

RADIO FUELS ENERGY CORP.
(FORMERLY MAINSTREAM MINERALS CORPORATION)

STOCK OPTION PLAN

1. Definitions

In this Plan, in addition to terms defined elsewhere in the Plan:

- (a) **“Consultant”** means a natural person that provides bona fide services to the Corporation, its parents, its majority-owned subsidiaries or majority-owned subsidiaries of the Corporation’s parent and such services are not in connection with the offer or sale of securities in a capital-raising transaction, and do not directly or indirectly promote or maintain a market for the issuer’s securities;
- (b) **“Insider”** has the meaning ascribed thereto in the Securities Act (Ontario), as amended from time to time;
- (c) **“Investor Relations Activities”** means any activities, by or on behalf of the Corporation or a shareholder of the Corporation, that promote or reasonably could be expected to promote the purchase or sale of securities of the Corporation, but does not include:
 - (i) the dissemination of information provided, or records prepared, in the ordinary course of business of the Corporation,
 - (A) to promote the sale of products or services of the Corporation, or
 - (B) to raise public awareness of the Corporation,that cannot reasonably be considered to promote the purchase or sale of securities of the Corporation;
 - (ii) activities or communications necessary to comply with the requirements of:
 - (A) applicable securities laws;
 - (B) Exchange requirements or the by-laws, rules or other regulatory instruments of any other self-regulatory body or exchange having jurisdiction over the Corporation;
 - (iii) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if:
 - (A) the communication is only through the newspaper, magazine or publication, and
 - (B) the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or
 - (iv) activities or communications that may be otherwise specified by the Exchange.
- (d) **“Investor Relations Provider”** means a person or company that provides Investor Relations Activities to the Corporation; and

- (e) **“Security Based Compensation Arrangements”** means any incentive plan of the Corporation (other than this Plan), including the Corporation’s restricted share unit plan, a deferred share unit plan, and any incentive options granted by the Corporation outside of this Plan.

2. **Purpose**

The purpose of the Stock Option Plan (the **“Plan”**) of **RADIO FUELS ENERGY CORP. (FORMERLY MAINSTREAM MINERALS CORPORATION)**, a corporation incorporated under the Canada Business Corporations Act (the **“Corporation”**) is to advance the interests of the Corporation by encouraging the directors, officers, employees, Investor Relations Providers and Consultants of the Corporation, and of its subsidiaries and affiliates, if any, to acquire common shares in the share capital of the Corporation (the **“Shares”**), thereby increasing their proprietary interest in the Corporation, encouraging them to remain associated with the Corporation and furnishing them with additional incentive in their efforts on behalf of the Corporation in the conduct of its affairs.

3. **Administration**

The Plan shall be administered by the Board of Directors of the Corporation or by a special committee of the directors appointed from time to time by the Board of Directors of the Corporation pursuant to rules of procedure fixed by the Board of Directors (such committee or, if no such committee is appointed, the Board of Directors of the Corporation, is hereinafter referred to as the **“Board”**). A majority of the Board shall constitute a quorum, and the acts of a majority of the directors present at any meeting at which a quorum is present, or acts unanimously approved in writing, shall be the acts of the directors.

Subject to the provisions of the Plan, the Board shall have authority to construe and interpret the Plan and all option agreements entered into thereunder, to define the terms used in the Plan and in all option agreements entered into thereunder, to prescribe, amend and rescind rules and regulations relating to the Plan and to make all other determinations necessary or advisable for the administration of the Plan. All determinations and interpretations made by the Board shall be binding and conclusive on all participants in the Plan and on their legal personal representatives and beneficiaries.

Each option granted hereunder may be evidenced by an agreement in writing, signed on behalf of the Corporation and by the optionee, in such form as the Board shall approve. Each such agreement shall recite that it is subject to the provisions of this Plan.

Each option granted by the Corporation prior to the date of the approval of the Plan by the shareholders of the Corporation, including options granted under previously approved stock option plans of the Corporation, be and are continued under and shall be subject to the terms of the Plan after the Plan has been approved by the shareholders of the Corporation.

