



STATEMENT OF EXECUTIVE COMPENSATION

DATED: AUGUST 6, 2024

STATEMENT OF EXECUTIVE COMPENSATION

Objective:

The objective of this disclosure is to communicate the compensation the Company paid, made payable, awarded, granted, gave or otherwise provided to each named executive officer and director for the financial year, and the decision-making process relating to compensation. This disclosure provides insight into executive compensation as a key aspect of the overall stewardship and governance of the Company and will help investors understand how decisions about executive compensation are made.

Definitions:

For the purpose of this Statement of Executive Compensation, in this form:

- (a) **“Company”** means Reflex Advanced Materials Corp.;
- (b) **“company”** includes other types of business organizations such as partnerships, trusts and other unincorporated business entities;
- (c) **“compensation securities”** includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the Company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries;
- (d) **“named executive officer”** or **“NEO”** means each of the following individuals:
 - (i) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief executive officer (**“CEO”**), including an individual performing functions similar to a CEO;
 - (ii) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief financial officer (**“CFO”**), including an individual performing functions similar to a CFO;
 - (iii) 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 for that financial year;
 - (iv) 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;
- (e) **“plan”** includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, compensation securities or any other property may be received, whether for one or more persons; and
- (f) **“underlying securities”** means any securities issuable on conversion, exchange or exercise of compensation securities.

DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

During the financial year ended January 31, 2024, the NEOs of the Company were: Paul Gorman (CEO) and Tasheel Jeerh (CFO). Individuals serving as directors of the Company who were not NEOs during the financial year ended January 31, 2024 were Dave Bowen, Alex Pleson, and Michael Meyers.

Director and NEO compensation, excluding options and compensation securities

The following table sets forth all compensation, excluding options and compensation securities, paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company, or a subsidiary of the Company, for the two most recently completed financial years, to each NEO and director of the Company, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or director of the Company for services provided and for services to be provided, directly or indirectly, to the Company or a subsidiary of the Company.

Table of Compensation Excluding Compensation Securities							
Name and position	Year ⁽¹⁾	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Paul Gorman ⁽²⁾	2024	150,000	-	-	-	-	150,000
CEO & Director	2023	102,500	-	-	-	-	102,500
Tasheel Jeerh ⁽³⁾	2024	90,000	-	-	-	-	90,000
CFO & Corp Sec	2023	19,500	-	-	-	-	19,500
Dave Bowen ⁽⁴⁾	2024	-	-	-	-	-	-
Director & Former CEO	2023	28,000	-	-	-	-	28,000
Alex Pleson ⁽⁵⁾	2024	-	-	-	-	-	-
Director	2023	-	-	-	-	-	-
Michael Meyers ⁽⁶⁾	2024	36,000	-	-	-	-	36,000
Director	2023	9,000	-	-	-	-	9,000
Ranbir Sall ⁽⁷⁾	2024	-	-	-	-	-	-
Former CFO & Corp Sec	2023	23,000	-	-	-	-	23,000
Nelson Lamb ⁽⁸⁾	2024	-	-	-	-	-	-
Former Director	2023	-	-	-	-	-	-

NOTES:

- (1) Year ended January 31st.
- (2) Paul Gorman was appointed director of the Company on September 8, 2022 and CEO on October 4, 2022. In connection with the services associated with serving as CEO, Mr. Gorman receives a consulting fee of \$12,500 per month indirectly through 2764363 Ontario Inc. pursuant to the Gorman Agreement. See “*Employment, Consulting, and Management Agreements*”.
- (3) Tasheel Jeerh was appointed CFO and Corporate Secretary on November 1, 2022. In connection with the services associated with serving as CFO, Mr. Jeerh receives a consulting fee of \$7,500 per month indirectly through Jeerh Advisory Inc. pursuant to the Jeerh Agreement. See “*Employment, Consulting, and Management Agreements*”.
- (4) David Bowen was elected as a director of the Company on June 10, 2021. He was appointed as CEO on February 1, 2022 and resigned as such on October 7, 2022.
- (5) Alex Pleson was appointed as a director of the Company on September 21, 2021.
- (6) Michael Meyers was appointed as a director of the Company on March 29, 2022. In connection with the services associated with serving as director, Mr. Meyers receives a monthly fee of \$3,000 per month See “*Employment, Consulting, and Management Agreements*”.
- (7) Ranbir Sall was appointed as the CFO and Corporate Secretary on June 11, 2021, and April 14, 2022, respectively, and resigned from the role of CFO and Corporate Secretary on November 1, 2022.
- (8) Nelson Lamb was appointed as a director of the Company on November 29, 2021 and resigned as a director of the Company on September 8, 2022.

