

TERRA BALCANICA RESOURCES CORP.

FORM 51-102F6V

STATEMENT OF EXECUTIVE COMPENSATION

As at January 31, 2024, except as otherwise indicated



Dated July 31, 2024

STATEMENT OF EXECUTIVE COMPENSATION

The following disclosure is presented in accordance with applicable provisions of Form 51-102F6V, Statement of Executive Compensation – Venture Issuers (“**Form 51-102F6V**”).

Securities legislation requires the disclosure of the compensation received by each Named Executive Officer. As set out herein, “**Named Executive Officer**” or “**NEO**” means (a) the Chief Executive Officer (“**CEO**”); (b) the Chief Financial Officer (“**CFO**”); (c) the most highly compensated executive officer, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V for that financial year; and each individual who would be a Named Executive Officer under (c) but for the fact that the individual was not an executive officer and was not acting in a similar capacity, at the end of that financial year.

During the most recently completed financial year ended January 31, 2024, Aleksandar Mišković, CEO, and Stephen Brohman, CFO, are the only current NEOs of the Company for the purposes of the following disclosure.

Director and Named Executive Officer Compensation, Excluding Compensation Securities

Table of Compensation Excluding Compensation Securities

The following table provides a summary of compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, to each Named Executive Officer and director during the financial years ended January 31, 2023 and 2024:

Name and Position	Year	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of all other Compensation (\$)	Total Compensation (\$)
Aleksandar Miskovic⁽¹⁾ CEO and Director	2024	148,346	Nil	Nil	Nil	Nil	148,346
	2023	150,125	Nil	Nil	Nil	Nil	150,125
Stephen Brohman CFO	2024	50,500	Nil	Nil	Nil	Nil	50,500
	2023	107,440	Nil	Nil	Nil	Nil	107,440
Giulio T. Bonifacio Non-Executive Chairman	2024	Nil	Nil	Nil	Nil	Nil	Nil
	2023	Nil	Nil	Nil	Nil	Nil	Nil
Brandon Bonifacio Director	2024	Nil	Nil	Nil	Nil	Nil	Nil
	2023	63,000	Nil	Nil	Nil	Nil	63,000
Aleksandar Ilic Director ⁽³⁾	2024	50,000	Nil	Nil	Nil	Nil	50,000
	2023	Nil	Nil	Nil	Nil	Nil	Nil
Kim Oishi Director	2024	Nil	Nil	Nil	Nil	Nil	Nil
	2023	Nil	Nil	Nil	Nil	Nil	Nil
Steven Latimer⁽²⁾ Former Director	2024	Nil	Nil	Nil	Nil	Nil	Nil
	2023	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Mr. Miskovic’s compensation is for his services as CEO and has not received compensation for his services as a director in both 2023 and 2024.
- (2) Mr. Latimer resigned from the board of directors subsequent to year end on April 3, 2024.
- (3) Mr. Ilic compensation was \$50,000 as a finder’s fee for the Ceovishte License

External Management Companies

Management functions of the Company are not performed by anyone other than by the directors or Named Executive Officers.

Stock Options and Other Compensation Securities

Table of Compensation Securities

No compensation securities were granted or issued to each director and Named Executive Officer during the financial year ended January 31, 2024.

Table of Exercises of Compensation Securities by Named Executive Officers and Directors

No compensation securities were exercised by the directors or NEOs or its subsidiaries during the financial year ended January 31, 2024.

Stock Option Plans and Other Incentive Plans

The Company has adopted a 10% rolling stock option plan (the “**Option Plan**”), in accordance with the policies of the Canadian Stock Exchange (the “**Exchange**”), which provides that Options may be granted to the directors, officers, employees and consultants of the Company, to purchase up to 10% of the issued and outstanding Common Shares. The maximum number of Options which may be granted to Insiders within any 12-month period must not exceed 10% of the issued and outstanding Common Shares (unless the Company has obtained disinterested shareholder approval of such grants as required by the Exchange). In addition, the number of Common Shares reserved for issuance to any one Related Person within any 12-month period must not exceed 5% of the issued and outstanding Common Shares, the maximum number of Options which may be granted to any one consultant within any 12-month period must not exceed 2% of the issued and outstanding Common Shares and the maximum number of Options that may be granted to employees or consultants engaged in investor relations activities within any 12-month period must not exceed 2% of the issued and outstanding Common Shares. A committee of the Board, and if no committee is appointed, the Board, will determine the exercise price per Common Share and the number of Common Shares which may be allotted to each director, officer, employee and consultant and all other terms and conditions of the Options, subject to the policies of the Exchange and the terms and conditions of the Option Plan, when such Options are granted. The exercise price of the Options will not be less than the market value of the Common Shares as of the date of grant, as permitted by the Exchange. Options must be exercised within 90 days of termination of employment or cessation of the option holder’s position with the Company, subject to the expiry date of such Option and certain other provisions of the Option Plan.

