

KELLY VENTURES LTD.

STATEMENT OF EXECUTIVE COMPENSATION

(All figures in Canadian dollars unless otherwise stated.)

Dated:
May 24, 2024

KELLY VENTURES LTD.
STATEMENT OF EXECUTIVE COMPENSATION
For the Financial Year Ended December 31, 2023

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

In this form, the following terms shall be defined as follows:

- (a) **“Board”** means the board of directors of Kelly Ventures Ltd.
- (b) **“Company”** means Kelly Ventures Ltd.;
- (c) **“company”** includes other types of business organizations such as partnerships, trusts and other unincorporated business entities;
- (d) **“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;
- (e) **“Exchange”** means the TSX Venture Exchange;
- (f) **“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;
- (g) **“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;

- (h) “**Shares**” mean the common shares in the capital of the Company; and
- (i) “**Stock Option Plan**” refers to the Company’s 10% “rolling” stock option plan dated July 5, 2023, and last approved by the shareholders of the Company on August 9, 2023.

DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

During the financial year ended December 31, 2023, based on the definition above, the Company’s sole NEO was Paul Larkin, CEO and CFO of the Company. Mr. Larkin also serves as the Company’s Corporate Secretary and Director. Individuals serving as Directors of the Company who were not NEOs during the financial year ended December 31, 2023, were Jonathan Younie and Erin Walmesley.

Director and Named Executive Officer 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	Salary, consulting fee, retainer, or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Paul A. Larkin ⁽¹⁾ <i>CEO, CFO, Corporate Secretary, and Director</i>	2023	Nil	Nil	Nil	Nil	6,300	6,300
	2022	Nil	Nil	Nil	Nil	8,505	8,505
Jonathan Younie ⁽²⁾ <i>Director</i>	2023	Nil	Nil	Nil	Nil	12,600	12,600
	2022	Nil	Nil	Nil	Nil	7,350	7,350
Erin Walmesley ⁽³⁾ <i>Director</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	735	735

(1) Paid to New Dawn Holdings Ltd., a private company controlled by Paul Larkin, for administrative services.

(2) Paid to Copsewood Capital Corp., a private company controlled by Jonathan Younie, for accounting services.

(3) Paid to Bayswater Consulting Ltd., a private company controlled by Erin Walmesley, for consulting services.

Compensation Securities

No Compensation Securities were granted or issued to any director or NEO by the Company or one of its subsidiaries during the financial year ended December 31, 2023, for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries. In addition, as at December 31, 2023, the directors and NEO of the Company held no Compensation Securities.

Exercise of Compensation Securities by Directors and NEOs

There were no exercises of Compensation Securities by any director or NEO of the Company during the financial year ended December 31, 2023.

Stock Option Plan

The following is a summary of the substantive terms, and qualified in its entirety by the full text, of the Stock Option Plan. A full copy of the Stock Option Plan is appended to the Company's Management Information Circular dated July 5, 2023, available under the Company's profile on the System for Electronic Document Analysis and Retrieval Plus (SEDAR+) at www.sedarplus.ca. Capitalized terms shall have the same meaning ascribed to them in the Stock Option Plan and relevant policies of the Exchange.

Administration	The Board shall, without limitation, have full and final authority in their discretion, but subject to the express provisions of the Stock Option Plan, to interpret the Stock Option Plan, to prescribe, amend and rescind rules and regulations relating to the Stock Option Plan and to make all other determinations deemed necessary or advisable in respect of the Stock Option Plan. Except as set forth in certain sections of the Stock Option Plan and subject to any required prior Exchange approval, the interpretation and construction of any provision of the Stock Option Plan by the Board shall be final and conclusive. Administration of the Stock Option Plan shall be the responsibility of the appropriate officers of the Company and all costs in respect thereof shall be paid by the Company.
Number of Shares	The maximum aggregate number of Shares that are issuable pursuant to security based compensation granted or issued under the Stock Option Plan and all of the Company's other previously established or proposed security based compensation plans (to which the following limits apply under Exchange policies): (a) To all Optionees as a group (including for greater certainty Insiders (as a group)) shall not exceed 10% of the total number of issued and outstanding Shares on a non-diluted basis at any point in time; (b) to Insiders (as a group) in any 12-month period shall not exceed 10% of the total number of issued and outstanding Shares on a non-diluted basis on the date of grant, unless the Company has obtained the requisite disinterested shareholder approval pursuant to applicable Exchange policies; (c) to any one Optionee (including, where permitted under applicable policies of the Exchanges, any companies that are wholly owned by such Optionee) in any 12-month period shall not exceed 5% of the total number of issued and outstanding Shares on a non-diluted basis on the date of grant, unless the Company has obtained the requisite disinterested shareholder approval pursuant to applicable Exchange policies, and, prior to completion of the Qualifying Transaction, the number of Option Shares reserved under outstanding Options for issuance to any individual Director or senior officer may not exceed 5% of the total number of issued and outstanding Shares outstanding on a non-diluted basis on the date of grant; (d) to any one Consultant in any 12-month period shall not exceed 2% of the total number of issued and outstanding Shares on a non-diluted basis on the date of grant and, prior to completion of the

