

RADIO FUELS ENERGY CORP.

STATEMENT OF EXECUTIVE COMPENSATION

DATED: MAY 8, 2024

STATEMENT OF EXECUTIVE COMPENSATION

Objective:

The objective of this disclosure is to communicate the compensation the Company paid, made payable, awarded, granted, gave or otherwise provided to each named executive officer and director for the financial year, and the decision-making process relating to compensation. This disclosure provides insight into executive compensation as a key aspect of the overall stewardship and governance of the Company and will help investors understand how decisions about executive compensation are made.

Definitions:

For the purpose of this Statement of Executive Compensation, in this form:

- (a) **“company”** includes other types of business organizations such as partnerships, trusts and other unincorporated business entities;
- (b) **“compensation securities”** includes 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;
- (c) **“named executive officer”** or **“NEO”** means each of the following individuals:
 - (i) 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;
 - (ii) 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;
 - (iii) 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;
 - (iv) 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;
- (d) **“plan”** includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, compensation securities or any other property may be received, whether for one or more persons; and
- (e) **“underlying securities”** means any securities issuable on conversion, exchange or exercise of compensation securities.

DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

During the financial year ended November 30, 2023, based on the definition above, the NEOs of the Company were (a) Cejay Kim, who served as President, CEO and a Director of the Company; (b) Bassam Moubarak, Chief Financial Officer and Corporate Secretary of the Company; and (c) Arvin Ramos, the

former Chief Financial Officer of the Company. Individuals serving as Directors of the Company who were not NEOs during the financial year ended November 30, 2023, were Jack Campbell, Collin Kettell and Denis Laviolette.

Director and NEO compensation, excluding compensation securities

The following table sets forth all compensation, excluding compensation securities, paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company, or a subsidiary of the Company, for the two most recently completed financial years, 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 director of the Company for services provided and for services to be provided, directly or indirectly, to the Company or a subsidiary of the Company.

Table of Compensation Excluding Compensation Securities							
Name and position	Year ended (November 30)	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Cejay Kim ⁽¹⁾	2023	140,000	Nil	Nil	Nil	Nil	140,000
Former President, CEO and Former Director	2022	274,000	Nil	Nil	Nil	Nil	274,000
Jack Campbell ⁽²⁾	2023	Nil	Nil	Nil	Nil	Nil	Nil
Director and Chairman	2022	Nil	Nil	Nil	Nil	Nil	Nil
Collin Kettell ⁽³⁾	2023	84,000	Nil	Nil	Nil	Nil	84,000
Director	2022	Nil	Nil	Nil	Nil	Nil	Nil
Bassam Moubarak ⁽⁴⁾	2023	15,000	Nil	Nil	Nil	Nil	15,000
Chief Financial Officer and Corporate Secretary	2022	Nil	Nil	Nil	Nil	Nil	Nil
Denis Laviolette ⁽⁵⁾	2023	Nil	Nil	Nil	Nil	Nil	Nil
Former Director	2022	Nil	Nil	Nil	Nil	Nil	Nil
Arvin Ramos ⁽⁶⁾	2023	45,000	Nil	Nil	Nil	Nil	45,000
Former Chief Financial Officer and Former Director	2022	60,000	Nil	Nil	Nil	Nil	60,000
Daniel Nauth ⁽⁷⁾	2023	Nil	Nil	Nil	Nil	Nil	Nil
Former President, CEO, Corporate Secretary and Director	2022	Nil	Nil	Nil	Nil	Nil	Nil
Kelly Malcolm ⁽⁸⁾	2023	Nil	Nil	Nil	Nil	Nil	Nil
Former Director	2022	Nil	Nil	Nil	Nil	Nil	Nil
James Fairbairn ⁽⁹⁾	2023	Nil	Nil	Nil	Nil	Nil	Nil
Former Director	2022	Nil	Nil	Nil	Nil	Nil	Nil

NOTES:

- (1) Cejay Kim served as President CEO and Director of the Company from December 16, 2021 to February 1, 2024.
- (2) Jack Campbell has served as a Director since December 16, 2021.
- (3) Collin Kettell has served as a Director of the Company since May 15, 2023. Notz Capital Corp. ("Notz"), a related entity to Collin Kettell, was paid \$84,000 for providing management consulting services to the Company
- (4) Bassam Moubarak has served as Chief Financial Officer and Corporate Secretary since August 31, 2023.
- (5) Denis Laviolette served as a Director from December 16, 2021 to September 8, 2023.
- (6) Arvin Ramos resigned as a Director on December 16, 2021 and resigned as Chief Financial Officer on August 31, 2023.
- (7) Daniel Nauth was appointed President, Chief Executive Officer, Corporate Secretary and Director on June 1, 2021 and resigned on December 16, 2021.
- (8) Kelly Malcolm resigned as a Director on December 16, 2021.
- (9) James Fairbairn resigned as a Director on December 16, 2021.

Options and Other Compensation Securities

There were no compensation securities granted or issued to any NEO or director by the Company or one of its subsidiaries during the financial year ended November 30, 2023.

As at November 30, 2023, the total amount of compensation securities and underlying securities held by each NEO or director was as follows:

- (a) Cejay Kim held 2,500,000 Options (2,500,000 underlying Shares) each exercisable at \$0.40 until March 7, 2027.
- (b) Jack Campbell held 600,000 Options (600,000 underlying Shares) each exercisable at \$0.40 until March 7, 2027.
- (c) Denis Laviolette held 600,000 Options (600,000 underlying Shares) each exercisable at \$0.40 until March 7, 2027.

Exercise of Compensation Securities by Directors and NEOs

There were no exercises of compensation securities by any NEO or director of the Company during the financial year ended November 30, 2023.

Stock Option Plans and Other Incentive Plans

2020 Stock Option Plan

The following is a summary of certain provisions of the 2020 Stock Option Plan. This description is intended as a summary only and is qualified in its entirety by the full text of the 2020 Stock Option Plan.

Summary of Material Terms

The purposes of the 2020 Stock Option Plan are to: (i) provide the Company with a mechanism to attract, retain and motivate highly qualified directors, officers, employees and consultants; (ii) align the interests of eligible participants in the 2020 Stock Option Plan (“**Participants**”) with that of other Shareholders generally; and (iii) enable and encourage Participants to participate in the long-term growth of the Company through the acquisition of Shares as long-term investments. It serves to promote the interests of the Company and Shareholders by aiding the Company in attracting and retaining employees, officers, consultants, advisors and non-employee directors capable of assuring the future success of the Company, to offer such persons incentives to put forth maximum efforts for the success of the Company’s business and to compensate such persons through various stock and cash-based arrangements and provide them with opportunities for stock ownership in the Company, thereby aligning the interests of such persons with Shareholders.

The 2020 Stock Option Plan is administered by the Board and provides that the Board may, from time to time, in its discretion, and in accordance with Exchange requirements or any other stock exchange on which the Shares are listed, grant to eligible Participants Stock Options.

The Company has adopted a “rolling” 2020 Stock Option Plan (the “**2020 Stock Option Plan**”) for directors, officers, employees and consultants of the Company. The 2020 Stock Option Plan was last approved by the shareholders of the Company on December 29, 2023.

The purpose of the 2020 Stock Option Plan is to, among other things, encourage share ownership in the Company by directors, officers, employees and consultants of the Company and its affiliates and other designated persons. Stock options may be granted under the 2020 Stock Option Plan only to directors, officers, employees and consultants of the Company and its subsidiaries and other designated persons as designated from time to time by the Board.

The number of Common Shares which may be reserved for issue under the 2020 Stock Option Plan is limited to 10% of the issued and outstanding number of Common Shares as at the date of the grant of stock options. As at the date hereof, 13,845,000 stock options have been issued and are outstanding and 3,828 stock options are available for issue pursuant to the 2020 Stock Option Plan.

