise provided in the Stock Option Plan, the Board may not, without limitation, amend the following provisions of the Stock Option Plan without obtaining, within 12 months either before or after the Board’s adoption of a resolution authorizing such action, approval of the shareholders of the Company:
  - i. persons eligible to be granted or issued stock options;
  - ii. the maximum number of Common Shares that may be issuable under the Stock Option Plan;
  - iii. the limits on the number of stock options that may be granted or issued to any one person or any category of persons;
  - iv. the method for determining the exercise price of stock options;
  - v. the maximum term of a stock option;

- vi. the expiry and termination provisions applicable to a stock option; and
  - vii. the addition of any net exercise provisions; and
- (m) notwithstanding (l) above, the Board may amend the terms of the Stock Option Plan to: (i) fix typographical errors; (ii) comply with the requirements of any applicable regulatory authority, or as a result in the changes in the policies of the Exchange relating to incentive stock options, or (iii) clarify existing provisions of the Stock Option Plan that do not have the effect of altering the scope, nature and intent of such provisions, without obtaining the approval of the Company's shareholders.

"Director", "Disinterested Shareholder Approval", "Employee", "Management Company Employee" "Consultant", "Insiders", "Investor Relations Activities", and "Market Price" have the same definition as in the policies of the Exchange.

### **Compensation Agreements or Arrangements**

Bruce Smith is a Director and the President and CEO of the Company. Pursuant to agreements dated effective January 1, 2021:

- (a) Mr. Smith is paid a monthly fee for his services as President and CEO of the Company. The agreement has no fixed expiry date and contains provisions regarding fees and expenses, and termination of services. The agreement may be terminated by the Company without cause on six months' notice and by Mr. Smith on three months' notice. If, on December 31, 2023, the Company had terminated the agreement without cause, \$90,000 would have been payable to Mr. Smith, and in the event of a change of control of the Company, \$270,000 would have been payable to Mr. Smith.
- (b) The Company agreed to issue to Mr. Smith up to 500,000 common shares of the Company for the provision of his services as President and CEO of the Company during the two-year period ended December 31, 2022. The shares were issued on September 27, 2023 with a total deemed value of \$120,625.
- (c) The Company agreed to issue to Mr. Smith as a bonus 500,000 common shares of the Company in the event that as a result of exploration work conducted on any property in which the Company has an interest, the Company publishes a mineral resource calculated in accordance with National Instrument 43-101 having an equivalent gross metal value greater than US\$1.0 billion. The share issuance will be subject to Exchange approval, and to Mr. Smith's being engaged or employed by the Company at the time the mineral resource is published.

Pursuant to an agreement dated effective June 1, 2019, as amended effective January 1, 2021, Mill Street is paid a monthly fee for the corporate development and financial advisory consulting services of Simon Ridgway, the Executive Chairman of the Company. The agreement has no fixed expiry date and contains provisions regarding fees and expenses, and termination of services. The agreement may be terminated by the Company without cause on 12 months' notice and by Mill Street on three months' notice. If, on December 31, 2023, the Company had terminated the agreement without cause, \$42,000 would have been payable to Mill Street. Mill Street is owned by Mr. Ridgway.

Pursuant to an agreement dated July 1, 2012, as amended June 1, 2019, Gold Group is reimbursed by the Company on a monthly basis for certain shared business-related expenses paid by Gold Group on behalf of the Company, including the services of the Company's Chief Financial Officer. The agreement may be terminated by the Company on 12 months' notice and by Gold Group on three months' notice. Gold Group is owned by Simon Ridgway, the Executive Chairman of the Company.

### **Oversight and Description of Director and NEO Compensation**

The Compensation Committee of the Company's Board is responsible for ensuring that the Company has appropriate procedures for making recommendations to the Board with respect to the compensation of the Company's executive officers and directors. The Compensation Committee consists of William Katzin, Mario Szotlender and Simon Ridgway, of whom Messrs. Katzin and Szotlender are independent directors.

The general philosophy of the Company's compensation strategy is to: (a) encourage management to achieve a high level of performance and results with a view to increasing long-term shareholder value; (b) align management's interests with the long-term interest of shareholders; (c) provide a compensation package that is designed to attract and retain highly qualified executives and directors; and (d) ensure that total compensation paid takes into account the Company's overall financial position.

Compensation to the Company's NEOs is comprised of cash salaries and/or incentive stock options. The compensation to the Company's NEOs for the fiscal year ended December 31, 2023 consisted of cash salaries and stock options. The Company may in the future grant stock options to its NEOs and directors.

In establishing levels of cash compensation and the granting of stock options, the individual's performance, level of expertise, and responsibilities are considered. Stock options are generally granted at the time of the individual's appointment and periodically thereafter. Previous grants of options are taken into account by the Board when it considers the granting of new stock options.

Incentive stock options are granted pursuant to the Company's stock option plan which is designed to encourage share ownership on the part of the Company's management, directors, employees and consultants. The Board believes that the stock option plan aligns the interests of the Company's personnel with shareholders by linking compensation to the longer term performance of the Company's shares. The granting of incentive stock options is an important component of executive compensation as it allows the Company to reward an individual's efforts to increase shareholder value without requiring the use of the Company's cash reserves.