

BGX – BLACK GOLD EXPLORATION CORP.

STATEMENT OF EXECUTIVE COMPENSATION

Form 51-102F6V

Statement of Executive Compensation – Venture Issuers

YEAR ENDED DECEMBER 31, 2023

General

For the purpose of this Statement of Executive Compensation:

“**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 (if any) for services provided or to be provided, directly or indirectly to the Company or any of its subsidiaries (if any);

“**NEO**” or “**named executive officer**” means:

- (a) 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;
- (b) 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;
- (c) 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 less than \$60,000 for that financial year; and
- (d) each individual who would be a NEO 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;;

“**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

“**underlying securities**” means any securities issuable on conversion, exchange or exercise of compensation securities.

Director and Named Executive Officer Compensation, excluding Compensation Securities

The following table sets forth all direct and indirect compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Company thereof to each NEO and each 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 for services provided and for services to be provided, directly or indirectly, to the Company. The Company did not have any NEO's during the financial year ended December 31, 2022:

Name and Position	Year	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites ⁽¹⁾ (\$)	Value of All Other Compensation (\$)	Total Compensation (\$)
Francisco Gulisano ⁽²⁾ <i>CEO and Director</i>	2023	\$28,809	Nil	Nil	Nil	Nil	\$28,809
Maryam Amin Shanjani ⁽³⁾ <i>CFO</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
Michael Sato ⁽⁴⁾ <i>Director</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
Roger Lui ⁽⁵⁾ <i>Director</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
Cindy Hernandez ⁽⁶⁾ <i>Corporate Secretary</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil

⁽¹⁾ "Perquisites" include perquisites provided to an NEO or director that are not generally available to all employees and that, in aggregate, are: (a) \$15,000, if the NEO or director's total salary for the financial year is \$150,000 or less, (b) 10% of the NEO or director's salary for the financial year if the NEO or director's total salary for the financial year is greater than \$150,000 but less than \$500,000, or (c) \$50,000 if the NEO or director's total salary for the financial year is \$500,000 or greater.

⁽²⁾ Francisco Gulisano has been the director and CEO since July 10, 2023.

⁽³⁾ Maryam Amin Shanjani has been the CFO since July 1, 2023.

⁽⁴⁾ Michael Sato has been the director of the Company since July 10, 2023.

⁽⁵⁾ Roger Lui has been director of the Company since July 10, 2023.

⁽⁶⁾ Cindy Hernandez has been the corporate secretary since July 10, 2023.

Stock Options and Other Compensation Securities

The Company did not grant any equity incentives during the year ended December 31, 2023 and had yet to adopt an equity incentive plan. The following table sets out all compensation securities granted or issued to each director and NEO by the Company or any subsidiary subsequent to the year ended December 31, 2023, for services provided, or to be provided, directly or indirectly, to the Company or any subsidiary thereof:

Compensation Securities							
Name and Position	Type of Compensation Security	Number of Compensation Securities, Number of Underlying Securities and Percentage of Class	Date of Issue or Grant	Issue, Conversion or Exercise Price \$	Closing Price of Security or Underlying Security on Date of Grant \$	Closing Price of Security or Underlying Security at Year End \$	Expiry Date
Francisco Gulisano ⁽¹⁾ <i>CEO and Director</i>	Stock Options	50,000	March 7, 2024	\$4.00	\$4.00	N/A	March 7, 2029
Maryam Amin Shanjani ⁽¹⁾ <i>CFO</i>	Stock Options	20,000	March 7, 2024	\$4.00	\$4.00	N/A	March 7, 2029
Michael Sato ⁽²⁾ <i>Director</i>	Stock Options	10,000	March 7, 2024	\$4.00	\$4.00	N/A	March 7, 2029
Roger Lui ⁽²⁾ <i>Director</i>	Stock Options	10,000	March 7, 2024	\$4.00	\$4.00	N/A	March 7, 2029
Cindy Hernandez ⁽¹⁾ <i>Corporate Secretary</i>	Stock Options	10,000	March 7, 2024	\$4.00	\$4.00	N/A	March 7, 2029

⁽¹⁾ The options vest as follows: 20% on grant and 20% on each of the twelfth month after the date of grant.

