

QUESTEX GOLD & COPPER LTD.

(the “Corporation”)

**COMPENSATION POLICY
(the “Compensation Policy”)**

(Adopted by the Board of Directors on February 27, 2020)

Contents

1. INTRODUCTION.....	2
2. APPLICATION OF POLICY.....	2
3. COMPENSATION STRATEGY.....	2
4. COMPONENTS OF COMPENSATION	3

1. INTRODUCTION

The determination of salary and benefit entitlements for all individuals employed by the Corporation must be in accordance with the Compensation Policies approved by the Board.

Our first priority is to spend remuneration wisely. We want our pay policies to be regarded as fair by shareholders and employees alike. High quality people who are capable of managing and growing the business are essential to generate superior returns for our shareholders.

There is a limited pool of talented executives available with the qualities we seek willing to take on the challenges of growing a junior exploration company. Our compensation strategy is therefore designed to attract and retain the key people we need. We recognize that remuneration represents just one of the factors that encourage the attraction and retention of talent.

We also seek to engage our employees over the long term and to foster diversity.

2. APPLICATION OF POLICY

The Compensation Committee of the Corporation's board of directors (the "Board") is responsible for ensuring that the Corporation has appropriate procedures for executive compensation and making recommendations to the Board with respect to the compensation of the Corporation's executive officers, directors and Chairman. The Compensation Committee seeks to ensure that total compensation paid to all executive officers is fair and reasonable and is consistent with the Corporation's Compensation Policy.

The Compensation Committee is also responsible for recommending compensation for the directors and granting stock options to the directors, officers and employees of, and consultants to, the Corporation pursuant to the Corporation's Stock Option Plan.

The Corporation's executive management is responsible for setting the compensation of all other employees and consultants consistent with the Corporation's Compensation Policy. The CEO may request advice and recommendations from the Compensation Committee in the setting of non-executive employee compensation.

3. COMPENSATION STRATEGY

The Corporation follows the practice of compensating such that compensation is competitive with peer group companies, allows the Corporation to attract and retain its key employees, and allows the Corporation to compensate based on performance.

Fixed pay is positioned at the average of peer group. The Corporation may also use incentives to provide upper quartile total compensation for high levels of performance. This is linked to the Corporation's business strategy with the aim of increasing shareholder value.

4. COMPONENTS OF COMPENSATION

Base Salary

The base salary for executive officer compensation is determined by a salary survey conducted by the Compensation Committee and updated annually. Positions reviewed include CEO, CFO and VP Exploration.

Annual Cash and Stock Incentives

Annual incentives are granted to individuals based on objectives determined by the Compensation Committee for effort “above and beyond” the ordinary circumstances. Given the nature of the Corporation’s business and lack of cash flow, these objectives based on more subjective items expected to enhance shareholder value such as successful financings, property acquisitions, property option agreements, establishing control procedures, and other factors as determined by the Compensation Committee.

The Corporation does not currently offer any executives annual cash or stock incentives.

Stock options

Stock options are a key component of compensation in the mining industry where executives and employees need to be aligned with the risk/reward profile of shareholders through participation in share appreciation. The number of stock options granted annually to each position will be near the median levels in the peer group and should be sufficient that, when combined with each position’s other elements of compensation, will allow total direct compensation to achieve above-market positioning for superior share price performance.

The granting of options is segregated into active officers and directors, non-active directors and officers, non-independent directors and independent directors. Non-independent directors are defined for this purpose as directors who also hold an officer position and therefore will not receive additional compensation for holding an office and directorship simultaneously.

The grant is then based on the level of involvement in the Corporation’s affairs and target stock option grants are determined using relevant Compensation Committee member experience, peer comparisons and recommendations. The Corporation’s approach is to grant options based on the involvement, proficiency, experience and performance levels. This target grant is determined by individual and that individual is reviewed annually by the Compensation Committee. The Compensation Committee also assesses whether cash positions have allowed for other forms of compensation.

The Corporation grants overall options based on the total available stock option grant, which is determined by the rules of the TSX Venture Exchange and the Corporation’s published Stock Option Plan. The Corporation takes into account previous grants of option based awards when considering new grants.

Pension Plan

The Corporation does not have a pension plan or deferred compensation plan.

Termination and Change Of Control Benefits

The Corporation may enter into arrangements with individuals resulting in termination benefits and change of control provisions for key personnel such as the executive officers. These will be based on Canadian employment law and accepted best practice. In the case of change of control provisions, the duration used to calculate the benefit will not exceed the length of contract.

Other Benefits

The Corporation may from time to time allow additional benefits such as private healthcare, life insurance, accident insurance, relocation and localization benefits to executives at its discretion. These must be recommended by the Compensation Committee and approved by the Board.

At present, the Corporation does not have a corporate medical services plan.