TINKERINE™

TINKERINE STUDIOS LTD.

FORM 51-102F6V
STATEMENT OF EXECUTIVE COMPENSATION – VENTURE ISSUERS
(for the financial year ended December 31, 2020)

GENERAL

The following information, dated as of June 22, 2021, is provided as required under Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers* (the "**Form**") and National Instrument 51-102 – *Continuous Disclosure Obligations*.

For the purposes of this Statement of Executive Compensation:

"**Company**" means Tinkerine Studios Ltd.;

"**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; and

"**named executive officer**" or "NEO" 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, including an individual performing functions similar to a chief executive officer;

(b) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer;

(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;

(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.

DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

Director and NEO Compensation, Excluding Options and Compensation Securities

During the financial year ended December 31, 2020, based on the definition above, the NEOs of the Company were: Eugene Suyu, CEO and Director, and Justin Sy, CFO and Director. The directors of the Company who were not NEO's were Bob Longo, Todd Blatt and Daniel Cugnet.

The Company's authorized share capital consists of an unlimited number of voting Common Shares without par value, an unlimited number of non-voting common shares without par value, and an unlimited number of preferred shares without par value. Each voting Common Shares carry the right to one vote. As of December 31, 2020, there were 49,600,849 Common Shares, no non-voting common shares and no preferred shares issued and outstanding. The Company's Common Shares are listed on the TSX Venture Exchange under stock symbol "TTD".

The following table of compensation, excluding options and compensation securities, provides a summary of the compensation paid by the Company to NEOs and directors of the Company for the two completed financial years ended December 31, 2020 and 2019. Options and compensation securities are disclosed under the heading "Stock Options and Other Compensation Securities" in this Statement of Executive Compensation.

Table of Compensation, Excluding Compensation Securities in the Financial Years ended December 31, 2020 and 2019

Name and position	Year	Salary, consulting fee, retainer or commission ($)	Bonus ($)	Committee or meeting fees ($)	Value of perquisites ($)	Value of all other compen-sation ($)	Total compensation ($)
Eugene Suyu [1] CEO and Director	2020	60,000	Nil	Nil	Nil	Nil	60,000
	2019	60,000	Nil	Nil	Nil	Nil	60,000
Justin Sy [3] Former Interim CFO and Director	2020	45,000	Nil	Nil	Nil	Nil	45,000
	2019	45,000	Nil	Nil	Nil	Nil	45,000
Bob Longo Director [3]	2020	57,308	Nil	Nil	Nil	Nil	57,308
	2019	43,038	Nil	Nil	Nil	Nil	43,038
Todd Blatt Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Daniel Cugnet Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

(1) Eugene Suyu received compensation of $nil as Director and compensation of $60,000 in 2020 as CEO.

(2) Justin Sy received compensation of $nil as Director and compensation of $45,000 in 2020 as Interim CFO. On February 1, 2021 Mr. Sy resigned as Interim CFO and Chris Lee was appointed CFO.

(3) In 2020, Bob Longo received compensation of $nil as Director. He received compensation as a consultant for sales and marketing projects which totaled $57,308.

Outstanding Compensation Securities

During the year ended December 31, 2020, directors and NEOs were granted the following compensation securities:

Name and Position	Type of Compensation Security	Number of Compensation Securities, underlying securities and percentage of class (#)(1)	Date of Grant or Issue (mm/dd/yy)	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 (mm/dd/yy)
Eugene Suyu CEO and Director(2)	Options	650,000 8%	03/26/20	$0.125	$0.105	$0.04	03/26/25
Justin Sy Former Interim CFO and Director(3)	Options	575,000 7%	03/26/20	$0.125	$0.105	$0.04	03/26/25
Bob Longo Director(4)	Options	250,000 3%	03/26/20	$0.125	$0.105	$0.04	03/26/25
Todd Blatt Director(5)	Options	650,000 8%	03/26/20	$0.125	$0.105	$0.04	03/26/25
Daniel Cugnet Director(6)	Options	250,000 3%	03/26/20	$0.125	$0.105	$0.04	03/26/25

Notes:

(1) Percentage of class represents the percentage of compensation securities granted over the total number of compensation securities of the Issuer outstanding as of December 31, 2020. Each Option entitles the holder to purchase one common share.

