

**WINSTON RESOURCES INC.**  
(the “Company”)

Form 51-102F6V

Statement of Executive Compensation – Venture Issuers  
(for financial years ended July 31, 2019 and July 31, 2018)

The following information, dated as of January 27, 2020, is provided as required under Form 51-102F6V – *Statement of Executive Compensation*, for Venture Issuers (the “**Form**”), as such term is defined in National Instrument 51-102.

For the purposes of this Statement of Executive Compensation:

“**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;

“**NEO**” or “**named executive officer**” means each of the following individuals:

- (a) 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;
- (b) 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;
- (c) 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;
- (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 company, and was not acting in a similar capacity, at the end of that financial year.

“**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;

“**underlying securities**” means any securities issuable on conversion, exchange or exercise of compensation securities.

**DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION**

**Director and NEO Compensation Excluding Options and Compensation Securities**

During the financial year ended July 31, 2019, based on the definition above, Quinn Field-Dyde, CEO, President and a director and David Whitney, CFO were NEOs of the Company for the purposes of the following disclosure. The directors of the Company who were not NEOs during the financial year ended July 31, 2019 were: Suzette Ramcharan, Richard Grieve, Dino Minichiello and Von Torres. Richard Grieve, Dino Minichiello and Von Torres were elected directors of the Company at the Company’s May 10, 2019 annual general and special meeting. David Whitney was appointed CFO of the Company on May 10, 2019. David Whitney was appointed CFO of the Company on May 10, 2019.

During the financial year ended July 31, 2018, based on the definition above, Quinn Field-Dyde, CEO and director was an NEO of the Company for the purposes of the following disclosure. The directors of the Company who were not NEOs during the financial year ended July 31, 2018 were: Michael Young, Suzette Ramcharan and Crystal-Anne Walden. Michael Yong resigned as a director of the Company on September 16, 2017. Crystal-Anne Walden served as a director of the Company from August 1, 2017 to May 10, 2019.

**Table of Compensation, Excluding Compensation Securities in Financial Years ended  
July 31, 2019 and July 31, 2018**

The following table of compensation, excluding options and compensation securities, provides a summary of the compensation paid by the Company to directors of the Company and to NEOs who were not directors of the Company for the two completed financial years ended July 31, 2019 and July 31, 2018. Options and compensation securities are disclosed under the heading “**Stock Options and Other Compensation Securities**” of this Form. The compensation set out below and expressed in Canadian dollars unless otherwise noted:

<b>Table of compensation excluding compensation securities</b>							
<b>Name and position</b>	<b>Year</b>	<b>Salary, consulting fee, retainer or commission (\$)</b>	<b>Bonus (\$)</b>	<b>Committee or meeting fees (\$)</b>	<b>Value of perquisites (\$)</b>	<b>Value of all other compensation (\$)</b>	<b>Total compensation (\$)</b>
Quinn Field-Dyde, CEO, President and Director <sup>(1)</sup>	2019	39,250	Nil	Nil	Nil	Nil	39,250
	2018	33,500	Nil	Nil	Nil	Nil	33,500
David Whitney, CFO <sup>(2)</sup>	2019	5,250	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil
Suzette Ramcharan, Director <sup>(3)</sup>	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	10,000	Nil	Nil	Nil	Nil	10,000
Richard Grieve, Director <sup>(4)</sup>	2019	6,750	Nil	Nil	Nil	Nil	6,750
	2018	Nil	Nil	Nil	Nil	Nil	Nil
Dino Minichiello, Director <sup>(5)</sup>	2019	4,500	Nil	Nil	Nil	Nil	4,500
	2018	Nil	Nil	Nil	Nil	Nil	Nil
Von Torres, Director <sup>(6)</sup>	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil
Crystal-Anne Walden, Former Director <sup>(7)</sup>	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil
Michael Young, former Director <sup>(8)</sup>	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	8,000	Nil	Nil	Nil	Nil	8,000

