



**Annual General Meeting of Shareholders
to be held Thursday, October 27, 2022**

NOTICE OF MEETING

AND

MANAGEMENT INFORMATION CIRCULAR

September 12, 2022



NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

TO BE HELD ON OCTOBER 27, 2022

NOTICE IS HEREBY GIVEN that an annual general meeting (the “**Meeting**”) of the shareholders of Guanajuato Silver Company Ltd. (the “**Company**”) will be held at 999 Canada Place, Suite 578, Vancouver, B.C., on Thursday, October 27, 2022, at 10:00 a.m. (Pacific time).

However, due to the ongoing COVID-19 pandemic and current provincial and federal guidance and recommendations (including potential future restrictions) regarding public gatherings, shareholders and proxyholders are strongly encouraged to vote by proxy in advance of the Meeting and not attend the Meeting in person so that the Company can mitigate potential risks to the health and safety of shareholders, employees, and the community. Strict limitations on the number of persons permitted entry to the physical meeting location will apply and guests will not be permitted entry. In the event the Company decides to change the date, time, location and/or format of the Meeting to electronic or virtual as part of its efforts to reduce the spread of COVID-19, the Company will issue a press release announcing the change and take all reasonable steps necessary to inform all parties involved in the proxy infrastructure, including intermediaries and the Company’s transfer agent, of the change. The Company encourages all shareholders to monitor the Company’s public filings on SEDAR for any changes to Meeting arrangements.

The Meeting will be held for the following purposes:

1. To receive the audited financial statements of the Company for the year ended December 31, 2021 and the report of the auditor on those statements.
2. To set the number of directors for the ensuing year at six.
3. To elect directors for the ensuing year.
4. To appoint the auditor for the Company for the ensuing year and to authorize the directors to fix the remuneration to be paid to the auditor.
5. To consider and, if thought advisable, pass an ordinary resolution ratifying and approving the Company’s amended and restated “rolling” stock option plan as more particularly described in the Company’s management information circular dated September 12, 2022 (the “**Information Circular**”) accompanying this Notice of Meeting.
6. To consider and, if thought advisable, pass an ordinary resolution adopting and approving the Company’s omnibus equity compensation plan as more particularly described in the Information Circular.
7. To transact such other business as may properly come before the Meeting or any adjournments thereof.

This Notice of Meeting is accompanied by the Information Circular and either a form of proxy for registered shareholders or a voting instruction form for beneficial shareholders. Shareholders are requested to read the Information Circular and, if unable to attend the Meeting in person, complete, date, sign and return the proxy or voting instruction form, as applicable, so that as large a representation as possible may be had at the Meeting.

This year, as described in the notice and access notification mailed to shareholders of the Company, the Company will deliver the applicable Meeting Materials to shareholders by posting the Meeting Materials on <https://gsilver.com/investors/agm>. The use of this alternative means of delivery is more environmentally friendly as it will help reduce paper use and it will also reduce the Company's printing and mailing costs. The Meeting Materials will be available on <https://gsilver.com/investors/agm> as of September 27, 2022, and will remain on the website for one full year thereafter. The Meeting Materials will also be available on SEDAR at www.sedar.com as of September 27, 2022.

All shareholders will receive a notice and access notification, together with a proxy or voting instruction form, as applicable, which will contain information on how to obtain electronic and paper copies of the Meeting Materials in advance of the Meeting.

Shareholders who wish to receive paper copies of the Meeting Materials may request copies using the control number as it appears on the proxy or voting instruction form accompanying your notice and access notification. You may request materials by calling toll free, within North America – 1-888-996-4034 or direct, from outside North America – 1-604-913-5998 and providing your control number as indicated on your proxy or voting instruction form. Meeting Materials will be sent to you at no cost within three business days of your request, if such request is made before the Meeting. To ensure that you receive the Meeting Materials in advance of the voting deadline and Meeting date, all requests must be received no later than Friday, October 14, 2022. If you do request paper copies of the Meeting Materials, please note that another proxy/voting instruction form will not be sent and you should retain your current one for voting purposes. To obtain paper copies of the Meeting Materials after the Meeting date, please contact 1-604-913-5998.

The Board of Directors of the Company has fixed the close of business on September 12, 2022 as the record date, being the date for the determination of the registered holders of common shares entitled to receive notice of, and to vote at, the Meeting and any adjournment thereof. The Board of Directors has also fixed 10:00 a.m. (Pacific time) on Tuesday, October 25, 2022, or no later than 48 hours before the time of any adjourned Meeting (excluding Saturdays, Sundays and holidays), as the time before which proxies to be used or acted upon at the Meeting or any adjournment thereof shall be deposited with the Company's registrar and transfer agent, Odyssey Trust Company.

DATED at Vancouver, British Columbia, as of the 12th day of September, 2022.

GUANAJUATO SILVER COMPANY LTD.

By: (signed) "**James Anderson**"

James Anderson
Chairman and Chief Executive Officer



INFORMATION CIRCULAR

FORWARD-LOOKING INFORMATION

Information contained in this Information Circular that is not current or historical factual information may constitute forward-looking information within the meaning of applicable Canadian securities laws. All information other than historical information included in this Information Circular that addresses activities, events or developments that the Company expects or anticipates will or may occur in the future, including without limitation, information regarding any objectives, expectations, intentions, plans, results, levels of activity, goals or achievements is or involves forward-looking information. Although forward looking information contained in this Information Circular is based on what management considers to be reasonable assumptions based on information currently available to it, there can be no assurances that actual events, performance or results will be consistent with this forward-looking information, and management's assumptions may prove to be incorrect. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "anticipates", "assumes", "believes", "budget", "could", "estimates", "expects", "forecasts", "guidance", "indicates", "intends", "likely", "may", "objective", "outlook", "plans", "potential", "predicts", "scheduled", "should", "target", "trends", "will", or "would" or the negative or other variations of these words or other comparable words or phrases. All such forward-looking information is subject to important risks, uncertainties and assumptions. This information is forward-looking because it is based on current expectations, estimates and assumptions. It is important to know that: (i) unless otherwise indicated, forward-looking information in this Information Circular describes expectations as at the date hereof; (ii) actual results and events could differ materially from those expressed or implied in the forward-looking information in this Information Circular, if known or unknown risks affect the business of the Company, or if its estimates or assumptions turn out to be inaccurate; as a result, the Company cannot guarantee that the results or events expressed or implied in any forward-looking information will materialize, and accordingly, you are cautioned not to place undue reliance on this forward-looking information; and (iii) the Company disclaims any intention and assumes no obligation to update or revise any forward-looking information even if new information becomes available, as a result of future events or for any other reason, except in accordance with applicable securities laws. The Company has made a number of assumptions in making forward-looking information in this Information Circular. Additional information identifying risks and uncertainties is contained in filings by the Company with the Canadian securities regulators, which filings are available on SEDAR at www.sedar.com.

GENERAL INFORMATION

The information contained in this Information Circular, unless otherwise indicated, is as of September 12, 2022.

This Information Circular is being mailed by management of the Company to everyone who was a shareholder of record of the Company on September 12, 2022 (the "**Record Date**"), which is the date that has been fixed by the Board of Directors of the Company (the "**Board**") as the record date to determine the shareholders who are entitled to receive notice of and to vote at the Meeting.

This Information Circular is furnished in connection with the solicitation of proxies by and on behalf of management for use at the annual general meeting of the shareholders of the Company (the "**Meeting**") that is to be held on Thursday, October 27, 2022 at 10:00 a.m. (Pacific time) at 999 Canada Place, Suite 578, Vancouver, B.C. V6C 3E1. The solicitation of proxies will be primarily by mail. Certain employees, officers or directors of the Company may also solicit proxies by telephone, email or in person. The cost of solicitation will be borne by the Company.

As referenced in the Notice of Meeting, as part of its efforts to reduce the spread of COVID-19 and mitigate potential risks to the health and safety of shareholders, employees, and the community at large, the Company strongly encourages all shareholders to vote by proxy as early as possible in advance of the Meeting and not attend the Meeting in person. In accordance with current provincial and federal guidance and recommendations (including potential future restrictions) regarding public gatherings, there will be strict limitations on the number of persons permitted entry to the physical meeting location and guests will not be permitted entry. Furthermore, in the event the Company decides to change the date, time, location and/or format of the Meeting to electronic or virtual the Company will issue a press release announcing any such change and take all reasonable steps necessary to inform all parties involved in the proxy infrastructure, including intermediaries and the Company's transfer agent, of the change. The Company encourages all shareholders to monitor the Company's public filings on SEDAR for any changes to Meeting arrangements.

The Meeting Materials (as defined below) are being sent to both registered and non-registered owners of the Company's common shares as of the Record Date (each a "**Share**") in accordance with National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") and arrangements have been made with clearing agencies, brokerage houses and other financial intermediaries to deliver proxy solicitation materials to the beneficial owners of the Shares. The Company may pay the reasonable costs incurred by such persons in connection with such delivery. This year, as described in the notice and access notification (the "**Notice and Access Notice**") mailed to Shareholders, the Company will deliver the Meeting Materials to Shareholders by posting the Meeting Materials on <https://gsilver.com/investors/agm>. The Meeting Materials will be available on this website as of September 27, 2022, and will remain on the website for one full year thereafter. The Meeting Materials will also be available on SEDAR at www.sedar.com as of September 27, 2022. See "Notice and Access" below.

If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of Shares have been obtained in accordance with applicable securities laws from the Intermediary (as defined below) holding the Shares on your behalf. By choosing to send these materials to you directly, the Company (and not the Intermediary holding on your behalf) has assumed responsibility for: (i) delivering these materials to you; and (ii) executing proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

Under the Company's articles (the "**Articles**"), two shareholders present in person or represented by proxy must be present at the Meeting before any action may validly be taken at the Meeting. If such a quorum is not present in person or by proxy, the Company will reschedule the Meeting.

PART 1 – VOTING

HOW A VOTE IS PASSED

Voting at the Meeting will be by a show of hands, each shareholder having one vote, unless a poll is requested or otherwise required, in which case each shareholder is entitled to one vote for each Share held.

In order to approve a motion proposed at the Meeting a majority of greater than 50% of the votes cast will be required (an "**ordinary resolution**") unless the motion requires a special resolution in which case a majority of 66 2/3% of the votes cast will be required (a "**special resolution**").

WHO CAN VOTE?

Registered shareholders whose names appear on the Company's central securities register maintained by Odyssey Trust Company ("**Odyssey**"), the Company's registrar and transfer agent, as of the close of business on September 12, 2022, the Record Date, are entitled to attend and vote at the Meeting. Each Share is entitled to one vote.

If your Shares are registered in the name of a "nominee" (usually a bank, trust company, securities dealer or other financial institution) you should refer to the section entitled "Non-Registered Shareholders" set out below.

HOW TO VOTE

If you are a registered shareholder and eligible to vote, you can vote your shares in person at the Meeting or by signing and returning the accompanying form of proxy (the “**Proxy**”) by mail in the return envelope provided or vote using the Internet as indicated on the form. Please see “Registered Shareholders” below.

If your shares are not registered in your name but are held by a nominee (usually a bank, trust company, securities broker or other financial institution), please see “Non-Registered Shareholders” below.

REGISTERED SHAREHOLDERS

Voting Instructions:

- complete, date and sign the Proxy and return it to Odyssey by mail or hand delivery to Odyssey Trust Company, United Kingdom Building, #350 – 409 Granville Street, Vancouver, B.C. V6C 1T2.
- log on to Odyssey’s website at <https://login.odysseytrust.com/pxlogin>, click on “VOTE” and follow the instructions given on the website. You will need to insert your Control Number found printed with your address at the bottom right hand side of page 2 of your Proxy to vote by the Internet.

Whichever method you choose, the Proxy must be received or voting instructions completed at least forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays) prior to the time set for the Meeting or any adjournment thereof. In the case of a corporation, the Proxy must be executed under its corporate seal or signed by a duly authorized officer or attorney for the corporation.

If you plan to vote in person at the Meeting do NOT complete and return the Proxy. Instead, you will need to register with Odyssey when you arrive at the Meeting and your vote will be taken and counted at the Meeting. If your Shares are registered in the name of a corporation, a duly authorized officer of the corporation may attend on its behalf but documentation indicating such officer’s authority should be presented at the Meeting.

NON-REGISTERED SHAREHOLDERS

Only registered shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. Most shareholders are “non-registered shareholders” (“**Non-Registered Holders**”) because the Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Shares. Shares beneficially owned by a Non-Registered Holder are registered either: (i) in the name of an intermediary (an “**Intermediary**”) that the Non-Registered Holder deals with in respect of the Shares (including, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSP’s, RRIFFs, RESP’s and similar plans); or (ii) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc. or The Depository Trust & Clearing Corporation) of which the Intermediary is a participant. In accordance with applicable securities law requirements, the Company has distributed copies of the Notice of Meeting, this Information Circular and the Proxy or voting instruction form, as applicable, (collectively, the “**Meeting Materials**”) to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders. This year, the Company will use notice and access to deliver the Meeting Materials to Shareholders. The Meeting Materials will be available on <https://gsilver.com/investors/aggm> as of September 27, 2022, and will remain on the website for one full year thereafter. The Meeting Materials will also be available on SEDAR at www.sedar.com as of September 27, 2022. All Shareholders will receive a Notice and Access Notice which will contain information on how to obtain electronic and paper copies of the Meeting Materials in advance of the Meeting. See “Notice and Access” below.

Intermediaries are required to forward the Meeting Materials to Non-Registered Holders and seek voting instructions unless in the case of certain proxy-related materials the Non-Registered Holder has waived the right to receive them. The majority of Intermediaries now delegate responsibility for obtaining instructions from Non-Registered Holders to Broadridge Financial Solutions Inc. (“**Broadridge**”). Broadridge typically mails a scannable voting instruction form or “VIF” to Non-Registered Holders and asks Non-Registered Holders to return the VIF to Broadridge in accordance with its instructions. Alternatively, where applicable, a Non-Registered Holder may go online to <https://login.odysseytrust.com/pxlogin> to vote or return the completed and signed VIF directly to Odyssey as provided above.

The purpose of these procedures is to permit Non-Registered Holders to direct the voting of the Shares they beneficially own. However, without specific voting instructions, Intermediaries and their agents and nominees are prohibited from voting shares for their clients. **Accordingly, each Non-Registered Shareholder should ensure that voting instructions are communicated to the appropriate party well in advance of the Meeting so that your nominee has enough time to submit your instructions to us.**

A Non-Registered Holder cannot use the VIF provided to vote directly at the Meeting. Should a Non-Registered Holder wish to attend and vote at the Meeting in person, the Non-Registered Holder must insert his or her name (or the name of such other person as the Non-Registered Holder wishes to attend and vote on his or her behalf) in the blank space provided for that purpose on the VIF and return the completed VIF in accordance with the instructions provided well in advance of the Meeting. If you bring your VIF to the Meeting, your vote will NOT count.

Only registered shareholders have the right to revoke a proxy. Non-Registered Holders of Shares who wish to change their vote must, in sufficient time in advance of the Meeting, arrange for their respective Intermediaries to change their vote and if necessary, revoke their proxy in accordance with the revocation procedures set out below. See “Revocation of Proxies”.

You May Choose Your Own Proxyholder

The persons named in the Proxy are directors or officers of the Company. **YOU HAVE THE RIGHT TO APPOINT A PERSON (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT ON YOUR BEHALF AT THE MEETING OTHER THAN THE PERSONS NAMED IN THE PROXY AS PROXYHOLDERS. TO EXERCISE THIS RIGHT, YOU MUST STRIKE OUT THE NAMES OF THE PERSONS NAMED IN THE PROXY AS PROXYHOLDERS AND INSERT THE NAME OF YOUR NOMINEE IN THE SPACE PROVIDED OR COMPLETE ANOTHER PROXY.**

Your Voting Instructions

A shareholder completing the enclosed Proxy may indicate the manner in which the persons named in the Proxy are to vote with respect to any matter by marking an “X” in the appropriate space. On any poll requested, those persons will vote or withhold from voting the shares in respect of which they are appointed in accordance with the directions, if any, given in the Proxy provided such directions are certain.