⁽²⁾ The options vest as follows: 20% on grant and 40% on each of the twelfth month after the date of grant.

Stock Option Plans and Other Incentive Plans

The Plan was adopted by the Board on March 7, 2024. The Company anticipates seeking shareholder approval of the Plan at its next annual general meeting.

The Plan provides flexibility to the Company to grant equity-based incentive awards in the form of Stock Options, RSUs, PSUs and DSUs (the “Awards”). The purpose of the Plan is to promote the interests of the Company by: (a) furnishing certain directors, officers, employees or consultants of the Company or an affiliate of the Company with greater incentive to further develop and promote the business and financial success of the Company; (b) furthering the identity of interests of persons to whom options may be granted with those of the shareholders of the Company generally through share ownership in the Company; and (c) assisting the Company in attracting, retaining and motivating its directors, officers, employees and consultants.

The Plan provides that, subject to the requirements of the applicable securities commissions and the Exchange, the aggregate number of Common Shares in respect of which Awards may be granted pursuant to the Plan shall not exceed 20% of the issued and outstanding Common Shares on the date of such grant. Each individual Award grant shall be evidenced by an award agreement which will contain the material terms of such grant. Although the Plan permits the Company to issue Awards equal to 20% of the Company’s issued and outstanding on the date of such grant, pursuant to Exchange policies the Company must obtain shareholder approval to grant any equity incentive securities that would result in total number of equity incentive securities being issued being greater than 10% of the Company’s issued and outstanding Common Shares on the date of such grant. Furthermore, the Plan provides that, unless disinterest shareholder approval is obtained, the Plan will not result in or allow at any time: (i) the number of Common Shares reserved for issuance pursuant to Awards granted to directors or officers exceeding 10% of the outstanding Common Shares at the time of granting the Awards; or (ii) the issuance to any one participant, within a 12 month period, of a number of Common Shares exceeding 5% of the outstanding Common Shares at the time of granting the Awards.

Stock Options

Stock Options may be granted under the Plan to such officers, directors, employees, and consultants, of the Company and its affiliates, if any, as the Board may from time to time designate. The exercise price of the Stock Options will be determined by the Board, but may not be less than the greater of: (a) the fair market value of the Common Shares at the time of grant, as determined by the Board, in its sole discretion; and (b) the lowest price permitted under the applicable rules and regulations of all regulatory authorities to which the Company is subject, including the Exchange and the applicable securities commissions

Restricted Share Units

A RSU is a unit equivalent in value to a Common Share credited which entitles the holder to receive one Common Share (or the value thereof) for each RSU after a specified vesting period as determined by the Board. The Board may grant RSUs to any participant in respect of a bonus or similar payment in respect of services rendered by the applicable participant. Upon settlement, holders will redeem each vested RSU for the following at the election of such holder but subject to the approval of the Board: (a) one fully paid and non-assessable Common Share in respect of each vested RSU, (b) a cash payment or (c) a combination of Common Shares and cash. Any such cash payments made by the Company shall be calculated by multiplying the number of RSUs to be redeemed for cash by the market price per Common Share as at the settlement date.

Performance Share Units

A PSU is a unit equivalent in value to a Common Share which entitles the holder to receive one Common Share for each PSU after specific performance-based vesting criteria have been satisfied. The performance

goals to be achieved during any performance period, the length of any performance period, the amount of any PSUs granted, the effect of termination of a participant's service and the amount of any payment or transfer to be made pursuant to any PSU will be determined by the Board. The Board shall have the authority to determine any vesting terms applicable to the grant of PSUs. Upon settlement, holders will redeem each vested PSU for the following at the election of such holder but subject to the approval of the Board: (a) one fully paid and non-assessable Common Share in respect of each vested PSU, (b) a cash payment, or (c) a combination of Common Shares and cash.