	Qualifying Transaction, the number of Option Shares reserved under outstanding Options for issuance to all technical consultants may not exceed 2% of the total number of issued and outstanding Shares outstanding on a non-diluted basis on the date of grant; (e) to Investor Relations Service Providers (as a group) in any 12-month period shall not exceed 2% of the total number of issued and outstanding Shares on a non-diluted basis on the date of grant, provided that no Options may be granted to any persons providing Investor Relations Activities, promotional or market-making services until the completion of the Qualifying Transaction, and, on and after completion of the Qualifying Transaction, Investor Relations Service Providers shall not be eligible to receive any security based compensation other than Options if the Shares are listed on the Exchange at the time of any issuance or grant; and (f) to Eligible Charitable Organizations (as a group) shall not exceed 1% of the total number of issued and outstanding Shares on a non-diluted basis on the date of grant.
Securities	Each Stock Option entitles the holder thereof to purchase one Share at an exercise price determined by the Board.
Participation	Any directors, officers, Employees, Management Company Employees, Consultants and Eligible Charitable Organizations of the Company and its subsidiaries.
Option Price	The Option Price under each Option shall be not less than the Market Price on the date of grant less the applicable discount permitted under the policies of the Exchange.
Exercise Period	The exercise period of an Option will be the period from and including the date of grant up to 4:00 p.m. Pacific Time on the expiry date that will be determined by the Board at the time of grant, provided that the Expiry Date of an Option will be no later than the tenth anniversary of the date of grant of the Option.
Cessation of Employment	For Options granted prior to completion of the Qualifying Transaction, if the Optionee ceases to be a Director, senior officer or technical consultant of the Company, or of the Resulting Issuer, as the case may be, the Option then held by the Optionee shall be exercisable to acquire Vested Unissued Option Shares at any time up to but not after the earlier of 365 days after the date of cessation or the Expiry Date. For Options granted on or after the completion of the Qualifying Transaction, if an Optionee ceases to be an Eligible Person, his or her Option shall be exercisable as follows: (a) Death or Disability If the Optionee ceases to be an Eligible Person, due to his or her death or Disability or, in the case of an Optionee that is a company, the death or Disability of the person who provides management or

	consulting services to the Company or to any entity controlled by the Company, the Option then held by the Optionee shall be exercisable to acquire Vested Unissued Option Shares at any time up to but not after the earlier of: (i) 365 days after the date of death or disability; and (ii) the Expiry Date; (b) Termination For Cause If the Optionee or, in the case of a Management Company Employee or a Consultant Company, the Optionee's employer, ceases to be an Eligible Person as a result of termination for cause as that term is interpreted by the courts of the jurisdiction in which the Optionee, or, in the case of a Management Company Employee or a Consultant Company, of the Optionee's employer, is employed or engaged; any outstanding Option held by such Optionee on the date of such termination, whether in respect of Option Shares that are Vested or not, shall be cancelled as of that date. (c) Early Retirement, Voluntary Resignation or Termination Other than For Cause If the Optionee or, in the case of a Management Company Employee or a Consultant Company, the Optionee's employer, ceases to be an Eligible Person due to his or her retirement at the request of his or her employer earlier than the normal retirement date under the Company's retirement policy then in force, or due to his or her termination by the Company other than for cause, or due to his or her voluntary resignation, the Option then held by the Optionee shall be exercisable to acquire Vested Unissued Option Shares at any time up to but not after the earlier of the Expiry Date and the date which is 90 days (30 days if the Optionee was engaged in Investor Relations Activities) after the Optionee or, in the case of a Management Company Employee or a Consultant Company, the Optionee's employer, ceases to be an Eligible Person.
Acceleration Events	If at any time when an Option granted under the Stock Option Plan remains unexercised with respect to any Unissued Option Shares, an Offer is made by an offeror, the Board may, upon notifying each Optionee of full particulars of the Offer and subject to the approval of the Exchanges with respect to Investor Relations Service Providers, declare all Option Shares issuable upon the exercise of Options granted under the Stock Option Plan, Vested, and declare that the Expiry Date for the exercise of all unexercised Options granted under the Stock Option Plan is accelerated so that all Options will either be exercised or will expire prior to the date upon which Shares must be tendered pursuant to the Offer. The Board shall give each Optionee as much notice as possible of the acceleration of the Options as aforesaid, except that not less than 5 business days notice is required and more than 30 days notice is not required.