If a shareholder wishes to confer a discretionary authority with respect to any matter, then the space should be left blank. **In such instance, the Proxyholder, if nominated by management, intends to vote the Shares represented by the Proxy in favour of the motion.**

The Proxy, when properly completed and delivered and not revoked, confers discretionary authority upon the person appointed proxy thereunder to vote with respect to amendments or variations of matters identified in the Notice of Meeting and other matters which may properly come before the Meeting. **It is the intention of the persons designated in the Proxy to vote in accordance with their best judgement on such matters or business.** At the time of printing of this Information Circular, management of the Company is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting.

The Proxy must be dated and signed by the shareholder or the shareholder’s attorney authorized in writing. In the case of a corporation, the Proxy must be dated and duly executed under its corporate seal or signed by a duly authorized officer or attorney for the corporation.

The completed Proxy, together with the power of attorney or other authority, if any, under which it was signed or a notarially certified copy thereof, must be deposited with Odyssey in accordance with the above instructions before the time set out in the Proxy. Non-Registered Holders must deliver their completed VIF in accordance with the instructions given by the Intermediary that forwarded the VIF to them.

In order to be effective, a Proxy must be deposited at the office of Odyssey, no later than 10:00 a.m. (Pacific Time) on Tuesday, October 25, 2022 or not less than 48 hours (excluding Saturdays, Sundays and holidays) before any adjournment or postponement of the Meeting. The deadline for the deposit of Proxies may be waived by the Chairman of the Meeting at his or her sole discretion without notice. Failure to properly complete or deposit a Proxy may result in its invalidation.

Revocation of Proxies

Only registered shareholders have the power to revoke Proxies previously given. Revocation can be effected by an instrument in writing (which includes a Proxy bearing a later date) executed by the shareholder or by the shareholder's attorney authorized in writing and in the case of a corporation, duly executed under its corporate seal or signed by a duly authorized officer or attorney for the corporation, and either delivered at any time up to the close of business on the last business day preceding the day of the Meeting, or any adjournment thereof, to:

GSilver's Head Office		Odyssey Trust Company	
999 Canada Place, Suite 578 Vancouver, B.C. V6C 3E1	Or	United Kingdom Building #350 – 409 Granville Street Vancouver, B.C. V6C 1T2	
Or deposited with the Chairman of the Meeting on the day of the Meeting, prior to the hour of commencement.			

Non-Registered Holders of Shares who wish to change their vote must, in sufficient time in advance of the Meeting, arrange for their respective Intermediaries to change their vote and if necessary, revoke their proxy in accordance with the revocation procedures set out above.

NOTICE AND ACCESS

The Company will deliver the Meeting Materials to Shareholders by posting the Meeting Materials on <https://gsilver.com/investors/agm>. The Meeting Materials will be available on this website as of September 27, 2022, and will remain on the website for one full year thereafter. The Meeting Materials will also be available on SEDAR at www.sedar.com as of September 27, 2022.

The Company will mail paper copies of the Meeting Materials to those registered and beneficial Shareholders who have previously elected to receive paper copies of the Company's meeting materials. All other Shareholders will receive a Notice and Access Notice which will contain information on how to obtain electronic and paper copies of the Meeting Materials in advance of the Meeting.

Shareholders who wish to receive paper copies of the Meeting Materials may request copies using the control number as it appears on the Proxy or VIF accompanying your Notice and Access Notice. You may request materials by calling toll free, within North America – 1-888-996-4034 or direct, from outside North America – 1-604-913-5998, and providing your control number as indicated on your Proxy or VIF. Meeting Materials will be sent to you at no cost within three business days of receipt of your request, if such request is made before the Meeting. To ensure that you receive the Meeting Materials in advance of the voting deadline and Meeting date, all requests must be received no later than Friday, October 14, 2022. If you do request paper copies of the Meeting Materials, please note that another Proxy/VIF will not be sent and you should retain your current one for voting purposes. To obtain paper copies of the Meeting Materials after the Meeting date, please contact 1-604-913-5998.

UNITED STATES SHAREHOLDERS

This solicitation of proxies involves securities of a corporation incorporated in Canada and is being affected in accordance with the corporate laws of the province of British Columbia, Canada and securities laws of the provinces of Canada. The proxy solicitation rules under the United States *Securities Exchange Act of 1934*, as amended, are not applicable to the Company or this solicitation. Shareholders should be aware that disclosure and proxy solicitation requirements under the securities laws of the provinces of Canada differ from the disclosure and proxy solicitation requirements under United States securities laws. The enforcement by shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is incorporated under the *Business Corporations Act* (British Columbia), the majority of its directors and executive officers are residents of Canada and a significant portion of its assets and the assets of such persons are located outside the United States. Shareholders may not have standing to bring a claim against a foreign corporation or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign corporation and its officers and directors to subject themselves to a judgment by a United States court.

PART 2 - VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Company has only one class of shares entitled to be voted at the Meeting, namely, common shares without par value. All issued Shares are entitled to be voted at the Meeting and each has one vote. As of September 12, 2022 there were 288,022,506 Shares issued and outstanding.

Only those shareholders of record on September 12, 2022 will be entitled to vote at the Meeting or any adjournment thereof.

To the knowledge of the directors and executive officers of the Company, no person beneficially owns, or exercises control or direction, directly or indirectly, over Shares carrying 10% or more of the voting rights attached to all outstanding Shares of the Company which have the right to vote in all circumstances.

PART 3 - THE BUSINESS OF THE MEETING

FINANCIAL STATEMENTS

The audited financial statements of the Company for the year ended December 31, 2021 will be placed before you at the Meeting. A copy of these financial statements, together with the auditor's report thereon, and management's discussion and analysis, were mailed to those shareholders who indicated that they wished to receive same in response to the Company's annual and interim financial statement request inquiry mailed to shareholders in connection with the Company's last annual general meeting held on September 24, 2021. These financial statements and MD&A are also available for review under the Company's profile on SEDAR at www.sedar.com. See Part 8 "OTHER INFORMATION – Additional Information" below.

ELECTION OF DIRECTORS

Directors of the Company are elected for a term of one year. Management proposes to nominate the persons named under the heading "*Nominees for Election*" below for election as directors of the Company. Each director elected will hold office until the next annual general meeting or until his successor is duly elected or appointed, unless his office is earlier vacated in accordance with the Articles of the Company or he becomes disqualified to act as a director.

It is proposed to set the number of directors at six. This requires the approval of the shareholders of the Company by an ordinary resolution. Accordingly, at the Meeting the shareholders will be asked to consider, and if deemed advisable, to pass the following resolution:

"RESOLVED, as an ordinary resolution, THAT the number of directors of the Company for the ensuring year be set at six."

Unless the shareholder directs that his or her Shares be otherwise voted or withheld from voting in connection with the setting of the number of directors, the persons named in the enclosed Proxy will vote FOR the number of directors of the Company to be set at six (6).

Nominees for Election

The Board of the Company presently consists of six (6) directors to be elected annually. At the Meeting, it is proposed to maintain the number of directors elected at six (6) directors to hold office until the next annual general meeting or until their successors are duly elected or appointed. The Company has nominated the six (6) nominees whose names are set forth below for election as directors of the Company at the Meeting. Management does not contemplate that any of such nominees will be unable to serve as a director; however, if that should occur for any reason prior to the Meeting, the persons named in the enclosed Proxy shall have the right to vote for another nominee in their discretion.

The following table and notes thereto state the names, provinces/states and countries of residence of all persons proposed to be nominated for election as directors, the date on which each of them first became a director of the Company, all positions and offices with the Company held by each of them, the principal occupation or employment of each of them, and the approximate number of Shares of the Company beneficially owned, or controlled or directed, directly or indirectly, by each of them as at the Record Date. The biographical information set out below as to principal occupation

of, and number of Shares owned by, each of the nominees, not being within the knowledge of the Company, has been furnished by the nominees. The Company also has an audit committee, a corporate governance and compensation committee and a health and safety committee, the members of which are indicated below.

Name, Province/State and Country of Residence and Position with Company	Present Principal Occupation ⁽¹⁾	Previously a Director Since	Shares Owned ⁽²⁾
James Anderson ⁽⁵⁾ B.C., Canada <i>Chairman, CEO and Director</i>	President and Chief Executive Officer, Guanajuato Silver Company Ltd., March 2019 to present; Director, Orestone Mining Corp., May 2019 to present; previously Chief Executive Officer, NuLegacy Gold Corporation (TSXV); July 2012 to April 2019	January 7, 2019	6,692,236
Ramon Davila ⁽³⁾ Durango, Mexico <i>President and Director</i>	President, Guanajuato Silver Company Ltd., March 2022 to present; Mining Industry Consultant, June 2020 to present; former Minister of Economic Development for the State of Durango, Mexican Government; September 2016 to June 2020; former Chief Operating Officer, First Majestic Silver Corp., 2004 to 2013 (director from 2004 to 2015)	May 12, 2021	151,500
William T. Gehlen ^{(3) (4) (5)} B.C., Canada <i>Director</i>	Certified Professional Geologist with the AIPG (CPG-10626); Director of Geology, Dakota Gold Corp. (NYSE American), January 2022 to present; Manager of Geology, JR Resources Corp (private company), January 2021 to December 2021; Manager of Corporate Development, Gold Standard Ventures Corp. (TSX, NYSE American), April 2018 to Dec. 2020; Manager of Resource Development in the Americas, OceanaGold Corp. (TSX), 2013 to 2018	Since March 31, 2020	Nil
Daniel Oliver, Jr. ^{(3) (4)} New York, U.S.A. <i>Director</i>	Managing Member of Myrmikan Gold Fund LLC (research/gold fund), New York, NY, since 2009; President of the Committee for Monetary Research & Education.	October 2, 2019	23,861,042 ⁽⁶⁾
Richard Silas ⁽⁴⁾ B.C., Canada <i>Vice-President, Corporate Development, Secretary and Director</i>	Vice-President, Corporate Development and Corporate Secretary, Guanajuato Silver Company Ltd., May 2021 to present; Director and Corporate Secretary, Northern Lion Gold Corp. (TSXV), September 2019 to present; Principal of Universal Solutions Inc., private company providing management and administration services to TSX Venture Exchange issuers, 1997 to present; Corporate Secretary, Barksdale Resources Corp. (TSXV) August 2016 to February 2021 (previously President and director of Barksdale from June 2015 to April 2019).	October 18, 2019	1,255,000
Hernan Dorado Smith ⁽⁵⁾ Ontario, Canada <i>Chief Operating Officer and Director</i>	Chief Operating Officer, Guanajuato Silver Company Ltd., May 2021 to present; Mining engineer since 2003. Member of the Mining and Metallurgical Society of America (MMSA).	April 26, 2017	4,760,000

- (1) Includes occupations for preceding five years unless the director was elected at the previous annual meeting and was shown as a nominee for election as a director in the information circular for that meeting.

- (2) The approximate number of Shares of the Company carrying the right to vote in all circumstances beneficially owned, directly or indirectly, or over which control or direction is exercised by each proposed nominee as of September 12, 2022. This information is not within the knowledge of the management of the Company and has been furnished by the respective individuals, or has been extracted from the register of shareholdings maintained by the Company's transfer agent or from insider reports filed by the individuals and available through the Internet at www.sedi.ca.
- (3) Member of audit committee. Ramon Davila is the Chair of the audit committee.
- (4) Member of corporate governance and compensation committee. Daniel Oliver, Jr. is the Chair of the corporate governance and compensation committee.
- (5) Member of health and safety committee. William T. Gehlen is the Chair of the health and safety committee.
- (6) Held indirectly through Myrmikan Gold Fund LLC, Myrmikan SPV 1, LLC and Myrmikan SPV II, LLC., each a limited liability company based in New York, NY, U.S.A. Mr. Oliver is the managing member of each of these limited liability companies.

The Company does not have an executive committee. Pursuant to the provisions of the *Business Corporations Act* (British Columbia), the Company is required to have an audit committee whose members are indicated above. See also Part 6 "AUDIT COMMITTEE" below. The Company also has a corporate governance and compensation committee and a health and safety committee whose members are indicated above. See also Part 4 "EXECUTIVE COMPENSATION" and Part 7 "CORPORATE GOVERNANCE" – *Board Committees*.

At the Meeting the shareholders will be asked to consider, and if deemed advisable, to pass the following resolution with respect to the election of directors of the Company:

"RESOLVED, as an ordinary resolution, THAT James Anderson, Ramon Davila, William T. Gehlen, Daniel Oliver, Jr., Richard Silas and Hernan Dorado Smith be elected as directors of the Company for the ensuing year to hold office until the next annual general meeting or until their successors are elected or appointed."

The Company's management recommends that shareholders vote in favour of the above nominees for election as directors. **Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the election of the six nominees as directors of the Company for the ensuing year.**

Corporate Cease Trade Orders or Bankruptcy

Save as set out below, as of the date of this Information Circular, no proposed nominee for election as a director of the Company is, or has been, within ten years before the date of this Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- (b) was subject to an event that resulted, after the director or executive officer ceased to be director or executive officer, in the company being subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (c) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Mr. Silas is the Chief Executive Officer and a director of Sanibel Ventures Corp., a capital pool company that was suspended from trading by the TSX Venture Exchange (the "TSXV") on July 30, 2020 for failure to complete a qualifying transaction within 24 months of its listing. Mr. Silas is also a former director of Spirit Bear Capital Corp., a capital pool company that was suspended from trading by the TSXV on May 15, 2014 for failure to complete a qualifying transaction within 24 months of its listing.

Penalties or Sanctions

Save as set out below, as of the date of this Information Circular, no proposed nominee for election as a director of the Company is, or has been, subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely to be considered important to a reasonable investor making an investment decision.

On April 29, 2013, Mr. Silas was fined \$8,000 by the Autorité des marchés financiers in Quebec for failure to file insider reports within the prescribed time periods in respect of changes in his control over securities of Northern Star Mining Corp., a reporting issuer whose common shares were previously listed for trading on a predecessor to the TSXV, in November 2008 and April 2010. Such fine has been paid in full.

Personal Bankruptcy

As of the date of this Information Circular, no proposed nominee for election as a director of the Company has, within the ten years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Conflicts of Interest

Certain of the directors are currently, or may in the future become, involved in managerial or director positions with other issuers, both reporting and non-reporting, whose operations may, from time to time, be in direct competition with those of the Company or with entities which may, from time to time, provide financing to, or make equity investments in, competitors of the Company.

The directors are required by law to act honestly and in good faith with a view to the best interest of the Company and to disclose any interests which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the directors will consider, among other things, the degree of risk to which the Company may be exposed relative to the potential reward and its financial position at that time.

In addition, the directors of the Company also have other employment or other business or time restrictions placed on them and accordingly will only be able to devote part of their time to the business and affairs of the Company.

Save as aforesaid or otherwise disclosed in this Information Circular, to the Company's knowledge, there are no known existing or potential conflicts of interest among the Company and its promoters, directors, officers or other members of management as a result of their outside business interests.

Advance Notice Provisions

The Company's Articles contain advance notice provisions with a view to providing shareholders, directors and management of the Company with a fair and transparent procedure for nominating directors. The advance notice provisions establish a deadline on or before which holders of record of Shares must submit, in writing, director nominations to the Company prior to any annual general or special meeting of shareholders, and the information that such holder(s) must include with such nominations in order for any director nominee to be eligible for election at any annual general or special meeting of shareholders. A copy of the Company's Articles is available for review under the Company's profile on SEDAR at www.sedar.com. As of the date of this Information Circular, the Company has not received notice of any additional director nominations in connection with the Meeting.

