

DAMON CAPITAL CORP.

(the “Company”)

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Form 51-102F6

STATEMENT OF EXECUTIVE COMPENSATION

(for the year ended August 31, 2015)

Compensation Discussion and Analysis

As of the date hereof, the Company, being formerly a capital pool company (“CPC”) as defined in the policies of the TSX Venture Exchange (the “Exchange”), is now listed on the NEX Board of the Exchange. CPCs listed on NEX must continue to comply with the all of the requirements and restrictions in Exchange policies regarding CPCs. The Company currently has no assets other than cash, and has not commenced commercial operations. As a former CPC, the Company is prohibited from making payments to its directors and officers as remuneration (e.g. salaries, consulting fees, management contract fees and directors’ fees). Further details relating to the Company’s status as a CPC, including in regards to applicable restrictions on payments, expenses and activities of a CPC, are contained in the Company’s prospectus dated October 28, 2011 which is available on SEDAR (www.sedar.com). Accordingly the Board does not consider it is necessary or useful at this stage of the Company’s development to take any steps to determine compensation for the directors and the CEO and CFO. However, once the Company’ completes a “Qualifying Transaction” (as defined in the policies of the Exchange), it will be in a position to discuss and analyze compensation procedures in response to the requirements of Form 51-102F6 *Statement of Executive Compensation*.

Hedging of Economic Risks in the Company’s Securities

The Company has not adopted a policy forbidding directors and officers from purchasing financial instruments that are designed to hedge or offset a decrease in market value of the Company’s securities granted as compensation or held, directly or indirectly, by directors or officers. The Company is not, however, aware of any directors or officers having entered into this type of transaction.

Option-based awards

The Company’s stock option plan has been and will be used to provide share purchase options which are granted in consideration of the level of responsibility of the executive as well as his impact or contribution to the longer-term operating performance of the Company. In determining the number of options to be granted to the executive officers, the Board of Directors takes into account the number of options, if any, previously granted to each executive officer, and the exercise price of any outstanding options to ensure that such grants are in accordance with the policies of the Exchange.

The Company does not have a Compensation Committee. The independent directors, being Joe DeVries and Patrick Power, have the responsibility to administer compensation policies related to the executive management of the Company, including option-based awards.

Summary Compensation Table

The following table (presented in accordance with National Instrument Form 51-102F6 *Statement of Executive Compensation* which came into force on October 31, 2011 (the "**Form 51-102F6**")) sets forth all annual and long term compensation for services in all capacities to the Company for the three most recently completed financial years of the Company ending on August 31, 2015 (to the extent required by Form 51-102F6) in respect of each of the individuals comprised of each Chief Executive Officer and the Chief Financial Officer who acted in such capacity for all or any portion of the most recently completed financial year, and each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity (other than the Chief Executive Officer and the Chief Financial Officer), as at August 31, 2015 whose total compensation was, individually, more than \$150,000 for the financial year and any individual who would have satisfied these criteria but for the fact that individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of the most recently completed financial year (collectively the "**Named Executive Officers**" or "**NEOs**").

NEO 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			
Joseph Charland, President, Secretary and CEO	2015	Nil	Nil	175	Nil	Nil	Nil	Nil	Nil
	2014	Nil	Nil	1,204	Nil	Nil	Nil	Nil	1,204
	2013	Nil	Nil	2,983	Nil	Nil	Nil	Nil	2,983
Yenyou (Jeff) Zheng ⁽¹⁾ , former CFO	2015	Nil	Nil	175	Nil	Nil	Nil	Nil	175
	2014	Nil	Nil	1,204	Nil	Nil	Nil	Nil	1,204
	2013	Nil	Nil	2,983	Nil	Nil	Nil	Nil	2,983
Richard Barnett ⁽¹⁾ , CFO and Secretary	2015	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(1) Yenyou (Jeff) Zheng resigned as CFO and a director of the Company on May 21, 2015, and Richard Barnett was appointed CFO, Secretary and director on that date.

Incentive Plan Awards

The Company does not have any incentive plans, pursuant to which compensation that depends on achieving certain performance goals or similar conditions within a specified period is awarded, earned, paid or payable to the Named Executive Officer(s).