EXTERNAL MANAGEMENT COMPANIES

None of the NEOs or directors of the Company have been retained or employed by an external management company which has entered into an understanding, arrangement, or agreement with the Company to provide executive management services to the Company, directly or indirectly.

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 during the financial year ended January 31, 2024, for services provided or to be provided, directly or indirectly, to the Company or any subsidiary thereof:

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class ⁽⁵⁾	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
Paul Gorman ⁽¹⁾ CEO & Director	-	-	-	-	-	-	-
Tasheel Jeerh ⁽²⁾ CFO & Corporate Secretary	Restricted Shares Units (“RSUs”)	200,000 RSUs (29.63%) 200,000 underlying Common Shares (0.33%)	June 13, 2023	N/A	0.38	0.19	N/A
David Bowen ⁽³⁾ Director	-	-	-	-	-	-	-
Alex Pleson ⁽⁴⁾ Director	-	-	-	-	-	-	-
Michael Meyers Director	-	-	-	-	-	-	-

NOTES:

In addition to the compensation securities detailed above, as at January 31, 2024:

- (1) Paul Gorman holds 250,000 stock options (“Options”), each exercisable into a common share at an exercise price of \$0.43 until November 20, 2027. He also holds 187,500 RSUs.
- (2) Tasheel Jeerh holds 150,000 Options, each exercisable into a common share at an exercise price of \$0.43 until November 20, 2027. He also holds 37,500 RSUs.
- (3) Dave Bowen holds 150,000 Options, each exercisable into a common share at an exercise price of \$0.43 until November 20, 2027.
- (4) Alex Pleson holds 150,000 Options, each exercisable into a common share at an exercise price of \$0.43 until November 20, 2027.
- (5) Percentages based on 675,000 RSUs and 60,961,169 Common Shares issued and outstanding as of January 31, 2024.

Exercise of Compensation Securities by Directors and NEOs

On June 5, 2023, Paul Gorman and Tasheel Jeerh each converted 62,500 and 12,500 RSUs into equivalent number of common shares, respectively.

SUMMARY OF THE EQUITY INCENTIVE PLAN

The Equity Incentive Plan provides flexibility to the Company to grant equity-based incentive awards in the form of stock options (“Options”), restricted share units (“RSUs”) (including RSUs deemed to be Performance Share Units or PSUs) and Deferred Share Units (“DSUs”) (together, “Awards”), as described in further detail below.

Administration

The Equity Incentive Plan will be administered by the Company's Board of Directors ("**Board**"). The Board will determine which directors, officers, eligible employees or consultants of the Company or its affiliates are eligible to receive Awards under the Equity Incentive Plan. The Board has the power to amend, modify, suspend or terminate the Equity Incentive Plan or any Award granted thereunder without shareholder approval, provided however that:

- (a) such amendment, modification, suspension or termination is in accordance with applicable laws and the rules of the stock exchange on which the Common Shares are listed;
- (b) no amendment to the Equity Incentive Plan or to an Award granted thereunder will have the effect of impairing, derogating from or otherwise adversely affecting the terms of an Award which is outstanding at the time of such amendment without the written consent of the holder of such Award, provided that holder consent shall not be required where the amendment is required for purposes of compliance with applicable law;
- (c) the terms of an Option will not be amended once issued; and
- (d) the expiry date of an Option period in respect of an Option shall not be more than ten years from the date of grant of an Option, except as expressly provided in the Equity Incentive Plan.

