

**CANADIAN NORTH RESOURCES INC.**

**FORM 51-102F6V**

***STATEMENT OF EXECUTIVE COMPENSATION***  
**(in respect of financial year ending December 31, 2021)**

The following information is provided in accordance with Form 51-102F6V - Statement of Executive Compensation Venture Issuers, for the financial year ended December 31, 2021.

**General**

The purpose of the following is to provide information about the Corporation's philosophy, objectives and processes regarding compensation of the Corporation's directors and for the following executive officers of the Corporation (referred to herein as "**Named Executive Officers**"):

- (a) each individual who, in respect of the Corporation, 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 Corporation, 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 Corporation 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;
- (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 Corporation, and was not acting in a similar capacity, at the end of that financial year.

The Named Executive Officers of the Corporation during the last completed fiscal year of the Corporation commencing January 1, 2021 and ending on December 31, 2021 ("**Fiscal 2021**") were Kaihui Yang, the President and the Chief Executive Officer of the Corporation, and Carmelo Marrelli, the Chief Financial Officer of the Corporation.

The following individuals served as directors of the Corporation during Fiscal 2021: Lee Q. Shim, Kaihui Yang, Aier Wong, Richard Brown and Michael Weeks.

## Director and Named Executive Officer Compensation

### *Director and Named Executive Officer Compensation, Excluding Stock Options and Other Compensation Securities*

The following table sets forth information concerning the total compensation (other than as set forth under *Stock Options and Other Compensation Securities*) paid to all persons who were Named Executive Officers or directors during the past two fiscal years.

TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES

Name and Position	Fiscal Year Ended December 31	Salary, Consulting Fee, Retainer or Commission <sup>(1)</sup> (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of all Other Compensation (\$)	Total Compensation (\$)
Kaihui Yang <sup>(1)</sup>	2020	Nil	Nil	Nil	Nil	Nil	Nil
<i>Director, President and Chief Executive Officer</i>	2021	\$166,666 <sup>(4)</sup>	Nil	Nil	N/A <sup>(6)</sup>	Nil	\$166,666
Carmelo Marrelli <sup>(2)</sup>	2020	Nil	Nil	Nil	Nil	Nil	Nil
<i>Director and Chief Financial Officer</i>	2021	\$32,340 <sup>(5)</sup>	Nil	Nil	Nil	Nil	\$32,340
Lee Q. Shim <sup>(3)</sup>	2020	Nil	Nil	Nil	Nil	Nil	Nil
<i>Director and Chairman of the Board of Directors</i>	2021	\$133,353	Nil	Nil	N/A <sup>(6)</sup>	Nil	\$133,333
Aier Wang	2020	Nil	Nil	Nil	Nil	Nil	Nil
<i>Director</i>	2021	Nil	Nil	Nil	Nil	Nil	Nil
Richard Brown	2020	Nil	Nil	Nil	Nil	Nil	Nil
<i>Director</i>	2021	Nil	Nil	Nil	Nil	Nil	Nil
Michael Weeks	2020	Nil	Nil	Nil	Nil	Nil	Nil
<i>Director</i>	2021	Nil	Nil	Nil	Nil	Nil	Nil

**Note:**

- (1) Mr. Yang was appointed Chief Executive Officer on November 23, 2020. The Corporation did not have a Chief Executive Officer prior to that date.
- (2) Mr. Marrelli was appointed Chief Financial Officer on March 1, 2021. The Corporation did not have a Chief Financial Officer prior to that date.
- (3) Mr. Shim was paid through his consulting company, 835702 Ontario Ltd., pursuant to a consulting agreement with the Corporation.
- (4) Mr. Yang was paid through his consulting company, 1635298 Ontario Ltd., pursuant to a consulting agreement with the Corporation. The \$166,666 consulting fee was for the period from March 1, 2021 to December 31, 2021.
- (5) Mr. Marrelli was paid through his consulting company, Marrelli Support Services Inc., pursuant to a consulting agreement with the Corporation.

