

RATHDOWNEY RESOURCES LTD.
(the “Company”)

14th Floor, 1040 West Georgia Street
Vancouver, British Columbia V6E 4H1
Telephone No.: (604) 684-6365 Fax No.: (604) 681-2741

National Instrument Form 51-102F6V
STATEMENT OF EXECUTIVE COMPENSATION

as at December 31, 2021 (except as otherwise indicated)

This Statement of Executive Compensation (the “Statement”) should be read in conjunction with the Annual Financial Statements of the Rathdowney Resources Ltd. (the “Company”) for the Company’s financial year ended December 31, 2021 which is publicly available on SEDAR at www.sedar.com.

In this Statement, references to "the Company", "Rathdowney", "we" and "our" refer to Rathdowney Resources Ltd. "Common Shares" means common shares without par value in the capital of the Company.

All monetary amounts herein are expressed in Canadian Dollars ("\$\$") unless otherwise stated.

The Board of Directors of the Company (the “Board”) determines the compensation for directors and executives. See *Compensation Discussion and Analysis*, the *NEO Summary Compensation Table* and the *Director Compensation* below, for details of compensation paid to management of the Company during the fiscal year ended December 31, 2021.

BOARD OF DIRECTORS

At December 31, 2021, there were five members of the Board, namely: David J. Copeland (Chairman of the Board, Director and Interim President and Chief Executive Officer (“CEO”)), Lena K. Brommeland (Senior Vice-President (“VP”), General Manager of Poland and Director), Rene G. Carrier (Chairman of the Audit Committee) and Michael Nolan (Director) and T. Barry Coughlan (Chairman of the Compensation Committee and Chairman of the Nominating and Governance Committee, Director).

Named Executive Officer

In this section "Named Executive Officer" ("NEO") means the CEO, the Chief Financial Officer (“CFO”) and each of the three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers at the end of the most recently completed financial year and whose total compensation was more than \$150,000 as well as any additional individuals for whom disclosure would have been provided except that the individual was not serving as an executive officer of the Company at the end of the most recently completed financial year.

At December 31, 2021 David J. Copeland (Chairman, Director and Interim President and CEO), Andrew Ing (CFO) and Lena K Brommeland (Senior VP, General Manager of Poland and Director) are the NEOs of the Company for the purposes of the following disclosure.

Compensation Discussion and Analysis

The Company has established a Compensation Committee whose function it is to assist the Board in fulfilling its responsibilities relating to the compensation practices pertaining to the Company's executive officers.

The members of the Compensation Committee of the Company are Barry Coughlan (Chairman), Rene Carrier, and Michael Nolan. All members of the Compensation Committee are independent members of the Board.

The members of the Compensation Committee possess the skills and experience that enable the Committee to make decisions on the suitability of the Company's compensation policies and practices.

As a result of their education and experience, each member of the Compensation Committee has familiarity with, an understanding of, or experience in:

- (a) reviewing compensation philosophy including base compensation structures & incentive programs;
- (b) reviewing specific executive and director compensation;
- (c) administering of stock option and other equity based compensation plans and the determination of stock options grants; and,
- (d) reviewing performance goals and the assessments of corporate officers.

To achieve this purpose, the Compensation Committee's duties, responsibilities and authority include the following:

- (a) The Committee recommends to the Board the form and amount of compensation to be paid by the Company to directors for service on the Board and on Board committees. The Committee reviews director compensation at least annually;
- (b) The Committee annually reviews the Company's compensation philosophy including base compensation structure, incentive compensation, stock option and other equity-based compensation programs and recommends changes in or additions to such structure and plans to the Board as needed;
- (c) The Committee annually reviews and recommends to the Board the annual base compensation of the Company's CEO, executive officers and senior managers (collectively the "Officers");
- (d) The Committee recommends to the Board the annual corporate goals and objectives under any incentive compensation plan adopted by the Company for Officers and establishes incentive compensation participation levels for Officers under any such incentive compensation plan. In determining the incentive component of compensation, the Committee will consider the Company's performance and relative shareholder return, the values of similar incentives at comparable companies and the awards given in past years;
- (e) The Committee evaluates the performance of Officers generally and in light of annual corporate goals and objectives under any incentive compensation plan and recommends to the Board incentive compensation payable to Officers under any such incentive compensation plan;
- (f) The Committee periodically reviews with the Chairman and CEO their assessments of corporate officers and senior managers and succession plans, and makes recommendations to the Board regarding appointment of officers and senior managers;