Deferred Share Units

A DSU is a unit equivalent in value to a Common Share which entitles the holder to receive one Common Share (or, at the election of the holder and subject to the approval of the Board, the cash value thereof) for each DSU on a future date. The Board may fix from time to time a portion of the total compensation (including annual retainer) paid by - the Company to a director in a calendar year for service on the Board that are to be payable in the form of DSUs. The Board may determine the settlement date for any DSUs and any other provisions including a requirement to pay a stipulated purchase price for each DSU. Upon settlement, holders will redeem each vested DSU for: (a) one fully paid and non-assessable Common Share issued from treasury in respect of each vested DSU, or (b) at the election of the holder and subject to the approval of the Board, a cash payment on the date of settlement.

Termination of Employment or Services

Upon termination for cause or resignation, any Awards that have not been exercised shall be immediately forfeited and cancelled. Upon termination without cause, a portion of any unvested Awards shall be immediately forfeited and cancelled as of the termination date. Any vested Stock Options may be exercised any time during the period that terminates on the earlier of: (A) the expiry date of such Stock Option; and (B) the date that is 90 days after the termination date. If a Stock Option remains unexercised upon the earlier of (A) or (B), the Stock Option shall be immediately forfeited and cancelled for no consideration upon the termination of such period. In the case of a vested Award other than a Stock Option, such Award will be settled within 90 days after the termination date.

Award Price

The per Common Share exercise price for an incentive stock option must not be less than the fair market value per Common Share on the date of grant. With respect to incentive stock options granted to a greater-than-ten percent Shareholder, the exercise price per Common Share must not be less than 110% of the fair market value per share of Common Shares on the date of grant. With respect to non-qualified stock options, the exercise price per share must be determined by the Plan Administrator at the time the stock option is granted.

The Company must not grant stock options or establish a minimum exercise price for stock options unless and until the stock options have been allocated to a particular person or persons.

The exercise price of a free standing right will be determined by the Plan Administrator, but will not be less than 100% of the greater of: (i) the fair market value of the Common Shares underlying the free standing right on the date of grant, and (ii) the fair market value of the Common Shares underlying the free standing right on the trading date immediately preceding the date of grant. A related right granted

simultaneously with, or subsequent to, the grant of an option and in conjunction therewith or in the alternative thereto, will have the same exercise price as the related option, will be transferable only upon the same terms and conditions as the related option, and will be exercisable only to the same extent as the related option. However, a stock appreciation right, by its terms, will be exercisable only when the fair market value per Share subject to the stock appreciation right and related option exceeds the exercise price per share thereof and no stock appreciation rights may be granted in tandem with an option unless the Plan Administrator determines that the applicable requirements of the plan are satisfied.

Duration of Stock Options and Stock Appreciation Rights

The expiration date of a stock option or stock appreciation right must not be later than 10 years from the date of grant; provided that the expiration date of any incentive stock option granted to a greater-than-ten percent Shareholder must not be later than five years from the date of grant.

Vesting Schedule

The vesting schedule for each award must be specified by the Plan Administrator at the time of grant prior to the provision of services with respect to which such award is granted. If no vesting schedule is specified at the time of grant by the Plan Administrator or in the Plan, the award vests immediately.

The Plan Administrator may accelerate the vesting of one or more outstanding awards.

Term of Stock Option

Stock options that have vested but have not been exercised terminate upon the occurrence of the first of the following events, except as provided for in a stock option agreement: (i) the expiration of the option; (ii) the date of an optionee's termination of employment or contractual relationship with the Company for cause; (iii) the expiration of three months from the date of an optionee's termination of employment or contractual relationship for any reason other than for cause, death or certain disability; and (iv) the expiration of one year from termination of an optionee's employment or contractual relationship by reason of death or certain disability. Stock options that have not vested terminate immediately upon the optionee's resignation from or the Company's termination of employment or contractual relationship for any reason whatsoever, including death or disability.