Notwithstanding the foregoing, the Board may amend the Equity Incentive Plan or any Award without the approval of shareholders or participants in the Equity Incentive Plan in order to satisfy the requirements of any exchange on which the Company's shares are listed. Except as otherwise required by law, the Board may, from time to time, delegate powers conferred on the Board under the Equity Incentive Plan to such committee as the Board determines necessary, from time to time. In such event, such committee will exercise the powers delegated to it by the Board in the manner and on such terms authorized by the Board, and all decisions made, or actions taken, by the committee arising in connection with the administration of the Equity Incentive Plan within its authority are final, conclusive and binding.

Eligibility

Only "Eligible Directors" and "Eligible Employees" (as defined in the Equity Incentive Plan, and together, "Participants") are eligible to participate in the Equity Incentive Plan. However, DSUs may only be granted to Eligible Directors. Awards are non-assignable and non-transferable, except by will or by the laws of descent and distribution.

Common Shares Subject to the Equity Incentive Plan and Limitation on Awards

The maximum number of Common Shares available for issuance pursuant to the Equity Incentive Plan and any other security-based compensation arrangement of the Company shall not exceed 20% of the issued and outstanding Common Shares from time to time.

The Equity Incentive Plan is an "evergreen plan" and, accordingly, if any Options, RSUs or DSUs granted under the Equity Incentive Plan expire, terminate or are cancelled for any reason without being settled in the form of Common Shares, such Common Shares will become available for additional grants under the Equity Incentive Plan.

Stock Options

The Board may grant Options to any Participant under the Equity Incentive Plan at any time. The exercise price for stock options will be determined by the Board, but shall be not less than one hundred per cent (100%) of the Fair Market Value (as defined in the Equity Incentive Plan), and shall be established by the Board on the date of grant of the Option. Options granted under the Equity Incentive Plan shall have the vesting provisions (if any) designated by the Board, provided that, unless otherwise designated by the Board, Options granted under the Equity Incentive Plan shall vest in four equal installments over a two (2) year period, with one quarter of the Options vesting on each of the six (6) month anniversary of the grant date, the one (1) year anniversary of the grant date, the eighteen (18) month anniversary of the grant date and the two (2) year anniversary of the grant date.

Stock options must be exercised within a period fixed by the Board that may not exceed 10 years from the date of grant, except in a case where the expiry period falls during a blackout period, in which case the expiry period will be automatically extended until 10 business days after the end of the blackout period.

Subject to the terms of the Equity Incentive Plan, Participants have the right, in lieu of paying the exercise price of an Option in cash, to indicate in the exercise notice that such Participant intends to transfer such Option in whole or in part to the Company to be cancelled and, in such case, the Participant shall surrender the Options being transferred and cancelled and elect to receive the number of Shares, conditional upon payment of any applicable withholding taxes in accordance with the Equity Incentive Plan, which is equal, disregarding fractions, to the quotient obtained by subtracting the applicable Option exercise price per Share from the Fair Market Value per Share on the trading day immediately prior to the exercise of the Net Settlement Right (as defined in the Incentive Equity Plan), and multiplying the remainder by the number of Shares underlying the Option to be terminated; and dividing the product obtained by the Fair Market Value per Share on the trading day immediately prior to the exercise of the Net Settlement Right.

The Equity Incentive Plan also provides for earlier termination of stock options on the occurrence of certain events, including:

- (a) if the holder dies, resigns or is terminated as a result of disability, vested Options held by the holder shall terminate 12 months following the date of death, resignation or termination (as the case may be) and Options that are not vested shall be terminated on the date of death, resignation or termination (as the case may be);
- (b) if the holder resigns (including as a result of retirement or the voluntary withdrawal of services by a service provider), is subject to termination without cause or, in the case of a director, is subject to removal, resignation or a failure to be re-elected, but excluding termination or resignation as a result of death or disability, vested Options held by the holder shall terminate ninety (90) days following the date of resignation, termination, removal, resignation or failure to be re-elected (as the case may be) and Options that are not vested shall be terminated on the date of resignation, termination, removal, resignation or failure to be re-elected (as the case may be); and
- (c) if the holder is terminated for cause, all Options held by the holder shall be immediately terminated.