*Notes:*

- (1) Quinn Field-Dyde was appointed a director of the Company on December 30, 2016 and was appointed CEO of the Company on August 1, 2017. Quinn-Field Dyte was appointed President of the Company on May 10, 2019.
- (2) David Whitney was appointed CFO of the Company on May 10, 2019.
- (3) Suzette Ramcharan was appointed a director of the Company on February 27, 2017.
- (4) Richard Grieve was elected a director of the Company at the Company’s May 10, 2019 annual general and special meeting.
- (5) Dino Minichiello was elected a director of the Company at the Company’s May 10, 2019 annual general and special meeting.
- (6) Von Torres was elected a director of the Company at the Company’s May 10, 2019 annual general and special meeting.
- (7) Crystal-Anne Walden served as a director of the Company from August 1, 2017 to May 16, 2019.
- (8) Michael Young served as director of the Company from March 3, 2017 to September 16, 2017. Fees were paid to Gold Medal Performance Corp., a private company owned by Michael Young.

**Stock Options and Other Compensation Securities**

**Stock Option Plans and other Incentive Plans**

*10% “rolling” Stock Option Plan (Option-Based Awards)*

The Company has a 10% “rolling” stock option plan which was approved for adoption by shareholders of the Company at the Company’s May 10, 2019 annual general and special meeting. The Stock Option Plan was established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Stock Option Plan is administered by the Board and provides that the terms of the options and the

option price may be fixed by the directors subject to the price restrictions and other Canadian Securities Exchange policy requirements. Pursuant to the Stock Option Plan, the Board may grant Options to acquire Common Shares of the Company to qualified directors, officers, employees and other service providers. The Options vest according to the provisions of the individual option agreements approved by directors' resolutions and have a maximum life of ten years. The Stock Option Plan allows for the issuance of up to 10% of the number of issued and outstanding Common Shares of the Company at any time on a non-diluted basis.

The following is a summary of material terms of the Stock Option Plan:

- the Stock Option Plan provides that up to 10% of the issued and outstanding common shares from time to time may be reserved for issue, less any common shares reserved for issuance under any other share compensation arrangement. The options are non-assignable and may be granted for a term not exceeding ten years.
- the exercise price shall not be lower than the greater of the closing market price of the common shares on (a) the trading day prior to the date of grant of the stock options; and (b) the date of grant of the stock options.
- the terms of an option may not be amended once issued. If an option is cancelled prior to its expiry date, the Company shall not grant new options to the same person until 30 days have elapsed from the date of cancellation.
- the maximum number of options which may be granted to any one option holder under the Stock Option Plan within any 12 month period shall be 5% of the outstanding issue on the date of grant (unless the Company has obtained disinterested shareholder approval, if required by Regulatory Rules);
- if required by Regulatory Rules, disinterested shareholder approval is required to the grant to Insiders, within a 12 month period, of a number of options which, when added to the number of outstanding incentive stock options granted to Insiders within the previous 12 months, exceed 10% of the issued shares;
- the maximum number of options which may be granted to any one consultant within any 12 month period must not exceed 2% of the outstanding issued shares; and
- the maximum number of options which may be granted within any 12 month period to employees or consultants engaged in investor relations activities must not exceed 2% of the outstanding Issue and such options must vest in stages over 12 months with no more than 25% of the options vesting in any three month period.

#### **Outstanding Share- Based and Option- Based Awards**

There were no incentive stock options (option-based awards) granted or issued under the Company's Stock Option Plan to each director and named executive officer who was not a director by the Company during financial years ended July 31, 2019 and July 31, 2018. The Company did not grant any share-based awards during financial years ended July 31, 2019 and July 31, 2018.

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

There were no stock options exercised by a director of the Company or an NEO who was not a director of the Company during financial years ended July 31, 2019 and July 31, 2018.

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

There are presently no management contracts with the Company.

