

NASS VALLEY GATEWAY LTD.
(the “Company”)
Form 51-102F6
STATEMENT OF EXECUTIVE COMPENSATION
(for the year ended December 31, 2017)

General

For the purposes of this Statement of Executive Compensation:

“CEO” means an individual who acted as chief executive officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

“CFO” means an individual who acted as chief financial officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

“Named Executive Officer” or “NEO” means each of the following individuals:

- (a) a CEO;
- (b) a CFO;
- (c) each of the three most highly compensated executive officers of the Company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year and whose total compensation was, individually, more than \$150,000 as determined in accordance with applicable securities laws; and
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the 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.

Based on the foregoing definition, during the last completed fiscal year of the Company, the Company had three NEOs, namely, Dieter Peter, CEO, Andrew von Kursell as Interim CFO until October 25, 2016 and Eric Peter-Kaiser as Interim CFO since October 25, 2016.

Compensation Discussion and Analysis

As the Directors are actively involved in the operations of the Company and the size of the Company’s operations does not warrant a larger Board of Directors (the “Board”), the Board will elect Human Resources & Corporate Governance and Environmental & Safety Committees in due course. The Company presently does not have a Compensation Committee. The Board of Directors has the responsibility for determining compensation for the Directors and senior management.

To determine compensation payable, the independent Directors review compensation paid for directors and senior management of companies of similar size and stage of development in the junior industrial sector, including payments to consultants doing the work instead, and determine an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the Directors and senior management while taking into account the financial and other resources of the Company. In evaluating the amount of work being done by Management instead of engaging additional consultants for the enormous amount of due diligence and negotiation required for the acquisition of a qualifying project within the Company’s Clean-Tech objective, the Company will consider issuing an extra bonus in form of stock options and/or share purchase warrants to its

Management. The Company has presently no employment contracts with any Named Executive Officers. In evaluating the Administrative Services, the independent Directors annually review the performance of the CEO and CFO in light of the Company's objectives and the progress of its projects and consider other factors that may have impacted the success of the Company in achieving its objectives.

Elements of Compensation

The Company's executive compensation consists of long-term incentives in the form of stock options granted under the Company's Stock Option Plan.

Compensation Policies and Risk Management

The Board of Directors considers the implications of the risks associated with the Company's compensation policies and practices when determining rewards for its officers. Commencing in 2012, the Board of Directors reviews at least once annually the risks, if any, associated with the Company's compensation policies and practices at such time.

The Company's executive compensation is long-term ownership in the Company through the Company's Stock Option Plan. The present compensation structure, which is on the lower end in comparison of companies of similar size and stage of development within the junior industrial sector, ensures that the 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. As a result, it is unlikely an officer would take inappropriate or excessive risks at the expense of the Company or the shareholders 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 of Directors did not establish a Human Resource & Corporate Governance Committee as the Board of Directors 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 Board meetings 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.

Hedging of Economic Risks in the Company's Securities

The Company has not adopted a policy prohibiting Directors or 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. However, the Company is not 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 or her 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 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 CSE, and closely align the interests of the executive officers with the interests of shareholders.

The Board of Directors as a whole has the responsibility to administer the compensation policies related to the executive management of the Company, including option-based awards.

Compensation Governance

Options are granted at the discretion of the Board of Directors, which considers factors such as how other junior industrial companies grant options and the potential value that each optionee is contributing to the Company and the various board committees. The number of options granted to an individual is based on such considerations.

Summary Compensation Table

The following table (presented in accordance with National Instrument Form 51-102F6 “**Statement of Executive Compensation**” (the “**Form 51-102F6**”) sets forth all annual and long term compensation for services in all capacities to the Company for the most recently completed financial year (to the extent required by Form 51-102F6) in respect of each of the individuals comprised of the CEO and the CFO 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 CEO and the CFO), as at December 31, 2017 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**”).

