



Compensation Committee Charter

I. PURPOSE

The Board of Directors of Heatherdale Resources Ltd. (the “**Company**”) has established a Compensation Committee (the “**Committee**”). The primary function of the Committee is to assist the board of directors of the Company (the “**Board**”) in fulfilling its oversight of its compensation policies, programs and practices.

II. ROLE

The Committee’s primary function is to assist the Board in fulfilling its oversight responsibilities, including:

- a. Establishing key compensation policies.
- b. Conducting an annual performance evaluation of the Chief Executive Officer (the “**CEO**”) and determining compensation for the CEO;
- c. In consultation with the CEO and based on his input and recommendations, review and approve on an annual basis the evaluation process and compensation for the other executive officers of the Company.
- d. Creation of succession plans, including the appointment, training and evaluation of executive officers, with the assistance of Governance and Nominating Committee.

III. COMPOSITION AND MEMBERSHIP

- a. The members of the Board will annually appoint the members of the Committee. The members will be appointed to hold office until the next annual general meeting of shareholders of the Company or until their successors are appointed.
- b. The Committee shall be comprised of three or more directors as determined by the Board of Directors. Each of these directors shall be independent non-executive directors. Independence of the Board members will be as defined by applicable legislation of the Company, free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgement as a member of the Committee.
- c. All Committee members will have a working familiarity with compensation matters.
- d. The Board will appoint one of the members to act as the Chair of the Committee (the “**Chair**”).



IV. MEETINGS AND PROCESS

- a. The Committee shall meet at least two times annually, or more frequently as circumstances require.
- b. Meetings of the Committee will be held at such times and places as the Chair may determine, and may be held in person, by telephone, and/or by video conference.
- c. A majority of the members of the Committee shall constitute a quorum.
- d. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present, or by a unanimous written consent.
- e. Members shall be provided with a minimum of 48 hours' notice of meetings. The notice period may be waived by a quorum of the Committee.
- f. The Committee Chair, if present, will act as the chair of meetings of the Committee and shall establish the agenda of the meeting and, where possible, ensure that materials are circulated sufficiently in advance to provide adequate time for review prior to the meeting.
- g. The Committee Chair will appoint a Recording Secretary at each meeting. The Secretary will keep minutes of each meeting, which will be distributed in advance of subsequent meetings for Committee approval.
- h. The Committee may delegate work to one or more of its members, and such members must report to the Committee at its next schedule meeting or as other mandated.
- i. The Committee has the authority to communicate directly with officers and employees of the Company, its auditors, legal counsel and to such information respecting the Company as it considers necessary or advisable in order to perform its duties and responsibilities.
- j. The Committee may, at the Company's expense (provided that such expense is not unreasonable) retain the services of outside consultants, experts or advisors to assist the Committee with the performance of its duties and responsibilities as set out in this charter. Board approval will generally not be required prior to the Committee incurring expenses for consultants, experts and advisors, but the Board may set a maximum annual amount which may be paid for consultants, experts and advisors without prior Board Approval.
- k. The Committee shall report its discussions to the Board at the next Board Meeting.



V. DUTIES AND RESPONSIBILITIES

The Committee will:

- a. Annually review and approve corporate goals and objectives relating to the compensation of the CEO, evaluate the CEO's performance in light of those goals and review and establish the CEO's annual compensation based upon this evaluation.
- b. In conjunction with the CEO, and based upon his or her input and recommendations, review and approve on an annual basis the evaluation process and compensation structure for the Company's Executive Officers other than the CEO. The Committee will evaluate the performance of the Company's Executive Officers and approve annual compensation, including base salary and short term incentive bonus awards ("STIP") based on this evaluation
- c. Annually review the sufficiency and form of compensation paid to Executive Officers and Directors of the Company and ensuring that the compensation paid reflects the risks and responsibilities of the position in question, in light of the size and nature of the Company's business and compensation paid by companies of similar size and engaged in similar businesses.
- d. Make recommendations to the Board with the respect to long-term incentive compensation plans ("LTIP").
- e. Annually review with the Nominating and Governance Committee director compensation, to ensure that compensation realistically reflects the responsibilities and risk involved in being an effective director.
- f. Review succession planning for the CEO and other Executive Officers and reviews management's succession planning practices (including appointing, training and monitoring senior management).
- g. Following the approval of and establishment by the Board of any long term incentive compensation plan, the Compensation Committee, in conjunction with Board guidelines if applicable:
 - i. In conjunction with Management, administers the equity based LTIP;
 - ii. Reviews Management's recommendations for the granting of equity based awards under the LTIP to Executive Officers, Directors, employees and consultants of the Company;
 - iii. Recommends to the Board the grant of equity based awards under the LTIP to those individuals who are members of the Board or Executive Officers, as defined in the *BC Securities Act*;
 - iv. Ensures that all equity based awards granted under the LTIP to Directors and Executive Officers are subject to the applicable vesting period established by the Board; and
 - v. Reviews the STIP and LTIP and makes recommendations to the Board with respect to any changes with all amendments to such plans to be subject to board approval.



- h. In respect or public disclosure of materials:
 - i. Approves the Statement of Executive Compensation (Form 51-102 F6) including specifically the Compensation Discussion and Analysis, for publication in the annual information circular; and
 - ii. Reviews any other executive compensation disclosure prior to the Company publicly disclosing such information.

VI. OTHER

- a. Annually review the Committee's agenda and mandate and report recommended changes to the Board.
- b. Annually conduct a self-assessment of the Committee's performance.
- c. Perform such other duties as may be assigned to it by the Board or as the Committee shall deem appropriate from time to time, or as may be required by applicable regulatory authorities or legislation.

VII. APPROVAL

Reviewed and Adopted by the Board of Directors – January 18, 2021