

INTERNATIONAL BETHLEHEM MINING CORP.

2489 Bellevue Avenue
West Vancouver, British Columbia
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Form 51-102F6 STATEMENT OF EXECUTIVE COMPENSATION (for the year ended December 31, 2020)

The following information is presented by the management of International Bethlehem Mining Corp. (the “Company”) in accordance with Form 51-102F6 – *Statement of Executive Compensation*, and sets forth compensation as at December 31, 2020.

Named Executive Officers

During the financial year ended December 31, 2020, the Company had two Named Executive Officers (“NEOs”) being, Douglas L. Mason, the President and Chief Executive Officer (“CEO”) and Charles Hugh Maddin, the Chief Financial Officer (“CFO”).

“Named Executive Officer” or “NEO” means: (a) each CEO, (b) each 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; 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, nor acting in a similar capacity, at the end of that financial year.

Compensation Discussion and Analysis

The compensation of the Company’s Named Executive Officers is determined by the Company’s Board of Directors (the “Board”).

The general objectives of the Board’s compensation decisions are:

- to encourage management to achieve a high level of performance and results with a view to increasing long-term shareholder value;
- to align management’s interests with the long-term interest of shareholders;
- to provide compensation commensurate with peer companies in order to attract and retain highly qualified executives; and
- to ensure that total compensation paid takes into account the Company’s overall financial position.

The Board’s compensation program is designed to provide competitive levels of compensation, a significant portion of which is dependent upon individual and corporate performance and contribution to increasing shareholder value. The Board recognizes the need to provide a total compensation package that will attract and retain qualified and experienced executives as well as align the compensation level of each executive to that executive’s level of responsibility. In general, a NEO’s compensation is comprised of contractor payments and stock option grants.

The objectives and reasons for this system of compensation are generally to allow the Company to remain competitive compared to its peers in attracting experienced personnel. All salaries and/or consulting fees are set on a basis of a review and comparison of compensation paid to executives at similar companies (the

“peer group”). The companies in the peer group operate in a similar business environment and are of similar size, scope and complexity. Currently, the Company’s peer group consists of the following companies: Omni Commerce Corp., Gellam Capital Ltd., Far Resources Ltd., Copper Lake Resources Ltd., Cardiff Energy Corp., Clean Commodities Corp., Getty Copper Inc. and Rainy Mountain Royalty Corp. Changes to the peer group may be made from time to time as recommended by management.

Stock option grants are designed to reward the NEOs for success on a similar basis as the shareholders of the Company, but these rewards are highly dependent upon the volatile stock market, much of which is beyond the control of the NEOs.

Share-Based and Option-Based Awards

The Company does not grant share-based awards. The Board is responsible for granting options to the NEOs. Stock option grants are designed to reward the NEOs for success on a similar basis as the shareholders of the Company, but these rewards are highly dependent upon the volatile stock market, much of which is beyond the control of the NEOs. When new options are granted, the Board takes into account the previous grants of options, the number of stock options currently held, position, overall individual performance, anticipated contribution to the Company’s future success and the individual’s ability to influence corporate and business performance. The purpose of granting such stock options is to assist the Company in compensating, attracting, retaining and motivating the officers, directors and employees of the Company and to closely align the personal interest of such persons to the interest of the shareholders. The exercise price of the stock options granted is determined by the market price at the time of grant.

Risk of Compensation Practices and Disclosure

The Company has not formally considered the risks associated with the Company’s compensation policies and practices. The Company’s compensation policies and practices give greater weight toward long-term incentives to mitigate the risk of encouraging short term goals at the expense of long term sustainability. The discretionary nature of annual bonus awards and option grants are significant elements of the Company’s compensation plans and provide the Board with the ability to reward historical performance and behaviour that the Board considers to be aligned with the Company’s best interests. The Company has attempted to minimize those compensation practices and policies that expose the Company to inappropriate or excessive risks.

The Company’s NEOs and directors are not permitted to purchase financial instruments, including for greater certainty, prepaid variable forward contracts, equity swaps, collars or units of 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.

SUMMARY COMPENSATION TABLE

Set out below is a summary of compensation paid or accrued during the Company’s three most recently completed financial years to the Company’s NEOs.