4. **Stock Exchange Rules**

All options granted pursuant to this Plan shall be subject to rules and policies of any stock exchange or exchanges on which the Shares are then listed and any other regulatory body having jurisdiction hereinafter (hereinafter collectively referred to as, the **“Exchange”**).

5. **Shares Subject to Plan**

Subject to adjustment as provided in Section 16 hereof, the Shares to be offered under the Plan shall consist of common shares of the Corporation's authorized but unissued common shares. The aggregate number of Shares issuable upon the exercise of all options granted under the Plan, together with any Shares

issuable pursuant to any Security Based Compensation Arrangements, shall not exceed 10% of the issued and outstanding Shares on each grant date. If any option granted hereunder shall expire or terminate for any reason in accordance with the terms of the Plan without being exercised, the unpurchased Shares subject thereto shall again be available for the purpose of this Plan. Any number of Shares which have been issued on the exercise of an option will again be available for grants under this Plan, and will be considered to be part of the pool of Shares available for options under this Plan.

6. **Maintenance of Sufficient Capital**

The Corporation shall at all times during the term of the Plan reserve and keep available such numbers of Shares as will be sufficient to satisfy the requirements of the Plan.

7. **Eligibility and Participation**

Directors, officers, Consultants, employees and Investor Relations Providers of the Corporation or its subsidiaries, and employees of a person or company which provides management services to the Corporation or its subsidiaries (“**Management Company Employees**”) shall be eligible for selection to participate in the Plan (such persons hereinafter collectively referred to as “**Participants**”). Subject to compliance with applicable requirements of the Exchange, Participants may elect to hold options granted to them in an incorporated entity wholly owned by them and such entity shall be bound by the Plan in the same manner as if the options were held by the Participant.

Subject to the terms hereof, the Board shall determine to whom options shall be granted, the terms and provisions of the respective option agreements, the time or times at which such options shall be granted and vested, and the number of Shares to be subject to each option. In the case of employees, Investor Relations Providers or Consultants of the Corporation or Management Company Employees, the option agreements to which they are party must contain a representation of the Corporation that such employee, Investor Relations Provider, Consultant or Management Company Employee, as the case may be, is a bona fide employee, Investor Relations Provider, Consultant or Management Company Employee of the Corporation or its subsidiaries.

A Participant who has been granted an option may, if such Participant is otherwise eligible, and if permitted under the policies of the Exchange, be granted an additional option or options if the Board shall so determine.

8. **Exercise Price**

- (a) The exercise price (the “**Exercise Price**”) of the Shares subject to each option shall be determined by the Board, subject to applicable Exchange approval, at the time any option is granted. In no event shall such exercise price be lower than the exercise price permitted by the Exchange.
- (b) Unless prohibited under the policies of the Exchange, once the exercise price has been determined by the Board, accepted by the Exchange and the option has been granted, the exercise price of an option may be reduced upon receipt of Board approval, provided that in the case of options held by Insiders of the Corporation, the exercise price of an option may be reduced only if disinterested shareholder approval is obtained.

9. **Number of Optioned Shares**

- (a) The number of Shares subject to an option granted to any one Participant shall be determined by the Board, but no one Participant shall be granted an option under this Plan if the aggregate number

of Shares reserved for issuance to such Participant under this Plan, together with any Shares reserved for issuance to such Participant under all other Security Based Compensation Arrangements, would exceed the maximum number permitted by the Exchange.

- (b) Unless the Corporation has received disinterested shareholder approval to do so, the number of Shares reserved for issuance to any one Participant, other than a Consultant, under all Security Based Compensation Arrangements in any twelve-month period will not exceed 5.0% of the issued and outstanding Shares.
- (c) The number of Shares reserved for issuance to any one Consultant or Investor Relations Provider under all Security Based Compensation Arrangements in any twelve-month period will not exceed 2.0% of the issued and outstanding Shares. Options granted to an Investor Relations Provider will contain vesting provisions such that vesting occurs over at least 12 months with no more than 1/4 of the options vesting in any 3 month period.
- (d) Unless the Corporation has received disinterested shareholder approval to do so and satisfies any applicable Exchange requirements, the number of Shares issuable to Insiders, at any time, under all Security Based Compensation Arrangements, shall not exceed 10.0% of the issued and outstanding Shares.
- (e) Unless the Corporation has received disinterested shareholder approval to do so and satisfies any applicable Exchange requirements, the number of Shares issued to Insiders, within any one year period, under all Security Based Compensation Arrangements, shall not exceed 10.0% of the issued and outstanding Shares;