- (6) The value of perquisites are required to be disclosed if the value exceeds \$15,000 and the annual salary is less than \$150,000 or if the value exceeds 10% of the annual salary and the annual salary is greater than \$150,000 but less than \$500,000.

#### *External Management Companies*

Mr. Yang and Mr. Marrelli are not employees of the Corporation. They provide their services through the companies described in notes (3) and (4) under Table of Compensation Excluding Compensation Securities.

#### *Stock Options and Other Compensation Securities*

No stock options or other compensation securities were granted in Fiscal 2021.

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

The Corporation maintains a stock option plan (the “**Stock Option Plan**”).

The Stock Option Plan provides that the board of directors may allocate non-transferable options to purchase Common Shares of the Corporation to Directors, Officers, Employees, Management Company Employees and Consultants, as defined in the policies of the TSX Venture Exchange (the “**Exchange Policies**”) of the Corporation and its subsidiaries. Under the Stock Option Plan, the aggregate number of Common Shares to be delivered upon the exercise of all options granted under the Stock Option Plan, together with all of the Corporation’s other security based compensation plans, shall not exceed 10% of the issued Common Shares of the Corporation at the time of granting the options; unless the Corporation has obtained disinterested shareholder approval as provided for in the Exchange Policies, no individual shall, during any 12 month period, be granted an option which exceeds 5% of the issued and outstanding Common Shares of the Corporation at the time of granting of the option; no Consultant to the Corporation shall, during any 12 month period, be granted an option which exceeds 2% of the issued and outstanding Common Shares of the Corporation at the time of granting of the option; no Employee conducting investor relations activities for the Corporation shall, during any 12 month period, be granted an option which exceeds 2% of the issued and outstanding Common Shares of the Corporation at the time of granting of the option; and the exercise price can only be at such price permitted by the Exchange Policies. Options under the Stock Option Plan are non-assignable (except in the event of death) and may be exercisable for a term of up to ten years. If the expiry date of the option falls within a blackout period, or within nine business days following the expiration of a blackout period, the expiry date of the option is automatically extended to the tenth business day after the end of the blackout period. If an optionee ceases to be a Director, Officer, Employee Management Company Employee or Consultant for any reason (other than for cause or other than for death), the option shall terminate within a reasonable period not to exceed 12 months (as fixed in the agreement evidencing the option) next succeeding the optionee ceasing to be in at least one of the foregoing categories. The option shall terminate immediately if the optionee’s position is terminated for cause or if the optionee is removed as a director. The option shall terminate within one year after the death of the optionee. The board of directors may, at its sole discretion, determine the time during which options shall vest and the method of vesting, or that no vesting restriction shall exist.

The Stock Option Plan has not been approved by the shareholders of the Corporation and is required to be approved by the shareholders at the next annual meeting of shareholders.

### ***Employment, Consulting and Management Agreements***

There are no management functions of the Corporation that are to any substantial degree performed by a person or Corporation other than the directors or Named Executive Officers of the Corporation, except those referred to in notes (3) and (4) under the Table of Compensation Excluding Compensation Securities.

### ***Oversight and Description of Directors and Named Executive Officers Compensation***

#### **Compensation of Named Executive Officers:**

The board of directors, upon annual review by the Compensation and Nominating Committee, sets the compensation received by Named Executive Officers so as to: properly reflect their respective duties and responsibilities; be competitive in attracting, retaining and motivating people of the highest quality; align the interests of the Chief Executive Officer and the Chief Financial Officer with shareholders and the Corporation as a whole; be based on established corporate and individual performance objectives; and not encourage the taking of inappropriate or excessive risks.

Pursuant to the Corporation's stock option plan, the board of directors, at its discretion, determines all grants of stock options to Named Executive Officers.

#### **Compensation of Directors:**

The board of directors, upon annual review by the Compensation and Nominating Committee, sets the compensation received by directors. Each director is eligible to receive stock options granted pursuant to the Corporation's stock option plan.

### ***Pension Disclosure***

The Corporation does not have any defined benefit or defined contribution pension plans in place which provide for payments or benefits at, following, or in connection with retirement.