Name and principal position	Year ending	Salary (\$)	Share-based awards (\$)	Option-based awards (\$) ⁽¹⁾	Non-equity incentive plan compensation		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Dieter Peter <i>CEO & President</i>	2017	Nil	Nil	6,360	Nil	Nil	Nil	Nil	6,360
	2016	Nil	Nil	3,869	Nil	Nil	Nil	Nil	3,869
	2015	Nil	Nil	12,248	Nil	Nil	Nil	Nil	12,248
Andrew von Kursell <i>Interim CFO (June 17, 2014-October 25, 2016)</i>	2017	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2016	Nil	Nil	3,006	Nil	Nil	Nil	Nil	3,006
	2015	Nil	Nil	24,946	Nil	Nil	Nil	Nil	24,946
Eric Peter-Kaiser <i>Interim CFO (October 25, 2016)</i>	2017	Nil	Nil	5,470	Nil	Nil	Nil	3,500 ⁽²⁾	8,970
	2016	Nil	Nil	2,340	Nil	Nil	Nil	Nil	2,340
	2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

(1) These amounts represent the value of stock options granted to the respective Named Executive Officer. The methodology used to calculate these amounts was the Black-Scholes model. This is consistent with the accounting values used in the Company’s financial statements. The dollar amount in this column represents the total value ascribed to the stock options.

(2) This amount represents a consulting fee paid to the CFO.

Incentive Plan Awards

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

Outstanding Share-Based Awards and Option-Based Awards

The following table provides information regarding the incentive plan awards for each Named Executive Officer outstanding as at December 31, 2017.

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 (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Dieter Peter, <i>CEO & President</i>	107,500	\$0.10	Apr 28, 2018	Nil	Nil	Nil	Nil
	155,000	\$0.10	Oct 25, 2019	Nil	Nil	Nil	Nil
	155,000	\$0.10	Dec 5, 2020	Nil	Nil	Nil	Nil
Eric Peter-Kaiser, <i>Interim CFO</i> ⁽²⁾	60,000	\$0.10	Apr 28, 2018	Nil	Nil	Nil	Nil
	140,000	\$0.10	Oct 25, 2019	Nil	Nil	Nil	Nil

⁽¹⁾ Calculated using the closing price of the Common Shares on the CNSX on December 31, 2017 of \$0.06 and subtracting the exercise price of in-the-money stock options. These stock options have not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the Common Shares on the date of exercise.

⁽²⁾ Eric Peter-Kaiser was appointed as Interim CFO on October 25, 2016.

The following table provides information regarding the value on pay-out or vesting of incentive plan awards for each Named Executive Officer for the financial year ended December 31, 2017.

Value Vested or Earned During the Financial Year Ended December 31, 2017

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Dieter Peter ⁽¹⁾ <i>CEO & President</i>	Nil	Nil	Nil
Eric Peter-Kaiser <i>Interim CFO</i> ⁽²⁾	Nil	Nil	Nil

⁽¹⁾ 77,500 options at \$0.10 vested on Apr 25, 2017. No value would have been realized had the options been exercised on the vesting date. 40,000 options at \$0.10 vested on October 25, 2017 when the Company's share price was \$0.06. No value would have been realized had the options been exercised on the vesting date. 37,500 options at \$0.10 vested on December 2, 2017 when the Company's share price was \$0.06. No value would have been realized had the options been exercised on the vesting date.

⁽²⁾ 70,000 options at \$0.10 vested on Apr 25, 2017. No value would have been realized had the options been exercised on the vesting date. 27,500 options at \$0.10 vested on October 25, 2017 when the Company's share price was \$0.06. No value would have been realized had the options been exercised on the vesting date. 42,500 options at \$0.10 vested on December 2, 2017 when the Company's share price was \$0.06. No value would have been realized had the options been exercised on the vesting date.

The following table provides details regarding stock options exercised and sold by the Named Executive Officers during the financial year ended December 31, 2017.