Notwithstanding the foregoing, the Board may, at the time of a holder's termination, resignation, retirement, death or disability extend the expiry date for an Option, but not beyond the original expiry date for the Option and/or allow for continued vesting of some or all of a holder's Options during the period for exercise of such holder's options, in each case for a period of time not to exceed twelve (12) months following the date of a holder's termination, resignation, retirement, death or disability.

Restricted Share Units

The Board may grant RSUs to any Participant under the Equity Incentive Plan at any time. The terms and conditions of grants, including the quantity, type of award, award date, vesting conditions, applicable vesting periods and other terms and conditions with respect to the award, as determined by the Board, will be set out in such Participant's RSU agreement.

An RSU account will be maintained for each Participant and each notional grant of RSUs, as granted to such Participant from time to time, will be credited to such Participant's account. RSUs that fail to vest with respect to a Participant, or that are paid out to the Participant are cancelled and will be removed from such Participant's account.

RSUs shall be settled by the issuance of Common Shares.

Where a RSU is granted with vesting subject to the satisfaction of specified performance conditions, such RSU shall be deemed a PSU. The RSU grant letter governing the grant of PSU shall set out the performance conditions to be achieved during any performance period and the length of any performance period, and such performance conditions may include a threshold level of performance below which no vesting will occur, levels of performance at which specified vesting will occur or a maximum level of performance above which full vesting will occur, all as set forth in the applicable grant letter for the RSU.

The settlement of RSUs and PSUs granted under the Equity Incentive Plan will occur as soon as possible following the vesting thereof and, in any event, on or before December 31 of the third year following the year in which the participant performed the services to which the grant of RSUs or PSUs relates, unless the holder requests, in accordance with the Equity Incentive Plan, to defer receipt of all or any part of the Common Shares underlying the RSUs or PSUs until a deferred payment date.

If RSUs or PSUs would be otherwise be settled during a trading blackout period, such settlement shall be postponed until the earlier of the tenth (10th) business day following the date on which such blackout period ends and the otherwise applicable date for the settlement of the RSUs or PSUs under the Equity Incentive Plan.

Upon the resignation, death, disability or termination of a holder of RSUs or PSUs, all unvested RSUs and PSUs shall be terminated. Notwithstanding the foregoing, the Board may, at the time of termination, resignation, retirement, death or disability, extend the period for vesting of RSUs or PSUs for a period of time not to exceed twelve (12) months following the date of termination, resignation, retirement, death or disability, but not beyond the original end of the applicable vesting period.

In the event that a cash dividend is declared and paid by the Company on the Common Shares prior to the settlement of RSUs or PSUs, a number of dividend equivalent RSUs or PSUs will be credited to the holder equal to the quotient of (i) the total amount of dividends that would have been paid if the RSUs or PSUs had been outstanding Common Shares and (ii) the Fair Market Value.

Deferred Share Units

The Board may grant DSUs to any Participant under the Equity Incentive Plan at any time. The number of DSUs granted at any particular time pursuant to the Equity Incentive Plan will be calculated by not less than the Fair Market Value of a common share on the applicable award date. The Company shall maintain a DSU account for each Participant.

Subject to specific provisions contained in the Equity Incentive Plan with respect to DSUs held by US taxpayers, all DSUs recorded in a Participant's DSU account will vest on the termination date, being 20 business days after the Participant ceases to be a director of the Company for any reason and ceases to be

an employee or consultant of the Company. In the event that DSUs have been granted to an eligible director for service for that entire year, the eligible director will only be entitled to a pro-rated DSU payment in respect of such DSUs based on the number of days he or she was an eligible director that year.