#### **Oversight and Description of Director and Named Executive Officer Compensation**

The Board is responsible for approving compensation, including long-term incentives in the form of stock options, to be granted to the CEO, the CFO and the directors.

The Company's executive compensation program is comprised of the following components: base salary, discretionary annual incentive and long-term incentives. Together, these components support the Company's long-term growth strategy and the following objectives:

- to align executive compensation with shareholders' interests;
- to attract and retain highly qualified management; and
- to focus performance by linking incentive compensation to the achievement of business objectives and financial results.

The compensation program is designed to reward for performance. Employees, including senior executives, are rewarded for the achievement of annual operating and financial goals, progress in executing the Company's long-term growth strategy and

delivering strong total shareholder return performance.

The Company reviews industry compensation information and compares its level of overall compensation with those of comparable sized resource companies involved in the business of resource exploration and business development. Generally, the Company targets base salaries at levels approximating those holding similar positions in comparably sized companies in the mining industry and hopes to achieve comparable total compensation levels through the fixed and variable components.

The Company's total compensation mix places a significant portion of the executive's compensation at risk. The design takes into account individual and corporate performance. Compensation practices, including the mix of base salary, short-term incentives and long-term incentives, are regularly assessed to ensure they are competitive, take account of the external market trends, and support the Company's long-term growth strategies.

#### Base Salary

Base salary is compensation for discharging job responsibilities and reflects the level of skills and capabilities demonstrated by the executive. Annual salary adjustments take into account the market value of the role and the executive's demonstration of capability during the year.

Annual incentives, in the form of cash bonus payments, are designed to add a variable component of compensation based on overall corporate performance and the executive's individual performance.

#### Equity Participation

Equity participation is accomplished through the Company's Stock Option Plan. 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 is accomplished through the Company's stock option plan. Options are granted to executives and employees taking into account a number of factors, including the amount and term of options previously granted, base salary and bonuses and competitive factors. The amounts and terms of options granted are determined by the recommendations put forward by the CEO. Due to the Company's limited financial resources, the Company emphasizes the provisions of option grants to maintain executive motivation.

#### **Compensation Review Process**

The Company does not have a Compensation Committee.

The Board is responsible for the compensation policies and guidelines for the Company and for implementing and overseeing compensation policies.

The Board reviews on an annual basis the cash compensation, performance and overall compensation package of each executive officer, including the NEOs. The Board makes decisions with respect to basic salary and participation in share compensation arrangements for each executive officer. In considering executive officers other than the CEO, the Board takes into account the recommendation of the CEO.

The Company does not have a formal compensation program with set benchmarks, however, the Company does have a compensation program which seeks to reward an executive officer's current and future expected performance. Individual performance in connection with the achievement of corporate milestones and objectives is also reviewed for all executive officers.

This Board has not proceeded to a formal evaluation of the implications of risks associated with the Company's compensation policies and practices. The Board intends to review the risks at least once annually, if any, associated with the Company's compensation policies and practices at such time.

Executive compensation is comprised of short-term compensation in the form of a base salary and long-term ownership through the Company's Stock Option Plan. This structure ensures that a significant portion of executive compensation (Options) is both long-term and "at risk" and, accordingly, is directly linked to the achievement of business results and the creation of long-term shareholder value. As the benefits of such compensation, if any, are not realized by officers until a significant period of time has passed, the ability of officers to take inappropriate or excessive risks that are beneficial to their compensation at the expense of the Company and the shareholders is extremely limited. Furthermore, the short-term component of the executive compensation (base salary) represents a relatively small part of the total compensation. As a result, it is unlikely that an officer would take inappropriate or excessive risks at the expense of the Company or the shareholders that would be beneficial to their short-term compensation when their long-term compensation might be put at risk from their actions.

