



FORM 51-102F6V
STATEMENT OF EXECUTIVE COMPENSATION
for the Fiscal Year ended December 31, 2022

During the fiscal year ended December 31, 2022, three individuals were “named executive officers” of Rackla Metals Inc. (the “**Company**”) within the meaning of the definition set out in National Instrument Form 51-102F6V, “Statement of Executive Compensation – Venture Issuers” (“**Form 51-102F6V**”). As required by Form 51-102F6V, the following includes disclosure of the compensation paid or payable by the Company to:

- Simon Ridgway, its Chief Executive Officer (“**CEO**”),
- Bruce Smith, its former President, and
- Kevin Bales, its Chief Financial Officer (“**CFO**”)

(hereinafter together referred to as “**NEOs**”), and to its directors.

Compensation Excluding Compensation Securities

The following summarizes compensation, excluding Compensation Securities (as defined below), paid or payable to NEOs and directors of the Company during the fiscal years ended December 31, 2022 and 2021:

COMPENSATION EXCLUDING COMPENSATION SECURITIES							
Name and Position	Year	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of All Other Compensation (\$)	Total Compensation (\$)
Simon Ridgway Director & CEO	2022	42,000 ⁽¹⁾	Nil	Nil	Nil	Nil	42,000
	2021	42,000 ⁽¹⁾	Nil	Nil	Nil	Nil	42,000
Bruce Smith ⁽²⁾ Director & former President	2022	21,100 ⁽²⁾	Nil	Nil	Nil	Nil	21,100
	2021	4,500 ⁽²⁾	Nil	Nil	Nil	Nil	4,500
Kevin Bales CFO	2022	16,250 ⁽³⁾	Nil	Nil	Nil	Nil	16,250
	2021	12,583 ⁽³⁾	Nil	Nil	Nil	Nil	12,583
Timothy Beale Director	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
David Cass Director	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
William Katzin Director	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Paid or payable to Mill Street Services Ltd. ("**Mill Street**") for the corporate development and financial advisory services of Simon Ridgway.
- (2) For geological consulting services provided to the Company. Bruce Smith resigned as President of the Company on March 20, 2023.
- (3) Paid or payable to Gold Group Management Inc. ("**Gold Group**") for the services of Kevin Bales as CFO of the Company.

Compensation Securities

The Company did not grant or issue any stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units or restricted stock units (collectively "**Compensation Securities**") to its NEOs and directors during the fiscal year ended December 31, 2022.

The total number of Compensation Securities, and underlying securities, held by each NEO and director as at December 31, 2022 are:

Simon Ridgway	40,000 stock options (and underlying common shares)
Bruce Smith	40,000 stock options (and underlying common shares)
Kevin Bales	40,000 stock options (and underlying common shares)
Timothy Beale	75,000 stock options (and underlying common shares)
David Cass	75,000 stock options (and underlying common shares)
William Katzin	75,000 stock options (and underlying common shares)

The Company's NEOs and directors did not exercise any Compensation Securities during the fiscal year ended December 31, 2022.

Stock Option Plan and Other Incentive Plans

The Company has a stock option plan (the "**Stock Option Plan**") which was last approved by the shareholders of the Company on December 14, 2022. The TSX Venture Exchange (the "**Exchange**") requires that the Company obtain shareholder approval to its stock option plan yearly at its annual general meeting. The material terms of the Stock Option Plan are as follows:

- (a) Persons eligible to be granted a stock option under the Stock Option Plan are Directors, Officers, Employees, Management Company Employees, and Consultants, and an entity all the voting securities of which are owned by such persons;
- (b) the Stock Option Plan reserves for issue pursuant to stock options and any other share compensation arrangement of the Company, a maximum number of Common Shares equal to 10% of the outstanding Common Shares of the Company from time to time;
- (c) unless Disinterested Shareholder Approval is obtained:
 - i. the aggregate number of Common Shares reserved for issue to Insiders under the Stock Option Plan and any other share compensation arrangement of the Company may not exceed 10% of the outstanding Common Shares at any point in time;
 - ii. the aggregate number of Common Shares reserved for issue to Insiders under the Stock Option Plan and any other share compensation arrangement of the Company in any 12-month period may not exceed 10% of the outstanding Common shares as at the time of grant;
 - iii. the number of Common Shares reserved for issue to any one person in any 12 month period under the Stock Option Plan may not exceed 5% of the outstanding Common Shares at the time of grant; and
 - iv. the number of Common Shares issued to any person within a 12 month period pursuant to the exercise of stock options granted under the Stock Option Plan and any other share compensation arrangement of the Company shall not exceed 5% of the outstanding Common Shares at the time of the exercise;
- (d) the number of Common Shares reserved for issue to any Consultant in any 12 month period under the Stock Option Plan may not exceed 2% of the outstanding Common Shares at the time of grant;
- (e) the aggregate number of Common Shares reserved for issue to any person providing Investor Relations Activities in any 12 month period may not exceed 2% of the outstanding Common Shares at the time of grant;

