

FORM 51-102F6V – STATEMENT OF EXECUTIVE COMPENSATION – VENTURE ISSUERS  
(for the year ended December 31, 2019)

**Named Executive Officers**

The following information is presented by the management of the Company in accordance with National Instrument Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers* (“**Form 51-102F6V**”).

During the financial year ended December 31, 2019, the Company had two Named Executive Officers (“**NEOs**”) being, Sybrand Van Der Spuy, the President and Chief Executive Officer (“**CEO**”) and Jean Lindberg Charles, the Chief Financial Officer (“**CFO**”) and Secretary of the Company.

“Named Executive Officer” means: (a) a CEO, (b) a CFO, (c) the most highly compensated executive officer of the Company, including any of its subsidiaries, other than the CEO and the CFO, including an individual performing functions similar to a CEO and CFO, at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V for that financial year; and (d) each individual who would be a NEO under (c) above but for the fact that the individual was neither an executive officer of the Company, or its subsidiaries, nor acting in similar capacity, at the end of the financial year.

**Director and NEO Compensation, Excluding Compensation Securities**

Set out below is a summary of all compensation paid, payable, awarded, granted, given or otherwise provided, excluding compensation securities, during the Company’s two most recently completed financial years being the six month period ended December 2019 and the year ended June 2019 to the Company’s NEOs and directors, in any capacity, for services provided and for services to be provided, directly or indirectly, to the Company or any subsidiary thereof.

Table of compensation excluding compensation securities (stated in USD <sup>2,3</sup> or \$)							
Name and principal position	Year <sup>1</sup>	Salary, consulting fee retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Sybrand Van Der Spuy <i>President, CEO, Director</i>	Dec 2019	75,000	-	-	-	-	75,000
	Jun 2019	112,215	-	-	-	-	112,215
Jean Lindberg Charles <i>CFO, Secretary</i>	Dec 2019	77,250	-	-	-	-	77,250
	Jun 2019	98,000	-	-	-	-	98,000
Albert C Gourley <i>Director</i>	Dec 2019	-	-	-	-	-	-
	Jun 2019	-	-	-	-	-	-
Norman Roderic Baker <i>Director</i>	Dec 2019	-	-	-	-	-	-
	Jun 2019	-	-	-	-	-	-
Francois Colette <i>Director</i>	Dec 2019	-	-	-	-	-	-
	Jun 2019	-	-	-	-	-	-
Bertrand Boule <i>Director</i>	Dec 2019	4,972	-	-	-	-	-
	Jun 2019	-	-	-	-	-	-
David Reading <i>Director</i>	Dec 2019	-	-	-	-	-	-
	Jun 2019	35,342	-	-	-	-	35,342
Philip Murphy <i>Director</i>	Dec 2019	-	-	-	-	-	-
	Jun 2019	-	-	-	-	-	-

<sup>1</sup>: The Company changed its financial year-end from June 30 to December 31 during the current period, and as such, has prepared a one off six-month reporting period ending December 31, 2019.

<sup>2</sup>: Amounts previously (June 2019) stated in CAD have been restated in USD.

<sup>3</sup>: Other than with respect to David Reading, all amounts reported in this table were awarded and payable in USD; however, certain amounts were paid in other currencies at the request of the applicable NEO or director. Such amounts payable in USD were converted into the applicable currency at the prevailing exchange rate at the time of the payment. With respect to David Reading, part of the consultancy fees for the previous reporting period (year ended June 2019) were awarded and paid in GBP and converted to the reporting currency at the average exchange rate during the month of the payment. Amounts awarded or paid in currencies other than the USD are as follows:

1. Sybrand Van Der Spuy, CEO – Consultancy Fees

Year ended - December 2019				
Month	Amount Reported USD	Currency & Amount Awarded	Currency paid	Exchange rate to USD 1
Nov-18				
Dec-18				
Jan-19				
Feb-19				
Mar-19				
Apr-19				
May-19				
Jun-19				
Jul-19	\$ 12,500	USD 12,500	NAD	14.64
Aug-19	\$ 12,500	USD 12,500	NAD	15.47
Sep-19	\$ 12,500	USD 12,500	NAD	14.79
Oct-19	\$ 12,500	USD 12,500	NAD	14.36
Nov-19	\$ 12,500	USD 12,500	NAD	14.54
Dec-19	\$ 12,500	USD 12,500	NAD	14.27
	<b>\$ 75,000</b>			

Year ended - June 2019			
Amount Reported USD	Currency & Amount Awarded	Currency paid	Exchange rate to USD 1
\$ 24,715	USD 24,715	NAD	14.32
\$ 12,500	USD 12,500	NAD	14.30
\$ 12,500	USD 12,500	NAD	13.87
\$ 12,500	USD 12,500	NAD	14.03
\$ 12,500	USD 12,500	NAD	14.50
\$ 12,500	USD 12,500	NAD	14.24
\$ 12,500	USD 12,500	NAD	14.43
\$ 12,500	USD 12,500	NAD	14.34
	<b>\$ 112,215</b>		

2. Bertrand Boule, Director – Consulting Fees

Year ended - December 2019				
Month	Amount USD	Currency & Amount Awarded	Currency paid	Exchange rate to USD 1
Dec-19	\$ 1,250	USD 1,250	EUR	0.89

Year ended - June 2019			
Amount USD	Currency & Amount Awarded	Currency paid	Exchange rate to USD 1
-			

3. David Reading, Director – Consulting Fees

Year ended - December 2019				
Month	Amount USD	Currency & Amount Awarded	Currency paid	Exchange rate to USD 1
Nov-18	-			

Year ended - June 2019			
Amount USD	Currency & Amount Awarded	Currency paid	Exchange rate to USD 1
\$ 5,342	GBP 4,000	GBP	0.75

## **Stock Options and Other Compensation**

No compensation securities were granted or issued by the Company to NEOs or directors during the most recently completed financial year.

## **Exercise of Compensation Securities by Directors and NEOs**

No NEO or director exercised compensation securities issued by the Company during the most recently completed financial year.

### ***Fixed Stock Option Plan***

At the fiscal year ended December 31, 2019, the Company had a Fixed Stock Option Plan (the “**Fixed Plan**”) that reserved 6,789,000 shares for issuance, being less than 10% of the Company’s 67,895,662 issued and outstanding shares as at that date.

The material terms of the current Fixed Plan are as follows.

The maximum number of shares which may be issuable pursuant to options granted under the Fixed Plan is 6,789,000 common shares, or such additional amount as may be approved from time to time by the shareholders of the Company and the TSX-V.

The options may be exercised over periods of up to ten (10) years as determined by the Board of Directors of the Company.

Any options granted at a discount to market or to Insiders (as defined in TSX-V Policies) are subject to the TSX-V Exchange Hold Period (as defined in TSX-V Policies).

The number of shares which may be reserved for issuance pursuant to options granted under the Fixed Plan to Insiders as a group, together with all of the Company’s other previously established or proposed share compensation arrangements, in the aggregate, shall not at any time exceed 10% of the total number of issued and outstanding shares on a non-diluted basis.

The number of shares which may be issuable under the Fixed Plan, together with all of the Company’s other previously established or proposed share compensation arrangements, within a one-year period:

- (a) to any one optionee shall not exceed 5% of the total number of issued and outstanding shares on the date of grant on a non-diluted basis;
- (b) to Insiders as a group shall not exceed 10% of the total number of issued and outstanding shares on the date of grant on a non-diluted basis;
- (c) to any one consultant, shall not exceed 2% of the total number of issued and outstanding shares on the date of grant on a non-diluted basis; and
- (d) to all Eligible Persons (defined in the Fixed Plan) who undertake Investor Relations Activities (as defined in TSX-V Policies) shall not exceed 2% in the aggregate of the total number of issued and outstanding shares on the date of grant on a non-diluted basis.