Options Exercised During the Financial Year Ended December 31, 2017

Name	Number of options exercised and sold	Option exercise price	Value realized (\$)
Dieter Peter, <i>CEO & President</i>	Nil	Nil	Nil
Eric Peter-Kaiser, <i>Interim CFO (since October 25, 2016)</i>	Nil	Nil	Nil

Pension Plan Benefits

The Company does not have a pension plan that provides for payments or benefits to the Named Executive Officers at, following, or in connection with retirement.

Termination and Change of Control Benefits

The Company has not entered into any employment contracts with the Named Executive Officers.

The Company does not have any contracts, agreements, plans or arrangements that provide for payments to a Named Executive Officer following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, a change of control of the Company or its subsidiaries or a change in responsibilities of the Named Executive Officer following a change in control.

DIRECTOR COMPENSATION

No compensation was provided to the Directors, who are each not also a Named Executive Officer, for the Company's most recently completed financial year.

The Company has no arrangements, standard or otherwise, pursuant to which Directors are compensated by the Company 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 most recently completed financial year or subsequently, up to and including the date of this Statement of Executive Compensation.

The Company has a Stock Option Plan for the granting of incentive stock options to officers, employees and Directors. The purpose of granting such options 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.

Director Compensation Table

The following table sets forth all amounts of compensation provided to the Directors, who are not also a Named Executive Officer, for the financial year ended December 31, 2017.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards⁽¹⁾ (\$)	Non-equity incentive plan	Pension Value	All other compensation (\$)	Total (\$)
Andrew von Kursell	Nil	Nil	4,295	Nil	Nil	Nil	4,295
Milo Filgas	Nil	Nil	4,029	Nil	Nil	Nil	4,029
TOTAL	Nil	Nil	8,324	Nil	Nil	Nil	\$8,324

⁽¹⁾ The methodology used to calculate this amounts is the Black-Scholes model. This is consistent with the accounting values used in the Company's financial statements. The dollar amount in this column represents the total value ascribed to the stock options.

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

The following table provides information regarding the incentive plan awards for each Director, who is not also a Named Executive Officer, for the financial year ended December 31, 2017.

Outstanding Share-Based Awards and Option-Based Awards

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 (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Andrew von Kursell	95,000	\$0.10	Oct 25, 2019	Nil	Nil	Nil	Nil
	95,000	\$0.10	December 2, 2020	Nil	Nil	Nil	Nil
Milo Filgas	85,000	\$0.10	Oct 25, 2019	Nil	Nil	Nil	Nil
	85,000	\$0.10	December 2, 2020	Nil	Nil	Nil	Nil

⁽¹⁾ Calculated using the closing price of the Common Shares on the CSE on December 31, 2017 of \$0.06 and subtracting the exercise price of in-the-money stock options. These stock options have not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the Common Shares on the date of exercise.

The following table provides information regarding the value on pay-out or vesting of incentive plan awards for each Director, who is also not a Named Executive Officer, for the financial year ended December 31, 2017.

Value Vested or Earned During the Financial Year Ended December 31, 2017

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Andrew von Kursell ⁽¹⁾	Nil	Nil	Nil
Milo Filgas ⁽²⁾	Nil	Nil	Nil

⁽¹⁾ 47,500 options at \$0.10 vested on April 25, 2017 when the Company's share price was \$0.06. No value would have been realized had the options been exercised on the vesting date. 47,500 options at \$0.10 vested on December 02, 2017 when the Company's share price was \$0.06. No value would have been realized had the options been exercised on the vesting date.

⁽²⁾ 42,500 options at \$0.10 vested on April 25, 2017 when the Company's share price was \$0.06. No value would have been realized had the options been exercised on the vesting date. 42,500 options at \$0.10 vested on December 02, 2017 when the Company's share price was \$0.06. No value would have been realized had the options been exercised on the vesting date.

The following table provides details regarding stock options exercised and sold by each Director, who is also not a Named Executive Officer, for the financial year ended December 31, 2017.

Options Exercised During the Financial Year Ended December 31, 2017

Name	Number of options exercised and sold	Option exercise price	Value realized (\$)
Andrew von Kursell	Nil	Nil	Nil
Milo Filgas	Nil	Nil	Nil

