

PERMEX PETROLEUM CORPORATION
(the “Company”)

FORM 51-102F6V
STATEMENT OF EXECUTIVE COMPENSATION – VENTURE ISSUERS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Summary Compensation Table

The following information is provided pursuant to National Instrument Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*.

For the purposes of this Statement of Executive Compensation, a “Named Executive Officer” or “NEO” means each of the following individuals:

- (a) the Chief Executive Officer of the Company (“CEO”);
 - (b) the Chief Financial Officer of the Company (“CFO”);
 - (c) the most highly compensated executive officer of the Company other than the individuals identified in paragraphs (a) and (b) above, at September 30, 2023, 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) above, but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at September 30, 2023,
- (collectively, the “Named Executive Officers” or “NEOs”).

For the years ended September 30, 2023 and 2022, each of Mehran Ehsan, former President, former CEO and former director, Gregory Montgomery, CFO, and Scott Kelly, former CFO and Corporate Secretary, were NEOs of the Company for the purposes of this disclosure.

The following table sets forth, for the years ended September 30, 2023 and 2022, all compensation (other than stock options and other compensation securities) paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Company, or a subsidiary of the Company, to each NEO and director, in any capacity.

All references to “USD” or “\$” are to the legal currency of the United States, and all references to “CAD\$” and “C\$” are to the legal currency of Canada.

Table of Compensation, Excluding Compensation Securities							
Name and Principal Position	Year	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$) ⁽¹⁾⁽²⁾	Value of All Other Compensation (\$)	Total Compensation (\$)
Mehran Ehsan ⁽³⁾ Former President, former CEO and former director	2023	250,000	Nil	Nil	Nil	Nil	250,000
	2022	220,834	Nil	Nil	Nil	Nil	220,834
Greg Montgomery ⁽⁶⁾ CFO, Corporate Secretary and former director	2023	50,000	Nil	Nil	Nil	Nil	50,000
	2022	20,835	Nil	Nil	Nil	Nil	20,835
Scott Kelly ⁽⁴⁾ Former CFO, Former Corporate Secretary and former director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	9,360	Nil	Nil	Nil	Nil	9,360
Barry Whelan ⁽⁵⁾ Former Chief Operating Officer and former director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
James Perry Bryan ⁽⁷⁾ Former director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
John James Lendrum ⁽⁷⁾ Former director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Douglas Charles Urch ⁽⁸⁾ Former director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Melissa Folz ⁽⁹⁾ Former director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	N/A	N/A	N/A	N/A	N/A	N/A

(1) Includes perquisites provided to an NEO or director that are not generally available to all employees. An item is generally a perquisite if it is not integrally and directly related to the performance of the director's or NEO's duties. If something is necessary for a person to do his or her job, it is integrally and directly related to the job and is not a perquisite, even if it also provides some amount of personal benefit. For the purposes of the table, perquisites are valued on the basis of the aggregate incremental cost to the Company and its subsidiaries.

(2) NEOs and directors whose total salary for the applicable financial year was \$150,000 or less did not receive perquisites that, in aggregate, were greater than \$15,000. NEOs and directors whose total salary for the applicable financial year was greater than \$150,000 but less than \$500,000 did not receive perquisites that, in aggregate, were greater than 10% of the NEO's or director's salary for the applicable financial year.

(3) Mr. Ehsan is a former director of the Company but did not receive any compensation in such capacity. Mr. Ehsan was appointed as a director of the Company on April 24, 2017. Mr. Ehsan resigned as President and CEO of the Company on April 29, 2024 and from the Board on June 12, 2024. Effective May 15, 2024, Mr. Ehsan serves the Company as Vice President of Business Development.