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information concerning all awards outstanding under incentive plans of the Company at the end of the most recently completed financial year, including awards granted before the most recently completed financial year, to each of the Named Executive Officers:

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 (\$)
Joseph Charland, CEO	112,182 ⁽²⁾⁽⁴⁾	\$0.10 ⁽³⁾	November 9, 2021	Nil	Nil	Nil

- (1) This amount is calculated based on the difference between the market value of the securities underlying the options at the end of the most recently completed financial year ended August 31, 2015, which was \$0.01, and the exercise or base price of the options, which is \$0.10.
- (2) All common shares acquired on exercise of stock options (if any) prior to the completion of a Qualifying Transaction will be deposited in escrow with Computershare Investor Services Inc. as escrow agent, and will be subject to escrow until a final Exchange bulletin is issued following closing of a Qualifying Transaction.
- (3) The options were granted prior to the establishment of a trading market in the Company's securities. Accordingly, the initial public offering price of the Company's securities, being \$0.10, is deemed to be the exercise or base price for the securities as of the date of the grant.
- (4) These options vested as to 33.33% on November 9, 2012, 33.33% on November 9, 2013 and 33.34% on November 9, 2014, and are now fully vested.

Value Vested or Earned During the Year

The value vested or earned during the most recently completed financial year of incentive plan awards granted to Named Executive Officers are as follows:

NEO Name	Option-Based Awards - Value Vested During The Year ⁽¹⁾ (\$)	Share-Based Awards - Value Vested During The Year ⁽²⁾ (\$)	Non-Equity Incentive Plan Compensation - Value Earned During The Year (\$)
Joseph Charland, CEO	Nil ⁽³⁾⁽⁴⁾	N/A	N/A
Yenyou (Jeff) Zheng ⁽⁵⁾ , CFO	Nil ⁽³⁾⁽⁴⁾	N/A	N/A

- (1) This amount is the dollar value that would have been realized if the option-based award had been exercised on the vesting date, computed by obtaining the difference between the market price of the underlying securities at exercise and the exercise or base price of the options under the option-based award on the vesting date.
- (2) This amount is the dollar value realized upon vesting of share-based awards, computed by multiplying the number of shares or units by the market value of the underlying shares on the vesting date.
- (3) All common shares acquired on exercise of stock options (if any) prior to the completion of a Qualifying Transaction will be deposited in escrow with Computershare Investor Services Inc. as escrow agent and will be subject to escrow until a final Exchange bulleting is issued following closing of a Qualifying Transaction.

- (4) Options to purchase 112,182 shares at \$0.10 per share were granted to each of Joseph Charland and Yenyong (Jeff) Zheng on November 9, 2011, and vested as to 33.33% on November 9, 2012, 33.33% on November 9, 2013 and 33.34% on November 9, 2014, and expire November 9, 2021. The options were granted prior to the establishment of a trading market in the Company's securities. Accordingly, the initial public offering price of the Company's securities, being \$0.10, is deemed to be the exercise or base price for the securities as of the date of grant. The Company used the Black-Scholes model as the methodology to calculate the grant date fair value, and relied on the following key assumptions and estimates for each calculation: risk free rate of 1.19%, estimated life of 4 years, volatility of 126% and a dividends rate of 0%. The Company chose this methodology because it is the most commonly used and accepted method to determine the "fair value" of the stock options granted.
- (5) Mr. Zheng resigned as CFO and a director on May 21, 2015, prior to the year ended August 31, 2015.

Pension Plan 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 no employment contract, agreement, plan or arrangement that provides for payments to a Named Executive Officer at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control of the Company or its subsidiaries, or a change in responsibilities of the NEO following a change in control.

Director Compensation

The following table sets forth all amounts of compensation provided to the directors, who are each not also a Named Executive Officer, for the Company's most recently completed financial year:

Director Name ⁽¹⁾	Fees Earned (\$)	Share-Based Awards (\$)	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
Joe DeVries	Nil	Nil	175 ⁽²⁾⁽³⁾	Nil	Nil	Nil	175
Patrick Power	Nil	Nil	175 ⁽²⁾⁽³⁾	Nil	Nil	Nil	175