If DSUs would be otherwise be settled during a trading blackout period, such settlement shall be postponed until the earlier of the tenth (10th) business day following the date on which such blackout period ends and the otherwise applicable date for the settlement of the DSUs under the Equity Incentive Plan.

Upon the settlement of DSUs, the number of Common Shares covered by the DSUs will be issued from treasury by the Company as fully paid non-assessable Common Shares based on the whole number of Common Shares equal to the whole number of DSUs then recorded in the Participant's DSU account (no fractional Common Shares will be issued).

In the event that a cash dividend is declared and paid by the Company on the Common Shares prior to the settlement of DSUs, a number of dividend equivalent DSUs will be credited to the holder equal to the quotient of (i) the total amount of dividends that would have been paid if the DSUs had been outstanding Common Shares and (ii) the Fair Market Value.

Alterations/Corporate Transactions

Subject to applicable law, including, if necessary, approval by any exchange on which the common shares are listed, if there is a change in the common shares through consolidation, subdivision, reclassification, recapitalization, amalgamation, arrangement, merger, combination, exchange, distribution or other relevant change to the authorized or issued capital of the Company, if the Board shall determine that an equitable adjustment should be made, such adjustment shall be made by the Board to (i) the number of Common Shares subject to the Equity Incentive Plan, (ii) the securities subject to any Award, (iii) any Options outstanding (including the exercise price therefor) and (iv) any RSUs, PSUs and DSUs then outstanding. In the event of a change of control of the Company (as that term is defined in the Equity Incentive Plan), and subject to the terms of a participant's written employment agreement or services contract with the Company and applicable law, including, if necessary, approval by any exchange on which the common shares are listed, the Board shall have full authority to determine the effect, if any, of a change of control on the vesting, exercisability, settlement or lapse of restrictions applicable to an Award.

EMPLOYMENT, CONSULTING, AND MANAGEMENT AGREEMENTS

Management functions of the Company are not, to any substantial degree, performed other than by directors or NEOs of the Company. There are no agreements or arrangements that provide for compensation to NEOs or directors of the Company, or that provide for payments to a NEO or director at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, severance, a change of control in the Company or a change in the NEO or director's responsibilities, other than: (i) the consulting agreement among the Company, Paul Gorman and 2764363 Ontario Inc. dated October 4, 2022 (the "**Gorman Agreement**"); (ii) the consulting agreement among the Company, Tasheel Jeerh and Jeerh Advisory Inc. dated November 1, 2022 (the "**Jeerh Agreement**"); and (iii) the consulting agreement between the Company and Michael Meyers dated September 8, 2022 (the "**Meyers Agreement**").

Paul Gorman, CEO & Director

The Gorman Agreement is a standard form executive consulting agreement whereby Paul Gorman (through 2764363 Ontario Inc.) agrees to provide the Company with the services associated with serving as the Chief Executive Officer of the Company, and as compensation receives \$12,500 per month of services rendered (plus applicable taxes). Mr. Gorman is also eligible for the reimbursement of all reasonable expenses associated with Mr. Gorman's performance of his duties. Pursuant to the Gorman Agreement, Mr. Gorman

received a cash signing bonus of \$22,500 (plus applicable taxes) in connection with his entrance into the Gorman Agreement and received an inducement grant of 250,000 Options. For further details on the equity incentive grants made to Mr. Gorman, please see “*Stock Options and Other Compensation Securities*” above.

The Gorman Agreement has an indefinite term, until it is terminated in accordance with the terms of the Gorman Agreement. Mr. Gorman may terminate the Gorman Agreement at any time on ninety (90) days’ written notice to the Company, or immediately by notice to the Company in writing following a breach of the Gorman Agreement by the Company which the Company has not remedied within ten (10) days’ notice of such breach from Mr. Gorman.