APPOINTMENT OF THE AUDITOR

Effective December 3, 2021, the Company appointed KPMG LLP, Chartered Professional Accountants, as auditors of the Company in place of Lancaster & David, Chartered Professional Accountants, who resigned as auditors at the Company's request as more particularly described in the Notice of Change of Auditor dated December 3, 2021. The Notice of Change of Auditor and accompanying letters of Lancaster & David and KPMG LLP were filed on SEDAR on December 3, 2021, copies of which are attached as Exhibit "A" to this Information Circular. See also Part 6 "AUDIT COMMITTEE – *External Auditor Service Fees*".

At the Meeting the shareholders will be asked to consider, and if deemed advisable, to pass the following resolution with respect to the appointment of auditors for the Company:

"RESOLVED, as an ordinary resolution, THAT KPMG LLP, Chartered Professional Accountants, be appointed as the Company's auditor for the ensuing year, at a remuneration to be fixed by the Board of Directors."

Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the above resolution with respect to the appointment of KPMG LLP as the auditor of the Company for the ensuing year and authorizing the Board to fix the remuneration to be paid to the auditor.

ANNUAL RATIFICATION OF STOCK OPTION PLAN

Policy 4.4 *Security Based Compensation* of the TSXV ("**Policy 4.4**") specifies that all listed issuers must implement a plan for the granting of stock options. The Company's current stock option plan, which was adopted on November 6, 2019 (the "**Option Plan**"), is a "rolling" plan as characterized by TSXV policy pursuant to which the aggregate number of Shares reserved for issuance thereunder may not exceed, at the time of grant, in aggregate 10% of the Company's issued and outstanding Shares from time to time. TSXV policy requires that shareholder approval for "rolling" stock option plans must be obtained annually.

The principal purposes of the Option Plan are to provide the Company with the advantages of the incentive inherent in share ownership on the part of those persons responsible for the success of the Company; to create in those persons a proprietary interest in, and a greater concern for, the welfare and success of the Company; to encourage such persons to remain with the Company; to attract new talent to the Company; and to reduce the cash compensation the Company would otherwise have to pay.

Effective November 24, 2021, the TSXV updated and amended Policy 4.4 with respect to the granting of stock options and other forms of security based compensation. In response thereto, the Company has amended and restated its Option Plan, the material terms of which, as amended and restated, are set out below:

1. The number of Shares subject to each option is determined by the Board, or if appointed, by a special committee of directors appointed from time to time by the Board, provided, at the time the options are granted, that:
 - (a) the aggregate number of Shares reserved for issuance pursuant to options shall not, at any time, exceed 10% of the Company's then issued Shares;
 - (b) the aggregate number of Shares reserved for issuance pursuant to options, and any other security-based compensation of the Company ("**Security Based Compensation**"), to any one person in any 12-month period shall not exceed 5% of the issued Shares of the Company (determined at the date of grant), unless the Company has obtained "disinterested" shareholder approval;
 - (c) the aggregate number of Shares reserved for issuance pursuant to options, and any other Security Based Compensation of the Company, to any one consultant in any 12-month period shall not exceed 2% of the issued Shares of the Company (determined at the date of grant);
 - (d) the aggregate number of Shares reserved for issuance pursuant to options granted to all persons providing investor relations activities in any 12-month period shall not exceed 2% of the issued Shares of the Company;

- (e) the aggregate number of Shares reserved for issuance pursuant to options, and any other Security Based Compensation of the Company, to “insiders” as a group in any 12-month period shall not exceed 10% of the issued Shares of the Company (determined at the date of grant), unless the Company has obtained “disinterested” shareholder approval); and
 - (f) the aggregate number of Shares reserved for issuance pursuant to options, and any other Security Based Compensation of the Company, to “insiders” as a group shall not, at any point in time, exceed 10% of the issued Shares of the Company (determined at the date of grant), unless the Company has obtained “disinterested” shareholder approval).
- 2. The exercise price of the options cannot be set at less than the last closing price of the Company’s Shares on the stock exchange on which the Shares of the Company are then listed before the date on which the options are granted by the Company, less the maximum allowable discount from market as may be permitted under the policies of such exchange, if any, or such other minimum exercise price as may be required by such exchange.
- 3. The options may be exercisable for a period of up to 10 years.
- 4. All options are non-assignable and non-transferable and, if granted to “insiders” or at an exercise price less than market, will be legended with a four month TSXV hold period commencing on the date the stock options are granted.
- 5. The options shall be subject to such vesting requirements, if any, as may be determined by the Board from time to time provided that options granted to “investor relations service providers” must vest in stages over a period of not less than 12 months with no more than 1/4 of the options vesting in any three-month period. Investor relations service providers include any consultant that performs investor relations activities and any director, officer or employee whose role and duties primarily consist of investor relations activities.
- 6. Reasonable topping up of options granted to an individual will be permitted.
- 7. The option can only be exercised by the optionee and only so long as the optionee is a director, officer, employee or consultant of the Company, any of its subsidiaries or a management company employee or within a reasonable period of time, not to exceed one year, after the optionee ceases to be in at least one of such positions to the extent that the optionee was entitled to exercise the option at the date of such cessation.
- 8. In the event of death of an optionee, the option previously granted to him or her shall be exercisable as to all or any of the Shares in respect of which such option has not previously been exercised at the date of the optionee’s death (including the right to purchase Shares not otherwise vested at such time), by the legal representatives of the optionee at any time up to and including (but not after) a date one year following the date of death of the optionee or the expiry time of the option, whichever occurs first.
- 9. Subject to the approval of the Board, cashless exercise of options is permitted provided that the Company has an arrangement with a brokerage firm to loan money to the optionee to exercise the option and the brokerage firm sells a sufficient number of Shares to cover the exercise price of the options in order to repay the loan made to the optionee. The brokerage firm then receives an equivalent number of Shares from the exercise of the options and the optionee receives the balance of the Shares or the cash proceeds from the balance of such Shares.
- 10. Subject to the approval of the Board, net exercises of options is permitted whereby options, excluding options held by persons providing investor relations service, are exercised without the optionee making any cash payment so the Company does not receive any cash from the exercise of the options, and instead the optionee receives only the number of Shares that is equal to the quotient obtained by dividing:
 - (A) the product of the number of options being exercised multiplied by the difference between the five day volume weighted average price (the “VWAP”) of the Shares underlying the options and the exercise price of the options; by
 - (B) the VWAP of the underlying Shares.

11. In the event a take-over bid or tender offer is made for the common shares of the Company, the Board may, subject to the acceptance of the TSXV, permit all options outstanding to become immediately exercisable in order to permit the shares issuable under such options to be tendered to such bid or offer.
12. Disinterested shareholder approval for any reduction in the exercise price of a previously granted option shall be obtained prior to the exercise of such option if the optionee is an “insider” of the Company at the time of the proposed reduction.

The full text of the amended and restated Option Plan (tracked to show the changes made to the Company’s 2019 Option Plan) is attached as Exhibit “B” to this Information Circular.

Pursuant to Policy 4.4 of the TSXV, the adoption and approval of the amended and restated Option Plan must be approved by not less than a majority of votes cast in respect thereof by shareholders of the Company other than “insiders” and their associates (as defined under the policies of the TSXV).

Accordingly at the Meeting, relevant “disinterested” shareholders will be asked to vote on the following ordinary resolution (the “**Stock Option Plan Resolution**”):

“RESOLVED, as an ordinary resolution, THAT:

1. the Company’s amended and restated stock option plan adopted September 12, 2022 (the “Option Plan”), be and is hereby adopted, ratified, confirmed and approved;
2. the reservation under the Option Plan of up to a maximum of 10% of the issued shares of the Company, on a rolling basis, as at the time of granting of the stock option pursuant to the Option Plan be and the same is hereby authorized and approved; and
3. any one director or officer of the Company be and is hereby authorized and directed, for and on behalf of the Company, to execute and deliver all such documents, agreements and instruments, and to do all such acts and things as such director or officer may determine to be necessary or advisable to give effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such documents, agreements or instruments or the doing of any such act or thing.”

Recommendation of the Board

The Board unanimously recommends that the shareholders vote in favour of the Stock Option Plan Resolution.

Unless the shareholder directs that his or her Shares be otherwise voted or withheld from voting in connection with adoption, ratification, confirmation and approval of the amended and restated Option Plan, the persons named in the enclosed Proxy will vote FOR the approval of the Stock Option Plan Resolution.

APPROVAL OF OMNIBUS EQUITY COMPENSATION PLAN

Subject to the approval of the “disinterested” shareholders of the Company at the Meeting and the acceptance of the TSXV, the Board has adopted an omnibus equity compensation plan (the “**Omnibus Plan**”) for officers, employees, directors and consultants of the Company and its affiliates. The Board has determined that it is desirable to have a wide range of incentive awards including restricted share units, deferred share units, performance share units and other share-based awards to attract, retain and motivate employees, officers, directors and consultants of the Company and its affiliates

The Omnibus Plan is a fixed plan which reserves for issuance a maximum of 15,000,000 Shares. The Shares reserved for issuance under the Omnibus Plan are in addition to, and will not be deducted from, the number of Shares issuable under the Option Plan. Subject to the 10% rolling limit under the Option Plan and the 15,000,000 Share limit under the Omnibus Plan, the Company will have the flexibility to grant and award key employees, officers, directors and consultants any combination of Awards (as defined below) and options as appropriate and determined under the Company’s compensation policies and objectives.

Purpose

The purpose of the Omnibus Plan is to assist the Company and its affiliates in attracting and retaining individuals to serve as employees, officers, directors or consultants who are expected to contribute to the Company's success and help achieve long-term objectives that will benefit the Company and its shareholders.

Types of Awards

The Omnibus Plan provides for the grant of restricted share units ("**RSUs**"), deferred share units ("**DSUs**"), performance share units ("**PSUs**") and share appreciation rights ("**SARs**") (each an "**Award**" and, collectively, the "**Awards**"). All Awards will be granted by an agreement, certificate or other instrument or document evidencing the Award granted under the Omnibus Plan (a "**Grant Agreement**").

A RSU is an Award granted for services rendered in a particular year entitling the participant to receive payment based on the market value of the Shares, which value may be paid in Shares, cash or a combination thereof as determined by the Board in its sole discretion upon the satisfaction of vesting restrictions as the Board may establish. Unless otherwise set out in the applicable Grant Agreement, RSUs will vest as to 1/3 on each of the first, second and third anniversary of the date of grant.

A DSU is essentially a RSU with deferred delivery, being an Award that is valued by reference to the market value of the Shares, which value may be paid to the participant in cash, Shares or a combination thereof as determined by the Board in its sole discretion upon the satisfaction of vesting restrictions as the Committee may establish. A participant who ceases to be a director or ceases to be employed by or provide services to the Company or its affiliates, as applicable, may request settlement of all (but not less than all) of their DSUs.

A PSU Award is an Award granted for services rendered in a particular year and is essentially a RSU payable to the participant upon the achievement of certain performance goals as the Board may establish, as set out in the applicable Grant Agreement. Unless otherwise set out in the applicable Grant Agreement and subject to satisfaction of the performance goals established by the Board, PSUs will vest as to 1/3 on each of the first, second and third anniversary of the date of grant and may be paid in in cash, Shares or a combination thereof as determined by the Board in its sole discretion.

A SAR is an Award entitling the recipient to receive payment having a value equal to the excess of the market value of the Shares on the date of exercise over the exercise price of the SAR, which exercise price shall not be less than 100% of the market value of the Shares on the date of grant multiplied by the number of Shares with respect to which the SAR is exercised. The Board shall determine, at the time of granting the particular SAR, the period during which the SAR is exercisable (not to exceed five years from the date of grant) and the vesting schedule thereof, all of which will be detailed in the respective Grant Agreement. SARs may be paid in in cash, Shares or a combination thereof as determined by the Board in its sole discretion. Unless otherwise determined by the Board, each unexercised SAR shall be cancelled at the expiry thereof.

Plan Administration

The Omnibus Plan will be administered by the Board or a subcommittee thereof formed by the Board.

Shares Available for Awards

Subject to adjustments as provided for under the Omnibus Plan, the maximum number of Shares issuable upon the exercise or redemption and settlement of all Awards under the Omnibus Plan will not exceed 15,000,000 Shares.

Limitation on Grants

The Omnibus Plan provides for the follow limitations on grants:

1. The maximum number of Shares issuable upon the exercise or redemption and settlement of all Awards granted under the Omnibus Plan shall not exceed 15,000,000 Shares.

2. The Company cannot grant Awards:
- (a) to any one person where the aggregate number of Shares reserved for issuance pursuant to Awards, and any other Security Based Compensation including Options, in any 12-month period will exceed 5% of the issued Shares of the Company (determined at the date of grant), unless the Company has obtained “disinterested” shareholder approval;
 - (b) to any one consultant where the aggregate number of Shares reserved for issuance pursuant to Awards, and any other Security Based Compensation including Options, in any 12-month period will exceed 2% of the issued Shares of the Company (determined at the date of grant);
 - (c) to insiders (as a group) where the aggregate number of Shares reserved for issuance pursuant to Awards, and any other Security Based Compensation including Options, in any 12-month period will exceed 10% of the issued Shares of the Company (determined at the date of grant), unless the Company has obtained “disinterested” shareholder approval);
 - (d) to insiders (as a group) where the aggregate number of Shares reserved for issuance pursuant to Awards, and any other Security Based Compensation including Options, will, at any point in time, exceed 10% of the issued Shares of the Company (determined at the date of grant), unless the Company has obtained “disinterested” shareholder approval); and
 - (e) to persons performing investor relations activities.

Eligible Participants

Any employee, officer, director, or consultant of the Company or any of its affiliates is eligible to be selected to receive an Award under the Omnibus Plan. Eligibility for the grant of Awards and actual participation in the Omnibus Plan will be determined by the Board in its discretion.

Effect of Termination

Other than DSUs granted to eligible directors, unless otherwise provided for in a Grant Agreement or determined by the Board on an individual basis, in the event of a participant's:

1. **Termination for Cause:** All unexercised vested or unvested Awards granted to such participant shall terminate as of the date the participant ceases to be an “eligible participant” under the Omnibus Plan (the “**Termination Date**”);
2. **Resignation:** All unexercised vested or unvested Awards granted to such participant shall terminate on the Termination Date caused by of such resignation.
3. **Termination or Cessation (other than for cause, resignation, death, disability or retirement):** The number of Awards that may vest (net of previously vested Awards) is subject to pro ration over the applicable vesting period ending on the Termination Date and shall expire on the earlier of ninety (90) days after the Termination Date, or the expiry date of the Awards.
4. **Death, Disability or Retirement:** The number of Awards that may vest (net of previously vested awards) is subject to pro ration over the applicable vesting period ending on the Termination Date and shall expire on the earlier of 180 days after the Termination Date, or the expiry date of the Awards. Notwithstanding the foregoing, if the participant is determined to have breached any post-employment restrictive covenants in favour of the Company, then any Awards held by the participant, whether vested or unvested, will immediately expire and the participant shall pay to the Company any “in-the-money” amounts realized upon exercise of Awards following the Termination Date.