(4) Mr. Kelly is a former director of the Company but did not receive any compensation in such capacity. Mr. Kelly was appointed as a director of the Company on December 4, 2017. He resigned as CFO and Corporate

Douglas Charles Urch ⁽⁵⁾ Former director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Scott Kelly ⁽⁶⁾ Former director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
James Perry Bryan ⁽⁷⁾ Former director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Melissa Folz ⁽⁸⁾ Former director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
John James Lendrum ⁽⁹⁾ Former director	N/A	N/A	N/A	N/A	N/A	N/A	N/A

- (1) "**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.
- (2) As of the date of the most recently completed financial year, Mr. Ehsan held 5,938 Options, with each Option exercisable into one Common Share and fully vested at the date of grant.
- (3) As of the date of the most recently completed financial year, Mr. Montgomery held 1,875 Options, with each Option exercisable into one Common Share and fully vested at the date of grant.
- (4) As of the date of the most recently completed financial year, Mr. Whelan held 3,333 Options, with each Option exercisable into one Common Share and fully vested at the date of grant.
- (5) As of the date of the most recently completed financial year, Mr. Urch held 3,542 Options, with each Option exercisable into one Common Share and fully vested at the date of grant.
- (6) As of the date of the most recently completed financial year, Mr. Kelly held nil Options, with each Option exercisable into one Common Share and fully vested at the date of grant.
- (7) As of the date of the most recently completed financial year, Mr. Bryan held nil Options, with each Option exercisable into one Common Share and fully vested at the date of grant.
- (8) As of the date of the most recently completed financial year, Ms. Folz held nil Options, with each Option exercisable into one Common Share and fully vested at the date of grant.
- (9) As of the date of the most recently completed financial year, Mr. Lendrum held nil Options, with each Option exercisable into one Common Share and fully vested at the date of grant.

The following table discloses details regarding each exercise of Compensation Securities by a director or NEO during the year ended September 30, 2023.

Exercise of Compensation Securities by Directors and NEOs							
Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Mehran Ehsan Former President, former CEO and former director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Greg Montgomery CFO, Corporate Secretary and former director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Barry Whelan Chief Operating Officer and former director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Douglas Charles Urch Former director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Scott Kelly Former director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
James Perry Bryan Former director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Melissa Folz Former director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
John James Lendrum Former director	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Stock Option Plan

The Company's current stock option plan (the "**Option Plan**") was approved by the Board on November 27, 2017 and by the Company's shareholders on April 23, 2023. The purpose of the Option Plan is to ensure that the Company is able to provide an incentive program for directors, officers, employees and persons providing services to the Company (each, an "**Optionee**") that provides

enough flexibility in the structuring of incentive benefits to allow the Company to remain competitive in the recruitment and maintenance of key personnel.

The Option Plan is administered by the Board or the compensation committee of the Company, if applicable, which shall, without limitation, have full and final authority in its discretion, but subject to the express provisions of the Option Plan, to interpret the Option Plan, to prescribe, amend and rescind rules and regulations relating to it and to make all other determinations deemed necessary or advisable for the administration of the Option Plan, subject to any necessary shareholder or regulatory approval. The Board may delegate any or all of its authority with respect to the administration of the Option Plan. 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 common shares in the capital of the Company ("**Common Shares**") to be subject to each Option.

The material terms of the Option Plan are qualified in their entirety by the full text of the Option Plan. Under the Option Plan, Options will be exercisable over periods of up to 10 years as determined by the Board. The exercise price of any Option may not be less than the greater of the closing market price of the Common Shares on: (i) the trading day prior to the date of grant of the Option; and (ii) the grant date of the Option, less any applicable discount allowed by the Canadian Securities Exchange (the "**CSE**") or any other stock exchange on which the Common Shares are listed for trading.

The maximum number of Common Shares which may be issued pursuant to Options granted under the Option Plan is 10% of the issued and outstanding Common Shares at the time of the grant, provided that the Common Shares are listed on the CSE or any other stock exchange at the time of grant. In addition, the number of Common Shares which may be issuable under the Option Plan and all of the Company's other previously established or proposed share compensation arrangements, within a one-year period:

- (i) to any one Optionee may not exceed (without the requisite disinterested shareholder approval) 5% of the issued Common Shares on a non-diluted basis;
- (ii) to insiders as a group shall not exceed 10% of the total number of issued and outstanding Common Shares, on a non-diluted basis, at the time of the grant; and
- (iii) to all Optionees who undertake investor relation activities shall not exceed 1% in the aggregate of the total number of issued and outstanding Common Shares at the time of the grant, on a non-diluted basis.

The Option Plan permits the Board to specify a vesting schedule in its discretion, subject to minimum vesting requirements imposed by the applicable stock exchange. Unless otherwise specified by the Board at the time of granting an Option, and subject to the other limits on option grants set out in the Option Plan, all Options granted under the Option Plan shall vest and become exercisable in full upon grant, except Options granted to consultants performing investor relations activities, which Options must vest in stages over twelve months with no more than one-quarter of the Options vesting in any three month period.