## **Options Repricing**

There was no repricing of stock options under the Company’s Fixed Plan or otherwise during the Company’s financial year ended December 31, 2019.

## **Pension Plan Benefits**

The Company has no pension plans (whether defined contribution or defined benefit) that provide for payments or benefits to any NEO at, following, or in connection with retirement.

## **Termination and Change of Control Benefits**

The Company and its subsidiaries have no employment contracts with any NEOs.

Neither the Company, nor its subsidiaries, has a contract, agreement, plan or arrangement that provides for payments to a NEO following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control of the Company or its subsidiaries, or a change in responsibilities of a NEO following a change of control.

## **Compensation Discussion and Analysis**

The main objective of the Company's executive compensation program is to attract, retain, and engage high-quality, high-performance executives who have the experience and ability to successfully execute the Company's strategy and deliver value to our shareholders.

The objectives of the Company's executive compensation program are as follows:

- (i) compensate executives competitively for the leadership, skills, knowledge, and experience necessary to perform their duties;
- (ii) align the actions and economic interests of executives with the interests of shareholders; and
- (iii) encourage retention of executives.

The Company does not currently have a Compensation Committee. Rod Baker, Philip Murphy, David Reading, Francois Colette and Bertrand Boule are considered by management to be independent members of the Board of Directors (the "**Independent Directors**"), and they annually review and set remuneration of executive officers. The Independent Directors determined that the executive compensation program should be comprised of the following elements:

- Management Fee – to compensate executives for the leadership, skills, knowledge and experience required to perform their duties; and
- Long-term Incentive Plan – to retain talented executives, reward them for their anticipated contribution to the long-term successful performance of the Company and align them with the interests of shareholders. The plan currently consists only of incentive stock options.

## **Process for Determining Executive Compensation**

To determine compensation payable, the Independent Directors consider an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and senior management while taking into account the financial and other resources of the Company. In setting the compensation, the Independent Directors annually review the performance of the CEO (or President) in light of the Company's objectives and consider other factors that may have impacted the success of the Company in achieving its objectives.

## **Compensation Policies and Risk Management**

The Board of Directors has not carried out a formal evaluation of the implications of the risks associated with the Company's compensation policies and practices. The Board of Directors generally reviews at least once annually the risks, if any, associated with the Company's compensation policies and practices at such time.

The Company has not retained a compensation consultant during or subsequent to the most recently completed financial year.

The Company does not use a specific "benchmark group" to determine executive compensation levels. Total compensation for executive officers includes consulting fees and long-term incentive stock options.

### **Hedging of Economic Risks in the Company's Securities**

The Company has not adopted a policy forbidding directors and officers from purchasing financial instruments that are designed to hedge or offset a decrease in market value of the Company's securities granted as compensation or held, directly or indirectly, by directors or officers. The Company is not, however, aware of any directors or officers having entered into this type of transaction.

### **Option-based awards**

The Company's stock option plan has been and will be used to provide share purchase options which are granted in consideration of the level of responsibility of the executive as well as his or her impact or contribution to the longer-term operating performance of the Company. In determining the number of options to be granted to the executive officers, the Board of Directors takes into account the number of options, if any, previously granted to each executive officer, and the exercise price of any outstanding options to ensure that such grants are in accordance with the policies of the TSX Venture Exchange, and closely aligns the interests of the executive officers with the interests of shareholders. The directors of the Company are also eligible to receive stock option grants under the Company's stock option plan, and the Company applies the same process for determining such awards to directors as with NEOs.

A summary of the significant terms of the Company's stock option plan is reported under the heading "Fixed Stock Option Plan" above.

The Company's Independent Directors have the responsibility to administer the compensation policies related to the executive management of the Company, including option-based awards.