Change of Control

In the event of a Change of Control (as defined in the Omnibus Plan), unless otherwise provided in any Grant Agreement between the Company and the participant and subject to the approval of the TSXV, or if the Shares are no longer listed

for trading on the TSXV, the stock exchange on which the Shares are principally listed from time to time (the “**Exchange**”), if required, the Board has the right, in its discretion, to deal with any or all Awards (or any portion thereof) issued under the Omnibus Plan in the manner it deems fair and reasonable in the circumstances of the Change of Control including, without any action or consent required on the part of any participant, the right to:

- (a) determine that the Awards, in whole or in part and whether vested or unvested, shall remain in full force and effect in accordance with their terms after the Change of Control;
- (b) provide for the conversion or exchange of any or all Awards (or any portion thereof, whether vested or unvested) into or for options, rights, units or other securities in any entity participating in or resulting from a Change of Control;
- (c) cancel any unvested Awards (or any portions thereof) without payment of any kind to any participant;
- (d) accelerate the vesting of outstanding Awards;
- (e) provide for outstanding Awards to be purchased;
- (f) accelerate the date by which any or all Awards or any portion thereof, whether vested or unvested, must be exercised either in whole or in part;
- (g) deem any or all Awards or any portion thereof, whether vested or unvested (including those accelerated pursuant to the Omnibus Plan) to have been exercised in whole or in part, tender, on behalf of the participant, the underlying Shares that would have been issued pursuant to the exercise of such Awards to any third party purchaser in connection with the Change of Control, and pay to the participant on behalf of such third party purchaser an amount per underlying Share equal to the positive difference between the Change of Control price of the Shares and the applicable exercise price; or
- (h) take such other actions including any combinations of the foregoing actions as permitted under the Omnibus Plan, as it deems fair and reasonable under the circumstances.

Assignment

Other than by will or under the law of succession, or as expressly permitted by the Board, or as otherwise set forth in the Omnibus Plan, Awards will not be assignable or transferable. Awards may be exercised only by:

- (a) the participant to whom the Awards were granted;
- (b) with the Company’s prior written approval and subject to such conditions as the Company may stipulate, such participant’s family tax-free savings account or retirement savings trust or any registered retirement savings plans or registered retirement income funds of which the Participant is and remains the annuitant or holder, as applicable;
- (c) upon the participant’s death, by the legal representative of the participant’s estate; or
- (d) upon the participant’s incapacity, the legal representative having authority to deal with the property of the participant,

provided that any such legal representative shall first deliver evidence satisfactory to the Company of its entitlement to exercise any Award. A person exercising an Award may subscribe for Shares only in the person’s own name or in the person’s capacity as a legal representative.

Amendment and Discontinuance of the Omnibus Plan

The Board is authorized to amend the Omnibus Plan or any Award at any time without the consent of the participants provided that such amendment shall:

- (a) not adversely alter or impair any Award previously granted except as permitted by the provisions of the Omnibus Plan;
- (b) be in compliance with applicable law and subject to any regulatory approvals including, where required, the approval of the Exchange; and
- (c) be subject to shareholder approval including “disinterested” shareholder approval, if applicable, where required by law, the requirements of the Exchange or the provisions of the Omnibus Plan, provided that shareholder approval shall not be required and the Board may, from time to time, in its absolute discretion, make the following amendments to the Omnibus Plan:
 - (i) any amendment to the vesting provisions of any Awards granted under the Omnibus Plan;
 - (ii) any amendment to the expiration date of an Award (other than an Award held by an “insider” of the Company) that does not extend the term of the Award past the original date of expiration for such Award;
 - (iii) any amendment regarding the effect of termination of a participant’s employment or engagement;
 - (iv) any amendment which accelerates the date on which any Award may be exercised under the Omnibus Plan;
 - (v) any amendment necessary to comply with with any changes required by applicable regulatory authorities having jurisdiction over securities of the Company from time to time including, but not limited to, the Exchange or other mandatory provisions of applicable law;
 - (vi) any amendments which are advisable to accommodate changes in tax laws;
 - (vii) any amendments to the terms of Awards in order to maintain Award value in connection with an adjustment in the Shares of the Company;
 - (viii) any amendments of a “housekeeping” nature, including those required to fix typographical errors or clarify existing provisions of the Omnibus Plan that do not have the effect of altering the scope, nature and intent of such provisions;
 - (ix) any amendment regarding the administration of the Omnibus Plan;
 - (x) any amendment to add or amend provisions allowing for the granting of cash-settled awards, financial assistance or clawback; and
 - (xi) any other amendment that does not require the approval of the holders of Shares pursuant to the amendment provisions of the Omnibus Plan.

Notwithstanding the foregoing, the Board will be required to obtain shareholder approval or “disinterested” shareholder approval, if required by the Exchange, to make the following amendments:

- (a) any amendment to increase the maximum number of Shares issuable from treasury under the Omnibus Plan, except increases resulting from the adjustment provisions of the Omnibus Plan;
- (b) any amendment to increase the limits on the aggregate number of Shares that may be reserved for issuance under the Omnibus Plan to any one person or group or category of persons;
- (c) subject to the black-out period provisions of the Omnibus Plan, any amendment to the expiry or termination provisions applicable to Awards granted under the Omnibus Plan;
- (d) any amendment which extends the expiry date of any Award held by an “insider”, except in case of an extension due to a black-out period;

- (e) any amendment to the non-assignability provision contained in the Omnibus Plan, except as otherwise permitted by the Exchange or for estate planning or estate settlement purposes;
- (f) any amendment to expand the class of Participants to whom Awards may be granted under the Omnibus Plan; and
- (g) any amendment to the amendment provisions of the Omnibus Plan.

The Board may, subject to regulatory approval, suspend or discontinue the Omnibus Plan at any time without the consent of the participants provided that such suspension or discontinuance shall not materially and adversely affect any Awards previously granted to a participant under the Omnibus Plan.

The full text of the Omnibus Plan is attached as Exhibit “C” to this Information Circular.

TSXV Acceptance

The Omnibus Plan is subject to the acceptance of the TSXV.

Awards Issued under Omnibus Plan

As of the date of this Information Circular, there have been no Awards issued under the Omnibus Plan.

At the Meeting, relevant “disinterested” shareholders will be asked to consider and, if deemed advisable, adopt and approve, subject to the acceptance of the TSXV, the Omnibus Plan (the “**Omnibus Plan Resolution**”). The Omnibus Plan Resolution must be approved by not less than a majority of the votes cast in respect thereof by shareholders other than insiders of the Company and their associates (as defined under the policies of the TSXV).

At the Meeting, relevant disinterested shareholders will be asked to vote on the following ordinary resolution:

“RESOLVED, as an ordinary resolution, THAT:

1. Subject to acceptance of the TSX Venture Exchange (the “**TSXV**”), the Company’s omnibus equity compensation plan (the “**Omnibus Plan**”) in the substantially the form as described and included in the Company’s management information circular dated September 12, 2022 pursuant to which the directors may, from time to time, authorize the issuance of up to 15,000,000 common shares of the Company to directors, officers, employees, and consultants of the Company and its affiliates in accordance with the Omnibus Plan, be and is hereby authorized, ratified, approved and confirmed;
2. The board of directors of the Company be and is hereby authorized to make such amendments, additions, deletions or changes to the Omnibus Plan as the Board, in its discretion and acting in good faith, deems necessary or advisable to comply with the rules and policies of the TSXV without further shareholder approval, and
3. Any one or more of the directors or officers of the Company is authorized and directed, upon the Board resolving to give effect to this resolution, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things that may be necessary or desirable to give effect to the resolution.”

Recommendation of the Board

The Board unanimously recommends that the “disinterested” shareholders vote in favour of adopting and approving the Omnibus Plan.

Unless the shareholder directs that his or her Shares be otherwise voted or withheld from voting in connection with the adoption and approval of the Omnibus Plan, the persons named in the enclosed Proxy will vote FOR the approval of the Omnibus Plan Resolution.

If the Omnibus Plan is not approved by the “disinterested” shareholders of the Company at the Meeting or not otherwise accepted for filing by the TSXV, the Omnibus Plan shall be null and void and of no effect.

PART 4 – STATEMENT OF EXECUTIVE COMPENSATION – VENTURE ISSUER

Forwarding Looking Information

This statement of executive compensation (the “**Statement**”) contains “forward-looking information” as such term is defined under applicable securities laws including, without limitation, the Company’s intentions and plans with respect to compensation of its executive officers and directors and other statements concerning anticipated future events, conditions or results that are not historical facts. These statements reflect management’s current estimates, beliefs, intentions and expectations; they are not guarantees of future performance. The Company cautions that all forward-looking information is inherently uncertain and that actual performance may be affected by a number of material factors, many of which are beyond the Company’s control. Such factors include, among others, market conditions, risks and uncertainties relating to exploration, development and production; actual results of development and production activities; actual resource grades and recoveries of silver and gold; the ability of the Company to obtain additional financing; the Company’s history of losses; the need to comply with environmental and governmental regulations; potential defects in title to the Company’s properties; fluctuations in currency exchange rates; fluctuating prices of commodities; operating hazards and risks; competition; labor issues; equipment or personnel delays; delays in obtaining governmental or regulatory approvals and permits; and other risks and uncertainties. In addition, there is uncertainty about the continued spread and severity of COVID-19, the ongoing war in Ukraine, rising inflation and interest rates and the impact they will have on the Company’s operations, supply chains, ability to access the Company’s properties or procure equipment, contractors and other personnel on a timely basis or at all and economic activity in general. Accordingly, actual future events, conditions and results may differ materially from the estimates, beliefs, intentions and expectations expressed or implied in the forward-looking information and, save as required by law, the Company is under no obligation to update or alter any forward-looking information. Unless otherwise indicated, the information in this statement of executive compensation is as of December 31, 2021.

Definitions: For the purpose of this Statement:

“*company*” includes other types of business organizations such as partnerships, trusts and other unincorporated business entities.

“*compensation securities*” includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted share 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.

“*external management company*” includes a subsidiary, affiliate or associate of the external management company.

“*Named Executive Officer*” or “*NEO*” means each of the following individuals:

- (a) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer (“**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, including an individual performing functions similar to a chief financial officer (“**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 more than \$150,000, as determined in accordance with subsection 1.3(5) of National Instrument 51-102, for that financial year; and

- (d) 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.

“*plan*” includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, securities, similar instruments or any other property may be received, whether for one or more persons.

“*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 provides a summary of compensation paid, directly or indirectly, for each of the two most recently completed financial years, to the directors and NEOs of the Company, other than compensation securities:

Table of compensation excluding compensation securities							
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 (\$)
James Anderson Chairman, CEO and Director ⁽²⁾	2021	195,000	17,500	Nil	Nil	Nil	212,500
	2020	141,000	Nil	Nil	Nil	Nil	141,000
Lisa Dea CFO ⁽³⁾	2021	172,500	35,000	Nil	Nil	Nil	207,500
	2020	N/A	N/A	N/A	N/A	N/A	N/A
Hernan Dorado Smith Director ⁽⁴⁾	2021	24,000	15,000	Nil	Nil	Nil	39,000
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Daniel Oliver, Jr. Director ⁽⁵⁾	2021	Nil	Nil	Nil	Nil	5,000 ⁽⁶⁾	5,000 ⁽⁶⁾
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Richard Silas VP Corporate Development, Corporate Secretary and Director ⁽⁷⁾	2021	137,500	12,500	Nil	Nil	Nil	150,000
	2020	40,000 ⁽⁸⁾	Nil	Nil	Nil	Nil	40,000 ⁽⁷⁾
William Gehlen Director ⁽⁹⁾	2021	Nil	Nil	Nil	Nil	2,500 ⁽⁶⁾	2,500 ⁽⁶⁾
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Ramon Davila ⁽¹⁰⁾ Director	2021	Nil	Nil	Nil	Nil	5,000 ⁽⁶⁾	5,000 ⁽⁶⁾
Xavier Wenzel (former CFO/Corporate Secretary) ⁽¹¹⁾	2021	Nil ⁽¹²⁾	Nil	Nil	Nil	Nil	Nil ⁽¹²⁾
	2020	Nil ⁽¹²⁾	Nil	Nil	Nil	Nil	Nil ⁽¹²⁾

- (1) The value of perquisites received by each of the Named Executive Officers and directors, including property or other personal benefits provided to the Named Executive Officers and directors that are not generally available to all employees, were not in the aggregate greater than \$15,000.
- (2) Mr. Anderson was appointed as a director of the Company on January 9, 2019. Subsequently, Mr. Anderson was appointed as CEO (March 14, 2019) and acted as President from March 19, 2019 to March 21, 2022. Mr. Anderson provides management consulting services to the Company through Blueberry Capital Corp., a private management company controlled by Mr. Anderson, in consideration for a monthly management fee.
- (3) Ms. Dea was appointed as CFO of the Company in place of Xavier Wenzel on April 1, 2021.
- (4) Mr. Dorado Smith was first appointed as a director of the Company on April 21, 2017. Subsequent to December 31, 2020 Mr. Smith was appointed COO of the Company on May 12, 2021.
- (5) Mr. Oliver was appointed as a director of the Company on October 2, 2019.

- (6) This amount represents fees paid to the director in his capacity as a director including committee fees.
- (7) Mr. Silas was appointed as a director of the Company on October 18, 2019 and subsequently appointed as Vice-President, Corporate Development and Corporate Secretary on May 12, 2021.
- (8) This amount was paid to Mr. Silas in his capacity as a then consultant to the Company.
- (9) Mr. Gehlen was appointed as a director of the Company on March 31, 2020.
- (10) Mr. Ramon Davila was appointed as a director of the Company on May 12, 2021. Subsequent to December 31, 2021 Mr. Davila was appointed as President of the Company on March 22, 2022.
- (11) Lisa Dea replaced Xavier Wenzel as CFO of the Company on April 1, 2021.
- (12) During the fiscal years ended December 31, 2021 and 2020, the Company engaged, on an independent contractor basis, Fehr & Associates, Chartered Professional Accountants (“Fehr”), of which Mr. Wenzel is an associate, to provide the services of Mr. Wenzel as the Company’s CFO as well as financial consulting, accounting and bookkeeping services. Under the arrangement with Fehr, the Company paid a monthly fee of \$5,000 (increased to \$6,500 in July 2020) to Fehr for such services including Mr. Wenzel’s services as CFO on behalf of the Company. The total fees paid to Fehr by the Company in 2021 were \$50,330 (2020 - \$71,330). Mr. Wenzel received his remuneration through Fehr and was not paid directly by the Company for his services as CFO.

External Management Companies

Save and except as disclosed under “*Employment, Consulting and Management Agreements*” below, as of the date of this Statement, there are no contracts with external management companies in effect.

Stock Options and Other Compensation Securities

The following table discloses all compensation securities granted or issued to each Named Executive Officer or director during the most recently completed financial year ended December 31, 2021 for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries.

Compensation securities – Stock Options ⁽¹⁾						
Name and position	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 financial year end (\$)	Expiry date
James Anderson Chairman, CEO, and Director	950,000 stock options ⁽²⁾ or 0.42% ⁽⁵⁾	Mar 24, 2021	\$0.51	\$0.53	\$0.49	Mar. 24, 2026
Ramon Davila Director	150,000 stock options ⁽³⁾ 750,000 Stock options ⁽²⁾ or 0.40% ⁽⁵⁾	Feb 6, 2021 Mar 24, 2021	\$0.30 \$0.51	\$0.28 \$0.53	\$0.49 \$0.49	Feb 6, 2024 Mar. 24, 2026
Richard Silas Director	750,000 stock options ⁽²⁾ or 0.33% ⁽⁵⁾	Mar 24, 2021	\$0.51	\$0.53	\$0.49	Mar. 24, 2026
Daniel Oliver, Jr. Director	750,000 stock options ⁽²⁾ or 0.33% ⁽⁵⁾	Mar 24, 2021	\$0.51	\$0.53	\$0.49	Mar. 24, 2026
William Gehlen Director	200,000 stock options ⁽²⁾ or 0.09% ⁽⁵⁾	Mar 24, 2021	\$0.51	\$0.53	\$0.49	Mar. 24, 2026
Hernan Dorado Smith COO and Director	750,000 stock options ⁽²⁾ or 0.33% ⁽⁵⁾	Mar 24, 2021	\$0.51	\$0.53	\$0.49	Mar. 24, 2026
Lisa Dea CFO	150,000 stock options ⁽⁴⁾ 750,000 Stock options ⁽²⁾ or 0.33% ⁽⁵⁾	Jan 4, 2021 Mar 24, 2021	\$0.30 \$0.51	\$0.28 \$0.53	\$0.49 \$0.49	Jan 4, 2024 Mar. 24, 2026

Xavier Wenzel (former CFO)	Nil	Nil	Nil	Nil	Nil	Nil
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- (1) Each stock option entitles the holder to purchase one common share of the Company.
- (2) These stock options are subject to vesting on the basis of 1/3 on March 24, 2021, 1/3 on March 24, 2022 and 1/3 on March 24, 2023.
- (3) These stock options are subject to vesting on the basis of 1/3 on February 6, 2021, 1/3 on August 6, 2021 and 1/3 on February 6, 2022.
- (4) These stock options are subject to vesting on the basis of 1/3 on January 4, 2021, 1/3 on July 4, 2021 and 1/3 on January 4, 2022.
- (5) This figure represents the aggregate number of underlying common shares issuable upon exercise of the stock options as a percentage of the total issued and outstanding common shares of the Company as at December 31, 2021 (being 224,216,031 shares).