- (g) The Committee administers the Company's stock option and other equity based compensation plans and determines the annual grants of stock options and other equity based compensation;
- (h) The Committee recommends to the nominating and governance committee the qualifications and criteria for membership on the compensation committee;
- (i) The Committee reviews all proposed material actions with respect to any pension plans adopted by the Company for approval by the Board;
- (j) The Committee provides oversight to the preparation of the Company's annual report to shareholders concerning executive compensation for inclusion in the Company's Information Circular;
- (k) The Committee retains such outside lawyers, consultants and advisors at the Company's expense, as it deems necessary from time to time to fulfill its duties and responsibilities; and
- (l) The Committee annually reviews the adequacy of the Compensation Committee Charter and recommends changes to the Board.

Mr. Coughlan (Chairman of the Compensation Committee) is a director and serves on the Compensation Committees of a number of public companies. Mr. Carrier is a director of a number of public companies and also serves on the Compensation Committee of a number of public companies. Mr. Nolan is a director of a number of public companies.

Executive compensation is comprised of short-term compensation in the form of a base salary and long-term ownership through the Company's share option plan. This structure ensures that a significant portion of executive compensation (stock 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.

Report on Executive Compensation

This report on executive compensation has been authorized by the Board, which assumes responsibility for reviewing and monitoring the long-range compensation strategy for the Company's senior management. Ordinarily, the Board determines the type and amount of compensation for the Company's executive officers. In addition, the Board reviews the methodology utilized by the Company for setting salaries of employees throughout the organization.

The NEOs do not serve the Company solely on a full-time basis, and, consequently, compensation paid to them is allocated based on the estimated amount of time spent on their work for the Company.

Philosophy and Objectives

The compensation program for the Company's senior management is designed to ensure that the level and form of compensation achieves certain objectives, including:

- (a) attracting and retaining talented, qualified and effective executives;
- (b) motivating the short and long-term performance of these executives; and
- (c) better aligning their interests with those of the Company's shareholders.

In compensating its senior management, the Company has employed a combination of base salary, bonus compensation and equity participation through its share option plan.

Base Salary

In the Board's view, paying base salaries, which are competitive in the markets in which the Company operates, is a first step to attracting and retaining talented, qualified and effective executives. The NEOs are paid a salary in order to ensure that the compensation package offered by the Company is in line with that offered by other companies in our industry, and as an immediate means of rewarding the NEO for efforts expended on behalf of the Company.

The salary to be paid to a particular NEO is determined by gathering competitive salary information paid by comparable companies within the industry from a variety of sources, including surveys conducted by independent consultants and national and international list publications such as the Mercer Mining Industry Salary Survey and the Hays Group Global Mining Compensation Review. Payment of a cash salary or fee fits within the objective of the compensation program since it rewards each NEO for performance of his or her duties and responsibilities. Compensation of the CEO is required to be approved annually by the Board. Base salary or fees and bonus levels are determined taking into account independent market survey data.

Mr. Copeland is a director of HDSI and does not serve the Company solely on a full-time basis. Mr. Ing and Ms. Brommeland are employees of HDSI. The compensation amounts shown in the compensation tables herein reflect the amounts paid by the Company in respect of these individuals. Their compensation from the Company for time spent providing services is allocated based on time incurred (based on timesheets or other reasonable estimates) as follows: 42.3% (2020 – 46%, 2019 – 47%) for Ms. Brommeland and 48.11% (2020 – 67%, 2019 – 69%) for Mr. Ing. The compensation amount shown for Mr. Copeland is that which is paid to a private company controlled by Mr. Copeland for Mr. Copeland's technical and management services.

