

**RE ROYALTIES LTD.**

**(the "Company")**

**FORM 51-102F6V**

**FOR THE YEAR ENDED DECEMBER 31, 2024**

**STATEMENT OF EXECUTIVE COMPENSATION**

The following information, dated as of June 30, 2025, is provided as required under Form 51-102F6V Statement of Executive Compensation (Venture Issuers) and is prepared as at and for the year ended December 31, 2024 (except as otherwise indicated).

This Statement of Executive Compensation should be read in conjunction with the Company's information circular (the "Information Circular") dated November 8, 2024 as publicly filed on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) on November 22, 2024. All monetary amounts herein are expressed in Canadian Dollars ("\$"), unless stated otherwise.

**COMPENSATION DISCUSSION AND ANALYSIS**

**NAMED EXECUTIVE OFFICERS**

In this section "Named Executive Officer" (or "NEO") means each of the following individuals:

- (a) the Chief Executive Officer ("CEO");
- (b) the Chief Financial Officer ("CFO");
- (c) in respect of the Company and its subsidiaries, 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 more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V for that financial year; and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at December 31, 2024.

The NEOs of the Company as at December 31, 2024 are as follows:

- Mr. Bernard Tan – CEO of the Company;
- Mr. Peter Leighton – Chief Operating Officer ("COO") of the Company; and
- Mr. Luqman Khan – CFO of the Company;

The following disclosure sets out the compensation that the Board intended to pay, make payable, award, grant, give or otherwise provide to each NEO and director for the financial year ended December 31, 2024.

**COMPENSATION COMMITTEE AND GOVERNANCE**

As indicated above, the Company has a Compensation Committee (the "Committee") to assist the Board in carrying out its responsibilities relating to executive and director compensation, including: reviewing and recommending director compensation, overseeing the Company's base compensation structure and equity-based compensation program, recommending compensation of the Company's officers and employees, evaluating performance of officers generally and in light of annual goals and objectives. The charter for the Committee is included in the Corporate Governance Policies and Procedures Governance Manual and is available for viewing from the Company's website under Corporate Governance:

The current members of the Committee of the Company as stated above are Jill Leversage (Chair), Rene Carrier, and Stephen Cheeseman, all of whom are independent directors. During the year ended December 31, 2024, the Committee had two meetings. The Committee assists the Board in carrying out its responsibilities relating to executive and director compensation.

The members of the Committee possess the skills and experience that enable the committee to make decisions on the suitability of the Company's compensation policies and practices.

As a result of their education and experience, each member of the Committee has familiarity with, an understanding of, or experience in:

- (a) reviewing compensation philosophy including base compensation structures & incentive programs;
- (b) reviewing specific executive and director compensation;
- (c) administering of share options and other equity based compensation plans and the determination of share option grants; and
- (d) reviewing performance goals and the assessments of corporate officers.

All members of the Committee serve or have served on other boards of publicly traded companies and/or other non-profit organizations and have experience in the area of compensation and related issues. For relevant education and experience of the Committee members, see disclosure under "Biographical Information of Nominees for Director" in the Company's Information Circular filed on SEDAR+ on November 22, 2024.

The Committee has, among other things, the following duties, responsibilities and authority:

- (a) to recommend to the Board the form and amount of compensation to be paid by the Company to directors for service on the Board and on its committees. The Committee shall review director compensation at least annually.
- (b) to annually review the Company's base compensation structure and the Company's incentive compensation, share option and other equity-based compensation programs and recommend changes in or additions to such structure and plans to the Board as needed.
- (c) to recommend to the Board the annual base compensation of the Company's executive officers and senior managers (collectively the "Officers").
- (d) to recommend to the Board annual corporate goals and objectives under any incentive compensation plan adopted by the Company for Officers, and recommend incentive compensation participation levels for Officers under any such incentive compensation plan. In determining the incentive component of compensation, the Committee will consider the Company's performance and relative shareholder return, the values of similar incentives at comparable companies and the awards given in past years.
- (e) to evaluate the performance of Officers generally and in light of annual corporate goals and objectives under any incentive compensation plan.
- (f) to periodically review with the Chairman and CEO their assessments of corporate officers and senior managers and succession plans and make recommendations to the Board regarding appointment of officers and senior managers.
- (g) to administer the Company's share option and other equity based compensation plans and determine the annual grants of share options and other equity based compensation.
- (h) to recommend to the Nominating and Governance Committee the qualifications and criteria for membership on the Committee.