No stock options or other compensation securities were re-priced, cancelled and replaced, extended or otherwise materially modified during the Company's most recently completed financial year ended December 31, 2021.

As of December 31, 2021, the total compensation securities held by Named Executive Officers and directors of the Company were as follows:

Name and Position	Type of Compensation Security ⁽¹⁾	Total Number of Compensation Securities Held	Total Number of Common Shares Underlying Compensation Securities
James Anderson Chairman, CEO and Director	Stock options	1,550,000	1,550,000 or 0.69% ⁽²⁾
Hernan Dorado Smith COO and Director	Stock options	1,650,000	1,650,000 or 0.74% ⁽²⁾
Richard Silas VP-CD, Corp. Sec., and Director	Stock options	1,200,000	1,200,000 or 0.54% ⁽²⁾
Daniel Oliver, Jr. Director	Stock options	1,200,000	1,200,000 or 0.54% ⁽²⁾
William Gehlen Director	Stock options	650,000	650,000 or 0.29% ⁽²⁾
Ramon Davila Director	Stock options	900,000	900,000 or 0.40% ⁽²⁾
Lisa Dea CFO	Stock Options	900,000	900,000 or 0.40% ⁽²⁾

- (1) Each stock option entitles the holder to purchase one common share of the Company.
- (2) This figure represents the aggregate number of underlying common shares issuable upon exercise of the stock options as a percentage of the total issued and outstanding common shares of the Company as at December 31, 2021 (being 224,216,031 shares).

No compensation securities were exercised by any Named Executive Officer or director of the Company during the most recently completed financial year ended December 31, 2021.

Stock Option Plans and Other Incentive Plans

Stock Option Plan

On December 11, 2019, the shareholders of the Company approved a new "10% rolling" stock option plan for the directors, officers, employees and consultants of the Company and its affiliates as characterized by the policies of the TSXV pursuant to which the aggregate number of common shares reserved for issuance thereunder may not exceed, at the time of grant, in aggregate 10% of the Company's issued and outstanding shares. The principal purposes of the Option Plan are to provide the Company with the advantages of the incentive inherent in share ownership on the part of those

persons responsible for the success of the Company; to create in those persons a proprietary interest in, and a greater concern for, the welfare and success of the Company; to encourage such persons to remain with the Company; to attract new talent to the Company; and to reduce the cash compensation the Company would otherwise have to pay.

Subsequent to December 31, 2021, the Company amended and restated its Option Plan to response to certain changes made by the TSXV to its policy with respect to the granting of stock options and other forms of executive equity compensation on November 24, 2021. See Part 3 “THE BUSINESS OF THE MEETING – Annual Ratification of Stock Option Plan” for a description of the material terms of the Company’s amended and restated Option Plan.

Under the policies of the TSXV, as a “rolling plan”, the Company’s Option Plan must be presented for approval by the shareholders annually at the Company’s annual general meeting, which approval will be sought at the Meeting. . See Part 3 “THE BUSINESS OF THE MEETING – Annual Ratification of Stock Option Plan” above.

Omnibus Equity Compensation Plan

On September 12, 2022, the Company adopted an omnibus equity compensation plan for officers, employees, directors and consultants of the Company and its affiliates with a view to providing the Board with a wide range of incentive awards including restricted share units, deferred share units, performance share units and other share-based awards with which to attract, retain and motivate key employees, officers, directors and consultants of the Company and its affiliates. The Omnibus Plan is in addition to the Option Plan and reserves a fixed maximum of 15,000,000 Shares for issuance to eligible officers, employees, directors and consultants. See Part 3 “THE BUSINESS OF THE MEETING – Approval of Omnibus Equity Compensation Plan” above for a description of the material terms of the Omnibus Plan.

The Omnibus Plan is subject to the acceptance of the TSXV and the approval of the “disinterested” shareholders of the Company, which approval will be sought at the Meeting. See Part 3 “THE BUSINESS OF THE MEETING – Approval of Omnibus Equity Compensation Plan” above. As of the date of this Information Circular, there have been no Awards issued under the Omnibus Plan.

Save as aforesaid, there are currently no other equity or non-equity incentive plan awards in place for the Company’s Named Executive Officers or directors.

Employment, Consulting and Management Agreements

During the fiscal year ended December 31, 2021, the Company was a party to written employment, consulting or management agreements with the following Named Executive Officers and directors of the Company:

James Anderson is the CEO of the Company and was appointed to such office on March 14, 2019. The Company is a party to a formal consulting agreement with a private company controlled by James Anderson (the “**Anderson Agreement**”) to provide, on an independent contractor basis, corporate and management services to the Company, at a current annual base fee of \$210,000 (\$17,500 per month) to be reviewed annually. See the summary compensation table under the heading “Director and Named Executive Officer compensation, excluding compensation securities” above for details of the executive compensation paid to Mr. Anderson during the fiscal year ended December 31, 2021.

Lisa Dea is the CFO of the Company and was appointed to such office on April 1, 2021. The Company is a party to an employment agreement with Lisa Dea (the “**Dea Agreement**”) to act as the Company’s CFO on a full time basis at an annual salary of \$180,000 (\$15,000 per month) to be reviewed annually. See the summary compensation table under the heading “Director and Named Executive Officer compensation, excluding compensation securities” above for details of the executive compensation paid to Ms. Dea during the fiscal year ended December 31, 2021.

Richard Silas is the Vice-President, Corporate Development and Corporate Secretary of the Company and was appointed to such offices on May 12, 2021. The Company is a party to a consulting agreement with a private company controlled by Richard Silas (the “**Silas Agreement**”) to provide, on an independent contractor basis, certain corporate and administrative services to the Company, at an annual base fee of \$150,000 (\$12,500 per month) to be reviewed annually. See the summary compensation table under the heading “Director and Named Executive Officer compensation, excluding compensation securities” above for details of the executive compensation paid to Mr. Silas during the fiscal year ended December 31, 2021.

Each of the Anderson Agreement, the Dea Agreement and the Silas Agreement provides for termination payments in certain circumstances. Each of James Anderson, Lisa Dea and Richard Silas will be entitled to receive, directly or indirectly, a lump sum termination payment equal to one times their annual compensation (i.e. base fee/salary plus annual bonus, if applicable) in the event they are terminated without cause (or by the executive for good reason) or two times their annual compensation if terminated without cause (or by the executive for good reason) following a change of control of the Company.

The following table sets out the estimated incremental payments payable to the above Named Executive Officers of the Company that would have been triggered by, or result from, a change of control, severance, termination or constructive dismissal as at December 31, 2021:

	James Anderson	Lisa Dea	Richard Silas
Termination Without Cause/ Constructive Dismissal			
Base Fee/Termination Payment	210,000	180,000	150,000
Annual Incentives ⁽¹⁾	17,500	35,000	12,500
Change of Control			
Base Fee/Termination Payment	420,000	360,000	300,000
Annual Incentives ⁽¹⁾	35,000	70,000	25,000

(1) Based on bonus payments made to the Named Executive Officers for the fiscal year ended December 31, 2021.

Save as aforesaid, during the fiscal year ended December 31, 2021, there were no other compensatory plans, contracts or arrangements whereby a Named Executive Officer or director was entitled to receive any severance or termination payment from the Company or its subsidiaries, including periodic payments or instalments, in the event of the termination or constructive dismissal of the officer's or director's employment or engagement with the Company or its subsidiaries or following a change of control of the Company.

Oversight and Description of Director and Named Executive Officer Compensation

Director Compensation

The Company has no standard arrangement pursuant to which non-executive directors are compensated by the Company for their services in their capacity as directors, other than periodic discretionary director's fees and the granting from time to time of incentive stock options in accordance with the Option Plan and the policies of the TSXV. The granting of incentive stock options provides a link between director compensation and the Company's share price. It also rewards directors for achieving results that improve Company performance and thereby increase shareholder value. In making a determination as to whether a grant of long-term incentive stock options is appropriate, and if so, the number of options that should be granted, the Board, in consultation with the Company's Corporate Governance and Compensation Committee (the "CGCC") (see Part 7 "CORPORATE GOVERNANCE – Committees of the Board of Directors" below) considers, inter alia, the number and terms of outstanding incentive stock options held by each director; the value in securities of the Company that the Board intends to award as compensation; the potential dilution to shareholders and the cost to the Company; general industry standards; and the limits imposed by the terms of the Option Plan and the TSXV. Any "interested" director who is being considered for the grant of an option by the Company is required to declare his interest in such grant and abstain from voting thereon.

The granting of incentive stock options allows the Company to reward the directors' efforts to increase value for shareholders without requiring the Company to use cash from its treasury. The terms and conditions of the Company's stock option grants, including vesting provisions and exercise prices, are governed by the terms of the Option Plan, the material terms of which are described under Part 3 "THE BUSINESS OF THE MEETING – Annual Ratification of the Stock Option Plan" above.

See the table under "Stock Options and Other Compensation Securities" above for details of the stock options granted to the Company's non-executive directors under the Option Plan during the fiscal year ended December 31, 2021.

The directors may also be reimbursed for actual expenses reasonably incurred by them in the performance of their duties as directors.

Subsequent to December 31, 2021, the Board has adopted, subject to the approval of the “disinterested” shareholders of the Company and the TSXV, an omnibus equity compensation plan for officers, employees, directors and consultants of the Company and its affiliates as more particularly described under Part 3 “THE BUSINESS OF THE MEETING – Approval of Omnibus Equity Compensation Plan” above. If approved by the “disinterested” shareholders of the Company at the Meeting and accepted by the TSXV, the Omnibus Plan will provide the Company with greater flexibility to attract, retain and motivate directors of the Company and its affiliates through a combination of Awards (as defined in the Omnibus Plan including DSUs) and options as appropriate in accordance with the Company’s compensation policies and objectives.

Named Executive Officer Compensation

The Company’s CGCC is primarily responsible for, among other things, advising the Board on compensation of executive officers and directors, as well as related policies, programs and practices designed to achieve the strategic goals and financial objectives of the Company. The CGCC makes recommendations to the Board on all forms of compensation (including long-term incentive in the form of stock options and, if approved at the Meeting and accepted by the TSXV, additional Awards under the Omnibus Plan) to be granted to the Company’s executive officers and directors to ensure such arrangements reflect the responsibilities and risks associated with each position. See the headings “Annual Ratification of Stock Option Plan” and “Approval of the Omnibus Equity Compensation Plan” in Part 3 “THE BUSINESS OF THE MEETING” above for further details regarding the Option and Omnibus Plans.

The Company does not have a formal compensation program; however, the CGCC meets annually subsequent to the annual general meeting or more frequently as determined by the CGCC to discuss and make recommendations to the Board regarding management compensation. The general objectives of the Company’s compensation strategy are to attract, retain and motivate talented employees, contractors and consultants who will contribute to the long term success of the Company by aligning compensation with market conditions, corporate performance, and the interest of shareholders to maximize shareholder value.

The Board, in consultation with the CGCC, generally considers three elements of compensation – a base fee/salary for the current financial year, a discretionary cash bonus for the previously completed financial year and one or more grants of long-term incentives in the form of stock options and/or Awards.

Base fee/salary is used to provide the Named Executive Officers with a set amount of money during the year with the expectation that they will perform their responsibilities to the best of their ability and in the best interests of the Company. The Board determines, in consultation with the CGCC, what the Named Executive Officer’s base fee/salary for the upcoming year will be based on the overall performance of the Company, the performance of the Named Executive Officer, general trends in the industry and the Company’s then financial resources.

The granting of incentive stock options (and, if applicable, Awards under the Omnibus Plan) are designed to provide a link between management compensation and the Company’s share price and reward management for achieving results that improve the Company’s performance and thereby increase shareholder value. In making a determination as to whether a grant of long-term incentive stock options or Awards, is appropriate, and if so, the number of options and/or Awards that should be granted, the CGCC and Board will consider, inter alia, the number and terms of outstanding incentive stock options and Awards held by the Named Executive Officer; the value in securities of the Company that the Board intends to award as compensation; the potential dilution to shareholders and the cost to the Company; general industry standards; and the limits imposed by the terms of the Stock Option Plan, the Omnibus Plan and policies of the TSXV. Major consideration is given to the fact that the Company’s mining operations are not yet cash flow positive and the Company remains reliant upon equity and/or debt financings to raise the necessary funds to cover operating shortfalls and capital expenditures and finance other corporate plans and objectives. Therefore, greater emphasis may be placed on incentive stock option compensation and share based Awards in lieu of cash to attract and retain the Company’s Named Executive Officers. The terms and conditions of the Company’s stock option grants, including vesting provisions and exercise prices, are governed by the Option Plan, the material terms of which are described under Part 3 “THE BUSINESS OF THE MEETING – Annual Ratification of Stock Option Plan. See also “*Stock Options and Other Compensation Securities*” above for details of the stock options granted to the Company’s Named Executive Officers under the Option Plan during the fiscal year ended December 31, 2021. The terms and conditions of the Company’s

other share based Awards for executive officers, if applicable, will be governed by the Omnibus Plan, details of which are set out in Part 3 “THE BUSINESS OF THE MEETING – Approval of Omnibus Equity Compensation Plan” above.

Finally, the CGCC will consider whether it is appropriate and in the best interests of the Company to award a discretionary cash bonus to the Named Executive Officers for the most recently completed financial year and if so, in what amount, and make its recommendations to the Board. A cash bonus may be awarded to reward extraordinary performance that has led to increased value for shareholders through property acquisitions or divestitures, the formation of new strategic or joint venture relationships and/or capital raising efforts. Demonstrations of extraordinary personal commitment to the Company’s interests, the community and the industry may also be rewarded through a cash bonus.

Currently, the Company does not use specific benchmark groups in determining compensation or any element of compensation for the Named Executive Officers.

Other than as described above there are no prerequisites provided to the Named Executive Officers.

Pension Disclosure

The Company does not have any pension, retirement or deferred compensation plans, including defined contribution plans.

PART 5 – SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following information is as of December 31, 2021, the Company’s most recently completed financial year.

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 future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by securityholders	14,025,000	\$0.40	8,558,255
Equity compensation plans not approved by securityholders ⁽¹⁾	N/A	N/A	N/A
Total	14,025,000	\$0.40	8,558,255

As at December 31, 2021, the Company’s only equity compensation plan was its “rolling” Option Plan for directors, officers, employees and consultants of the Company. See Part 3 “THE BUSINESS OF THE MEETING – *Annual Ratification of Stock Option Plan*” for details of the material terms of the Company’s Option Plan.