The Company may terminate the Gorman Agreement at any time on written notice to Mr. Gorman. In the event that the Company terminates the Gorman Agreement without “cause for termination”, as that term is defined below, the Company shall be required to pay Mr. Gorman the following amounts:

- (a) if the notice of termination is delivered within the first year of the Gorman Agreement, \$75,000;
- (b) if the notice of termination is delivered after the date that is 12 months following the date of the Gorman Agreement and before the date that is 15 months following the date of the Gorman Agreement, \$93,750;
- (c) if the notice of termination is delivered after the date that is 15 months following the date of the Gorman Agreement and before the date that is 18 months following the date of the Gorman Agreement, \$112,500;
- (d) if the notice of termination is delivered after the date that is 18 months following the date of the Gorman Agreement and before the date that is 21 months following the date of the Gorman Agreement, \$131,250; and
- (e) if the notice of termination is delivered at any time following the date that is 21 months following the date of the Gorman Agreement, \$150,000.

In addition, upon termination of the Gorman Agreement for any reason, Mr. Gorman shall be entitled to accrued but unpaid fees owing under the Gorman Agreement up to the date of termination.

The Gorman Agreement defines “cause for termination” as follows:

- (a) the failure by Mr. Gorman to perform, observe or comply with any term, condition or obligation required under the Gorman Agreement if such failure has continued for a period of ten (10) days after written notice of such failure has been given by the Company;
- (b) the engaging by Mr. Gorman in any act that is injurious to the Company, monetarily or otherwise;
- (c) the engaging by Mr. Gorman in any criminal act of dishonesty resulting or intended to result directly or indirectly in the personal gain of Mr. Gorman at the Company’s expense;
- (d) the engaging by Mr. Gorman in any act whereby Mr. Gorman makes any personal profit arising out of or in connection with a transaction to which the Company is a party or with which it is associated without making disclosure to and obtaining the prior written consent of the Company;
- (e) a breach by Mr. Gorman of the confidentiality provisions included in the Gorman Agreement at any time; or
- (f) such other cause for termination recognized by law.

The Gorman Agreement contains a standard term with respect to the non-disclosure of the Company’s confidential information and the protection of the Company’s intellectual property. The Gorman Agreement also contains a non-solicitation provision which prohibits the solicitation by Mr. Gorman of any employee or consultant of the Company (or its affiliated and related companies) to leave the employ of, or engagement by, the Company (or its affiliated or related companies) or to become employed by any person other than the Company (and its affiliated and related companies) for the term of the Gorman Agreement and for twelve (12) months following the termination of the Gorman Agreement.

Tasheel Jeerh, CFO & Corporate Secretary

The Jeerh Agreement is a standard form executive consulting agreement whereby Tasheel Jeerh (through Jeerh Advisory Inc.) agrees to provide the Company with the services associated with serving as the Chief Financial Officer of the Company, and as compensation receives \$7,500 per month of services rendered (plus applicable taxes). Mr. Jeerh is also eligible for equity-based incentive grants from the Company pursuant to the Equity Incentive Plan and for annual bonuses awarded at the discretion of the Board. For further details on the equity incentive grants made to Mr. Jeerh, please see “*Stock Options and Other Compensation Securities*” above.

The Jeerh Agreement has a term of three years, unless earlier terminated, and may be extended by mutual agreement. The Jeerh agreement may be terminated by the Company for cause, upon written notice to Mr. Jeerh, if (a) Mr. Jeerh materially breaches the Jeerh Agreement and such breach is incapable of being cured or is not cured within ten (10) days after receipt of written notice of such breach or (b) Mr. Jeerh or Jeerh Advisory Inc. becomes bankrupt or insolvent. In addition, the Jeerh Agreement may be terminated by the Company for convenience by paying \$39,000 to Mr. Jeerh. The Jeerh Agreement may be terminated by Mr. Jeerh for cause, upon written notice to the Company, if (a) the Company materially breaches the Jeerh Agreement and such breach is incapable of being cured or is not cured within ten (10) days after receipt of written notice of such breach or (b) the Company becomes bankrupt or insolvent. Upon termination for any reason, Mr. Jeerh shall be entitled to any accrued but unpaid fees payable pursuant to the Jeerh Agreement up to the termination date.