The Option Plan provides that if a change of control (as defined in the Option Plan) occurs, or if the Company is subject to a take-over bid, all Common Shares subject to Options shall immediately become vested and may thereupon be exercised in whole or in part by the Option holder. The Board may also accelerate the expiry date of outstanding Options in connection with a take-over bid.

The Option Plan contains adjustment provisions with respect to outstanding Options in cases of share reorganizations, special distributions and other corporation reorganizations including an arrangement or other transaction under which the business or assets of the Company become, collectively, the business and assets of two or more companies with the same shareholder group upon the distribution to the Company's shareholders, or the exchange with the Company's shareholders, of securities of the Company or securities of another company.

The Option Plan provides that on the death or disability of an Option holder, all vested Options will expire at the earlier of 365 days after the date of death or disability and the expiry date of such Options. Where an Optionee is terminated for cause, any outstanding Options (whether vested or unvested) are cancelled as of the date of termination. If an Optionee retires or voluntarily resigns or is otherwise terminated by the Company other than for cause, then all vested options held by such Optionee will expire at the earlier of (i) the expiry date of such Options and (ii) the date which is 90 days (30 days if the Optionee was engaged in investor relations activities) after the Optionee ceases its office, employment or engagement with the Company.

The Option Plan contains a provision that if pursuant to the operation of an adjustment provision of the Option Plan, an Optionee receives Options (the "**New Options**") to purchase securities of another company (the "**New Company**") in respect of the Optionee's Options under the Option Plan (the "**Subject Options**"), the New Options shall expire on the earlier of: (i) the expiry date of the Subject Options; (ii) if the Optionee does not become an eligible person in respect of the New Company, the date that the Subject Options expire pursuant to the applicable provisions of the Option Plan relating to expiration of Options in cases of death, disability or termination of employment discussed in the preceding paragraph above (the "**Termination Provisions**"); (iii) if the Optionee becomes an eligible person in respect of the New Company, the date that the New Options expire pursuant to the terms of the New Company's stock option plan that correspond to the Termination Provisions; and (iv) the date that is one (1) year after the Optionee ceases to be an eligible person in respect of the New Company or such shorter period as determined by the Board.

In accordance with good corporate governance practices and as recommended by National Policy 51-201 – Disclosure Standards, the Company imposes black-out periods restricting the trading of its securities by directors, officers, employees and consultants during periods surrounding the release of annual and interim financial statements and at other times when deemed necessary by management and the Board. In order to ensure that holders of outstanding Options are not prejudiced by the imposition of such black-out periods, the Option Plan contains a provision to the effect that any outstanding Options with an expiry date occurring during a management imposed black-out period or within five trading days thereafter will be automatically extended to a date that is 10 trading days following the end of the black-out period.

The Options granted under the Option Plan are non-assignable and non-transferable. Subject to required shareholder approval and the approval of the CSE, or any other stock exchange on which

the Common Shares are listed, if applicable, the Board may from time to time amend or revise the terms of the Option Plan or may terminate the Option Plan at any time.

The Company does not provide any financial assistance to participants in order to facilitate the purchase of Common Shares under the Option Plan. As at September 30, 2023, there were Options outstanding under the Option Plan to acquire 20,313 Common Shares, representing approximately 3.68% of the Company's current issued and outstanding shares.

A copy of the Option Plan may be inspected at the head office of the Company, Suite 500-666 Burrard Street, Vancouver, British Columbia V6C 2X8 during normal business hours. In addition, a copy of the Option Plan will be mailed, free of charge, to any Shareholder who requests a copy, in writing, from the Chief Financial Officer of the Company. Any such requests should be mailed to the Company, at its head office, to the attention of the Chief Financial Officer.

Employment, Consulting and Management Agreements

Other than the executive employment agreement between the Company and Mehran Ehsan, the material terms of which are set forth below, for the year ended September 30, 2023, the Company does not have any compensation agreements or arrangements that the Company or any of its subsidiaries have entered into with respect to services provided by a NEO, a director or any other party in the event such services provided are typically provided by a director or NEO (collectively, "**Compensation Arrangements**").