Subsequent to December 31, 2021, the Board has adopted, subject to acceptance of the TSXV, an omnibus equity compensation plan, being the Omnibus Plan, for the purpose of assisting the Company and its affiliates to attract and retain key individuals to serve as employees, officers, directors or consultants of the Company and its affiliates. At the Meeting, the “disinterested” shareholders of the Company will be asked to adopt and approve the Omnibus Plan. See Part 3 “THE BUSINESS OF THE MEETING – Approval of Omnibus Equity Compensation Plan” for details of the Omnibus Plan.

PART 6 – AUDIT COMMITTEE

National Instrument 52-110 *Audit Committees* of the Canadian Securities Administrators (“NI 52-110”) requires the Company, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its audit committee and its relationship with the Company’s external auditor as set forth below.

1. The Audit Committee Charter

The Company's audit committee is governed by an audit committee charter, the text of which is attached as Exhibit "D" to this Information Circular.

2. Composition of Audit Committee

The Company's audit committee is currently comprised of three directors, Ramon Davila (Chair), Daniel Oliver, Jr. and William Gehlen, of which Messrs. Oliver and Gehlen are considered "independent" as that term is defined in applicable securities legislation.

All three members of the Company's audit committee have the ability to read and understand financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements and are therefore considered "financially literate".

3. Relevant Education and Experience

All of the audit committee members are business persons with experience in financial matters; each has an understanding of accounting principles used to prepare financial statements and varied experience as to general application of such accounting principles, as well as the internal controls and procedures necessary for financial reporting, garnered from working in their individual fields of endeavor.

Ramon Davila was Chief Operating Officer and a director of First Majestic Silver Corp. from 2004 to 2013 (director until 2015). In September 2016, Mr. Davila was appointed Minister of Economic Development for the State of Durango, Mexico and held such post until June 2020. Mr. Davila holds a degree in Mining and Metallurgical Engineering from the University of Guanajuato, Mexico as well as a Master of Science degree in Mineral Economics from the Colorado School of Mines.

Daniel Oliver, Jr. manages Myrmikan Gold Fund LLC of New York, NY, which actively invests in the precious metals mining sector. Mr. Oliver also serves as President of the Committee for Monetary Research & Education, an organization founded by prominent economists and businessmen in 1970 in opposition to the Bretton Woods monetary system. His articles have been published in Forbes.com, The Wall Street Journal, The Washington Times, Real Clear Markets, National Review Online, among others, and he speaks frequently at precious metals conferences. Mr. Oliver has a J.D. from Columbia Law School and an MBA from INSEAD.

William Gehlen has over 40 years experience in minerals exploration and holds a Master of Science (Geology) from the University of Idaho and a Bachelor of Science (Geology) from the University of Oregon and currently serves as Director of Geology for Dakota Gold Corp. (NYSE, American). From April 2018 to Dec 2020, Mr. Gehlen was Manager of Corporate Development for Gold Standard Ventures Corp. (TSX and NYSE American). From 2013 to 2018, Mr. Gehlen was Manager of Resource Development for OceanaGold Corp. (TSX) and prior to that he served as Vice-President of Exploration for Pacific Rim Mining Corp. where he managed all aspects of mineral exploration for Pacific Rim and was in charge of exploration at the El Dorado gold deposit in El Salvador, and the Diablillos silver-gold deposit in Argentina.

4. Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year ended December 31, 2021, the Board has not failed to adopt a recommendation of the audit committee to nominate or compensate an external auditor.

5. Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year ended December 31, 2021, the Company has not relied on the exemptions contained in sections 2.4 or 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

6. Pre-Approval Policies and Procedures

The audit committee has not adopted specific policies and procedures for the engagement of non-audit services. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the audit committee and, where applicable, the Board, on a case-by-case basis.

7. External Audit Service Fees (By Category)

In the following table, “audit fees” are fees billed by the Company’s external auditor for services provided in auditing the Company’s annual financial statements for the subject year. “Audit-related fees” are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit or review of the Company’s financial statements. “Tax fees” are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. “All other fees” are fees billed by the auditor for products and services not included in the foregoing categories.

The fees paid by the Company to KPMG LLP, the Company’s auditor, for services rendered to the Company in each of the last two fiscal years, by category, are as follows:

Financial Period Ending	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
December 31, 2021	203,300	Nil	Nil	Nil
December 31, 2020	30,000	Nil	Nil	Nil

8. Exemption

The Company is relying on the exemption provided by section 6.1 of NI 52-110, which provides that the Company, as a venture issuer, is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

PART 7 – CORPORATE GOVERNANCE

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day to day management of the Company. The Board and senior management consider good corporate governance to be central to the effective and efficient operation of the Company.

National Policy 58-201 *Corporate Governance Guidelines* (“NP 58-201”) establishes corporate governance guidelines, which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company’s practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted.

National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“NI 58-101”) also requires the Company to disclose annually in its Information Circular certain information concerning its corporate governance practices. As a “venture issuer” the Company is required to make such disclosure with reference to the requirements of Form 58-101F2, which disclosure is set forth below.

1. Board of Directors

Structure and Composition

The Board is currently composed of six directors.

NP 58-201 suggests that the board of directors of every listed company should be constituted with a majority of individuals who qualify as “independent” directors under NI 52-110, which provides that a director is independent if he or she has no direct or indirect “material relationship” with the company. “Material relationship” is defined as a

relationship which could, in the view of the Company's board of directors, be reasonably expected to interfere with the exercise of a director's independent judgment.

The Board is responsible for determining whether a director is an independent director. Of the current directors, James Anderson, Ramon Davila, Hernan Dorado Smith and Richard Silas are not independent directors because of their positions as Chief Executive Officer, President, Chief Operating Officer, and Vice-President, Corporate Development and Secretary of the Company, respectively. On the other hand, Daniel Oliver, Jr., and William Gehlen are considered "independent" directors of the Company as they are neither officers nor employees of the Company, do not receive, directly or indirectly, any consulting, advisory or other compensatory fees from the Company for acting in any capacities other than as directors of the Company and have no ongoing interest or material relationship with the Company other than their shareholdings and stock options in the Company and serving as directors.

Accordingly, while it is anticipated that following the Meeting, the Board will have more "non-independent" directors than "independent" directors, it is the objective of the Company to strive to attain a majority of independent Board members.

Mandate of the Board

The mandate of the Board is to manage or supervise the management of the business and affairs of the Company and to act with a view to the best interests of the Company. In doing so, the Board oversees the management of the Company's affairs directly and through its committees (see "Committees of the Board of Directors" below). In fulfilling its mandate, the Board, among other matters, is responsible for reviewing and approving the Company's overall business strategies and its annual business plan, reviewing and approving the annual corporate and exploration, development and capital budget and forecast, reviewing and approving significant capital investments outside the approved budget; reviewing major strategic initiatives to ensure that the Company's proposed actions accord with shareholder objectives; reviewing succession planning; assessing management's performance against approved business plans and industry standards; reviewing and approving the reports and other disclosure issued to shareholders; ensuring the effective operation of the Board; and safeguarding shareholders' equity interests through the optimum utilization of the Company's capital resources. The Board also takes responsibility for identifying the principal risks of the Company's business and for ensuring these risks are effectively monitored and mitigated to the extent reasonably practicable.

The Board delegates to management, through the Company's executive officers, responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Company's business in the ordinary course, managing the Company's cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board also looks to management to furnish recommendations respecting corporate objectives, long-term strategic plans and annual operating plans.

Although following the Meeting, the Board will be composed of a majority of "non-independent" directors, given the size of the Company's current operations, the Board believes that the independence of the Board from management is not compromised by such composition. The Board believes that the fiduciary duties placed on management by the Company's governing corporate legislation and common law and the restrictions on an individual director's participation in decisions of the Board in which the director has an interest under applicable corporate and securities legislation provide the "independent" directors with significant input and leadership in exercising their responsibilities for independent oversight of management. In addition, each member of the Board understands that he is entitled to seek the advice of an independent expert if he reasonably considers it warranted under the circumstances and the "independent" directors have the ability to meet independently of management whenever deemed necessary in order to facilitate open and candid discussion among the independent directors.

Notwithstanding the foregoing, it is the Board's objective to have a majority of independent directors.

Directorships

As of the date of this Information Circular, the following directors of the Company are also directors of other reporting issuers (or equivalent) in a jurisdiction or a foreign jurisdiction.

Name of Director	Name of Other Reporting Issuer	Market/Tier	Position	Period
James Anderson	Orestone Mining Corp.	TSXV	Director	Since May 2019
Richard Silas	LDB Capital Corp Northern Lion Gold Corp. Sanibel Ventures Corp.	TSXV TSXV TSXV	Director Secretary and Director CEO, CFO and Director	Since August 2021 Since September 2019 Since October 2017

The above information has been provided by the directors and has not been independently verified by the Company.

Ethical Business Conduct

The Board expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company's business plan and to meet performance goals and objectives.

The Board itself must comply with the conflict of interest provisions of the *Business Corporations Act* (British Columbia), as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

The Board has also adopted a written Code of Business Conduct and Ethics (the “**Code**”) to assist all Company personnel in making decisions regarding the affairs of the Company. The Code establishes certain standards and procedures to be complied with by all directors, officers, employees and consultants of the Company relating to, among other things, financial reporting and disclosure, compliance with laws, conflicts of interest, confidentiality, stock trading and use of material information, environmental standards and safety, use of Company property and resources, and dealing with corporate opportunities with a view to conducting the Company's business and affairs honestly and with integrity, using high ethical standards. Any breach of the Code is reportable immediately to the Company in accordance with the provisions thereof.

Nomination and Assessment

Given its current size and stage of development, the Board has not appointed a nominating committee and these functions are currently performed by the Board as a whole. Nominees are generally the result of recruitment efforts by Board members, including both formal and informal discussions among Board members and the Chief Executive Officer, and proposed directors' credentials are reviewed in advance of a Board meeting with one or more members of the Board prior to the proposed director's nomination.

New directors are briefed on strategic plans, short, medium and long term corporate objectives, business risks and mitigation strategies, corporate governance guidelines and existing company policies. However, there is no formal orientation for new members of the Board, and this is considered to be appropriate, given the Company's size and current operations.

The skills and knowledge of the Board as a whole is such that no formal continuing education process is currently deemed required. The Board is comprised of individuals with varying backgrounds, who have, both collectively and individually, extensive experience in running and managing public companies, particularly mineral resource companies. Board members are encouraged to communicate with management, auditors and technical consultants to keep themselves current with industry trends and developments and changes in legislation, with management's assistance. Board members have full access to the Company's records. Reference is made to the table under the heading “*Election of Directors*” in Part 3 “THE BUSINESS OF THE MEETING” for a description of the current principal occupations of the Company's Board.

As present, the Board does not have a formal process in place for assessing the effectiveness of the Board as a whole, its committees or individual directors, but will consider implementing one in the future should circumstances warrant. Based on the Company's current size, its stage of development and the limited number of individuals on the Board, the Board considers a formal assessment process to be inappropriate at this time. The Board plans to continue evaluating its own effectiveness and the effectiveness and contribution of its committees or individual directors on an ad hoc basis.

Committees of the Board of Directors

At the present time, the Board of the Company has appointed three formal committees, being the Audit Committee, the Corporate Governance and Compensation Committee and the Health and Safety Committee.

The Audit Committee is comprised of Ramon Davila (Chair), Daniel Oliver, Jr. and William Gehlen and is primarily responsible for the policies and practices relating to integrity of financial and regulatory reporting of the Company, as well as internal controls to achieve the objectives of safeguarding the Company's assets; reliability of information; and compliance with policies and laws. See Part 6 "AUDIT COMMITTEE" for further information regarding the mandate of the Company's audit committee and its composition, its specific authority, duties and responsibilities, as well as the Audit Committee Charter.

The Corporate Governance and Compensation Committee (the "CGCC") is comprised of Daniel Oliver, Jr. (Chair), William Gehlen and Richard Silas, of which Messrs. Oliver and Gehlen are independent directors, and is primarily responsible for (i) establishing the Company's corporate governance policies and procedures and monitoring compliance with such policies and procedures, and (ii) advising the Board on compensation of executive officers and directors, as well as related policies, programs and practices designed to achieve the strategic goals and financial objectives of the Company. See "Compensation" below.

The Health and Safety Committee is comprised of William Gehlen (Chair), James Anderson and Hernan Dorado Smith and is primarily responsible for establishing the Company's health and safety policies and procedures and monitoring compliance with such policies and procedures. Of the three members of the Health and Safety Committee, only William Gehlen is an independent director,

Compensation

The CCGC is responsible for, inter alia, making recommendations to the Board on all forms of compensation (including long-term incentive in the form of stock options) to be granted to the Company's executive officers and to the directors to ensure such arrangements reflect the responsibilities and risks associated with each position. See the heading "Oversight and Description of Director and Named Executive Officer Compensation" in Part 4 "STATEMENT OF EXECUTIVE COMPENSATION – VENTURE ISSUER" above for a discussion of the Company's philosophy, objectives and processes with respect to executive compensation.

PART 8 – OTHER INFORMATION

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Aggregate Indebtedness

No individual who is, or at any time during the most recently completed financial year of the Company was, a director or officer of the Company, no proposed nominee for election as a director of the Company, and no associate of any one of them is, or at any time since the beginning of the most recently completed financial year of the Company has been, indebted to the Company or any of its subsidiaries (other than in respect of amounts which would constitute routine indebtedness) or to another entity (where such indebtedness to such other entity is, or was at any time during the most recently completed financial year of the Company, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries).

Indebtedness of Directors and Executive Officers under Securities Purchase and Other Programs

As of the date hereof, there is no indebtedness owing to the Company, any of its subsidiaries or any other entity (where such indebtedness to such other entity is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries) in connection with the purchase of securities or otherwise by any current or former executive officers, directors or employees of the Company or any of its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than disclosed elsewhere in this Information Circular, no informed person (as defined below), proposed nominee for election as a director, or any associate or affiliate of any informed person or proposed nominee, has had a material interest, direct or indirect, in any transaction with the Company or any of its subsidiaries or in any proposed transaction since the beginning of the last completed financial year that has materially affected the Company or any of its subsidiaries or is likely to do so.

For the above purposes, “informed person” means: (a) a director or executive officer of the Company; (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company; (c) any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of the Company or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Company after having purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED ON AT THE MEETING

None of the directors or executive officers of the Company, no proposed nominee for election as a director of the Company, none of the persons who have been directors or executive officers of the Company since the commencement of the Company’s last completed financial year, none of the other insiders of the Company and no associate or affiliate of any of the foregoing persons has any substantial interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of the directors, the ratification and approval of the Option Plan and the adoption and approval of the Omnibus Plan.

MANAGEMENT CONTRACTS

The management functions of the Company are performed by its directors and executive officers (or private companies controlled by such executive officers) and the Company has no management agreements or arrangements under which such management functions are performed by persons other than the directors and executive officers (or private companies controlled by such executive officers) of the Company. See the headings “*Director and Named Executive Officer compensation, excluding compensation securities*” and “*Employment, Consulting and Management Agreements*” in the Part 4 “STATEMENT OF EXECUTIVE COMPENSATION – VENTURE ISSUER” above for details of the fees paid or payable to the Company’s Named Executive Officers (or private companies controlled by such Named Executive Officers) and directors for, inter alia, the year ended December 31, 2021.

OTHER MATTERS

Management of the Company is not aware of any other matters to come before the Meeting other than as set forth in the Notice of Meeting that accompanies this Information Circular. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the Shares represented thereby in accordance with their best judgment on such matter.

OTHER MATERIAL FACTS

There are no other material facts other than as disclosed herein.