10. Duration of Option

Each option and all rights thereunder shall be expressed to expire on the date set out in the option agreement (the “Expiry Date”) and shall be subject to earlier termination as provided in Sections 12 and 13, provided that in no circumstances shall the duration of an option exceed the first to occur of: (i) ten (10) years from the date of the grant; or (ii) any maximum term permitted by the Exchange. Notwithstanding anything contained herein or in any option agreement, if the Expiry Date occurs during a blackout period formally imposed by the Corporation or within two business days of a blackout period formally imposed by the Corporation, the Expiry Date for such option shall be automatically extended to 10 days from the end of the blackout period. Such automatic extension of the expiry of options will not be permitted where the Participant or the Corporation is subject to a cease trade order (or similar order under applicable securities laws) in respect of the Corporation’s securities.

11. Option Period, Consideration and Payment

- (a) The option period shall be a period of time fixed by the Board not to exceed the maximum term permitted by the Exchange, provided that the option period shall be reduced with respect to any option as provided in Sections 12 and 13 covering cessation as a director, officer, Consultant, Investor Relations Provider, employee or Management Company Employee of the Corporation or its subsidiaries, or death of the Participant.
- (b) Subject to any vesting restrictions imposed by the Exchange, the Board may, in its sole discretion, determine the time during which options shall vest and the method of vesting, or that no vesting restriction shall exist.

- (c) Subject to any vesting restrictions imposed by the Board, options may be exercised in whole or in part at any time and from time to time during the option period. To the extent required by the Exchange, no options may be exercised under this Plan until this Plan has been approved by a resolution duly passed by the shareholders of the Corporation.
- (d) Except as set forth in Sections 12 and 13, no option may be exercised unless the Participant is at the time of such exercise a director, officer, Consultant, Investor Relations Provider, or employee of the Corporation or any of its subsidiaries, or a Management Company Employee of the Corporation or any of its subsidiaries.
- (e) The exercise of any option will be contingent upon receipt by the Corporation at its head office of a written notice of exercise, specifying the number of Shares with respect to which the option is being exercised, accompanied by cash payment, certified cheque or bank draft for the full purchase price of such Shares with respect to which the option is exercised. No Participant or his legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any common shares of the Corporation unless and until the certificates for Shares issuable pursuant to options under the Plan are issued to him or them under the terms of the Plan.

12. Ceasing To Be a Director, Officer, Consultant, Investor Relations Provider or Employee

If a Participant shall cease to be a director, officer, Consultant, Investor Relations Provider, employee of the Corporation, or its subsidiaries, or ceases to be a Management Company Employee, for any reason (other than death), such Participant may exercise his option to the extent that the Participant was entitled to exercise it at the date of such cessation, provided that such exercise must occur within 90 days after the Participant ceases to be a director, officer, Consultant, Investor Relations Provider, employee or a Management Company Employee, unless otherwise extended by the Board.

Nothing contained in the Plan, nor in any option granted pursuant to the Plan, shall as such confer upon any Participant any right with respect to continuance as a director, officer, Consultant, Investor Relations Provider, employee or Management Company Employee of the Corporation or of any of its subsidiaries or affiliates.

13. Death of Participant

Notwithstanding Section 12, in the event of the death of a Participant, the option previously granted to him shall be exercisable only within the 12 months after such death and then only:

- (a) by the person or persons to whom the Participant's rights under the option shall pass by the Participant's will or the laws of descent and distribution; and
- (b) if and to the extent that such Participant was entitled to exercise the Option at the date of his death.

14. Rights of Optionee

No person entitled to exercise any option granted under the Plan shall have any of the rights or privileges of a shareholder of the Corporation in respect of any Shares issuable upon exercise of such option until certificates representing such Shares shall have been issued and delivered.

15. Proceeds from Sale of Shares

The proceeds from the sale of Shares issued upon the exercise of options shall be added to the general funds of the Corporation and shall thereafter be used from time to time for such corporate purposes as the Board may determine.