The Compensation Arrangements for Mehran Ehsan were initially set forth in the amended employment agreement dated September 1, 2021, as subsequently amended on May 1, 2022, between the Company and Mr. Ehsan (the "**CEO Employment Agreement**"). Pursuant to the CEO Employment Agreement, the Company employs Mr. Ehsan to serve as CEO of the Company and to perform such duties and have such authority as may from time to time be assigned by the Board. As compensation for the performance of such duties, the Company paid Mr. Ehsan a base salary of \$200,000 per year (which increased to \$250,000 as of May 1, 2022), which shall be reviewed by the Company annually. Mr. Ehsan is also eligible for cash bonuses and grants of Options under the Option Plan, in the sole discretion of the Board, as well as group health, medical and disability insurance benefits and any other fringe benefit programs that the Company maintains from time to time for the benefit of its employees.

The Company may immediately terminate Mr. Ehsan's employment at any time for cause, by written notice. The Company may terminate the Mr. Ehsan's employment at any time without cause by providing him with notice in writing and compensation in lieu of notice as follows:

- payment of all outstanding and accrued base salary and vacation pay, earned and owing up to the last day of the active employment, and reimbursement for all proper expenses incurred by him in connection with the Company's business prior to the last day of active employment;
- payment of an amount equal to 36 months base salary;
- payment of an amount in lieu of his performance bonus equal to 20% of base salary; and
- continuation of his benefit coverage for a period of six months, or alternatively, if it is unable to continue Mr. Ehsan's participation in one or more of the Company's benefit plans, the

Company shall pay him an amount equal to the premium cost or contributions the Company would otherwise have made in respect of his participation in the relevant plan(s) for six months.

Mr. Ehsan is required to give the Company not less than two weeks' notice in the event of his resignation. Upon receipt of his notice of resignation, or at any time thereafter, the Company has the right to elect to pay, in lieu of such notice period, Mr. Ehsan's salary for the remainder of the notice period and a reasonable amount in lieu of the his benefits for that period. If the Company elects for payment in lieu of notice, the Mr. Ehsan's employment shall terminate immediately upon such payment.

If the Company determines that Mr. Ehsan has suffered a Disability (as defined below) that cannot be accommodated, the Company may terminate his employment by notice. In such case, Mr. Ehsan is entitled to receive, in lieu of all amounts otherwise payable under the CEO Employment Agreement (except for amounts earned but not yet paid to Mr. Ehsan through the date of such Disability), compensation at Mr. Ehsan's base salary rate for a period of six months following the date of Disability or such greater amount as is required by applicable law. In the CEO Employment Agreement, "Disability" means a physical or mental incapacity of Mr. Ehsan that has prevented him from performing the duties customarily assigned to him for 180 days, whether or not consecutive, out of any 12 consecutive months and that in the opinion of the Company, acting on the basis of advice from a duly qualified medical practitioner, is likely to continue to a similar degree.

In the event of death, Mr. Ehsan's employment shall be deemed to have terminated on the date thereof and the Company shall pay his estate the amounts specified above in respect of termination without cause.

Other than pursuant to the CEO Employment Agreement, the Company has not granted any termination or change of control benefits with respect to any Compensation Arrangement and there are no compensatory plans or arrangements with respect to any NEO or director resulting from the resignation, retirement or any other termination of any NEO or director or from a change of any NEO's or director's responsibilities following a change of control. In case of termination of NEOs, other than the CEO, common law and statutory law applies.

Mr. Ehsan resigned as President and CEO of the Company on April 29, 2024. On May 15, 2024, the Company amended the employment agreement to change his role to Vice President of Business Development. All other terms and conditions of the employment agreement remain the same.

On May 1, 2022, the Company entered into an employment agreement with Greg Montgomery for an annual base salary of \$50,000, with no specified term (the "**CFO Employment Agreement**"). Greg Montgomery is also eligible on an annual basis for a cash bonus of up to 100% of annual salary. The employment agreement may be terminated with a termination payment equal to two months of base salary.

The table below sets forth information with respect to each NEO currently employed by the Company in order to assist the reader in determining the potential payment to each such NEO in the event of the termination of such NEO's employment by the Company other than for cause or in the event of a change of control. The estimated payments have been calculated on the basis of employment

agreements as they exist at the date of this Circular and assuming that they were in effect on September 30, 2023.