ADDITIONAL INFORMATION

Financial information about the Company is provided in its comparative financial statements and Management’s Discussion and Analysis for the year ended December 31, 2021. You may obtain copies of such documents without charge upon request to us at 999 Canada Place, Suite 578, Vancouver, B.C., Canada V6C 3E1 – telephone (604) 913 - 5899. You may also access such documents, together with the Company’s additional disclosure documents, through the Internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

BOARD APPROVAL

The Board of the Company has approved the contents and the delivery of this Information Circular to its shareholders.

DATED at Vancouver, British Columbia, as of the 12th day of September, 2022.

BY ORDER OF THE BOARD

(signed) “*James Anderson*”

James Anderson
Chairman and Chief Executive Officer

EXHIBIT “A”

NOTICE OF CHANGE OF AUDITOR

See attached.



**NOTICE OF CHANGE OF AUDITOR
PURSUANT TO NATIONAL INSTRUMENT 51-102**

Guanajuato Silver Company Ltd., formerly VanGold Mining Corp. (the “**Company**”), hereby gives notice that effective December 3, 2021 Lancaster & David, Chartered Professional Accountants (“**Lancaster & David**”), resigned as auditors of the Company at the Company’s request. The Company has appointed KPMG LLP, Chartered Professional Accountants (“**KPMG**”), as auditors of the Company to hold office until the next annual general meeting of shareholder of the Company.

There were no modified opinions expressed in Lancaster & David’s audit reports on the Company’s financial statements for the two most recently completed financial years ended December 31, 2020 and December 31, 2019 nor were there any reportable events during the period commencing from the beginning of the Company’s financial year ended December 31, 2019 up to the date of Lancaster & David’s resignation.

The resignation of Lancaster & David as auditors and the appointment of KPMG in their place have been approved by the board of directors of the Company.

Dated as of the 3rd day of December, 2021.

GUANAJUATO SILVER COMPANY LTD.

A handwritten signature in black ink, appearing to read 'Lisa Dea', written over a horizontal line.

Lisa Dea
Chief Financial Officer

LANCASTER & DAVID

CHARTERED PROFESSIONAL ACCOUNTANTS

December 3, 2021

**Guanajuato Silver Company Ltd.
Alberta Securities Commission
British Columbia Securities Commission**

Dear Sir:

Re: Guanajuato Silver Company Ltd. (formerly Vangold Mining Corp.)

We have reviewed the attached Notice of Change of Auditor (the "**Notice**") from Guanajuato Silver Company Ltd. (the "**Company**") dated December 3, 2021. In accordance with section 4.11 of National Instrument 51-102 *Continuous Disclosure Obligations*, we hereby confirm our agreement with the information contained in the Notice based on our knowledge of the information as at this date.

Yours truly,

A handwritten signature in blue ink that reads "Lancaster + David".

**Lancaster & David,
Chartered Professional Accountants**



KPMG LLP
Chartered Professional Accountants
PO Box 10426 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada

Telephone (604) 691-3000
Fax (604) 691-3031
Internet www.kpmg.ca

Guanajuato Silver Company Ltd.
Alberta Securities Commission
British Columbia Securities Commission

December 7, 2021

Dear Sir/Madam

Re: Notice of Change of Auditors of Guanajuato Silver Company Ltd., formerly VanGold Mining Corp.

We have read the Notice of Guanajuato Silver Company Ltd. (the "Company") dated December 3, 2021 and are in agreement with the statements contained in such Notice except that we are not in a position to agree or disagree with the Company's statement that there were no reportable events during the period commencing from the beginning of the Company's financial year ended December 31, 2019 up to the date of Lancaster & David's resignation.

Yours very truly,

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font. Below the signature is a single horizontal line.

Chartered Professional Accountants

EXHIBIT “B”

AMENDED AND RESTATED OPTION PLAN

See attached.

GUANAJUATO SILVER COMPANY LTD.

~~2019~~2022 AMENDED AND RESTATED STOCK OPTION PLAN

1. Objectives

The Plan is intended as an incentive to attract and retain qualified directors, senior officers, Employees, Management Company Employees, Consultants and Consultant Companies of the Company and its Affiliates, to promote a proprietary interest in the Company and its Affiliates among such persons, and to stimulate the active interest of such persons in the development and financial success of the Company and its Affiliates.

2. Definitions

2.1 As used in the Plan, the terms set forth below shall have the following respective meanings:

- (a) “**Affiliate**”, when referring to the relationship between two companies, means that one of them is the subsidiary of the other, or each of them is controlled by the same person or entity;
- (b) “**Black Out Period**” means a temporary period formally imposed by the Company pursuant to its internal trading policies as a result of the bona fide existence of undisclosed material information during which period the Company may not grant Options and certain Optionees designated by the Company may not exercise their Options;
- (c) “**Board**” means the board of directors of the Company;
- (d) “**Cashless Exercise Notice**” has the meaning set forth in section 8.6;
- (d)(e) “**Committee**” means the Board or such committee of the Board that the Board may, in accordance with section 3.1 hereof, designate to administer the Plan;
- (e)(f) “**Company**” means Guanajuato Silver Company Ltd., a company existing under the *Business Corporations Act* (British Columbia);
- (f)(g) “**Consultant**” means, in relation to the Company, an individual or Consultant Company, other than an Employee or a Director/Officer of the Company, that:
 - (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Company or to an Affiliate of the Company, other than services provided in relation to a distribution of securities;
 - (ii) provides the services under a written contract between the Company or the Affiliate of the Company and the individual or the Consultant Company;
 - (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or an Affiliate of the Company; and
 - (iv) has a relationship with the Company or an Affiliate of the Company that enables the individual to be knowledgeable about the business and affairs of the Company.
- (g)(h) “**Consultant Company**” means, for an individual Consultant, a company or partnership of which the individual is an employee, shareholder or partner;
- (h)(i) “**Date of Grant**” means the date an Option is granted by the Committee to the Optionee, subject to any regulatory or other approvals or conditions;

~~(j)~~ **“Directors/Officers”** means directors, senior officers or Management Company Employees of the Company or any subsidiary of the Company;

~~(k)~~ **“Employee”** means:

- (i) an individual who is considered an employee of the Company or its subsidiary under the Income Tax Act (Canada); or equivalent or similar taxation legislation outside of Canada and for whom income tax and other statutory deductions are made at source;
- (ii) an individual who works full-time for the Company or its subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source; or
- (iii) an individual who works for the Company or its subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source;

~~(l)~~ **“Exchange”** means the TSX Venture Exchange (or any successor stock exchange thereof);

~~(m)~~ **“Insider”** in relation to the Company means:

- (i) a director or senior officer of the Company;
- (ii) a director or senior officer of a company that is an Insider or subsidiary of the Company; or
- (iii) a person that beneficially owns or controls, directly or indirectly, Shares carrying more than 10% of the voting rights attached to all outstanding Shares;

~~(n)~~ **“Investor Relations Activities”** means any activities, by or on behalf of the Company or a shareholder of the Company, that promote or reasonably could be expected to promote the purchase or sale of securities of the Company, except for such activities that the Exchange specifically states to not be Investor Relations Activities;

~~(o)~~ **“Investor Relations Service Provider”** includes any Consultant that performs Investor Relations Activities and any Director/Officer or Employee whose role and duties primarily consist of Investor Relations Activities;

~~(p)~~ **“Management Company Employee”** means an individual employed by an entity providing management services to the Company, which are required for the ongoing successful operation of the business enterprise of the Company, but excluding an entity engaged in Investor Relations Activities;

~~(q)~~ **“Market Price”** in relation to a Share subject to an Option on the Date of Grant of the Option means the last closing price of the Shares on the Exchange before such Date of Grant;

~~(r)~~ **“Option”** means an option to purchase Shares granted under or subject to the terms of the Plan, including the Pre-Plan Options;

~~(s)~~ **“Option Agreement”** means a written agreement between the Company and an Optionee that sets forth the terms, conditions and limitations applicable to an Option;

~~(t)~~ **“Option Period”** means the period during which an Option may be exercised;

~~(s)~~(u) “**Optionee**” means a person to whom an Option has been granted under the terms of the Plan or who holds an Option that is otherwise subject to the terms of the Plan;

~~(t)~~(v) “**Plan**” means this Stock Option Plan of the Company, as amended or restated from time to time;

~~(u)~~(w) “**Pre-Plan Options**” has the meaning set forth in section 4.2; ~~and~~

(x) “**Security Based Compensation Plan**” includes any plan of the Company pursuant to which the Company may grant stock options, deferred share units, performance share units, restricted share units or stock appreciation rights, a stock purchase plan and/or any other compensation or incentive mechanism involving the issuance or potential issuance of securities of the Company from treasury to an Optionee;

~~(v)~~(y) “**Shares**” means common shares in the capital of the Company;

(z) “**Surrender**” has the meaning set forth in section 8.7;

(aa) “**Surrender Notice**” has the meaning set forth in section 8.7;

(bb) “**Trading Day**” means a day when trading occurs through the facilities of the Exchange; and

(cc) “**VWAP**” means the volume weighted average trading price of the Shares on the Exchange calculated by dividing the total value by the total volume of such Shares traded for the five (5) Trading Days immediately preceding the exercise of the subject Option.

3. **Administration of the Plan**

3.1 The Plan shall be administered by the Committee. With respect to Option grants to directors of the Company, the Board shall serve as the Committee. With respect to any other Options the Board may specifically constitute a committee of two or more directors of the Company as the Board may designate from time to time to serve as the Committee for the Plan, all of the members of which shall be and remain directors of the Company. Notwithstanding the foregoing, the Board may resolve to be the Committee to administer the Plan with respect to all of the Plan or certain participants and/or awards made or to be made under the Plan.

3.2 The Committee shall have full and exclusive power to interpret the Plan, to adopt such rules, regulations and guidelines for carrying out the Plan as it may deem necessary or proper, all of which powers shall be exercised in the best interests of the Company and in keeping with the objectives of the Plan, and to reserve and issue Shares issuable pursuant to the exercise of Options. The Committee may, in its discretion but subject to section 17 below and any necessary approvals of any stock exchange or regulatory body having jurisdiction over the securities of the Company, provide for the extension of the exercisability of an Option, accelerate the vesting or exercisability of any Option, eliminate or make less restrictive any restrictions contained in an Option, waive any restriction or other provision of the Plan or an Option or otherwise amend or modify an Option in any manner that is either (a) not adverse to the Optionee holding such Option or (b) consented to by such Optionee. The Committee may correct any defect or supply any omission or reconcile any inconsistency in the Plan or in any Option in the manner and to the extent the Committee deems necessary or desirable to carry it into effect. Any decision of the Committee in the interpretation and administration of the Plan shall lie within its sole and absolute discretion and shall be final, conclusive and binding on all parties concerned. No member of the Committee shall be liable for anything done or omitted to be done by such member, by any member of the Committee or by any officer of the Company in connection with the performance of any duties under the Plan, except for such member’s own wilful misconduct or as expressly provided by statute.

3.3 All administrative costs of the Plan shall be paid by the Company.

4. Eligibility

- 4.1 Options may be granted to Employees, Directors/Officers (including Management Company Employees) and Consultants (and Consultant Companies as may be permitted by the Exchange) who are in the opinion of the Committee in a position to contribute to the success of the Company or any of its Affiliates or who, by virtue of their service to the Company or any predecessors thereof or to any of its Affiliates are, in the opinion of the Committee, worthy of special recognition. The granting of Options is entirely discretionary and nothing in this Plan shall be deemed to give any person any right to participate in this Plan or to be granted an Option and designation of an Optionee in any year shall not require the designation of such person to receive an Option in any other year. The Committee shall consider such factors as it deems pertinent in selecting participants and in determining the amount and terms of their respective Options.
- 4.2 Any options previously granted by the Company (the “Pre-Plan Options”) which remain outstanding as at the effectiveness of the Plan will be deemed to have been issued under and will be governed by the terms of the Plan and, in the event of any inconsistency between the terms of the agreements governing the Pre-Plan Options and the terms of the Plan, the terms of such agreements shall govern. Any Shares issuable upon exercise of the Pre-Plan Options will be included for the purpose of calculating the amounts set out in sections 5 and 6 hereof.
- 4.3 Subject to any applicable regulatory approvals, Options may also be granted under the Plan in exchange for outstanding options granted by the Company or any predecessor company thereof or any Affiliate thereof, whether such outstanding options are granted under the Plan, under any other stock option plan of the Company or any predecessor company or any Affiliate thereof, or under any stock option agreement with the Company or any predecessor corporation or Affiliate thereof.
- 4.4 Subject to any applicable regulatory approvals, Options may also be granted under the Plan in substitution for outstanding options of another company in connection with a plan of arrangement or exchange, amalgamation, merger, consolidation, acquisition of property or shares, or other reorganization between or involving such other company and the Company or any of its subsidiaries.

5. Number of Shares Reserved under the Plan

The maximum aggregate number of Shares issuable pursuant to the exercise of Options granted under the Plan from time to time shall not exceed in aggregate 10% of the Company’s Shares issued and outstanding at the time of grant (including Shares issuable upon exercise of any Pre-Plan Options assumed by the Plan upon its effectiveness pursuant to section 20 hereof), provided that:

- (a) if any Shares covered by an Option subject to the Plan are forfeited, or if an Option has expired, terminated or been cancelled for any reason whatsoever, then the Shares covered by such Option shall again be, or shall become, Shares with respect to which Options may be granted hereunder, and
- (b) such maximum number of Shares shall be appropriately adjusted in the event of any subdivision or consolidation of the Shares.

6. Number of Optioned Shares per Optionee

The determination regarding the number of Shares that may be the subject of Options granted to each Optionee pursuant to an Option will be made by the Committee and will take into consideration the Optionee’s present and potential contribution to the success of the Company and applicable legal and regulatory requirements and, if and for so long as the Company is listed on the Exchange, shall be subject to the following limitations:

- (a) Subject to sections 6(b) and 6(c), the aggregate number of Shares that may be reserved for issuance pursuant to the Plan, ~~or as incentive stock options and any other Security Based Compensation Plans,~~ to any one Optionee in any 12-month period must not exceed 5% of the issued and outstanding Shares (determined at the Date of Grant), unless, as may be required by the Exchange, disinterested shareholder approval is obtained;

- (b) the aggregate number of Shares subject that may be reserved for issuance pursuant to Options granted the Plan, and any other Security Based Compensation Plans, to any one Consultant in any 12-month period must not exceed 2% of the issued and outstanding Shares (determined at the Date of Grant);, unless, as may be required by the Exchange, disinterested shareholder approval is obtained;
- (c) The aggregate number of Shares subject to Options granted to all ~~Optionees who are employed to provide~~ Investor Relations ~~Activities~~ Service Providers must not exceed 2% of the issued and outstanding Shares in any 12-month period (determined at the Date of Grant);
- (d) the aggregate number of Options granted to Insiders within a 12-month period to acquire Shares that may be reserved for issuance underpursuant to the Plan, and any other Security Based Compensation Plans, to Insiders (as a group) must not exceed, at any point in time, 10% of the issued and outstanding Shares; (determined at the Date of Grant), unless, as may be required by the Exchange, disinterested shareholder approval is obtained; ~~and~~
- ~~(e) the aggregate number of Shares that may be reserved for issuance pursuant to the Plan, and any other Security Based Compensation Plans, to Insiders (as a group) in any 12-month period must not exceed 10% of the issued and outstanding Shares (determined at the Date of Grant), unless, as may be required by the Exchange, disinterested shareholder approval is obtained;~~
- ~~(e)(f)~~ Subject to any longer vesting period as may be set out in the related Option Agreement, an Option granted to ~~a Consultant performing an~~ Investor Relations ~~Activities~~ Service Provider shall vest in stages over a period of 12 months with no more than 25% of the Shares subject to the Option vesting in any three month period such that:
 - (i) no more than ¼ of the Shares subject to the Option vest no sooner than three months after the Date of Grant;
 - (ii) no more than another ¼ of the Shares subject to the Option vest no sooner than six months after the Date of Grant;
 - (iii) no more than another ¼ of the Shares subject to the Option vest no sooner than nine months after the Date of Grant; and
 - (iv) the remainder of the Shares subject to the Option vest no sooner than twelve months after the Date of Grant.