(2) On March 26, 2020, Eugene Suyu was granted 650,000 options at an exercise price of $0.125 and an expiry date of March 26, 2025. The closing price of the shares on the date of grant was $0.105. As of December 31, 2020, Eugene Suyu held 650,000 options to purchase 650,000 common shares.

(3) On March 26, 2020, Justin Sy was granted 575,000 options at an exercise price of $0.125 and an expiry date of March 26, 2025. The closing price of the shares on the date of grant was $0.105. As of December 31, 2020, Justin Sy held 825,000 options to purchase 825,000 common shares of which 75,000 of those options have an exercise price of $0.075 that expire on January 27, 2021 and 175,000 options have an exercise price of $0.075 that expire on September 26, 2022.

(4) On March 26, 2020, Bob Longo was granted 250,000 options at an exercise price of $0.125 and an expiry date of March 26, 2025. The closing price of the shares on the date of grant was $0.105. As of December 31, 2020, Bob Longo held 650,000 options to purchase 650,000 common shares, of which 400,000 of those options have an exercise price of $0.075 that expire on June 24, 2021.

(5) On March 26, 2020, Todd Blatt was granted 650,000 options at an exercise price of $0.125 and an expiry date of March 26, 2025. The closing price of the shares on the date of grant was $0.105. As of December 31, 2020, Todd Blatt held 650,000 options to purchase common shares.

(6) On March 26, 2020, Daniel Cugnet was granted 250,000 options at an exercise price of $0.125 and an expiry date of March 26, 2025. The closing price of the shares on the date of grant was $0.105. As of December 31, 2020, Daniel Cugnet held 650,000 options to purchase 650,000 common shares, of which 400,000 of those options have an exercise price of $0.075 that expire on September 26, 2022.

Exercise of Compensation Securities by Directors and NEOs

During the year ended December 31, 2020, no director or NEO exercised any compensation securities

STOCK OPTIONS AND OTHER COMPENSATION SECURITIES

The Company regards the strategic use of incentive stock options as a cornerstone of its compensation plan. It applies to personnel at all levels and continues to be one of the Company's primary tools for attracting, motivating and retaining qualified personnel, which is critical to the Company's success. The Company is committed to long- term incentive programs that promote the continuity of an excellent management team and, therefore, the long-term success of the Company. The Company has a formal share option plan under which options may be granted to directors, officers, employees and consultants as an incentive to serve the Company in attaining its goal of improved shareholder value. The Board is responsible for administering the plan and determining the type and amount of compensation to be paid to directors, officers, employees and consultants of the Company, including the awards of any options under the plan. Options are typically part of the overall compensation package for executive officers and employees.

All grants of options to the NEOs are reviewed and approved by the Board. In evaluating option grants to a NEO, the Board evaluates a number of factors including, but not limited to: (i) the number of options already held by such NEO; (ii) a fair balance between the number of options held by the NEO concerned and the other executives of the Company, in light of their responsibilities and objectives; and (iii) the value of the options (generally determined using a Black-Scholes analysis) as a component in the NEO's overall compensation package. Options are usually priced at the closing trading price of the Shares on the business day immediately preceding the date of grant, and the current policy of the Board is that options expire five years from the date of grant.

Fixed Share Option Plan

On May 24, 2016, the Board approved the adoption by the Company of a fixed share option plan (the "Fixed Share Option Plan"), which was subsequently approved by the shareholders on June 23, 2016. Under the Fixed Share Option Plan, a total of 9,847,669 shares of the Company are reserved for share incentive options ("Options") to be granted at the discretion of the Board to the Company's Directors, Officers, Employees, Management Company Employees, Consultants or Company Consultants (described as Service Providers below).