- (1) Relevant disclosure has been provided in the *Summary Compensation Table* above, for directors who receive compensation for their services as a director who are also Named Executive Officers.
- (2) All common shares acquired on exercise of stock options (if any) prior to the completion of a Qualifying Transaction will be deposited in escrow with Computershare Investor Services Inc. as escrow agent and will be subject to escrow until a final Exchange bulletin is issued following closing of a Qualifying Transaction.
- (3) On November 9, 2011, the Company granted options to each of Joe DeVries and Patrick Power entitling them to purchase 112,182 shares each at an exercise price of \$0.10 per share. The options vested as to 33.33% on November 9, 2012, 33.33% on November 9, 2013, and 33.34 % on November 9, 2014, and expire November 9, 2021. The Company used the Black-Scholes model as the methodology to calculate the grant date fair value, and relied on the following key assumptions and estimates for each calculation: risk free rate of 1.19%, estimated life of 4 years, volatility of 126% and a dividends rate of 0%. The Company chose this methodology because it is the most commonly used and accepted method to determine the "fair value" of the stock options granted.

The Company has not compensated non-executive directors for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultant or expert during the three most recently completed financial years or subsequently, up to and including the date of this Information Circular.

The Company has a stock option plan for the granting of incentive stock options to the officers, employees and directors. The purpose of granting such options to directors is to assist the Company in compensating, attracting, retaining and motivating the directors of the Company and to closely align the personal interests of such persons to that of the shareholders. Refer to the heading “Securities Authorized for Issuance Under Equity Compensation Plans” for material terms of the Company’s stock option plan.

Incentive Plan Awards - Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information concerning all awards outstanding under incentive plans of the Company at the end of the most recently completed financial year, including awards granted before the most recently completed financial year, to each of the Directors who are not Named Executive Officers:

Director 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 (\$)
Joe DeVries	112,182 ⁽²⁾⁽⁴⁾	\$0.10 ⁽³⁾	November 9, 2021	Nil	Nil	Nil
Patrick Power	112,182 ⁽²⁾⁽⁴⁾	\$0.10 ⁽³⁾	November 9, 2021	Nil	Nil	Nil

- (1) This amount is calculated based on the difference between the market value of the securities underlying the options at the end of the most recently completed financial year ended August 31, 2015, which was \$0.01, and the exercise or base price of the option, which is \$0.10.
- (2) All common shares acquired on exercise of stock options (if any) prior to the completion of a Qualifying Transaction will be deposited in escrow with Computershare Investor Services Inc. as escrow agent and will be subject to escrow until a final Exchange bulletin is issued following closing of a Qualifying Transaction.
- (3) The options were granted prior to the establishment of a trading market in the Company’s securities. Accordingly, the initial public offering price of the Company’s securities, being \$0.10, is deemed to be the exercise or base price for the securities as of the date of the grant.
- (4) These options vested as to 33.33% on November 9, 2012, 33.33% on November 9, 2013 and 33.34% on November 9, 2014.

Incentive Plan Awards - Value Vested Or Earned During The Year

The value vested or earned during the most recently completed financial year of incentive plan awards granted to Directors who are not Named Executive Officers are as follows:

Director Name	Option-Based Awards - Value Vested During The Year ⁽¹⁾ (\$)	Share-Based Awards - Value Vested During The Year ⁽²⁾ (\$)	Non-Equity Incentive Plan Compensation - Value Earned During The Year (\$)
Joe DeVries	Nil ⁽³⁾⁽⁴⁾	N/A	N/A
Patrick Power	Nil ⁽³⁾⁽⁴⁾	N/A	N/A

- (1) This amount is the dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date, computed by obtaining the difference between the market price of the underlying securities at exercise and the exercise or base price of the options under the option-based award on the vesting date.
- (2) This amount is the dollar value realized upon vesting of share-based awards, computed by multiplying the number of shares or units by the market value of the underlying shares on the vesting date.
- (3) All common shares acquired on exercise of stock options (if any) prior to the completion of a Qualifying Transaction will be deposited in escrow with Computershare Investor Services Inc. as escrow agent and will be subject to escrow until a final Exchange bulletin is issued following closing of a Qualifying Transaction.
- (4) Options to purchase 112,182 shares at \$0.10 per share were granted to each of Joe DeVries and Patrick Power on November 9, 2011, and vested as to 33.33% on November 9, 2012, 33.33% on November 9, 2013 and 33.34% on November 9, 2014, and expire November 9, 2021. The options were granted prior to the establishment of a trading market in the Company's securities. Accordingly, the initial public offering price of the Company's securities, being \$0.10, is deemed to be the exercise or base price for the securities as of the date of the grant.

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