Transfer of Stock Options and Restricted Awards

The stock options granted under the Plan may not be transferred, assigned, pledged or hypothecated in any manner other than by will or by applicable laws of descent and distribution, and will not be subject to execution, attachment or similar process, provided, however, that subject to applicable laws, the optionee's heirs or administrators may exercise any portion of the outstanding vested stock options within one year of the optionee's death. Upon any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of any stock option contrary to the provisions of the Plan, or upon the sale, levy or any attachment or similar process contrary to the rights and privileges conferred by the Plan, such stock option will terminate and become null and void.

The restricted awards granted under the Current Plan are subject to the terms of the applicable award agreement, which may, but need not, include that the restricted award may not be sold, assigned, transferred or otherwise disposed of, pledged or hypothecated as collateral for a loan or as security for

the performance of any obligation or for any other purpose for such period as the Plan Administrator determines.

Securities Regulation and Tax Withholding

Stock options will not be granted and Common Shares will not be issued with respect to stock options unless the grant of such stock options, the exercise of such stock options and the issuance and delivery of such Common Shares comply with all applicable laws. The optionee must pay to us promptly upon exercise of a stock option or, if later, the date that the amount of such obligations becomes determinable, all applicable federal, state, provincial, local and foreign withholding taxes resulting upon exercise of a stock option or from a transfer or other disposition of Common Shares acquired upon exercise of a stock option or otherwise related to a stock option or Common Shares acquired in connection with a stock option.

Certain Corporate Transactions

If the Company is involved in a merger, consolidation, acquisition of property, reorganization, or liquidation, or the Company declares a dividend payable in, or subdivided, reclassify, reorganize, or combine the Common Shares, the Plan Administrator will, with respect to each outstanding stock option, proportionately adjust the number of Common Shares subject to such stock option and/or the exercise price per share so as to preserve the rights of the optionee substantially proportionate to the rights of the optionee prior to such event. Also to the extent such action includes an increase or decrease in the number of Common Shares, the number of Common Shares available under the plan and the exercise price for such stock option will automatically be increased or decreased proportionately.

For greater certainty, the exercise price for any stock options and the number of Common Shares deliverable upon the exercise of the stock options will be subject to adjustment in the case of any capital reorganization or of any reclassification of the capital of the Company, or in the case of the consolidation, merger or amalgamation of the Company with or into any other company, each stock option will, after such event, confer the right to purchase the number of Common Shares or other securities of the Company (or of the company resulting from such event) which the optionee would have been entitled to upon such event if the optionee had been a Shareholder at the time of such event.

Term of the Current Plan

The Plan Administrator may grant incentive stock options on or after the date on which the Current Plan is adopted through the day immediately preceding the 10th anniversary of the date the Current Plan is adopted. The Plan Administrator may grant non-qualified stock options on or after the date the Current Plan is adopted and until the plan is terminated by the Board.

Amendment and Termination

The Current Plan will terminate automatically on March 7, 2031. No award will be granted pursuant to the Current Plan after such date, but awards granted before then may extend beyond that date. The Plan Administrator may suspend or terminate the Current Plan at any earlier date in accordance with the terms of the Current Plan. No awards may be granted under the Current Plan while the Current Plan is suspended or after it is terminated. Unless the Company determines to submit the section of the Current Plan which sets out the Current Plan's treatment of performance compensation awards and the definition of "Performance Goal" and "Performance Criteria" to the Shareholders at the first Shareholders meeting that occurs in the fifth year following the year in which the Current Plan was last approved by Shareholders

(or any earlier meeting designated by the Board), in accordance with the requirements of Section 162(m) of the *Internal Revenue Code* (United States), and such Shareholder approval is obtained, then no further performance compensation awards will be made to covered employees under the section of the Current Plan which sets out the Current Plan's treatment of performance compensation awards after the date of such annual meeting, but the Current Plan may continue in effect for awards to award recipients not in accordance with Section 162(m) of the *Internal Revenue Code* (United States).

The Plan Administrator may, subject to applicable laws, at any time modify or amend stock options granted under the Current Plan, provided, however, that (i) no amendment with respect to an outstanding stock option which has the effect of reducing the benefits afforded to the optionee must be made over the objection of such optionee; (ii) the events triggering acceleration of vesting of outstanding stock options may be modified, expanded, or eliminated without the consent of the optionees; and (iii) the Plan Administrator may not increase the number of Common Shares available for issuance on the exercise of incentive stock options without Shareholder approval.