The objective of the Fixed Share Option Plan is to provide for and encourage ownership of common shares of the Company by its directors, officers, key employees and consultants. The Company is of the view that the Fixed Share Option Plan assists the Company in attracting and maintaining the services of senior executives and other employees and be competitive with option plans of other companies in the Company's industry. The Fixed Share Option Plan was designed to provide certain directors, officers and other key employees of the Company incentive stock options. The Board (or such other committee the Board may appoint) is responsible for the general administration of the Fixed Share Option Plan.

Material Terms of Fixed Share Option Plan

The material terms of the Fixed Share Option Plan are as follows:

(a) <u>Service Provider.</u> Service Provider means a Person who is a bona fide Director, Officer, Employee, Management Company Employee, Consultant or Company Consultant, and also includes a company, 100% of the share capital of which is beneficially owned by one or more Service Providers.

(b) <u>Maximum Plan Shares.</u> The maximum aggregate number of Plan Shares that may be reserved for issuance under the Plan at any point in time is 9,847,669i Fixed Share Option Plan Shares, less any common shares reserved for issuance under share options granted under Share Compensation Arrangements other than the Plan, unless this Fixed Share Option Plan is amended pursuant to the requirements of the TSX Venture Policies.

(c) <u>Limitations on Issue.</u> The following restrictions on issuances of Options are applicable under the Fixed Share Option Plan:

(i) no Service Provider can be granted an Option if that Option would result in the total number of Options, together with all other Share Compensation Arrangements granted to such Service Provider in the previous 12 months, exceeding 5% of the

Outstanding Shares, unless the Company has obtained Disinterested Shareholder Approval to do so;

(ii) the aggregate number of Options granted to all Service Providers conducting Investor Relations Activities in any 12-month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant, without the prior consent of the TSX Venture (or NEX, as the case may be); and

(iii) the aggregate number of Options granted to any one Consultant in any 12-month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant, without the prior consent of the TSX Venture.

(d) Maximum Percentage to Insiders. The aggregate number of common shares reserved for issuance to insiders of the Company under the Fixed Share Option Plan, together with any other Share Compensation Arrangements, will not exceed 10% of the Company's outstanding share capital.

(e) Maximum Percentage to Insiders within any one year period. The number of common shares issued to insiders of the Company within any one year period, under the Fixed Share Option Plan, together with any other Share Compensation Arrangements will not exceed 10% of the Company's outstanding share capital.

(f) Exercise Price. The Exercise Price of an Option will be set by the Board at the time such Option is allocated under the Fixed Share Option Plan, and cannot be less than the Discounted Market Price. Discounted Market Price has the meaning assigned by Policy 1.1 of the TSX Venture Policies.

(g) Vesting of Options. Vesting of Options shall be at the discretion of the Board and, with respect to any particular Options granted under the Fixed Share Option Plan, in the absence of a vesting schedule being specified at the time of grant, all such Options shall vest immediately. Where applicable, vesting of Options will generally be subject to:

(i) the Service Provider remaining employed by or continuing to provide services to the Company or any of its Affiliates as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or any of its Affiliates during the vesting period; or

(ii) the Service Provider remaining as a Director of the Company or any of its Affiliates during the vesting period.

(h) Vesting of Options Granted to Consultants Conducting Investor Relations Activities. Options granted to Consultants conducting Investor Relations Activities will vest:

(i) over a period of not less than 12 months as to 25% on the date that is three months from the date of grant, and a further 25% on each successive date that is three months from the date of the previous vesting; or

(ii) such longer vesting period as the Board may determine.

(i) Term of Option. An Option can be exercisable for a maximum of 10 years from the Effective Date.