- (f) the Board of Directors of the Company (the “**Board**”) may determine the manner in which a stock option may vest and become exercisable (apart from stock options granted to persons performing Investor Relations Activities which shall vest as prescribed by the Exchange’s policies);
- (g) the exercise price per Common Share for a stock option may not be less than the Market Price of the Common Shares at the time of the grant;
- (h) stock options may have a term not exceeding ten years;
- (i) stock options are non-assignable and non-transferable;
- (j) the Stock Option Plan contains provisions for adjustment in the number of Common Shares issuable on exercise of a stock option in the event of a share consolidation, split, reclassification or other capital reorganization, or a stock dividend, amalgamation, merger or other relevant corporate transaction, or any other relevant change in or event affecting the Common Shares;
- (k) unless Disinterested Shareholder Approval is obtained, the Board may not reduce the exercise price of a stock option or extend the term of a stock option if such option is held by an Insider at the time of the proposed amendment;
- (l) the Board may, subject to the approval of any regulatory authority whose approval is required, amend, suspend or terminate the Stock Option Plan or any portion thereof; provided, however, that, except as otherwise provided in the Stock Option Plan, the Board may not, without limitation, amend the following provisions of the Stock Option Plan without obtaining, within 12 months either before or after the Board’s adoption of a resolution authorizing such action, approval of the shareholders of the Company:
 - i. persons eligible to be granted or issued stock options;
 - ii. the maximum number of Common Shares that may be issuable under the Stock Option Plan;
 - iii. the limits on the number of stock options that may be granted or issued to any one person or any category of persons;
 - iv. the method for determining the exercise price of stock options;
 - v. the maximum term of a stock option;
 - vi. the expiry and termination provisions applicable to a stock option; and
 - vii. the addition of any net exercise provisions; and
- (m) notwithstanding (l) above, the Board may amend the terms of the Stock Option Plan to: (i) fix typographical errors; (ii) comply with the requirements of any applicable regulatory authority, or as a result in the changes in the policies of the Exchange relating to incentive stock options, or (iii) clarify existing provisions of the Stock Option Plan that do not have the effect of altering the scope, nature and intent of such provisions, without obtaining the approval of the Company’s shareholders.

“Director”, “Disinterested Shareholder Approval”, “Employee”, “Management Company Employee” “Consultant”, “Insiders”, “Investor Relations Activities”, and “Market Price” have the same definition as in the policies of the Exchange.

Compensation Agreements or Arrangements

Pursuant to an agreement dated effective June 1, 2019, Mill Street is paid a monthly fee for the corporate development and financial advisory consulting services of Simon Ridgway, the CEO of the Company. The agreement has no fixed expiry date and contains provisions regarding fees and expenses, and termination of services. The agreement may be terminated by the Company without cause on 12 months’ notice and by Mill Street on three months’ notice. If, on December 31, 2022, the Company had terminated the agreement without cause, \$42,000 would have been payable to Mill Street. Mill Street is controlled by Mr. Ridgway.

Pursuant to an agreement dated July 1, 2012, as amended June 1, 2019, Gold Group is reimbursed by the Company on a monthly basis for certain shared costs and other business-related expenses paid by Gold Group on behalf of the Company, including the services of the Company’s CFO. The agreement may be terminated by the Company without cause on 12 months’ notice and by Gold Group on three months’ notice. Gold Group is controlled by Simon Ridgway, the CEO of the Company.

Oversight and Description of Director and NEO Compensation

The Company does not have a formal compensation program. The Board relies on the experience of its members as officers or directors of other junior exploration companies to ensure that total compensation paid to the Company's NEOs and directors is fair and reasonable. The Board meets periodically to discuss and determine such compensation, without reference to formal objectives, criteria or analysis.

The general philosophy of the Company's compensation strategy is to: (a) encourage management to achieve a high level of performance and results with a view to increasing long-term shareholder value; (b) align management's interests with the long-term interest of shareholders; (c) provide a compensation package that is commensurate with other mineral exploration companies in order to attract and retain highly qualified executives and directors; and (d) ensure that total compensation paid takes into account the Company's overall financial position.

Compensation to the Company's NEOs is comprised of cash salaries and/or incentive stock options. The compensation to the Company's NEOs for the fiscal year ended December 31, 2022 consisted solely of cash salaries. The Company granted incentive stock options to its NEOs and directors in January 2023, and may in the future grant stock options to its NEOs and directors.

In establishing levels of cash compensation and the granting of stock options, the executive's performance, level of expertise, and responsibilities are considered. Stock options are generally granted at the time of the executive's hiring or appointment and periodically thereafter. Previous grants of options are taken into account by the Board when it considers the granting of new stock options.

Incentive stock options are granted pursuant to the Option Plan which is designed to encourage share ownership on the part of the Company's management, directors, employees, and consultants. The Board believes that the Option Plan aligns the interests of the Company's personnel with shareholders by linking compensation to the longer term performance of the Company's shares. The granting of incentive stock options is an important component of executive compensation as it allows the Company to reward each executive officer's efforts to increase shareholder value without requiring the use of the Company's cash reserves.