Due to the small size of the Company and the current level of the Company's activities, the Committee is able to closely monitor and consider any risks which may be associated with the Company's compensation policies and practices. Risks, if any, may be identified and mitigated through regular meetings of the Board during which financial and other information of the Company are reviewed. No risks have been identified

arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

Executive compensation is comprised of short-term compensation in the form of a base salary and long-term ownership through the Company's share option plan. This structure ensures that a significant portion of executive compensation (stock options and RSUs) is both long-term and "at risk" and, accordingly, is directly linked to the achievement of business results and the creation of long-term shareholder value. As the benefits of such compensation, if any, are not realized by officers until a significant period of time has passed, the ability of officers to take inappropriate or excessive risks that are beneficial to their compensation at the expense of the Company and the shareholders is extremely limited. As a result, it is unlikely that an officer would take inappropriate or excessive risks at the expense of the Company or the shareholders that would be beneficial to their short-term compensation when their long-term compensation might be put at risk from their actions.

### **Report on Executive Compensation**

This report on executive compensation has been authorized by the Committee. The Board assumes responsibility for reviewing and monitoring the long-range compensation strategy for the Company's senior management, although the Committee guides it in this role. As part of its mandate, the Board determines the type and amount of compensation for the Company's executive officers. In addition, the Board reviews the methodology utilized by the Company for setting salaries of employees throughout the organization.

The Company's compensation policies and programs are designed to be competitive with other companies and to recognize and reward executive performance consistent with the success of the Company's business.

### **Philosophy and Objectives**

The Company's senior management compensation program is designed to ensure that the level and form of compensation achieves certain objectives, including:

- (a) attracting and retaining talented, qualified and effective executives;
- (b) motivating the short and long-term performance of these executives; and
- (c) better aligning their interests with those of the Company's Shareholders.

In compensating its senior management, the Company employs a combination of base salary, bonus compensation and equity participation through its share option plan and other equity participation plans.

The main objective of director compensation is to attract and retain directors with the relevant skills, knowledge and abilities to carry out the Board's mandate.

### **Base Salary**

In the Board's view, paying base salaries that are competitive in the markets in which the Company operates is a first step to attracting and retaining talented, qualified and effective executives. The NEOs are paid a salary in order to ensure that the compensation package offered by the Company is in line with that offered by other companies in our industry, and as an immediate means of rewarding the NEO for efforts expended on behalf of the Company.

The salary to be paid to a particular NEO is determined by gathering competitive salary information from a variety of sources, including surveys conducted by independent consultants and national and international publications, such as the Clean Technology Compensation Report from the Bedford Group. Payment of a cash salary fits within the objective of the compensation program since it rewards the NEOs for performance of their duties and responsibilities.

### **Bonus Compensation**

The Board considers performance, shareholder benefits achieved, competitive factors and other matters in awarding bonuses, including if sufficient cash resources are available for the granting of bonuses.

### **All Other Fees**

There were no other fees paid to any consultants or advisors relating to executive compensation.

### **Executive Compensation-Related Fees**

No compensation was paid to any compensation consultants in respect of executive compensation studies for the Company's two most recently completed financial years.

### **Equity Participation – Option Based Awards**

The Company has a share option plan (the "Option Plan"). The Option Plan was established to provide incentive to qualified parties to increase their proprietary interest in the Company, encourage the alignment of interests with its shareholders, and foster their continued association with the Company.

Long term incentives are comprised of share options, Restricted Share Units and Deferred Share Units (for a discussion of the RSU Plan and the DSU Plan see the section immediately below). The Committee is delegated the authority to grant share options. The Committee reviews the grants of share options to directors, officers, management, employees and consultants. Share options are generally granted annually, and at other times of the year to individuals commencing employment with the Company. Share option exercise prices are set in accordance with policies of the TSX Venture Exchange ("TSXV rules") and are based on the closing trading price prior to the date of grant.

The Company believes that encouraging its executives, employees and directors to become shareholders is the best way of aligning their interests with those of its Shareholders. Equity participation is accomplished through the Option Plan. Share options are granted taking into account a number of factors, including the amount and term of options previously granted, base salary and bonuses, and competitive factors. Share options vest on terms established by the Committee.

The Company's long term incentives are designed to foster and promote the long-term financial success of the Company by strengthening the ability of the Company to attract and retain highly competent employees, motivating performance through incentive compensation, promoting greater alignment of interests between employees and shareholders in creating long-term shareholder value, and enabling employees to participate in the long-term growth and financial success of the Company. Share options provide employees with the opportunity to participate in the growth of the Company's share price as well as benefit from the favourable tax treatment applicable to this form of compensation.

Material terms of the Option Plan are included under "Particulars of Matters to be Acted Upon" in the Company's Information Circular filed on SEDAR+ on November 22, 2024.

### **Equity Participation – Restricted Share Unit Plan and Deferred Share Unit Plan**

The Company has a Restricted Share Unit Plan (the "RSU Plan") and a Deferred Share Unit Plan (the "DSU Plan").

The RSU Plan and DSU Plan were established to provide incentive to qualified parties to increase their proprietary interest in the Company, encourage the alignment of interests with its shareholders, and foster their continued association with the Company.