Due to the small size of the Company and the current level of the Company's activity, the Board is able to closely monitor and consider any risks which may be associated with the Company's compensation policies and practices. Risks, if any, may be identified and mitigated through regular meetings of the Board during which financial and other information of the

Company are reviewed. No risks have been identified arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

Executive compensation is based upon the need to provide a compensation package that will allow the Company to attract and retain qualified and experienced executives, balanced with a pay-for-performance philosophy. Executive compensation is designed to reward activities and achievements that are aligned with the long-term interests of the Company's shareholders.

The Board also assumes responsibility for reviewing and monitoring the long-range compensation strategy for the Company's senior management. The Board reviews the compensation of senior management on an annual basis taking into account compensation paid by other issuers of similar size and activity.

### **Elements of Executive Compensation Program**

The Company's compensation program consists of the following elements:

- (a) Base salary or consulting fees;
- (b) Bonus payments; and
- (c) Equity participation through the Company's Stock Option Plan.

#### Base Salary or Consulting Fees

In the Board's view, paying base salaries which are reasonable in relation to the level of service expected while remaining competitive in the markets in which the Company operates is a first step to attracting and retaining qualified and effective executives.

Base salary ranges for executive officers were initially determined upon a review of companies which were of the same size as the Company, at the same stage of development as the Company and considered comparable to the Company.

In determining the base salary of an executive officer, the Board considers the following factors:

- (a) the particular responsibilities related to the position;
- (b) salaries paid by other companies in the mining industry which were similar in size as the Company;
- (c) the experience level of the executive officer;
- (d) the amount of time and commitment which the executive officer devotes to the Company; and
- (e) the executive officer's overall performance and performance in relation to the achievement of corporate milestones and objectives.

#### Financial years ended July 31, 2019 and July 31, 2018

The following transactions occurred between related parties of the Company during financial years ending July 31, 2019 and July 31, 2018:

		<b>2019</b>	<b>2018</b>
	\$		
Management fees paid to a director		4,500	--
Consulting fees paid to Quinn Field-Dye, CEO and directors		46,000	53,263
Consulting fees paid to a company controlled by a current director		5,250	--
Consulting fees paid to a company controlled by a former director		--	15,227
Consulting fees paid to a former director		5,370	8,000
	\$	<b>61,120</b>	<b>76,490</b>

#### Benefits and Perquisites

In general, the Company will provide a specific benefit or perquisite only when it provides competitive value and promotes retention of executives, or when the perquisite provides shareholder value, such as ensuring the health of executives.

### **Option-based Awards**

The Company has a 10% rolling stock option plan in place, which was established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. Management proposes stock option grants to the Board based on such criteria as performance, previous grants, and hiring incentives. All grants require approval of the Board. The 10% rolling stock 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.

### **Bonus Payments**

Each of the executive officers, as well as all employees, is eligible for an annual bonus, payable in cash or through stock-

based compensation. The amount paid is based on the Board's assessment of the Company's performance for the year. Factors considered in determining bonus amounts include individual performance, financial criteria (such as cash flow and share price performance) and operational criteria (such as significant mineral property acquisitions, resource growth and the attainment of corporate milestones).

The Company did not award any bonuses during financial years ended July 31, 2019 and July 31, 2018.

### **Director Compensation**

Other than incentive stock options, directors of the Company do not receive any compensation for attending meetings of the Board or a committee of the Board.

### **Risks Associated with the Company's Compensation Practices**

The Board has assessed the Company's compensation plans and programs for its executive officers to ensure alignment with the Company's business plan and to evaluate the potential risks associated with those plans and programs. The Board has concluded that the compensation policies and practices do not create any risks that are reasonably likely to have a material adverse effect on the Company. The Board considers the risks associated with executive compensation and corporate incentive plans when designing and reviewing such plans and programs.

#### *Hedging by Named Executive Officers or Directors*

The Company has not, to date, adopted a policy restricting its executive officers and directors from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, which are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by executive officers or directors.

### **Pension Disclosure**

The Company does not have a pension plan that provides for payments or benefits to any of its directors, NEOs or employees following, or in connection with retirement.