

**SALAZAR RESOURCES LIMITED**  
(the “Company”)

**FORM 51-102F6V**  
**STATEMENT OF EXECUTIVE COMPENSATION**  
**(For the Year Ended December 31, 2016)**

**General**

The following information, dated as of June 27, 2017, is provided as required under Form 51-102F6V for Venture Issuers (the “Form”), as such term is defined in National Instrument 51-102.

For the purposes of this Form, a “Named Executive Officer” (a “NEO”) means the following persons:

- (a) the Company’s Chief Executive Officer (“CEO”);
- (b) the Company’s Chief Financial Officer (“CFO”);
- (c) each of the three most highly compensated executive officers of the Company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6) of Form 51-102F6 Statement of Executive Compensation, for that financial year; and
- (d) each individual who would be a Named Executive Officer under paragraph (c) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries, nor acting in a similar capacity, at the end of that financial year.

During the financial year ended December 31, 2016, the Company had two NEOs: Fredy Salazar, President and CEO, and Pablo Acosta, CFO.

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

The following table of compensation, excluding options and compensation securities, provides a summary of the compensation paid by the Company to each NEO and director of the Company for the completed financial years ended December 31, 2016 and 2015. Options and compensation securities are disclosed under the heading “*Stock Options and Other Compensation Securities and Instruments*” below.

Table of Compensation, Excluding Compensation Securities							
Name and position	Year <sup>(1)</sup>	Salary, consulting fee, retainer or commission (\$) <sup>(2)</sup>	Bonus (\$) <sup>(2)</sup>	Committee or meeting fees (\$) <sup>(2)</sup>	Value of perquisites (\$) <sup>(2)</sup>	Value of all other compensation (\$) <sup>(2)</sup>	Total compensation (\$) <sup>(2)</sup>
Fredy Salazar President, CEO and Director	2016	150,723	-	-	-	2,241	152,964
	2015	168,162	-	-	-	2,162	170,324
Pablo Acosta CFO and Director	2016	14,156	-	-	-	2,241	16,397
	2015	8,526	-	-	-	2,162	10,688

Table of Compensation, Excluding Compensation Securities							
Name and position	Year <sup>(1)</sup>	Salary, consulting fee, retainer or commission (\$) <sup>(2)</sup>	Bonus (\$) <sup>(2)</sup>	Committee or meeting fees (\$) <sup>(2)</sup>	Value of perquisites (\$) <sup>(2)</sup>	Value of all other compensation (\$) <sup>(2)</sup>	Total compensation (\$) <sup>(2)</sup>
Nick DeMare Corporate Secretary and Director	2016	50,078	-	-	-	46,209 <sup>(3)</sup>	96,287
	2015	76,729	-	-	-	24,100 <sup>(3)</sup>	100,829
Etienne Walter Director	2016	8,247	-	-	-	-	8,247
	2015	30,691	-	-	-	-	30,691
Juan Ortiz Director	2016	-	-	-	-	-	-
	2015	-	-	-	-	-	-
Thomas Kelly <sup>(4)</sup> Director	2016	-	-	-	-	-	-
	2015	-	-	-	-	-	-
Jorge Roca Arteta <sup>(4)</sup> Director	2016	-	-	-	-	-	-
	2015	-	-	-	-	-	-
Graeme Robinson <sup>(5)</sup> former Director	2016	6,185	-	-	-	-	6,185
	2015	23,018	-	-	-	-	23,018

NOTES:

- (1) Financial years ended September 30.
- (2) All amounts shown were paid in Canadian currency, the reporting currency of the Company.
- (3) Paid to Chase Management Ltd. (“Chase”), a private corporation owned by Mr. DeMare, for accounting and administration services performed by Chase personnel, excluding Mr. DeMare.
- (4) Messrs. Kelly and Roca were appointed as directors on August 2, 2016.
- (5) Mr. Robinson resigned as director on May 10, 2016.

**Stock Options and Other Compensation Securities and Instruments**

The following table of compensation securities provides a summary of all compensation securities granted or issued by the Company to each NEO and director of the Company for the financial year ended December 31, 2016, for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries:

Compensation Securities							
Name and Position	Type of compensation security	Number of compensation securities, number 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 (\$) <sup>(1)</sup>	Expiry Date
Fredy Salazar	Stock Options	1,300,000	Dec 01/16	0.14	0.14	0.30	Dec 01/21
Pablo Acosta	Stock Options	900,000	Dec 01/16	0.14	0.14	0.30	Dec 01/21
Nick DeMare	Stock Options	900,000 <sup>(2)</sup>	Dec 01/16	0.14	0.14	0.30	Dec 01/21

Compensation Securities							
Name and Position	Type of compensation security	Number of compensation securities, number 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 (\$) <sup>(1)</sup>	Expiry Date
Etienne Walter	Stock Options	600,000	Dec 01/16	0.14	0.14	0.30	Dec 01/21
Juan Ortiz	Stock Options	600,000	Dec 01/16	0.14	0.14	0.30	Dec 01/21
Thomas Kelly	Stock Options	600,000	Dec 01/16	0.14	0.14	0.30	Dec 01/21
Jorge Roca Arteta	Stock Options	600,000	Dec 01/16	0.14	0.14	0.30	Dec 01/21
Graeme Robinson <sup>(3)</sup>	N/A	-	-	-	-	-	-

NOTES:

- (1) Market value of the securities underlying the options on December 30, 2016, being the last trading day of the Company's shares for the financial year.
- (2) Includes 200,000 options granted to Chase.
- (3) Mr. Robinson ceased to be a director on May 10, 2016 and was not granted any options on December 1, 2016.