The Jeerh Agreement contains a standard term with respect to the non-disclosure of the Company’s confidential information and the protection of the Company’s intellectual property. The Jeerh Agreement also contains a non-solicitation provision which prohibits (a) the solicitation by Mr. Jeerh of any contractual counterparties or potential contractual counterparties of the Company if that solicitation is intended or calculated to obtain the custom, business or trade of that counterparty or potential counterparty for a business that competes with the Company in Canada, (b) the inducement of any contractual counterparties or potential contractual counterparties of the Company to reduce or curtail its business with the Company or to terminate its relationship with the Company, (c) the inducement of any employee or contractor to leave the employment or engagement of the Company and (d) the hiring or other solicitation of any employee or contractor of the Company, in each case for the term of the Jeerh Agreement and for twelve (12) months following the termination of the Jeerh Agreement. The Jeerh Agreement also contains a non-competition provision which prohibits Mr. Jeerh from directly or indirectly being engaged in, concerned with or interested in any company or business entity that is engaged in a business competitive with the Company without the consent of the Company for the duration of the Jeerh Agreement and for a period of six (6) months’ thereafter; provided that ownership of less than 1% of a publicly traded company shall not be considered to be competing with the Company.

Michael Meyers, Director

The Meyers Agreement is a standard form consulting agreement whereby Michael Meyers agrees to provide the Company with the services associated with serving as a director of the Company, and as compensation receives \$3,000 per month of services rendered (plus applicable taxes).

The Meyers Agreement has an indefinite term, until it is terminated in accordance with the terms of the Meyers Agreement. The Meyers Agreement may be terminated by the Company or Mr. Meyers for convenience by providing thirty (30) days’ written notice to the other. Upon termination of the Meyers Agreement, Mr. Meyers shall be entitled to any accrued but unpaid fees payable pursuant to the Meyers Agreement up to the termination date.

The Meyers Agreement contains a standard term with respect to the non-disclosure of the Company's confidential information. The Meyers Agreement also contains a non-solicitation provision which prohibits (a) the solicitation by Mr. Meyers of any contractual counterparties or potential contractual counterparties of the Company if that solicitation is intended or calculated to obtain the custom, business or trade of that counterparty or potential counterparty for a business that competes with the Company in Canada, (b) the inducement of any contractual counterparties or potential contractual counterparties of the Company to reduce or curtail its business with the Company or to terminate its relationship with the Company, (c) the inducement of any employee or contractor to leave the employment or engagement of the Company and (d) the hiring or other solicitation of any employee or contractor of the Company, in each case for the term of the Meyers Agreement and for twelve (12) months following the termination of the Meyers Agreement.

OVERSIGHT AND DESCRIPTION OF DIRECTOR AND NEO COMPENSATION

Objectives of Compensation Program

The Company's senior management compensation program is designed to ensure that the level and form of compensation achieves certain objectives, including:

- (a) attracting and retaining talented, qualified and effective executives;
- (b) motivating the short and long-term performance of these executives; and
- (c) aligning their interests with those of the Shareholders.

Elements of Executive Compensation

In compensating its senior management, the Company employs a combination of consulting fees (in the form of base compensation and bonus compensation) and equity-based incentive awards. The Board does not employ a prescribed methodology when determining the grant or allocation of equity incentives or the payment of base compensation or bonus compensation to NEOs.

Base Compensation

The Board views paying compensation that is competitive in the markets in which the Company operates is a first step to attracting and retaining talented, qualified and effective executives. The NEOs are remunerated in order to ensure that the compensation package offered by the Company is in line with that offered by other companies in our industry, and as an immediate means of rewarding the NEO for efforts expended on behalf of the Company.

The compensation to be paid to a particular NEO is determined by gathering competitive information on comparable companies within the industry from a variety of sources, taking into account the expected nature and quantity of duties and responsibilities, past performance and the availability of financial resources of the Company. The Company does not engage in formal benchmarking, and no formal peer group is used to determine compensation. Payment of cash compensation fits within the objectives of the compensation program since it rewards each NEO for performance of his duties and responsibilities.