Name	Estimated Payment Assuming Termination Without Cause on September 30, 2023 (\$)	Estimated Payment Assuming a Change of Control on September 30, 2023 (\$)
Mehran Ehsan	800,000	Nil
Greg Montgomery	8,333	Nil

The estimated payments assuming a change of control on September 30, 2023 are based on the assumption that the NEOs are terminated without cause or elect to terminate the agreements.

Oversight and Description of Director and NEO Compensation

Elements of Compensation

Compensation to be awarded or paid to the Company's directors and/or executive officers, including NEOs is consist primarily of management fees, stock options and bonuses. Payments may be made from time to time to executive officers, including NEOs, or companies they control for the provision of consulting or management services. Such services are paid for by the Company at competitive industry rates for work of a similar nature done by reputable arm's length services providers.

The Board will from time to time determine the stock option grants to be made pursuant to the Option Plan. It is also anticipated that the Board may award bonuses, in its sole discretion, to executive officers (including NEOs) from time to time.

The most significant components of the Company's executive compensation plan are base salary and an annual incentive bonus. These components are based upon:

- achievement of specific corporate or segment performance targets;
- a performance evaluation process, taking into consideration comparative levels of compensation with comparable entities in the Company's industry;
- alignment of the compensation level of each individual to that individual's level of responsibility;
- the individual's performance, competencies, skills and achievements;
- alignment with corporate strategy; and
- contributions to corporate or segment performance. Base Salary

The base salary review of any NEO will take into consideration the current competitive market conditions, experience, proven or expected performance, and the particular skills of the NEO. Base salary is not expected to be evaluated against a formal "peer group". The base salaries for NEOs of the Company as of September 30, 2023 are:

(a) Mehran Ehsan (CEO) – During the year ended September 30, 2023, Mr. Ehsan received \$250,000.

(b) Greg Montgomery (CFO) – During the years ended September 30, 2023, Mr. Montgomery received salaries of \$50,000.

Performance-Based Cash Bonuses

Cash bonuses are not a normal part of the Company's executive compensation. However, the Company may elect to utilize such incentives where the role-related context and competitive environment suggest that such a compensation modality is appropriate. When and if utilized, the amount of cash bonus compensation will normally be paid on the basis of timely achievement of specific pre-agreed milestones. Each milestone will be selected based upon consideration of its impact on shareholder value creation and the ability of the Company to achieve the milestone during a specific interval. The amount of bonus compensation will be determined based upon achievement of the milestone, its importance to the Company's near and long term goals at the time such bonus is being considered, the bonus compensation awarded to similarly situated executives in similarly situated companies or any other factors the Company may consider appropriate at the time such performance-based bonuses are decided upon.

Stock Options

The Company currently has the Option Plan in place for the purposes of attracting and motivating directors, officers, employees, and consultants of the Company and advancing the interests of the Company by affording such persons with the opportunity to acquire an equity interest in the Company through rights granted under the Option Plan. Any grant of Options under the Option Plan is within the discretion of the Board, subject to the condition that the maximum number of Common Shares which may be reserved for issuance under the Option Plan may not exceed 10% of the Company's issued and outstanding Common Shares.

Options are also an important component of aligning the objectives of the Company's employees with those of Shareholders. The Company expects to provide significant Option positions to senior employees and lesser amounts to lower-level employees.

Notwithstanding the above, the Company is still in the development stage and has an informal compensation program and strategy. The management team is committed to developing the operations of the Company and will establish a formal compensation program for directors and executive officers once it begins generating revenues sufficient to sustain operations. The Board is responsible for determining, by way of discussions at Board meetings, the ultimate compensation to be paid to the executive officers of the Company. The Company does not have a formal compensation program with set benchmarks; however, the performance of each executive will be considered along with the Company's ability to pay compensation and its results of operation for the period.

The Company relies solely on its Board to determine the executive compensation that is to be paid to NEOs and directors without any formal objectives, criteria, or analysis.

Pension Plan Benefits

The Company does not have a pension plan that provides for payments or benefits to the Named Executive Officers or directors at, following, or in connection with retirement.

Director Compensation

As of September 30, 2023, the Company has not paid any cash compensation to its independent directors. Directors of the Company as of September 30, 2023 have been granted a total of nil Options. The Board monitors and reviews the salary and benefits of the executive officers of the Company.