(j) Expiry Date. Options may be exercised after the Service Provider has left his/her employ/office or has been advised by the Company that his/her services are no longer required or his/her service contract has expired, until the term applicable to such Options expires, except as follows:

(i) in the case of the death of an Optionee, any vested Option held by him at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such Option;

(ii) an Option granted to any Service Provider will expire 90 days (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the Option) after the date the Optionee ceases to be employed by or provide services to the Company, and only to the extent that such Option was vested at the date the Optionee ceased to be so employed by or to provide services to the Company; and

(iii) in the case of an Optionee being dismissed from employment or service for cause, such Optionee's Options, whether or not vested at the date of dismissal will immediately terminate without right to exercise same.

(k) Assignability of Options. All Options will be exercisable only by the Optionee to whom they are granted and will not be assignable or transferable.

(l) Take Over Bid. If a Take Over Bid is made to the shareholders generally then the Company shall immediately upon receipt of notice of the Take Over Bid, notify each Optionee currently holding an Option of the Take Over Bid, with full particulars thereof whereupon such Option may, notwithstanding any vesting requirements set out in the Option Commitment, be immediately exercised in whole or in part by the Optionee, subject to approval of the TSX Venture (or the NEX, as the case may be) for vesting requirements imposed by the TSX Venture Policies.

(m) Black-Out Period. The Fixed Share Option Plan also contains a "black-out" provision. Should the Expiry Date for an Option fall within a Blackout Period, or within nine (9) Business Days following the expiration of a Blackout Period, such Expiry Date shall, subject to approval of the TSX Venture (or the NEX, as the case may be), be automatically extended without any further act or formality to that day which is the tenth (10th) Business Day after the end of the Blackout Period, such tenth Business Day to be considered the Expiry Date for such Option for all purposes under the Plan. Notwithstanding provisions in the Fixed Share Option Plan, the tenth Business Day period referred to in this Fixed Share Option Plan may not be extended by the Board.

(n) Options Under the 2014 Rolling Plan. Any Options granted under the terms of the Company's 2014 Rolling Plan will be governed by the terms of the Fixed Share Option Plan and shall be subject to the provisions of the Fixed Share Option Plan and to the extent legal to do so, shall be deemed to have granted under the Fixed Share Option Plan.

Subject to the requirements of the TSX Venture Policies and the prior receipt of any necessary Regulatory Approval, the Board may in its absolute discretion, amend or modify the Fixed Share Option Plan or any granted as follows:

(a) it may make amendments which are of a typographical, grammatical or clerical nature only;

(b) it may change the vesting provisions of an Option granted hereunder, subject to prior written approval of the TSX Venture, if applicable;

(c) it may change the termination provision of an Option granted hereunder which does not entail an extension beyond the original Expiry Date of such Option;

(d) it may make amendments necessary as a result in changes in securities laws applicable to the Company;

(e) if the Company becomes listed or quoted on a stock exchange or stock market senior to the TSX Venture, it may make such amendments as may be required by the policies of such senior stock exchange or stock market; and

(f) it may make such amendments as reduce, and do not increase, the benefits of this Fixed Share Option Plan to Service Providers.

The Company will be required to obtain Disinterested Shareholder Approval prior to any of the following actions becoming effective:

(a) the Fixed Share Option Plan, together with all of the Company's other previous Share Compensation Arrangements, could result at any time in:

  (i) the aggregate number of Common Shares reserved for issuance under Options granted to Insiders exceeding 10% of the Outstanding Shares;

  (ii) the number of Optioned Shares issued to Insiders within a one-year period exceeding 10% of the Outstanding Shares; or

  (iii) the issuance to any one Optionee, within a 12-month period, of a number of Common Shares exceeding 5% of the Outstanding Shares; or

(b) any reduction in the Exercise Price of an Option previously granted to an Insider.

A copy of the Fixed Option Plan attached as Schedule "A" to the Company's Information Circular dated May 24, 2016 a copy of which was SEDAR filed on May 27, 2016 under the Company's SEDAR profile at www.sedar.com.