Any Common Shares subject to a stock option which, for any reason, is cancelled or terminated prior to exercise will be available for a subsequent grant under the 2020 Stock Option Plan. The exercise price of any stock option cannot be less than the market price of Common Shares. Stock options granted under the 2020 Stock Option Plan may be exercised during a period not exceeding ten years, subject to earlier termination upon the termination of the optionee's employment, upon the optionee ceasing to be an employee, officer, director or consultant of the Company or any of its subsidiaries or ceasing to have a designated relationship with the Company, as applicable, or upon the optionee retiring, becoming permanently disabled or dying. The stock options are non-transferable. The 2020 Stock Option Plan contains provisions for adjustment in the number of Common Shares issuable thereunder in the event of a subdivision, consolidation, reclassification or change of Common Shares, a merger or other relevant changes in the Company's capitalization. Subject to shareholder approval in certain circumstances, the Board may from time to time amend or revise the terms of the 2020 Stock Option Plan or may terminate the 2020 Stock Option Plan at any time. The 2020 Stock Option Plan does not contain any provision for financial assistance by the Company in respect of stock options granted under the 2020 Stock Option Plan.

The Company has no equity compensation plans other than the 2020 Stock Option Plan.

Employment, Consulting and Management Agreements

The Company entered into a management consulting agreement with Cejay Kim (the "**Executive Contract**"). The Executive Contract is summarized below.

Cejay Kim, President, CEO and Director

Cejay Kim, former President, CEO and Director, provided management services to the Company through J. Sora Management Services Inc. ("**Sora**") a company wholly-owned by Cejay Kim. The Company entered into the Sora Agreement on January 1, 2022, with respect to the provision of certain management and administrative consulting services provided by Sora to the Company. Pursuant to the terms and conditions of the Sora Agreement, Sora provides certain management consulting services to the Company and its subsidiaries as may be requested by and at the direction of the Board from time to time, including: (i) guidance, advice and services with respect to strategic planning, future growth, projects and business activities; (ii) guidance and advice in relation to the day to day operation and business of the Company; (iii) guidance and advice concerning proposed acquisitions, divestitures, joint ventures and business combinations; and (iv) guidance and advice concerning any mineral properties owned by the Company or interests in mineral properties acquired by the Company (v) guidance and advice in connection with communications with shareholders of the Company and responding to shareholder inquiries and other mutually agreed services. Sora is paid the Sora Base Fee, a base fee rate of \$12,000 per month, subject to the annual review by the Board. Sora is also eligible for an incentive fee and the grant of Options pursuant to the Stock Option Plan as determined by the Board at its discretion.

Termination and Change of Control Benefits

The Company may terminate the Executive Contract at any time for cause, without notice or payment in lieu of notice and without the obligation to pay any further salary, bonus, or benefits beyond the termination date. According to the terms of the Sora Agreement, if the Company terminates the agreement without cause, the Company is obligated to compensate Sora: (i) a termination fee equal to 18 months of the Sora Base Fee, and (ii) any accrued liabilities owed to Sora under the Sora Agreement within 30 days. Following a change in control of the Company, either Sora or the Company may choose to terminate the Sora

Agreement. Upon such termination, the Company is obligated to compensate Sora: (i) a termination fee equal to 24 months of the Sora Base Fee, and (ii) any accrued liabilities owed to Sora under the Sora Agreement within 30 days.

The following table sets out the estimated termination costs for each of the NEOs assuming that the termination event took place on the last business day of the fiscal year ended November 30, 2023.

Termination and Change of Control Benefits				
Name and position	Termination Event	Base Salary (\$)	Bonus (\$)	Total (\$)
Cejay Kim President and CEO	Without Cause	\$216,000	-	\$216,000
	Change of Control	\$288,000	-	\$288,000
	Good Reason	-	-	-

Except as otherwise disclosed herein, there are no compensatory plans, contracts or arrangements in place with the Named Executive Officers resulting from the resignation, retirement or any other termination of employment of the Named Executive Officers with the Company or from a change in control of the Company, or a change in the Named Executive Officers' responsibilities following a change in control.