Executive Compensation-Related Fees

The Company obtained salary and bonus information through its affiliation with HDSI, and the receipt of such information was part of the overall services rendered by HDSI to the Company. No compensation was paid directly to HDSI or any compensation consultants in respect of executive compensation studies for the Company's two most recently completed financial years.

All Other Fees

There were no other fees paid to any consultants or advisors relating to executive compensation.

Bonus Compensation

There are currently no formal performance goals or milestones set by the Company for executive bonus compensation. Bonus compensation is awarded at the discretion of the Board and the Board considers performance, shareholder benefits, competitive factors and other matters in awarding bonuses, including if sufficient cash resources are available for the granting of bonuses. No bonuses were paid in 2021 and 2020.

Risk & Hedging Policy

The Company considered the implications of the risks associated with the Company's compensation policies and practices and concluded that, given the nature of the Company's business and the role of the Board in overseeing the Company's executive compensation practices, the compensation policies and practices do not serve to encourage any NEO or individual at a principal business unit or division to take inappropriate or excessive risks, and no risks were identified arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

The Company has adopted a policy restricting its executive officers or directors from purchasing financial instruments that are designated to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by its executive officers or directors. To the knowledge of the Company, none of the executive officers or directors has purchased such financial instruments.

Equity Participation – Option and Share-Based Awards

Option Plan

The Company has a share 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 share option grants to the Board based on such criteria as performance, previous grants, and hiring incentives. The share option plan is administered by the Compensation Committee of the Company and provides that options will be issued only to directors, officers, employees or consultants of the Company or a subsidiary of the Company. All grants require approval of the Compensation Committee.

DSU Plan

The Board of Directors approved a Deferred Share Unit Plan (“DSU Plan”) which was ratified by the Company’s shareholders at the 2016 AGM held on June 24, 2016. On April 21, 2020 the Board approved amendments to the DSU Plan to increase the maximum common share reserve to a maximum of 4 million.

RSU Plan

The Board of Directors approved a Restricted Share Unit Plan (“DSU Plan”) which was ratified by the Company’s shareholders at the 2017 AGM held on June 14, 2017.

Compensation Governance

Share options are granted to senior executives taking into account a number of factors, including the amount and term of options previously granted, base salary and bonuses and competitive factors. Options generally vest on terms established by the Compensation Committee.

Given the evolving nature of the Company's business, the Board and the Compensation Committee continue to review the overall compensation plan for senior management so as to continue to address the objectives identified above.

The Black-Scholes method is used to value stock options. The share price on the date of grant is used to value share units. Stock options provide employees with the opportunity to participate in the growth of the Company's share price as well as benefit from the favorable tax treatment applicable to this form of compensation.

Compensation of the CEO

The compensation of the CEO is required to be approved by the Board. Base salary and bonus levels are determined taking into account independent market survey data.

The Board reviews any grants of share options to the CEO and any other member of the executive or senior management team annually.

As noted above under the heading "Bonus Compensation", incentives that may be paid to the CEO and any other member of the executive or senior management team are determined in respect of the performance of the individuals and management.

Actions, Decisions or Policies Made After December 31, 2021

Given the evolving nature of the Company's business, the Board continues to review and redesign the overall compensation plan for senior management so as to continue to address the objectives identified above.