EMPLOYMENT, CONSULTING AND MANAGEMENT CONTRACTS

Pursuant an employment agreement dated April 4, 2014 with Mr. Suyu, the Company pays Mr. Suyu a base annual salary of $60,000 as compensation for his services as the President and CEO of the Company. The term of the employment agreements is for a period of twelve months unless terminated or extended by mutual agreement. The agreement may be terminated by the Company at any time (i) for just cause without notice or payment in lieu of notice; and (ii) without cause, by providing Mr. Suyu with twelve months' notice or payment of the base salary for such notice period in lieu of such notice or combination of the two, as will be determined in the sole discretion of the Company.

The Company pays Mr. Sy a base annual salary of $45,000 as compensation for his services including as the Interim CFO of the Company. The term of the employment agreements is for a period of twelve months unless terminated or extended by mutual agreement. The agreement may be terminated by the Company at any time (i) for just cause without notice or payment in lieu of notice; and (ii) without cause, by providing Mr. Sy with twelve months' notice or payment of the base salary for such notice period in lieu of such notice or combination of the two, as will be determined in the sole discretion of the Company.

Other than as set forth herein, no NEO of the Company has received, during the most recently completed financial year, compensation pursuant to:

(a) any standard arrangement for the compensation of NEOs for their services in their capacity as NEOs, including any additional amounts payable for committee participation or special assignments;

(b) any other arrangement, in addition to, or in lieu of, any standard arrangement, for the compensation of NEOs in their capacity as NEOs; or

(c) any arrangement for the compensation of NEOs for services as consultants or expert.

No director of the Company who is not an NEO has received, during the most recently completed financial year, compensation pursuant to:

(a) any standard arrangement for the compensation of directors for their services in their capacity as directors, including any additional amounts payable for committee participation or special assignments;

(b) any other arrangement, in addition to, or in lieu of, any standard arrangement, for the compensation of directors in their capacity as directors; or

(c) any arrangement for the compensation of directors for services as consultants or expert.

The Company pays Mr. Longo a fee to provide certain consulting services relating to sales and marketing, as needed.

OVERSIGHT AND DESCRIPTION OF DIRECTOR AND NEO COMPENSATION

The Company's executive compensation program during the most recently completed financial year was administered by the Board. While the Board intends to form a formal compensation committee, to date, due to the Company's small size and limited resources, a formal compensation committee has not been formed. However, each director would abstain from voting with respect to any compensation payable to him. The Company has not retained a compensation consultant or advisor to assist the Board in determining compensation for any of the directors or NEOs.

The overall objective of the Company's compensation strategy is to offer short-term and long-term compensation components to ensure that the Company has in place programs to attract, retain and develop management of the highest caliber and has in place a process to provide for the orderly succession of management, including receipt on an annual basis of any recommendations of the CEO, if any, in this regard. The Company currently has short-term and long-term compensation components in place, and intends to further develop these compensation components. The objectives of the Company's compensation policies and procedures are to align the interests of the Company's employees with the interests of the shareholders.

Compensation to NEOs may include a base salary that constitutes the Company's short-term compensation component. Such salary takes into account his existing professional qualifications and experience. The NEOs' performances and salaries are to be reviewed periodically on the anniversary of their employment with the Company. Increases in salary are to be evaluated on an individual basis and are performance and market-based.

The Company may also grant Options to NEOs and directors to satisfy the long-term compensation component. The Board may also award bonuses to its NEOs. The amount and award of such bonuses is discretionary, depending on, among other factors, the financial performance of the Company and the position of a NEO.

Given the Company's current stage of development, the Company has not considered the implications of the risks associated with its compensation practices. The Company has also not adopted any policies with respect to whether NEOs and directors are 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.

PENSION DISCLOSURE

The Company does not have any pension plans that provide for payments or benefits to the NEOs at, following, or in connection with retirement, including a defined benefits plan or a defined contribution plan. The Company does not have a deferred compensation plan with respect to any NEO.