Compensation for the CEO and CFO is approved by the Board. Base compensation is determined taking into account the base salaries paid by the Company's peers.

Bonus Compensation

The Company may, from time to time, issue bonus awards to its executives based on performance goals. Bonus compensation is awarded at the discretion of the Board and the Board considers performance of the individual and the Company, competitive factors and other matters in awarding bonuses. The Company's objective is to achieve certain strategic objectives and milestones. The Board will consider executive cash

and share-based bonus compensation dependent upon the Company meeting the Company's strategic objectives and milestones and (in the case of cash) sufficient cash resources being available.

Equity-Based Incentive Awards

Equity-based incentive awards take the form of:

- (a) Options granted under the Equity Incentive Plan;
- (b) RSUs granted under the Equity Incentive Plan, including RSUs designated to be PSUs; and
- (c) DSUs granted under the Equity Incentive Plan.

The Company provides equity-based incentive awards to motivate NEOs by providing them with the opportunity, through grants of Options, RSUs, PSUs and DSUs, to acquire an interest in the Company and benefit from the Company's growth. Under the Equity Incentive Plan, "Eligible Directors" (as defined in the Equity Incentive Plan) can opt to have their respective director's fees, or a portion thereof, paid in DSUs rather than cash, which DSUs will vest into Common Shares upon their resignation.

Such equity-based incentive awards are considered when reviewing senior management compensation packages as a whole, and are subject to the same considerations as the determination of an NEO's base salary. Previous grants are also taken into account when considering new grants.

Performance Goals

The Company has not adopted formal performance criteria or goals for the NEOs. When evaluating the performance of NEOs for the purposes of awarding bonus compensation or determining the vesting of equity-based incentive awards, the Company will consider a variety of criteria appropriate for an early-stage exploration company including, but not limited to: successful completion of work programs on the Company's properties, establishment of mineral resources or reserves on the Company's properties, and other business criteria related to the Company's objectives and milestones. Business criteria may be measured on an absolute basis or on a relative basis (i.e., performance relative to peer companies).

Consideration of Risks Associated with Compensation Policies and Practices

The Board is responsible, together with Management, for reviewing and identifying what are perceived to be the principal risks to the Company. These risks include but are not limited to those arising from the Company's compensation policies and practices, such as the risk that an executive officer or other employee is incentivized to take inappropriate or excessive risks, and other risks that may arise from the Company's compensation policies and practices. The Board undertakes this review with Management on at least an annual basis, and ensures that the Board adequately considers risks arising from the Company's compensation policies and practices when determining the compensation of executive officers. The Company is of the view that its compensation programs do not incentivize its executives to take undue risks because executives receive a mix of compensation elements with a significant portion of compensation in the form of long-term equity-based awards, which are intended to encourage executives to pursue sustainable growth and value creation over a multi-year period.

Compensation Governance

At present, the Board as a whole determines the compensation of the CEO and CFO and does so with reference to industry standards, the financial situation of the Company, the expected nature and quantity of duties and responsibilities, past performance and the contractual requirements of the agreements between the Company and the CEO and CFO.

The Board has the sole responsibility for determining the compensation of the directors of the Company, and does so with reference to industry standards, the financial situation of the Company and the demands placed on directors of the Company. In the Board's view, there is and has been, no need for the Company to design or implement a formal compensation program for directors to date.

The Board reviews the compensation of the CEO, CFO, and the Board periodically as necessary or required, in light of changing circumstances of the Company, changing market conditions and the requirements of the contracts between the Company and the CEO or CFO. Given the Company's size, limited operating history and lack of revenues, the Board does not presently plan to form a compensation committee to monitor and review the salary and benefits of the executive officers of the Company. The Board will carry out these functions until such time as it deems the formation of a compensation committee is warranted.

PENSION DISCLOSURE

The Company does not have a pension, retirement, or deferred compensation plan, including defined contribution plans that provides for payments or benefits to the NEOs at, following, or in connection with retirement, and none are proposed at this time.