SUMMARY COMPENSATION TABLE

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-Equity incentive plan compensation		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans (\$)	Long-term incentive plans (\$)			
David J. Copeland ⁽¹⁾ Chairman, Director, and Interim President and CEO	2021	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Andrew Ing ⁽²⁾ CFO	2021	72,265	Nil	Nil	Nil	Nil	Nil	Nil	72,265
	2020	93,287	Nil	Nil	Nil	Nil	Nil	Nil	93,287
	2019	97,107	Nil	Nil	Nil	Nil	Nil	Nil	97,107
Lena Brommeland ⁽³⁾ Senior VP, General Manager of Poland and Director	2021	60,554	Nil	Nil	Nil	Nil	Nil	Nil	60,554
	2020	58,572	Nil	Nil	Nil	Nil	Nil	Nil	58,572
	2019	62,615	Nil	Nil	Nil	Nil	Nil	Nil	62,615

Notes

1. Mr. Copeland, Chairman of the Board, assumed the role of interim President and CEO of the Company as a result of the resignation of the previous President & CEO which was effective January 15, 2020. Mr. Copeland served the Company in that position until the appointment of Mr. Konski on May 9, 2014. Mr. Copeland is a director of HDSI and does not serve the Company solely on a full time basis. Mr. Copeland provides services through CEC Engineering Ltd. Due to the market challenges being experienced by the junior mining sector, the directors of the Company agreed to suspend and accrued the payment of director fees. As a result no compensation was paid to CEC Engineering Ltd. by Rathdowney Resources Ltd for the year ending December 31, 2021 and 2020 respectively, unpaid compensation amounts to an estimated \$125,000 for the year ending 2021.
2. Mr. Ing does not serve the Company solely on a full-time basis, and his compensation from the Company is calculated based on an estimated percentage of his time spent providing services to the Company.
3. Ms. Brommeland does not serve the Company solely on a full-time basis, and her compensation from the Company is calculated based on an estimated percentage of her time spent providing services to the Company. The compensation amount was paid to HDSI in respect of Ms. Brommeland services.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

There were no awards to NEOs in the year ended December 31, 2021. The following table discloses the particulars of all awards for each NEO outstanding at the end of the Company's financial years ended December 31, 2021 including awards granted by the Company or any subsidiary of the Company before this most recently completed financial year:

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 vested share-based awards not paid out or distributed (\$)
David J. Copeland Chairman, Director and Interim President and CEO	780,000	0.33	March 2, 2022	Nil	Nil	Nil
Andrew Ing CFO	500,000	0.33	March 2, 2022	Nil	Nil	Nil
Lena Brommeland Senior VP, General Manager of Poland, and Director	600,000	0.33	March 2, 2022	Nil	Nil	Nil

Notes:

1. The value at December 31, 2021 is calculated by determining the difference between the closing price on the TSXV of the Company's common shares at December 31, 2021 (namely, \$0.05 per common share) and the exercise price of the options.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table summarizes the value of each incentive plan award vested or earned by each NEO during the financial year ended December 31, 2021:

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 (\$)
David J. Copeland Chairman, Director and Interim President and CEO	Nil	Nil	Nil
Andrew Ing, CFO	Nil	Nil	Nil
Lena Brommeland, Senior VP, General Manager of Poland and Director	Nil	Nil	Nil

Notes:

- These amounts represent the aggregate dollar value that would have been realized had the options under the option-based award been exercised on the vesting date. The value of each amount has been determined by taking the difference between the market price of the shares subject to the option at date of vesting and the exercise price of the option.

Pension Plan Benefits

The Company has no pension or deferred compensation plans for its directors, officers or employees.

Termination and Change of Control Benefits

There is no written employment contract between the Company and any NEO except as described below.

Mr. Copeland provides services to the Company through CEC Engineering Ltd (a private company controlled by him) pursuant to an agreement with a subsidiary of the “Contractor company (the “Agreement”). There is no termination provision within his Agreement.

Mr. Ing and Ms. Brommeland are employed by HDSI and are seconded to the Company.