Oversight and Description of Director and NEO Compensation

Compensation of Directors

The Company does not pay its directors a fee for acting as directors of the Company. They are, however, entitled to be reimbursed for reasonable expenditures incurred in performing their duties as directors of the Company and discretionary bonuses. The Company does, from time to time, grant the directors of the Company stock options pursuant to the 2020 Stock Option Plan.

Compensation of Named Executive Officers

Principles of Executive Compensation

The Company believes in linking an individual's compensation to his or her performance and contribution as well as to the performance of the Company as a whole. The primary components of the Company's executive compensation are base salary and option-based awards. The Board believes that the mix between base salary and incentives must be reviewed and tailored to each executive based on their role within the organization as well as their own personal circumstances. The overall goal is to successfully link compensation to the interests of the shareholders. The following principles form the basis of the Company's executive compensation program:

1. align interest of executives and shareholders;
2. attract and motivate executives who are instrumental to the success of the Company and the enhancement of shareholder value;
3. pay for performance;
4. ensure compensation methods have the effect of retaining those executives whose performance has enhanced the Company's long-term value; and
5. connect, if possible, the Company's employees into principles 1 through 4 above.

The Board is responsible for the Company's compensation policies and practices. The Board has the responsibility to review and make recommendations concerning the compensation of the directors of the Company and the Named Executive Officers. The Board also has the responsibility to make recommendations concerning annual bonuses and grants to eligible persons under the 2020 Stock Option Plan. The Board also reviews and approves the hiring of executive officers.

Base Fees

The Board approves the salary ranges for the Named Executive Officers. The base salary review for each Named Executive Officer is based on assessment of factors such as current competitive market conditions, compensation levels within the peer group and particular skills, such as leadership ability and management effectiveness, experience, responsibility and proven or expected performance of the particular individual. Comparative data for the Company's peer group is also accumulated from a number of external sources including independent consultants. The Company's policy for determining salary for executive officers of the Company is consistent with the administration of salaries for all other employees.

Annual Incentives

The Company is not currently awarding any annual incentives by way of cash bonuses. However, the Company, in its discretion, may award such incentives in order to motivate executives to achieve short-term corporate goals. The Board approves annual incentives.

The success of Named Executive Officers in achieving their individual objectives and their contribution to the Company in reaching its overall goals are factors in the determination of their annual bonus. The Board assesses each Named Executive Officers' performance on the basis of his or her respective contribution to the achievement of the predetermined corporate objectives, as well as to needs of the Company that arise on a day-to-day basis. This assessment is used by the Board in developing its recommendations with respect to the determination of annual bonuses for the Named Executive Officers.

Compensation and Measurements of Performance

It is the intention of the Board to approve targeted amounts of annual incentives for each Named Executive Officer during each financial year. The targeted amounts will be determined by the Board based on a number of factors, including comparable compensation of similar companies.

Achieving predetermined individual and/or corporate targets and objectives, as well as general performance in day-to-day corporate activities, will trigger the award of a cash bonus to the Named Executive Officers. The Named Executive Officers will receive a partial or full cash bonus depending on the number of the predetermined targets met and the Board's assessment of overall performance. The determination as to whether a target has been met is ultimately made by the Board and the Board reserves the right to make positive or negative adjustments to any cash bonus payment if they consider them to be appropriate.

Long Term Compensation

The Company currently has no long-term incentive plans, other than stock options granted from time to time by the Board under the provisions of the 2020 Stock Option Plan.

Pension Disclosure

The Company does not have any pension, retirement, defined benefit, defined contribution or deferred compensation plans that provides for payments or benefits to its directors and NEOs at, following, or in connection with retirement and none are proposed at this time.