The following table provides a summary of each exercise of compensation securities by each NEO and director of the Company for the financial year ended December 31, 2016:

Exercise of Compensation Securities							
Name	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Fredy Salazar	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Pablo Acosta	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Nick DeMare	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Etienne Walter	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Juan Ortiz	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Thomas Kelly	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Jorge Roca Arteta	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Graeme Robinson	N/A	Nil	N/A	N/A	N/A	N/A	N/A

**Stock Option Plans and Other Incentive Plans**

The Company has no other incentive plans other than its stock option plan (the "**Option Plan**"). The purpose of the Option Plan is to provide the Company with a share related mechanism to enable the Company to attract, retain and motivate qualified directors, officers, employees and other service providers, to reward directors, officers, employees

and other service providers for their contribution toward the long term goals of the Company and to enable and encourage such individuals to acquire shares of the Company as long term investments.

The following is a brief description of the Option Plan:

- (a) To be eligible for the issuance of a stock option under the Option Plan an optionee must either be a director, employee (including an officer) or consultant of the Company or any subsidiary of the Company or a company owned by an employee, director or consultant at the time the option is granted. Options may be granted only to an individual or to a company that is owned by individuals eligible for an option grant.
- (b) The options granted pursuant to the Option Plan will be exercisable at a price which is not lower than the market value of the Company's Shares at the time the option is granted less any applicable discounts permitted by the applicable regulatory authorities. "Market Value" will be the closing trading price of the Company's Shares on the Exchange or such other stock exchange upon which the common shares are listed on the trading day immediately preceding the date of the grant of the option.
- (c) Options granted under the Option Plan will be granted for a term not to exceed ten years from the date of their grant. All options will terminate on the earlier of the expiry of their term and the date of termination of an option holder's employment, engagement or position with the Company if terminated for just cause or on other bases as set out in the Option Plan, otherwise 90 days following termination of employment or cessation of the option holder's position with the Company.
- (d) The Company's Board may, at their discretion, impose vesting provisions on Options granted under the Option Plan. Notwithstanding any vesting schedule to which Options are subject, Options shall cease to vest immediately if the employment or engagement of an Option Holder as an Employee or Consultant or the position of an Option Holder as a director or officer of the Company or a Subsidiary is terminated for any reason whatsoever. In which case, the Option Holder may only exercise such number of Options that are vested as at the date of termination of such Option Holder's employment, engagement or appointment as a director or officer.
- (e) Options will also be non-assignable and non-transferable; provided that they will be exercisable by an option holder's legal heirs or personal representatives, subject to the expiry date of such option, for up to 12 months following the death or termination of an option holder due to disability, and up to 12 months following the death of an option holder terminated for disability within the previous 12 months.
- (f) The number of common shares of the Company reserved for issuance to any one person on a yearly basis cannot exceed 5% of the number of issued and outstanding common shares of the Company at the time of the grant of options, unless the Company has obtained disinterested shareholder approval as required by the Exchange. The aggregate number of options granted to employees or consultants engaged in investor relations activities must not exceed 2% of the outstanding issue in any 12 month period and such options must vest in stages over 12 months with no more than 25% of the options vesting in any three month period.
- (g) In the event that the expiration date of Options granted under the Option Plan falls in a period during which the Company has imposed a restriction on its directors, officers, employees and consultants from trading in securities of the Company, the expiry date of such Options will be extended for a period of time ending on the tenth business day after the expiry of the Black-Out to provide such Option Holders with an extension to the right to exercise such Options, so long as the expiry date does not exceed ten years from the date of grant of such Options.
- (h) If a material alteration in the capital structure of the Company occurs as a result of a consolidation, subdivision, conversion, exchange, reclassification or otherwise, the Board shall make adjustments to the Option Plan and to the options then outstanding under it as the Board determines to be appropriate and equitable under the circumstances, unless the Board determines that it is not practicable or feasible to do so, in which event the options granted under the Option Plan will terminate as set forth above.

- (i) The Board may amend the terms of the Option Plan or the terms and conditions of any option thereafter to be granted, subject to approval of any stock exchange on which the Company is listed, provided that where such amendment relates to an existing option and it would materially decrease the rights or benefits accruing to an option holder or materially increase the obligations of an option holder, then, unless otherwise excepted out by a provision of the Option Plan, the Board must also obtain the written consent of the option holder in question to such amendment. If at the time the exercise price of an option is reduced the option holder is an insider of the Company, the insider must not exercise the option at the reduced exercise price until the reduction in exercise price has been approved by the disinterested shareholders of the Company.

