

# Oriental Non-ferrous Resources Development Inc.

Form 51-102F6V

*Statement of Executive Compensation – Venture Company*

(for the year ended September 30, 2017)

## GENERAL

For the purpose of this Statement of Executive Compensation:

“**Company**” means Oriental Non-ferrous Resources Development Inc.;

“**compensation securities**” includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the company or any of its subsidiaries;

“**NEO**” or “**named executive officer**” means each of the following individuals:

- (a) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief executive officer (“**CEO**”), including an individual performing functions similar to a CEO;
- (b) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief financial officer (“**CFO**”), including an individual performing functions similar to a CFO;
- (c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000 for that financial year; and
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year;

“**external management company**” includes a subsidiary, affiliate or associate of the external management company;

## DIRECTOR AND NEO COMPENSATION

### *Director and NEO compensation, excluding options and compensation securities*

The following table sets forth all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company or its subsidiary, to each NEO and director of the Company, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or a

director of the Company for services provided and for services to be provided, directly or indirectly, to the Company or its subsidiary.

<b>Table of compensation excluding compensation securities</b>							
<b>Name and position</b>	<b>Year Ended Sept 30</b>	<b>Salary, consulting fee, retainer or commission (\$)</b>	<b>Bonus (\$)</b>	<b>Committee or meeting fees (\$)</b>	<b>Value of perquisites (\$)</b>	<b>Value of all other compensation (\$)</b>	<b>Total compensation (\$)</b>
<b>Eugene Beukman</b> <sup>(1)</sup> <i>CEO &amp; Director</i>	2017	\$15,385	Nil	\$3,000	Nil	Nil	\$18,385
	2016	Nil	Nil	\$9,750	Nil	Nil	\$9,750
<b>Sam Wang</b> <sup>(2)</sup> <i>CFO &amp; Director</i>	2017	\$72,000	Nil	\$3,000	Nil	Nil	\$75,000
	2016	\$72,000	Nil	\$3,750	Nil	Nil	\$75,750
<b>Youliang Wang</b> <sup>(3)</sup> <i>Director</i>	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	\$3,000	Nil	Nil	\$3,000
<b>Paul Chung</b> <sup>(4)</sup> <i>Director</i>	2017	Nil	Nil	\$3,000	Nil	Nil	\$3,000
	2016	Nil	Nil	\$3,750	Nil	Nil	\$3,750

<sup>(1)</sup> Mr. Beukman has agreed to provide his services to the Company at a fair market rate and will invoice the Company for work performed on a periodic basis.

<sup>(2)</sup> Mr. Wang has agreed to provide his services to the Company at a fair market rate and will invoice the Company for work performed on a periodic basis.

<sup>(3)</sup> Mr. Wang has agreed to provide his services to the Company at a fair market rate and will invoice the Company for work performed on a periodic basis.

<sup>(4)</sup> Mr. Chung has agreed to provide his services to the Company at a fair market rate and will invoice the Company for work performed on a periodic basis.

### ***External Management Companies***

The Company did not engaged or enter any agreements with any external management companies.

### ***Stock Options and Other Compensation Securities***

The Company has established a stock option plan and granted 4,000,000 options to its directors and officers during the fiscal year ended September 30, 2016. Neither the Company, nor its subsidiary, granted any stock options or issued any compensation securities to any director or NEO during the financial year ended September 30, 2017. There were 4,000,000 stock options outstanding as at September 30, 2017 and there were no other compensation securities outstanding as at September 30, 2017.

## Outstanding Stock Options

Name and position	Type of compensation security	Number of securities underlying unexercised options	Date of grant	Option exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Option expiration date
Eugene Beukman CEO & Director	Stock option	1,000,000	June 13, 2016	\$0.375	\$0.375	\$0.95	June 13, 2026
Sam Wang CFO & Director	Stock option	1,000,000	June 13, 2016	\$0.375	\$0.375	\$0.95	June 13, 2026
Youliang Wang Director	Stock option	1,000,000	June 13, 2016	\$0.375	\$0.375	\$0.95	June 13, 2026
Paul Chung Director	Stock option	1,000,000	June 13, 2016	\$0.375	\$0.375	\$0.95	June 13, 2026

### *Exercise of Compensation Securities by Directors and NEOs*

During the year ended September 30, 2017, no director or NEO exercised any compensation securities.