Each of Messrs. Copeland and Ing and Ms. Brommeland have a change of control agreement with the Company. Under the change of control agreements for Mr. Copeland and Ms. Brommeland upon termination without cause, including constructive dismissal, following a change of control, Mr. Copeland and Ms. Brommeland would be entitled to receive a payment equal to two times:

- For Mr. Copeland, the annual billings under his contract; and
- For Ms. Brommeland her annual salary under her HDSI employment agreement.

Under the change of control agreement for Mr. Ing, upon termination without cause, including constructive dismissal following a change of control, Mr. Ing would be entitled to receive a payment equal to one time his annual salary payable under Mr. Ing’s HDSI employment agreement and any amounts payable under any incentive plan.

In addition to the foregoing, Messrs. Copeland and Ing and Ms. Brommeland would be entitled to receive any amount earned and payable under any Company incentive plan, or if no amount is earned for the year in question any incentive plan payment made in the previous year, and all stock options held thereby will fully vest and be exercisable until their normal expiry date.

Except as described herein there are no other compensatory plans or arrangements with respect to any NEO resulting from the resignation, retirement or any other termination of employment of the officer's employment or from a change of the NEO's responsibilities following a change in control.

DIRECTOR COMPENSATION

Summary Compensation Table – Directors (excluding NEO's)

The compensation provided to the directors, excluding all directors for whom disclosure as an NEO is presented above, for the Company's most recently completed financial year ended December 31, 2021 was:

Name	Fees earned (\$)	Share-based awards (\$) ⁽¹⁾⁽²⁾	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Rene G. Carrier	Nil	21,066	Nil	Nil	Nil	Nil	21,066
T. Barry Coughlan	Nil	22,633	Nil	Nil	Nil	Nil	22,633
Michael H. Nolan	Nil	14,624	Nil	Nil	Nil	Nil	14,624

Notes:

1. The Board has determined that each director of the Company would receive an annual retainer fee of \$16,800 (\$1,400 per month) in his or her capacity as a director. A director receives an additional annual fee of \$5,520 for serving as chairperson of any committee, or \$3,360 per annum for serving as a member of a committee. Directors are also reimbursed for transportation and other out-of-pocket expenses incurred for attendance at Board meetings and in connection with discharging their functions as director. Due to the market challenges being experienced by the junior mining sector, the directors of the Company agreed to suspend the payment of director fees.
2. During the year ended December 31, 2018 the Company agreed to issue DSUs having an aggregate value of \$97,200 in lieu of outstanding 2018 director fees. These DSUs were subsequently issued quarterly during the year ended December 31, 2021.

Outstanding Share-based Awards and Option-based Awards

The following table sets out all option-based awards and share-based awards outstanding as at December 31, 2021, for each director, excluding all directors for whom disclosure as an NEO is presented above:

Name	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾
Rene G. Carrier	420,000	0.33	March 2, 2022	Nil
T. Barry Coughlan	420,000	0.33	March 2, 2022	Nil
Michael H. Nolan	420,000	0.33	March 2, 2022	Nil

Note:

1. The value at December 31, 2021 is calculated by determining the difference between the closing price of the TSXV of the Common Shares at December 31, 2021 (namely, \$0.05 per Common Share) and the exercise price of the options.

Incentive Plan Awards

The following table sets out the value vested or earned under incentive plans during the year ended December 31, 2021, for each director, excluding all directors for whom disclosure as an NEO is presented above:

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 (\$)
Rene G. Carrier	Nil	Nil	Nil
T. Barry Coughlan	Nil	Nil	Nil
Michael H. Nolan	Nil	Nil	Nil

Note:

1. These amounts represent the aggregate dollar value that would have been realized had the options under the option-based award been exercised on the vesting date. The value of each amount has been determined by taking the difference between the market price of the shares subject to the option at the date of vesting and the exercise price of the option.

DATED at Vancouver, British Columbia, June 28, 2022.

BY ORDER OF THE BOARD OF DIRECTORS

"David J. Copeland"

David J. Copeland
Interim President and Chief Executive Officer