16. Adjustments

If the outstanding common shares of the Corporation are increased, decreased, changed into or exchanged for a different number or kind of shares or securities of the Corporation or another corporation or entity through reorganization, merger, re-capitalization, re-classification, stock dividend, subdivision or consolidation, or any adjustment relating to the Shares optioned or issued on exercise of options, or the exercise price per share as set forth in the respective stock option agreements, shall be adjusted in accordance to the terms of such agreements.

Adjustments under this Section shall be made by the Board whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional Share shall be required to be issued under the Plan on any such adjustment.

17. Transferability

All benefits, rights and options accruing to any Participant in accordance with the terms and conditions of the Plan shall not be transferable or assignable unless specifically provided herein or the extent, if any, permitted by the Exchange. During the lifetime of a Participant any benefits, rights and options may only be exercised by the Participant.

18. Amendment and Termination of Plan

Subject to applicable approval of the Exchange, the Board may, at any time, suspend or terminate the Plan. Subject to applicable approval of the Exchange, the Board may also at any time amend or revise the terms of the Plan; provided that no such amendment or revision shall result in a material adverse change to the terms of any options theretofore granted under the Plan, unless shareholder approval, or disinterested shareholder approval, as the case may be, is obtained for such amendment or revision.

19. Necessary Approvals

- (a) The ability of a Participant to exercise options and the obligation of the Corporation to issue and deliver Shares in accordance with the Plan is subject to any approvals, which may be required from shareholders of the Corporation and any regulatory authority or stock exchange having jurisdiction over the securities of the Corporation. If any Shares cannot be issued to any Participant for whatever reason, the obligation of the Corporation to issue such Shares shall terminate and any option exercise price paid to the Corporation will be returned to the Participant.

The types of amendments that do not require shareholder approval include but are not limited to:

- (i) amendments of a “housekeeping” nature, including those required to clarify any ambiguity or rectify any inconsistency in the Plan;
- (ii) amendments required to comply with mandatory provisions of applicable law, including the rules and regulations of the Exchange;

- (iii) amendments which are advisable to accommodate changes in tax laws;
 - (iv) extension of accelerated expiry dates to, but not beyond, the expiry date originally set at the time of the option grant;
 - (v) amendments to the vesting provisions of any grant under the Plan; and
 - (vi) amendments to the terms of options in order to maintain option value in connection with a conversion, change, reclassification, redesignation, subdivision or consolidation of Shares or a reorganization, amalgamation, consolidation, merger or takeover bid or similar type of transaction involving the Corporation.
- (b) Notwithstanding the provisions of 19(a), the Board may not, without the prior approval of the shareholders of the Corporation, make amendments to the Plan for any of the following purposes:
- (i) to increase in the maximum number of Shares issuable under the Plan as set out in Section 5;
 - (ii) to reduce the Exercise Price of outstanding options,
 - (iii) to cancel an Option for the purpose of exchange for reissuance at a lower Exercise Price to the same person;
 - (iv) to extend the Expiry Date of an outstanding option, except where the Expiry Date is extended because it would have occurred during a Black Out Period;
 - (v) to extend the Expiry Date of an outstanding option, except where the Expiry date has been accelerated due to the death, termination upon retirement, termination by reason of disability or otherwise of the Optionee, provided however, that the option cannot be extended beyond the Expiry Date originally set at the time of the option grant;
 - (vi) to amend the Plan to permit the grant of an option with an Expiry Date of more than 10 years from the date on which the Board grants and announces a particular option;
 - (vii) to amend the transferability provision of the Plan, other than to permitted assigns or for estate planning or estate settlement purposes;
 - (viii) to amend this Section 19(b); and
 - (ix) to expand the class of participants to whom options may be granted under the Plan.

20. **Withholding Taxes**

The exercise of each option granted under this Plan is subject to the condition that if at any time the Corporation determines, in its discretion, that the satisfaction of withholding tax or other withholding liabilities is required under applicable law in respect of such exercise, such exercise is not effective unless such withholding has been effected to the satisfaction of the Corporation. In such circumstances, the Corporation may require that an optionholder pay to the Corporation, in addition to and in the same manner as the Exercise Price for the Shares, such amount as the Corporation is obliged to remit to the relevant taxing authority in respect of the exercise of the option. Any such additional payment is due no later than

the date as of which any amount with respect to the option exercised first becomes includable in the gross income of the Option Holder for tax purposes.