Amendments	The Board may from time to time, subject to applicable law and to the prior approval, if required, of the shareholders (or disinterested shareholders, if required), Exchanges or any other regulatory body having authority over the Company or the Stock Option Plan, suspend, terminate or discontinue the Stock Option Plan at any time, or amend or revise the terms of the Stock Option Plan or of any Option granted under the Stock Option Plan and the Option Agreement relating thereto, provided that no such amendment, revision, suspension, termination or discontinuance shall in any manner adversely affect any Option previously granted to an Optionee under the Stock Option Plan without the consent of that Optionee.
Qualifying Transaction	Until the completion of the Qualifying Transaction, the Stock Option Plan is subject to all the terms and conditions contained in Exchange Policy 2.4 – <i>Capital Pool Companies</i>, and to the extent that the Stock Option Plan is inconsistent with Exchange Policy 2.4 – <i>Capital Pool Companies</i>, the terms and conditions of Exchange Policy 2.4 – <i>Capital Pool Companies</i> will govern. For further clarity, (i) no Options may be granted to any Optionee until the completion of the Qualifying Transaction, unless the Optionee first enters into an Exchange Form 2F CPC Escrow Agreement agreeing to deposit the acquired Options and Option Shares into escrow, and (ii) no Options may be granted to any persons providing Investor Relations Activities, promotional or market-making services until the completion of the Qualifying Transaction. No Options may be granted to any Optionee until the completion of the Qualifying Transaction, unless the Optionee first enters into an Exchange Form 2F CPC Escrow Agreement agreeing to deposit the acquired Options and Option Shares into escrow.

External management companies

During the fiscal year ended December 31, 2023, the Company did not enter into any agreement with any external management company that employs or retains one or more of the directors or the NEO and, the Company has not entered into any understanding, arrangement, or agreement with any external management company to provide executive management services to the Company, directly or indirectly, in respect of which any compensation was paid by the Company.

Employment, consulting and management agreements

During the year ended December 31, 2023, the Company did not have any agreements or arrangements under which compensation was provided or is payable in respect of services provided to the Company or any of its subsidiaries that were performed by a director or NEO, or performed by any other party but are services typically provided by a director or an NEO. As at the date hereof, the Company does not have any agreement or arrangement that provides for payments to directors or to the NEO with respect to a change of control, severance, termination (whether voluntary or involuntary) or constructive dismissal.

Oversight and description of director and Named Executive Officer compensation

The Company is a capital pool company, or “CPC” in accordance with the policies of the Exchange and at present does not conduct any active business operations other than looking for acquisition opportunities.

The Company does not have any agreements in place with its Named Executive Officer or directors. As a CPC, the Company is prohibited from paying any kind of remuneration, including salaries, consulting fees, management fees, or directors' fees, to non-arm's length parties until such time as it completes its Qualifying Transaction, except for the granting from time to time of stock options in accordance with the requirements of the Exchange and the Stock Option Plan, as well as payment of certain permitted expenses under Exchange Policy 2.4 – *Capital Pool Companies* which includes reasonable general and administrative expenses of the CPC.

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 or to the NEO at, following, or in connection with retirement.