AUREX ENERGY CORP.

FORM 51-102F6V

FOR THE YEAR ENDED DECEMBER 31, 2020

STATEMENT OF EXECUTIVE COMPENSATION

This disclosure is intended to communicate the compensation provided to the Corporation's Chief Executive Officer (the "CEO"), the President and the Chief Financial Officer (the "CFO") and the three other most highly compensated officers of the Corporation in 2020, and also the senior officers of the Corporation's wholly-owned US subsidiary Gas Tap Corp. (collectively, the "Named Executive Officers") and the directors of the Corporation. For 2020, the Named Executive Officers were the CEO, the CFO, the Corporate Secretary and the senior officers of the subsidiary.

Compensation Discussion and Analysis

The Compensation and Discussion and Analysis section of this Information Circular discusses the Corporation's philosophy for executive compensation, the elements of compensation and the objectives for such elements.

Compensation Philosophy

The Board of Directors is responsible for reviewing the compensation policy for all senior management of the Corporation and attempts to ensure that the compensation of senior executives provides a competitive base compensation package and a strong link between corporate performance and compensation in order to attract, retain and motivate highly qualified person.

Elements of Compensation

The Corporation's executive compensation program has been designed to attract highly qualified and motivated individuals, and to provide fair and competitive compensation in accordance with industry standards and with the individual's expertise and experience. As the Corporation is still in the developmental stage, the compensation program consists of stock options and monthly retainers in the form of consulting fees. The Board of Directors reviews the compensation program from time to time to ensure its effectiveness and to confirm it continues to adequately reflect the Corporation's business objectives.

Long-term Incentive Program

The long-term incentive program is intended to align the interests of the Named Executive Officers, consultants and employees with those of the Corporation's shareholders over the longer term and to provide a retention incentive for each Named Executive Officer. This component of the compensation package consists of grants of options to purchase Common Shares ("Options") as permitted under the Stock Option Plan of the Corporation (the "Stock Option Plan"), and the ability for certain key employees to acquire restricted share units as permitted under the Restricted Share Unit Plan of the Corporation (the “RSU Plan”), and applicable stock exchange rules. Numerous factors and taken into consideration by the Board of Directors in determining grants of Options and/or RSUs, including: a review of the previous grants including vested and unvested value both at the current share prices and potential future prices, the remaining vesting period and time to expiry, overall corporate performance, peer company performance, share price performance, the business environment and labour market, and the role and performance of the individual in question.

During 2020 no options, or restricted share units, were granted to Named Executive Officers.

Summary of Compensation

The following table sets forth a summary of the annual and long-term compensation for services paid for the most recently completed financial year to the Corporation's Named Executive Officers.

Summary Compensation Table

Name and Principal Position	Year	Salary ($)	Share-based award ($)	Option-based awards ($) (1)	Non-equity incentive plan compensation ($)		Pension Value ($)	All other compen-sation	Total compen-sation
					Annual incentive plans	Long-term incentive plans			
Gary Billingsley	2020	150,000	Nil	Nil	Nil	Nil	Nil	Nil	150,000
	2019	150,000	Nil	Nil	Nil	Nil	Nil	Nil	150,000
	2018	150,000	Nil	Nil	Nil	Nil	Nil	Nil	150,000
Karen Frisky	2020	120,000	Nil	Nil	Nil	Nil	Nil	Nil	120,000
	2019	50,000	Nil	Nil	Nil	Nil	Nil	Nil	50,000
	2018	50,000	Nil	Nil	Nil	Nil	Nil	Nil	50,000
Ronald Anderson	2020	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2019(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
William Jackson	2020	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2019(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Note:

(1) The option-based awards dollar amount was calculated using the Black-Scholes model. Under this method of calculating the option-based awards, the Corporation makes appropriate assumptions with respect to: a risk free interest rate; an estimate forfeiture rate; expected volatility rate; and an expected dividend yield.

(2) Served as Named Executive Officer for 10 months.

Other than the Stock Option Plan and the RSU Plan, the Corporation has no other long-term incentive, benefit or actuarial plans in place. Neither does the Corporation currently have a stock appreciation rights plan for its employees.