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

Management services are provided to the Company by Chase Management Ltd. (“Chase”) of Suite 1305, 1090 West Georgia Street, Vancouver, BC V6E 3V7 pursuant to an arrangement with the Company on a month-to-month basis. Chase is a corporation controlled by Nick DeMare, a director of the Company. During the year ended December 31, 2016, a total of \$96,287 was billed by Chase, as to \$46,209 in accounting, management, administration and rent, and \$50,078 for Mr. DeMare’s services. The amounts have been recorded at the exchange amounts agreed to by Chase and the Company.

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

#### *Compensation, Philosophy And Objectives*

The Board meets to discuss and determine management compensation, without reference to formal objectives, criteria or analysis. The general objectives of the Company’s compensation strategy are to (a) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value; (b) align management’s interests with the long-term interests of shareholders; and (c) ensure that the total compensation package is designed in a manner that takes into account the constraints that the Company is under by virtue of the fact that it is a junior mineral exploration company without a history of earnings.

The Board, as a whole, ensures that total compensation paid to all Named Executive Officers (or NEOs), as hereinafter defined, is fair and reasonable. The Board as a whole recommends levels of executive compensation that are competitive, motivating and commensurate with the time spent by executive officers in meeting their obligations. While the Board does not have direct experience related to executive compensation, the Board relies on their experience as officers and directors with other junior mining companies in assessing compensation levels.

#### *Analysis Of Elements*

Base salary is used to provide the Named Executive Officers a set amount of money during the year with the expectation that each Named Executive Officer will perform his responsibilities to the best of his ability and in the best interests of the Company.

The Company considers the granting of incentive stock options to be a significant component of executive compensation as it allows the Company to reward each NEO’s efforts to increase value for shareholders without requiring the Company to use cash from its treasury. Stock options are generally awarded to executive officers at the commencement of employment and periodically thereafter. The terms and conditions of the Company’s stock option grants, including vesting provisions and exercise prices, are governed by the terms of the Company’s Option Plan. A description of the significant terms of the Option Plan is found under the heading “Stock Option Plans and Other Incentive Plans”.

The Company does not determine executive compensation based on the share price performance. Overall the salaries or consulting fees payable to the NEOs, in particular to the Company’s CEO, have had a minor upward trend in order to provide competitive levels of compensation necessary to attract and maintain executive talent.

The Board has considered the implications of the risks associated with the Company's compensation practices. The Board acknowledges that the Company, as a junior natural resource company, does not presently generate any revenues, and that all management compensation to date has been derived solely from cash in the Company's treasury, acquired

by way of equity financings to date, and the grant of incentive stock options to directors, management, contractors and employees. Salary compensation to the Named Executive Officers is provided for under verbal understandings or written consulting agreements with the Named Executive Officers or management companies under their control. Upon the occurrence of certain events, the Company's early termination of these contracts may also trigger additional balloon payments, which could adversely impact the Company's working capital.

#### *Option-based Awards*

The Company has no long-term incentive plans other than the Option Plan. The Company's directors, employees, officers and certain consultants are entitled to participate in the Option Plan. The Option Plan is designed to encourage share ownership and entrepreneurship on the part of the senior management and other employees. The Board believes that the Option Plan aligns the interests of the NEOs and the Board with shareholders by linking a component of executive compensation to the longer term performance of the Company's common shares.

Options are granted by the Board. In monitoring or adjusting the option allotments, the Board takes into account its own observations on individual performance (where possible) and its assessment of individual contribution to shareholder value, previous option grants and the objectives set for the NEOs and the Board. The scale of options is generally commensurate to the appropriate level of base compensation for each level of responsibility.

In addition to determining the number of options to be granted pursuant to the methodology outlined above, the Board also makes the following determinations:

- parties who are entitled to participate in the Option Plan;
- the exercise price for each stock option granted, subject to the provision that the exercise price cannot be lower than the prescribed discount permitted by the TSX Venture Exchange (the "**Exchange**") from the market price on the date of grant;
- the date on which each option is granted;
- the vesting period, if any, for each stock option;
- the other material terms and conditions of each stock option grant; and
- any re-pricing or amendment to a stock option grant.

The Board makes these determinations subject to and in accordance with the provisions of the Option Plan. The Board reviews and approves grants of options on an annual basis and periodically during a financial year.

There is no restriction on NEOs or Directors regarding the purchase of financial instruments, including prepaid variable forward contracts, equity swaps, collars or units or exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held directly or indirectly by the NEO or Director for the financial year ended December 31, 2015.

No NEO or Director, directly or indirectly, purchased any financial instruments or employed a strategy to hedge or offset a decrease in market value of equity securities granted as compensation or held.

#### **Pension**

The Company does not have any form of pension plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement. The Company does not have any form of deferred compensation plan.