### *Stock Option Plans*

The purpose of the Stock Option Plan (“Plan”) is to provide an incentive to the Company’s directors, senior officers, employees and consultants and to management company employees to continue their involvement with the Company, to increase their efforts on the Company’s behalf and to attract qualified new personnel. The Company decided to implement the Plan to provide additional incentive in attracting, retaining and motivating directors, officers, employees and consultants of the Company and of its affiliates.

### General Description/Exchange Policies

The Plan is administered by the Board of Directors. The Plan provides that the board of directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable options to purchase Common Shares, provided that the number of Common Shares reserved for issuance will not exceed 10% of the issued and outstanding Common Shares. Such options will be exercisable for a period of up to ten years from the date of grant. In connection with the foregoing, the number of Common Shares reserved for issuance to any individual director or officer will not exceed five percent (5%) of the issued and outstanding Common Shares and the number of Common Shares reserved for issuance to all technical consultants will not exceed two percent (2%) of the issued and outstanding Common Shares. Options may be exercised up to 90 days following cessation of the optionee’s position with the Company, provided that if the cessation of office, directorship, or technical consulting arrangement was by reason of death, the

option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option.

***Employment, consulting and management agreements***

The Company does not have any employment, consulting or management agreements or arrangements with any of the Company's current NEOs or directors.

***Oversight and description of director and named executive officer compensation***

The primary goal of the Company's executive compensation program is to attract and retain the key executives necessary for the Company's long term success, to encourage executives to further the development of the Company and its operations, and to motivate top quality and experienced executives. The key elements of the executive compensation program are: (i) base salary or fee; (ii) potential annual incentive award; and (iii) incentive stock options. The directors are of the view that all elements of the total program should be considered, rather than any single element.

The Company currently does not have a compensation committee in place and the Board intends to approve all compensation decisions in the near future, provided that Directors who are also officers are exempt from participating in such compensation discussions. The Company may establish a compensation committee in the future to assist the Board in fulfilling its responsibility to shareholders, potential shareholders and the investment community by reviewing and providing recommendations to the Board regarding executive compensation, succession plans for executive officers, and the Company's overall compensation and benefits policies, plans and programs.

Once the Compensation Committee is established, it will be responsible for determining all forms of compensation, including long-term incentive in the form of stock options, to be granted to the CEO, or such person acting in capacity of CEO of the Company, the directors and management, and for reviewing the recommendations respecting compensation of the other officers of the Company, to ensure such arrangements reflect the responsibilities and risks associated with each position. The Compensation Committee will also periodically review the compensation paid to directors, officers, and management based on such factors as: i) recruiting and retaining executives critical to the success of the Company and the enhancement of shareholder value; ii) providing fair and competitive compensation; iii) balancing the interests of management and the Company's shareholders; and iv) rewarding performance, both on an individual basis and with respect to operations in general.

Long-term incentive in the form of options to purchase common shares of the Company are intended to align the interests of the Company's directors and its executive officers with those of its shareholders, to provide a long term incentive that rewards these individuals for their contribution to the creation of shareholder value, and to reduce the cash compensation the Company would otherwise have to pay. Currently the Company has not established a stock option plan.

In general, the Company will provide a specific benefit or perquisite only when it provides competitive value and promotes retention of executives, or when the perquisite provides shareholder value, such as ensuring the health of executives. The limited perquisites the Company provides its executives may include a fee for each board or Audit Committee meeting attended, to assist with their out-of-pocket costs, such benefits and perquisites as set out, respectively, in the "Table of compensation excluding compensation securities" above.

*Pension disclosure*

The Company does not have any pension, defined benefit, defined contribution or deferred compensation plans in place.