21. Compliance with Laws

The Corporation shall not be obliged to issue any Shares upon exercise of options if the issue would violate any law or regulation or any rule of any governmental authority or stock exchange. The Corporation shall not be required to issue, register or qualify for resale any shares issuable upon exercise of options pursuant to the provisions of a prospectus or similar document, provided that the Corporation shall notify the Exchange and any other appropriate regulatory bodies in Canada of the existence of the Plan and the issuance and exercise of options. The optionholder agrees to comply with all such laws, rules and regulations and agrees to furnish to the Corporation any information, report and/or undertakings required to comply with and to fully cooperate with the Corporation in complying with such laws, rules and regulations.

22. Effective Date of Plan

The Plan has been adopted by the Board of Directors of the Corporation subject to the approval of the Exchange and, if so approved, subject to the discretion of the Board of Directors, the Plan shall become effective upon such approvals being obtained.

23. Applicable Law

The Plan will be governed by and construed in accordance with the laws of Ontario, Canada.

**SCHEDULE A TO STOCK OPTION PLAN
OPTION CERTIFICATE**

This certificate is issued pursuant to the provisions of the Radio Fuels Energy Corp. (Formerly Mainstream Minerals Corporation) (the “**Corporation**”) Stock Option Plan (the “**Plan**”) and evidences that _____ *Name of Optionee*) is the holder of an option (the “**Option**”) to purchase up to _____ (*Number of Shares*) common shares (the “**Shares**”) in the capital stock of the Corporation at a purchase price of \$_____ per Share. Subject to the provisions of the Plan:

(A) the Award Date of this Option is _____ (*insert date of grant*); and

(B) the Expiry Date of this Option is _____ (*insert date of expiry*).

Additional Vesting or Other Restrictions: (insert as applicable)

This Option may be exercised in accordance with its terms at any time and from time to time from and including the Award Date through to and including up to 5:00 p.m. (Toronto time) on the Expiry Date, by delivering to the Corporation an Exercise Notice, in the form provided in the Plan, together with this certificate and a certified cheque or bank draft payable to the Corporation in an amount equal to the aggregate of the Exercise Price of the Shares in respect of which this Option is being exercised.

This certificate and the Option evidenced hereby is not assignable, transferable or negotiable, except in limited circumstances, and is subject to the detailed terms and conditions contained in the Plan. This certificate is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the Plan and the records of the Corporation shall prevail.

Signed this _____ day of _____, 20____.

RADIO FUELS ENERGY CORP.
(FORMERLY MAINSTREAM MINERALS
CORPORATION) by its Authorized Signatory:

Name:

Title:

**SCHEDULE B TO STOCK OPTION PLAN
EXERCISE NOTICE**

To: The Administrator, Stock Option Plan
Radio Fuels Energy Corp. (Formerly Mainstream Minerals Corporation) (the “**Corporation**”)

The undersigned hereby irrevocably gives notice, pursuant to the Corporation’s Stock Option Plan (the “Plan”), of the exercise of the Option to acquire and hereby subscribes for (cross out inapplicable item):

- (A) all of the Shares; or
- (B) _____ of the Shares, which are the subject of the Option Certificate attached hereto, subject to the deduction of any applicable Canadian withholding taxes.

Calculation of total Exercise Price:

- (i) number of Shares to be acquired on exercise: _____ Shares
- (ii) multiplied by the Exercise Price per Share: \$ _____

TOTAL EXERCISE PRICE, enclosed herewith: \$ _____

The undersigned tenders herewith: (1) a certified cheque or bank draft in an amount equal to the total Exercise Price of the aforesaid Shares, as calculated above; and (2) a certified cheque or bank draft in an amount equal to any applicable Canadian withholding taxes, and directs the Corporation to issue the share certificate evidencing said Shares in the name of the undersigned to be mailed to the undersigned at the following address:

DATED the _____ day of _____, 20____

Signature of Option Holder

Name of Option Holder (please print)