Incentive Plan Awards

There were no restricted share units outstanding as at December 31, 2020. The following table sets forth information in respect of all Options granted to the Named Executive Officers that were outstanding as at December 31, 2020:

Outstanding Share-based and Option-based Awards Table

	Option-based Awards				Share-based Awards	
Name	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 ($)
Gary Billingsley President/CEO	173,077	1.30	2021/11/22	Nil	Nil	Nil
Karen Frisky CFO	115,385	1.30	2025/11/26	Nil	Nil	Nil
Ronald Anderson President Gas Tap Corp.	Nil			Nil	Nil	Nil
William Jackson COO Gas Tap Corp.	Nil			Nil	Nil	Nil

Note:

(1) The value of unexercised in-the-money options for option-based awards has been calculated by determining the difference between the trading price of the Common Shares on December 31, 2020 and the exercise price of the Options.

Incentive Plan Awards – Value Vested or Earned During Fiscal Year 2020 Table

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 ($)
Gary Billingsley President/CEO	Nil	Nil	Nil
Karen Frisky CFO	Nil	Nil	Nil
Ronald Anderson President Gas Tap Corp.	Nil	Nil	Nil
William Jackson COO gas Tap Corp.	Nil	Nil	Nil

Note:

(1) This figure represents the aggregate dollar value that would have been realized if the Options under the option-based award had been exercised on the vesting date. This value is computed by determining the difference between the market price of the Common Shares and the exercise price of the Options on the vesting date.

Repricing

On November 15, 2018 the Shareholders of the Corporation, at a Special Meeting of Shareholders, approved the consolidation of all of its issued and outstanding common shares on the basis of twenty-six (26) pre-consolidation Common Shares into one (1) Common Share.

Pension Plan Benefits

The Corporation currently has no defined benefit plans, defined contribution plans or deferred compensation plans.

Executive Consulting Contracts, Termination and Change of Control Benefits

During 2020, the Corporation had no employment or consulting agreements and no termination or change of control benefits.

Director Compensation

During the fiscal year ended December 31, 2020, the Corporation paid no cash compensation to the directors for services rendered in their capacity as directors. Executive officers of the Corporation who also act as directors of the Corporation do not receive any additional compensation for services rendered in such capacity, other than as may be paid for by the Corporation to such executive officers in their capacity as executive officers.

No options were granted to Directors in 2020 or in 2019.

The following table details the compensation provided to the directors that served on the Board of Directors during 2020:

Director Compensation Table

Name[1]	Fees earned ($)	Share-based awards ($)	Option-based awards ($)[2]	Non-equity incentive plan compensation	Pension value ($)	All other compensation ($)	Total ($)
Gary Billingsley	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Douglas Billingsley	Nil	Nil	Nil	Nil	Nil	Nil	Nil
James Engdahl	Nil	Nil	Nil	Nil	Nil	Nil	Nil
David Ludwar	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Ronald Anderson	Nil	Nil	Nil	Nil	Nil	Nil	Nil
William Jackson	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

(1) Details of compensation for Mr. Gary Billingsley is included under "Summary of Compensation – Summary Compensation Table".

(2) The option-based awards dollar amount was calculated using the Black-Scholes model. Under this method of calculating the option-based awards, the Corporation makes appropriate assumptions with respect to: a risk free interest rate; an estimate forfeiture rate; expected volatility rate; and an expected dividend yield.

Outstanding Share-based and Option-based Awards

The following table sets forth information in respect of all Options granted to directors that were outstanding as at December 31, 2020:

	Option-based Awards				Share-based Awards	
Name[1]	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options ($)[2]	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ($)
Gary Billingsley	173,077	1.30	2021/11/22	Nil	Nil	Nil
Douglas Billingsley	115,385	1.30	2025/11/26	Nil	Nil	Nil
James Engdahl	115,385	1.30	2025/11/26	Nil	Nil	Nil
David Ludwar	115,385	1.30	2025/11/26	Nil	Nil	Nil
Ronald Anderson	Nil			Nil	Nil	Nil
William Jackson	Nil			Nil	Nil	Nil

Notes:

(1) Details of share-based and option-based awards for Mr. Gary Billingsley are included under "Incentive Plan Awards – Outstanding Share-based and Option-based Awards Table".

(2) The value of unexercised in-the-money options for option-based awards has been calculated by determining the difference between the trading price of the Common Shares on December 31, 2020, and the exercise price of the Options.