Pursuant to CSE policies covering option grants, namely CSE Policy 6 *Distributions*, the Company must:

- (a) not grant options with an exercise price lower than the greater of the closing market prices of the underlying securities on (a) the trading day prior to the date of grant of the options; and (b) the date of grant of the options;
- (b) comply with the provisions of National Instrument 45-106 – Prospectus Exempt Distributions (“NI45-106”), under which the Company is deemed to be an “unlisted issuer” for the purposes of Division 4 of NI45-106;
- (c) post notice of option grants or amendments in CSE Form 11 immediately following each grant of options by the Company;
- (d) upon first grant of options under the Option Plan, the Company must provide the CSE with an opinion of counsel that all the securities issuable under the option plan will be duly issued and be outstanding as fully paid and non-assessable shares;
- (e) terms of an option granted under the Option Plan may not be amended once issued. If an option is cancelled prior to its expiry date, the company must post notice of the cancellation and shall not grant new options to the same person until 30 days have elapsed from cancellation of the previous options.

Under the policies of the CSE, the Option Plan must be re-approved every three (3) years by the shareholders of the

Company at an annual meeting. The Option Plan was last approved by the Shareholders at the annual and special meeting held on July 31, 2023.

Employment, Consulting and Management Agreements

On March 19, 2021, the Corporation entered into a management consulting agreement with GeoTarget Solutions Inc., a company based in Burnaby, BC wholly owned by Aleksandar Miskovic, President, CEO, and director, to provide executive management services on a full-time basis in consideration for a consulting fee of \$12,500 per month, plus additional applicable taxes.

On March 22, 2021, the Corporation entered into a consulting agreement with Donaldson Brohman Martin CPA Inc. (“DBM CPA”), a firm that Stephen Brohman, CFO, is a principal of. DBM CPA provides the Company with CFO services on a part-time basis in consideration for a consulting fee of \$4,000 per month, plus additional applicable taxes.

Oversight and Description of Director and Named Executive Officer Compensation

The Company’s executive compensation program is comprised of two primary elements: base salary or consulting fees; and long-term incentive, in the form of participation in the Option Plan. Where NEOs receive other perquisites, they reflect competitive practices, business needs and objectives.

The terms of the compensation arrangements for each NEO (other than the CEO) are reviewed by the CEO with the Board. The terms of the CEO’s compensation arrangements are reviewed by the Board in the absence of the CEO. All changes to the compensation arrangements of the NEOs are approved by the Board.

The Company has not retained any third-party advisors to conduct compensation reviews of its competitors’ pay levels and practices. The Company has not used a benchmark tool to assess its executive compensation levels.

Compensation Elements

1. Base Salary/ Consulting Fees

Compensation levels are typically negotiated with the candidate for the position prior to his or her selection as an executive officer. Salaries or consulting fees for the executive officers are reviewed annually to reflect external factors such as inflation as well as overall corporate performance. Compensation is reviewed and set by the Board.

2. Long-Term Incentive Plan

The Company has an Option Plan for the granting of stock options to the directors, officers, employees and consultants. The purpose of granting such Options is to assist the Company in compensating, attracting, retaining and motivating such persons. The allocation of Options under the Option Plan will be determined by the Board which, in determining such allocations, considers factors such as previous grants to individuals, overall company performance, share price performance, the business environment and labour market, the role and performance of the individual in question and, in the case of grants to non-executive directors, the amount of time directed to the Company’s affairs.

The Company believes that participation by the NEOs in the Option Plan aligns the interests of the NEOs with the Company’s shareholders, as the NEOs are rewarded for the Company’s performance, as evidenced by share price appreciation. See the section of the Information Circular titled “*Statement of Executive Compensation – Stock Option Plan and Other Incentive Plans*” for a summary of the material terms of the Option Plan.

Director Compensation

The Board, at the recommendation of the management of the Company, determines the compensation payable to the directors of the Company, if any, and reviews such compensation periodically throughout the year. The Company may, from time to time, grant to its directors Options to purchase common shares. The Company will rely on Board discussion without any formal objectives, criteria and analysis to determine the number of Options and the terms and conditions of such Options, to be granted to directors and officers in accordance with the policies of the

Exchange and the Option Plan. The Board will also consider the number and value of outstanding Options held by each option holder when determining Option grants.

There have been no significant changes to the Company's compensation policies during the financial year ended January 31, 2024 that could or will have an effect on director or Named Executive Officer compensation.

Pension Disclosure

The Company does not have a pension plan or provide any benefits following or in connection with retirement.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth securities of the Corporation that are authorized for issuance under equity compensation plans as at the end of the Corporation's financial year ended January 31, 2024:

Plan Category	Number of Securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for issuance under equity compensation plans (excluding outstanding securities reflected in Column (1))
Equity compensation plans approved by security holders	1,856,667	\$0.59	1,495,818
Equity compensation plans not approved by security holders	Nil	Nil	Nil
Total	1,856,667	\$0.59	1,495,818

(1) Based on the total number of common shares of the Corporation reserved and authorized for issuance as at January 31, 2024 pursuant to options granted under the Option Plan being 10% of the issued and outstanding common shares from time to time.