Summary Compensation Table

Name and principal position	Year	Salary (\$) ⁽²⁾	Share-based awards (\$)	Option-based awards (\$) ⁽¹⁾	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Douglas L. Mason, CEO and President ⁽³⁾	2020	Nil	Nil	Nil	N/A	N/A	N/A	Nil	Nil
	2019	Nil	Nil	Nil	N/A	N/A	N/A	Nil	Nil
	2018	Nil	Nil	Nil	N/A	N/A	N/A	Nil	Nil
Charles Hugh Maddin, CFO ⁽⁴⁾	2020	Nil	Nil	Nil	N/A	N/A	N/A	Nil	Nil

Notes:

- (1) The fair value of option-based awards is determined by the Black-Scholes Option Pricing Model with the following assumptions:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Risk-free interest rate:	N/A	N/A	N/A
Expected dividend yield:	N/A	N/A	N/A
Expected volatility:	N/A	N/A	N/A
Expected life of option:	N/A	N/A	N/A

The Company has chosen the Black-Scholes methodology to calculate the grant date fair value of option-based awards as it is the methodology used in the Company's financial statements.

- (2) Such compensation was paid to companies controlled by the NEOs for consulting services provided to the Company.
- (3) Douglas L. Mason resigned as CEO and President of the Company on March 3, 2021 and resigned as a director on May 31, 2021.
- (4) Charles Hugh Maddin resigned as CFO of the Company on March 3, 2021, however, remains as a director of the Company.

Narrative Discussion

As a cost-effective measure, the Company shares office space, equipment, staff, utilities and facilities with certain other companies, most of which companies have certain directors in common (the "Other Entities"). In view of the above, effective August 1, 2012, the Company has had an arrangement with Waterfront Communications Inc. ("WCI"), a private company that has been engaged to handle, allocate and recover expenses amongst the Company and the Other Entities on a non-profit basis. WCI and the Company have certain directors in common. During the most recently completed financial year, the Company paid \$5,507 to WCI in reimbursement for such shared expenses incurred on the Company's behalf.

INCENTIVE PLAN AWARDS

Outstanding Share-Based Awards and Option-Based Awards

The Company does not have any share-based awards held by a NEO. The following tables set forth the outstanding option-based awards held by the NEOs of the Company at the end of the most recently completed financial year:

Outstanding Share -Based Awards and Option-Based Awards

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Douglas L. Mason, CEO and President	275,000	0.05	September 22, 2021	Nil	Nil	N/A
Charles Hugh Maddin, CFO	Nil	N/A	N/A	N/A	N/A	N/A

Note:

- (1) “**In-the-Money Options**” means the excess of the market value of the Company’s shares on December 31, 2020 over the exercise price of the options. The market price for the Company’s common shares on December 31, 2020 was \$0.03.

Incentive Plan Awards – Value Vested or Earned During the Year

The following tables set forth details of the value vested or earned for all incentive plan awards during the most recently completed financial year by each NEO:

Value Vested or Earned for Incentive Plan Awards During the Most Recently Completed Financial Year

Name	Option-based awards – Value vested during the year (\$) ⁽¹⁾	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Douglas L. Mason, CEO and President	Nil	N/A	Nil
Charles Hugh Maddin, CFO	Nil	N/A	Nil

Note:

- (1) All options granted to the NEOs vested on the date of grant and the exercise price of such options was equal to the closing price of the Company’s shares as of the date of grant.

Narrative Discussion

The following information is intended as a brief description of the Company's stock option plan (the "Stock Option Plan") and is qualified in its entirety by the full text of the Stock Option Plan, which will be available for review at the Company's next annual general meeting.

1. The maximum aggregate number of shares that may be issued upon the exercise of stock options granted under the Stock Option Plan shall not exceed 10% of the issued and outstanding share capital of the Company, the exercise price of which, as determined by the Board in its sole discretion, shall not be less than the last closing price of the Company's shares traded through the facilities of the TSX Venture Exchange (the "Exchange") prior to the announcement of the option grant, or such other price as may be required or permitted by the Exchange, or if the shares are no longer listed for trading on the Exchange, then such other exchange or quotation system on which the shares are listed or quoted for trading.
2. The Board shall not grant options to any one person in any 12 month period which will, when exercised, exceed 5% of the issued and outstanding shares of the Company or to any one consultant or to those persons employed by the Company who perform investor relations services which will, when exercised, exceed 2% of the issued and outstanding shares of the Company.
3. Upon expiry of an option, or in the event an option is otherwise terminated for any reason, the number of shares in respect of the expired or terminated option shall again be available for the purposes of the Stock Option Plan. All options granted under the Stock Option Plan may not have an expiry date exceeding five years from the date on which the Board grants and announces the granting of the option.
4. If the option holder ceases to be a director, officer, employee or consultant of the Company (other than by reason of death) then the option granted shall expire on a date stipulated by the Board at its discretion and, in any event, must terminate within 90 days after the date on which the option holder ceases to be a director, officer, employee or consultant, subject to the terms and conditions set out in the Stock Option Plan.