The Current Plan provides that other terms and conditions may be attached to a particular option at the discretion of the Board.

Employment, Consulting and Management Agreements

Disclosed below are agreements or arrangements entered under which compensation was provided during the most recently completed financial year.

Maryam Amin Shanjani and Cindy Hernandez provide their services as CFO and Corporate Secretary respectively to the Company through Citadel pursuant to the management services agreement between Citadel and the Company dated January 1, 2023 (the "Citadel Agreement"). Under the Citadel Agreement, the Company pays Citadel a monthly fee of \$6,000, plus applicable taxes, for management services including administration, financial reporting, regulatory disclosure and filing, tax filing, and operations management. Depending on the services required in a given month, this fee may increase to up to \$10,000, plus applicable taxes. The Citadel Agreement is for an initial term of one year, and will renew automatically for subsequent terms of one year each unless terminated by: i) Citadel, after providing 30-days advance notice in writing; ii) the Company, after providing 30-days advance notice in writing; or iii) the Company without notice in the event that Citadel breaches the Citadel Agreement, engages in any conduct which is dishonest or damages the reputation or standing of the Company, is convicted of any criminal act, engages in any act of moral turpitude, files a voluntary petition in bankruptcy, or is adjudicated as bankrupt or insolvent.

Francisco Gulisano provides his services as a CEO to the Company pursuant to a consulting agreement between Mr. Gulisano and the Company dated July 10, 2023 (the "Gulisano Agreement"). Pursuant to the Gulisano Agreement, the Company will pay Mr. Gulisano \$60,000 annually, plus applicable taxes. The Gulisano Agreement shall continue until it is terminated in the following circumstances: i) automatically, in the event that Mr. Gulisano dies or is totally incapacitated; ii) by the Company, immediately upon notice of termination served by the Company for just cause; iii) by Mr. Gulisano, if Mr. Gulisano provides two-months advance notice to the Company; and iv) by the Company, if the Company provides one-month advance notice to Mr. Gulisano. In the event the Company or Mr. Gulisano provide advance notice to the other with respect to a termination, the Company has the option to pay any amounts outstanding to Mr. Gulisano in order to terminate the Gulisano Agreement immediately.

On March 14, 2024, the Company was indebted to Francisco Gulisano in the aggregate amount of \$38,124. Mr. Gulisano agreed to a full settlement of the Debt owed by the Company through the issuance of common shares. Mr. Gulisano agreed to settle the Debt and accept the number of shares in an aggregate amount of 9,531 in the capital of the Company at a deemed price of CAD \$4.00 per share.

Oversight and Description of Director and NEO Compensation

The overall objective of the Company's compensation strategy is to offer short-term, medium-term and long-term compensation components to ensure that the Company has in place programs to attract, retain and develop management of the highest caliber and has in place a process to provide for the orderly succession of management, including receipt on an annual basis of any recommendations of the CEO, if any, in this regard. The Company currently has short-term, medium-term and long-term compensation components in place, and intends to further develop these compensation components. The objectives of the Company's compensation policies and procedures are to align the interests of the Company's employees with the interests of the Shareholders.

Compensation to NEOs may include a base salary that constitutes the Company's short-term compensation component. Such salary takes into account his or her existing professional qualifications and experience. The NEOs' performances and salaries are to be reviewed periodically on the anniversary of their employment with the Company. Increases in salary are to be evaluated on an individual basis and are performance and market-based.

The Company may also grant stock options to NEOs to satisfy the long-term compensation component. The Board may also award bonuses to its NEOs. The amount and award of such bonuses is discretionary, depending on, among other factors, the financial performance of the Company and the position of a NEO.

During the financial year ended December 31, 2023, the Company accrued consulting fees as set out above under the heading "*Director and Named Executive Officer Compensation, excluding Compensation Securities*".

Pension Plan Benefits

The Company does not have any pension, defined benefit, defined contribution or deferred compensation plans in place.