Long term incentives are comprised of share awards. The Committee is delegated the authority to grant share awards. The Committee reviews the grants of share awards to directors, officers, management, employees and consultants. Share awards are generally granted annually, and at other times of the year to individuals commencing employment with the Company.

The Company believes that encouraging its executives, employees and directors to become shareholders is the best way of aligning their interests with those of its Shareholders. Equity participation is accomplished through both the RSU Plan and DSU Plan. Share awards are granted taking into account a number of factors, including the amount and term of options previously granted, base salary and bonuses, and competitive factors. Share awards vest on terms established by the Committee.

The Company’s long term incentives are designed to foster and promote the long-term financial success of the Company by strengthening the ability of the Company to attract and retain highly competent employees, motivating performance through incentive compensation, promoting greater alignment of interests between employees and shareholders in creating long-term shareholder value, and enabling employees to participate in the long-term growth and financial success of the Company. Share awards provide employees with the opportunity to participate in the growth of the Company’s share price as well as benefit from the favourable tax treatment applicable to this form of compensation.

**General**

The Committee considered the implications of the risks associated with the Company’s compensation policies and practices and concluded that, given the nature of the Company’s business and the role of the Committee in overseeing the Company’s executive compensation practices, the compensation policies and practices do not serve to encourage any executive officer, or individual at a principal business unit or division to take inappropriate or excessive risks, and no risks were identified arising from the Company’s compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

The Company has adopted a policy restricting its NEOs and directors from purchasing financial instruments including prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director. For the years ended December 31, 2024 and 2023, no NEO or director, directly or indirectly, employed a strategy to hedge or offset a decrease in market value of equity securities granted as compensation or held.

Given the evolving nature of the Company’s business, the Board continues to review and redesign the overall compensation plan for senior management so as to continue to address the objectives identified above.

For the year ended December 31, 2024, the Committee has assessed that the Company’s executive compensation was in the 25<sup>th</sup> percentile among comparable companies, with the goal to increase the Company’s executive compensation levels close to the 50<sup>th</sup> percentile as the Company grows.

**DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION, EXCLUDING COMPENSATION SECURITIES**

The following table sets out a summary of compensation (excluding compensation securities) paid, awarded to or earned by the NEOs, or by Companies controlled by them, and any non-NEO directors of the Company for the periods noted therein:

Table of compensation excluding compensation securities							
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 (\$)

Bernard Tan <sup>(1)</sup> CEO and Director	2024	75,000	Nil	Nil	Nil	Nil	75,000
	2023	75,000	Nil	Nil	Nil	Nil	75,000
Peter Leighton <sup>(1)</sup> COO	2024	170,000	Nil	Nil	Nil	Nil	170,000
	2023	170,000	Nil	Nil	Nil	Nil	170,000
Luqman Khan <sup>(2)</sup> CFO	2024	62,000	Nil	Nil	Nil	Nil	62,000
	2023	53,000	Nil	Nil	Nil	Nil	53,000
Marchand Snyman Chairman <sup>(3)</sup>	2024	55,000	Nil	Nil	Nil	Nil	55,000
	2023	55,000	Nil	Nil	Nil	Nil	55,000
Jill Leversage Director <sup>(3)</sup>	2024	21,500	Nil	7,000	Nil	Nil	28,500
	2023	21,500	Nil	7,000	Nil	Nil	28,500
Stephen Cheeseman Director <sup>(3)</sup>	2024	21,500	Nil	7,000	Nil	Nil	28,500
	2023	21,500	Nil	7,000	Nil	Nil	28,500
Gordon Fretwell Director <sup>(3)</sup>	2024	21,500	Nil	2,000	Nil	Nil	23,500
	2023	21,500	Nil	2,000	Nil	Nil	23,500
Rene Carrier Director <sup>(3)</sup>	2024	21,500	Nil	7,000	Nil	Nil	28,500
	2023	21,500	Nil	7,000	Nil	Nil	28,500
Paul Larkin Director <sup>(3)</sup>	2024	21,500	Nil	4,000	Nil	Nil	25,500
	2023	21,500	Nil	4,000	Nil	Nil	25,500

Notes:

- (1) Mr. Tan and Mr. Leighton have employment agreements with the Company whereby they are entitled to receive base annual salaries of \$150,000 and \$170,000, respectively. Mr. Tan elected to receive only 50% of his annual salary for the year ended December 31, 2024 and 2023; the other 50% was reserved for charitable donation purposes to be disbursed at the discretion of the Board and employees of the Company.
- (2) Mr. Khan provides services through a private consulting firm. Services of Mr. Khan are not received on a full-time basis; instead, his services are received on an as-needed basis.
- (3) Mr. Snyman, in his capacity as Chairman of the Board, receives an annual fee and no committee fees. Other non-management directors of the Company receive an annual retainer fee in their capacity as directors, and additional fees for each committee served. The following table summaries various fees paid to non-management directors for the periods noted therein:

	Years ended December 31, 2024 and 2023
Annual retainer – Chairman of the Board	\$55,000 per year
Annual retainer – other non-management directors	\$21,500 per year
Committee chair’s fee	\$5,000 per year
Committee member’s fee	\$2,000 per year

The following table sets out various Board Committees and their members:

Members	Board Committees		
	Audit and Risk Committee	Compensation Committee	Nominating and Governance Committee.
Jill Leversage	Member	Chair	–
Stephen Cheeseman	–	Member	Chair
Gord Fretwell	–	–	Member
Rene Carrier	Chair	Member	–
Paul Larkin	Member	–	Member

**STOCK OPTIONS AND OTHER COMPENSATION SECURITIES**

During the financial year ended December 31, 2024, there were no compensation securities granted or issued to NEOs or non-NEO directors, for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries.

The following table lists the number of stock options held by NEOs or non-NEO directors at December 31, 2024:

Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date
Bernard Tan	250,000	1.32	February 18, 2026
	<u>144,000</u>	0.65	May 1, 2026
	394,000		
Peter Leighton	250,000	1.32	February 18, 2026
	<u>72,000</u>	0.65	May 1, 2026
	322,000		
Luqman Khan	100,000	1.32	February 18, 2026
	<u>48,000</u>	0.65	May 1, 2026
	148,000		
Marchand Snyman	125,000	1.32	February 18, 2026
	<u>72,000</u>	0.65	May 1, 2026
	197,000		
Jill Leversage	60,000	1.32	February 18, 2026
	<u>48,000</u>	0.65	May 1, 2026
	108,000		
Stephen Cheeseman	60,000	1.32	February 18, 2026
	<u>48,000</u>	0.65	May 1, 2026
	108,000		
Gordon Fretwell	60,000	1.32	February 18, 2026
	<u>48,000</u>	0.65	May 1, 2026
	108,000		
Rene Carrier	60,000	1.32	February 18, 2026
	<u>48,000</u>	0.65	May 1, 2026
	108,000		
Paul Larkin	60,000	1.32	February 18, 2026
	<u>48,000</u>	0.65	May 1, 2026
	108,000		

The following table lists the number of DSUs and RSUs held by NEOs or non-NEO directors at December 31, 2024:

Name	Number of securities underlying unexercised options (#)	Exercise price (\$)	Expiration date
<b>RSUs</b>			
Peter Leighton	24,000	N/A	May 1, 2026
Luqman Khan	24,000	N/A	May 1, 2026
<b>DSUs</b>			
Marchand Snyman	43,500	N/A	N/A
Jill Leversage	27,667	N/A	N/A
Stephen Cheeseman	27,667	N/A	N/A
Gordon Fretwell	26,833	N/A	N/A
Rene Carrier	27,667	N/A	N/A
Paul Larkin	27,167	N/A	N/A

During the financial year ended December 31, 2024, no compensation securities were exercised by non-NEO directors, and the following compensation securities held by NEOs were settled:

Exercise of Compensation Securities by Directors and NEOs							
Name And position	Type of compensation security	Number of compensation 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 (\$)
Peter Leighton COO	RSUs	24,000	Nil	December 2, 2024	0.47	0.47	11,280
Luqman Khan CFO	RSUs	24,000	Nil	December 2, 2024	0.47	0.47	11,280

#### PENSION PLAN BENEFITS

The Company has no pension or deferred compensation plans for its directors, officers or employees.

#### TERMINATION AND CHANGE OF CONTROL BENEFITS

The Company has a change of control agreement in place between the Company and each of its NEOs. Under the terms of the change of control agreements, if a termination without cause or a resignation within 12 months following a change of control (as defined under the change of control agreement) NEOs will receive the following compensation:

- The Company's CEO and COO, each, will receive a lump sum amount equal to two times the annual salary payable under the terms of their respective employment agreement;
- Notwithstanding the terms of any stock option plan or agreement, all non-vested stock options held by the Company's CEO and COO shall vest and become exercisable until their normal expiry date; and
- The Company's CFO will receive a lump sum amount of \$100,000

Except as otherwise outlined herein and in accordance with the Employment Standards Act (British Columbia), there are no compensatory plan(s) or arrangement(s), with respect to any NEO resulting from the resignation, retirement or any other termination of employment of the officer's employment or from a change of the NEO's responsibilities following a change in control.

**Compensation Actions, Decisions or Policies made after December 31, 2024.**

Given the evolving nature of the Corporation's business, the Board continues to review and redesign the overall compensation plan for senior management so as to continue to address the objectives identified above.

There were no compensation actions, decisions or policies made after December 31, 2024 and before the date hereof.