The Board retains the discretion to impose vesting periods on any options granted. In accordance with the policies of the Exchange, stock options granted to consultants performing investor relations services must vest in stages over a minimum of 12 months with no more than one-quarter of the stock options vesting in any three month period.

PENSION BENEFITS

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

TERMINATION AND CHANGE OF CONTROL BENEFITS

The Company has entered into a consulting agreement dated April 1, 2006, as amended, with Waterfront Capital Partners Inc., formerly Criterion Capital Corporation (a corporation controlled by Douglas L. Mason, a director of the Company) under which the Company is required to pay a consulting fee equal to \$2,500 per month (notwithstanding the terms of such agreement, the payment and/or accrual of such consulting fees were waived by Waterfront Capital Partners Inc. for the period from January 1, 2017 to December 31, 2020).

Other than as disclosed herein, the Company and its subsidiaries have no compensatory plan, contract or arrangement where a NEO is entitled to receive more than \$100,000 (including periodic payments or instalments) to compensate such executive officer in the event of resignation, retirement or other

termination of the NEO's employment with the Company or its subsidiaries, a change of control of the Company or its subsidiaries, or a change in responsibilities of the NEO following a change in control.

The table below sets out the estimated incremental payments, payables and benefits due to each of the NEOs on termination without cause or on termination on a change of control or resignation for good cause following a change of control.

Name	Base Salary (Payable only on Termination) (\$)	Bonus (Payable only on Termination) (\$)	Option-Based Awards (Payable only on Termination) (\$)	All Other Compensation (Payable only on Termination) (\$)	Total Compensation (Payable only on Termination) (\$)
Douglas L. Mason, CEO & President	150,000	Nil	Nil	50,000	200,000
Charles Hugh Maddin, CFO	Nil	Nil	Nil	Nil	Nil

DIRECTOR COMPENSATION

Other than compensation paid to the NEOs, and except as noted below, no compensation was paid to directors in their capacity as directors of the Company or its subsidiaries, in their capacity as members of a committee of the Board or of a committee of the board of directors of its subsidiaries, or as consultants or experts, during the Company's most recently completed financial year.

Set out below is a summary of compensation paid or accrued during the Company's most recently completed financial year to the Company's directors, other than the NEOs previously disclosed:

Director Compensation Table

Name	Year	Fees earned (\$)	Share- based awards (\$)	Option- based awards ⁽¹⁾ (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Andrzej Kowalski ⁽²⁾	2020	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Note:

- (1) The fair value of option-based awards is determined by the Black-Scholes Option Pricing Model with the following assumptions:

2020

Risk-free interest rate: N/A
Expected dividend yield: N/A
Expected volatility: N/A
Expected life of option: N/A

The Company has chosen the Black-Scholes methodology to calculate the grant date fair value of option-based awards as it is the methodology used in the Company's financial statements.

- (2) Andrzej Kowalski was originally appointed as a director on June 1, 2012 and resigned as a director on July 9, 2019, and was re-appointed as a director on January 14, 2020, and subsequently resigned as a director on May 31, 2021.

Narrative Discussion

Other than referred to herein, no compensation was paid to directors in their capacity as directors of the Company or its subsidiaries, in their capacity as members of a committee of the board of directors of the Company or its subsidiaries, or as consultants or experts, during the Company's most recently completed financial year.

The Company previously entered into an agreement with a director/officer for services rendered in such capacities. If such agreement is terminated without consent of the director/officer or the director/officer resigns within 120 days following a change in defacto control, the Company must pay \$50,000 to such director/officer and allow any unvested stock options owned by such director/officer to vest.

INCENTIVE PLAN AWARDS

Outstanding Share-Based Awards and Option-Based Awards

The Company does not have any share-based awards held by a director. The following tables set forth details of all awards granted to directors of the Company which were outstanding at the end of the most recently completed financial year:

Outstanding Option-Based Awards and Share-Based Awards

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Andrzej Kowalski	27,000	0.05	September 22, 2021	Nil	Nil	N/A

Note:

- (1) "In-the-Money Options" means the excess of the market value of the Company's shares on December 31, 2020 over the exercise price of the options. The market price for the Company's common shares on December 31, 2020 was \$0.03.

Incentive Plan Awards – Value Vested or Earned During the Year

The following tables set forth details of the value vested or earned for all incentive plan awards during the most recently completed financial year by each director:

Value Vested or Earned for Incentive Plan Awards During the Most Recently Completed Financial Year

Name	Option-based awards – Value vested during the year ⁽¹⁾ (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Andrzej Kowalski	Nil	N/A	Nil

Note:

- (1) All options granted to the directors vested on the date of grant and the exercise price of such options was equal to the closing price of the Company's shares as of the date of grant.