7. Price

- 7.1 The exercise price per Share subject to an Option shall be determined by the Committee at the time the Option is granted, provided that the exercise price shall not be less than the Market Price less applicable discounts permitted by the Exchange, or such other minimum exercise price as may be required by the Exchange.
- 7.2 Subject to section 17.3 below and any applicable regulatory requirements and approval, the Committee may reprice the prevailing exercise price of an Option. Any reduction in the exercise price of an Option held by an Optionee who is an Insider at the time of the proposed amendment is, however, subject to disinterested shareholder approval if and as required by the Exchange.

8. Term and Exercise of Options

- 8.1 The Option Period shall be determined by the Committee at the time the Option is granted and may be up to a maximum of ten years from the Date of Grant. The Option Period is also subject to reduction pursuant to the provisions of section 10. Subject to the applicable maximum Option Period provided for in this section 8.1 and subject to section 17.3 below and any applicable regulatory requirements and approvals, the Committee may extend the Option Period for an Option. Notwithstanding anything contained herein, if the Option Period

expires during a Black Out Period ~~or within 2 business days of a Black Out Period~~, the Option Period shall be automatically extended to 10 days ~~from~~after the end of the Black Out Period.

- 8.2 Subject to subsection 6~~(ef)~~, the vesting schedule for each Option shall be determined by the Committee at the time the Option is granted and shall be specified in the Option Agreement in respect of the Option.
- 8.3 Notwithstanding the foregoing provisions of this section 8, if there is a takeover bid or tender offer made for all or any of the issued and outstanding Shares or a consolidation, merger, amalgamation, arrangement or other similar business combination or transaction proposed for the Company or any of its affiliates with another corporation or other entity, as a result of which the holders of Shares prior to the completion of such combination or transaction will hold less than 50% of the outstanding shares of the successor corporation after completion of such combination or transaction, then the Committee may, by resolution, and in the case of Options granted to Optionees employed or engaged to provide Investor Relations Activities subject to the prior acceptance of the Exchange, permit all Options outstanding to become immediately exercisable in order to permit the Shares issuable under such Options to be tendered to such bid or offer or to participate in such combination or transaction.
- 8.4 The vested portion of Options will be exercisable, either all or in part, at any time after vesting. If less than all of the Shares included in the vested portion of any Option are purchased, the remainder may be purchased, subject to the Option's terms, at any subsequent time prior to the expiration of the Option Period.
- 8.5 Subject to sections 8.6 and 8.7 below, the exercise of any Option will be contingent upon receipt by the Company of payment for the full exercise price of the Shares being purchased in cash by way of certified cheque, bank draft or wire transfer. No Optionee or the legal representatives, legatees or distributees of the Optionee will be, or will be deemed to be, a holder of any Shares subject to an Option under the Plan unless and until certificates for such Shares are issued to the Optionee or such other persons under the terms of the Plan.

8.6 Subject to the approval of the Committee, in its sole discretion, an Optionee may elect to undertake a "cashless exercise" of an Option upon delivery of notice thereof in writing to the Company (a "Cashless Exercise Notice") pursuant to an arrangement between the Company and a brokerage firm under which the brokerage firm will loan money to the Optionee to purchase the Shares underlying the Option to facilitate the exercise of such Option. The "cashless exercise" procedure may include a sale of such number of Shares by the brokerage firm as is necessary to cover the aggregate exercise price for the Option being exercised by the Optionee pursuant to the Cashless Exercise Notice, plus any applicable taxes, in order to repay the loan made to the Optionee. Unless prohibited under the rules and policies of the Exchange, the Optionee may, pursuant to the Cashless Exercise Notice, authorize the brokerage firm to sell Shares on the open market by means of a short sale and forward the proceeds of such short sale to the Company to satisfy the exercise price of the Shares underlying the Option, plus any applicable taxes, following which the Company shall promptly issue the Shares underlying the Option as provided for in the Cashless Exercise Notice.

8.7 Subject to the approval of the Committee, in its sole discretion, an Optionee, other than an Investor Relations Service Provider, may, in lieu of exercising an Option pursuant to section 8.5 or 8.6, elect to undertake a "net exercise" of the Option by surrendering the Option (the "Surrender") with a properly endorsed notice of Surrender to the Company, substantially in such form as may be approved by the Committee from time to time (a "Surrender Notice"), in exchange for receiving from the Company that number of Shares calculated using the following formula:

$$X = Y * (A-B) / A$$

Where:

X = the number of Shares to be issued to the Optionee

Y = the number of Shares underlying the Option to be Surrendered

A = the VWAP of the Shares as at the date of the Surrender

B = the exercise price of the Option.

9. Stock Option Agreement and Rights Prior to Exercise

9.1 Upon the grant of an Option to an Optionee, the Company and the Optionee shall enter into an Option Agreement setting out the number of Shares subject to the Option, the exercise price per Share, the Option Period, and the vesting schedule for the Option, if any, and incorporating the terms and conditions of the Plan and any other requirements of applicable regulatory authorities and such other terms and conditions as the Committee may determine are necessary or appropriate, subject to the terms of the Plan. Without limiting the generality of the foregoing and if and for so long as the Company is listed on the Exchange, for Options granted to Employees, Consultants or Management Company Employees, the Company and the Optionee are responsible for ensuring and representing in an Option Agreement that the Optionee is a bona fide Employee, Consultant or Management Company Employee, as the case may be.

9.2 An Optionee shall have no rights whatsoever as a shareholder in respect of any Shares underlying an Option (including any right to receive dividends or other distributions therefrom or thereon) other than in respect of Shares in respect of which the Optionee shall have exercised the Option to purchase hereunder and which the Optionee shall have actually taken up and paid for as provided for herein.

10. Effect of Termination of Employment or Death

10.1 Options granted to any Optionee who is a Director/Officer, Employee, Consultant or Management Company Employee shall expire on the earlier of: (a) such date within a reasonable period of time, not to exceed one year, after the Optionee ceases to be in at least one of such categories as provided for in the Option Agreement with the Optionee, and (b) the expiry of the Option Period, provided that if the Director/Officer, Employee, Consultant or Management Company Employee is terminated by the Company for cause, breach of contract or breach of fiduciary duty, the Options granted to such Director/Officer, Employee, Consultant or Management Company Employee shall expire immediately upon such termination.

10.2 Notwithstanding section 10.1, in the event of the death of an Optionee while in service to the Company, each outstanding Option to the extent not previously exercised (including in respect of the right to purchase Shares not otherwise vested at such time) shall be exercisable until the earlier of (a) the expiration of one year following such death unless an earlier date is provided for in the Option Agreement with the Optionee, and (b) the expiry of the Option Period, but only by the person or persons to whom the Optionee's rights under the Option shall pass by the Optionee's will or by the laws of descent and distribution.

10.3 Notwithstanding the foregoing provisions of this section 10 and subject to section 17 below and any applicable regulatory approvals, the Committee may, in its discretion, provide for the extension of the exercisability of an Option for any period that is not beyond the applicable expiration date thereof, accelerate the vesting or exercisability of an Option, eliminate or make less restrictive any restrictions governing an Option, waive any restriction or other provision of this Plan or an Option or otherwise amend or modify the Option in any manner that is either (a) not adverse to such Optionee or (b) consented to by such Optionee.

11. Adjustment in Shares Subject to the Plan

11.1 The exercise price for and the number of Shares covered by an Option will be adjusted, with respect to the then unexercised portion thereof, by the Committee from time to time (on the basis of such advice as the Committee considers appropriate, including, if considered appropriate by the Committee, a certificate of the auditor of the Company) in the event and in accordance with the provisions and rules set out in this section 11. Any dispute that arises at any time with respect to any adjustment pursuant to such provisions and rules will be conclusively determined by the Committee, and any such determination will be binding on the Company, the optionee and all other affected parties.

- (a) In the event that a dividend is declared upon the Shares, payable in Shares (other than in lieu of dividends paid in the ordinary course), the number of Shares then subject to any Option shall be

adjusted by adding to each such Share the number of Shares which would be distributable thereon if such Share had been outstanding on the date fixed for determining shareholders entitled to receive such stock dividend.

- (b) In the event that the outstanding Shares are changed into or exchanged for a different number or kind of Shares or other securities of the Company or of another corporation, whether through an arrangement, amalgamation or other similar procedure or otherwise, or a share recapitalization, subdivision or consolidation, then there shall be substituted for each Share subject to any Option the number and kind of Shares or other securities of the Company or another corporation into which each outstanding Share shall be so changed or for which each such Share shall be exchanged.
 - (c) In the event that there is any change, other than as specified above in this section 11, in the number or kind of outstanding Shares or of any securities into which such Shares shall have been changed or for which they shall have been exchanged, then, if the Committee, in its sole discretion, determines that such change equitably requires an adjustment to be made in the number or kind of Shares then subject to any Option, an equitable adjustment shall be made in the number or kind of Shares, such adjustment shall be made by the Committee and be effective and binding for all purposes.
 - (d) In the event that the Company distributes by way of a dividend, or otherwise, to all or substantially all holders of Shares, property, evidences of indebtedness or shares or other securities of the Company (other than Shares) or rights, options or warrants to acquire Shares or securities convertible into or exchangeable for Shares or other securities or property of the Company, other than as a dividend in the ordinary course, then, if the Committee, in its sole discretion, determines that such action equitably requires an adjustment in the exercise price of the Option or number of Shares subject to any Option, or both, such adjustment shall be made by the Committee and shall be effective and binding for all purposes.
- 11.2 In the case of any such substitution or adjustment as provided for in this section 11, the exercise price in respect of each Option for each Share covered thereby prior to such substitution or adjustment will be proportionately and appropriately varied, such variation shall generally require that the number of Shares or securities covered by the Option after the relevant event multiplied by the varied option exercise price be equal to the number of Shares covered by the Option prior to the relevant event multiplied by the original exercise price of the Option.
- 11.3 No adjustment or substitution provided for in this section 11 shall require the Company to issue a fractional share in respect of any Option. Fractional shares shall be eliminated.
- 11.4 The grant of an Option shall not affect in any way the right or power of the Company to effect adjustments, reclassifications, reorganizations, arrangements or changes of its capital or business structure, or to amalgamate, merge, consolidate, dissolve or liquidate, or to sell or transfer all or any part of its business or assets.

12. Non-Assignability

All Options, benefits and rights accruing to any Optionee in accordance with the terms and conditions of the Plan are non-assignable and non-transferable, except as specifically provided in section 10.2 in the event of the death of the Optionee. During the lifetime of the Optionee, all such Options, benefits and rights may only be exercised by the Optionee.

13. Employment

Nothing contained in the Plan shall confer upon any Optionee any right with respect to employment or continuance of employment with, or the provision of services to, the Company or any of its Affiliates, or interfere in any way with the right of the Company or any of its Affiliates to terminate the Optionee's employment or services at any time. Participation in the Plan by an Optionee is voluntary.

14. Record Keeping

The Company shall maintain a register in which shall be recorded or maintained:

- (a) the name and address of each Optionee;
- (b) the number of Shares subject to Options granted to each Optionee, the number of Shares issued to each Optionee upon the exercise of Options, and the number of Shares subject to Options remaining outstanding;
- (c) a copy of each outstanding Option Agreement; and
- (d) such other information as the Committee may determine.

15. Regulatory Approvals

- 15.1 The Plan is subject to the approval of regulatory authorities having, or which may have, jurisdiction over the securities of the Company, and the Board is authorized to amend the text thereof from time to time in order to comply with any changes thereto required by such applicable regulatory authorities.
- 15.2 The obligation of the Company to issue and deliver Shares in accordance with the Plan is subject to the approval of any governmental authority having jurisdiction or any stock exchange or stock quotation system on which the Shares are listed for trading or quoted which may be required in connection with the authorization, issuance or sale of such Shares by the Company. If any Shares cannot be issued to any Optionee for any reason including, without limitation, the failure to obtain such approval, then the obligation of the Company to issue such Shares shall terminate and any exercise price for an Option paid to the Company shall be returned to the Optionee.

16. Hold Periods, Securities Regulation and Tax Withholding

- 16.1 If and for so long as the Company is listed on the Exchange and in addition to any resale restrictions under applicable securities laws, for Options (a) granted to Insiders, and (b) having an exercise price per Share that is less than the Market Price, any Shares issued on the exercise of such Options will be subject to a four-month hold period commencing on the particular Date of Grant of the Option in accordance with the policies of the Exchange, and certificates for the Shares will bear a restrictive legend setting out any such applicable hold period.
- 16.2 Where necessary to effect exemption from registration or distribution of the Shares under securities laws applicable to the securities of the Company, an Optionee shall be required, upon the acquisition of any Shares upon the exercise of Options, to acquire such Shares with investment intent (i.e. for investment purposes) and not with a view to their distribution, and to present to the Committee an undertaking to that effect in a form acceptable to the Committee. The Committee may cause a legend or legends to be placed upon any certificates for the Shares to make appropriate reference to applicable resale restrictions. The Committee may take such other action or require such other action or agreement by such Optionee as may from time to time be necessary to comply with applicable securities laws. This provision shall in no way obligate the Company to undertake the registration or qualification of any Options or the underlying Shares under any securities laws applicable to the securities of the Company.
- 16.3 The Committee and the Company may take all such measures as they deem appropriate to ensure that the Company's obligations under the withholding provisions under income tax laws applicable to the Company and other provisions of applicable laws are satisfied with respect to the issuance of Shares pursuant to the Plan or the grant or exercise of Options under the Plan. Without limiting the generality of the foregoing, the Company shall, as a condition to the exercise of any Option, require that the Optionee pay to the Company, concurrently with the payment of the full exercise price of the Shares being purchased, by way of certified cheque, bank draft or wire transfer, an amount in cash equal to any withholding taxes that the Company is required to remit to the Canada Revenue Agency on account of payroll withholding obligations (including, but not limited to, income tax, UIC and/or CPP) as a result of the exercise of the Option by the Optionee. For

greater certainty, the Company shall ensure that any exercise of its rights under this Section 16.3 shall not result in an alteration of the exercise price or the cashless exercise of the Option being exercised by the Optionee.

- 16.4 Issuance, transfer or delivery of certificates for Shares purchased pursuant to the Plan may be delayed, at the discretion of the Committee, until the Committee is satisfied that the applicable requirements of securities and income tax laws have been met.

17. Amendment and Termination of Plan

- 17.1 The Board reserves the right to amend or terminate the Plan at any time if and when it is advisable in the absolute discretion of the Board; provided, however, that no such amendment or termination shall adversely affect any outstanding Options granted under the Plan without the consent of the Optionee. Any amendment to the Plan shall also be subject to any necessary approvals of any stock exchange or regulatory body having jurisdiction over the securities of the Company and, where applicable, the approval of the shareholders of the Company.

- 17.2 The types of amendments that do not require the approval of the shareholders of the Company include, but are not limited to:

(a) amendments of a “housekeeping” nature, including those required to ~~clarify any ambiguity or rectify any inconsistency in the Plan~~ fix typographical errors or clarify existing provisions of the Plan that do not have the effect of altering the scope, nature and intent of such provisions;

(b) amendments made pursuant to section 15.1 hereof to comply with any changes required by applicable regulatory authorities having jurisdiction over securities of the Company from time to time including, but not limited to, the Exchange or other mandatory provisions of applicable law;

(c) amendments which are advisable to accommodate changes in tax laws;

~~(d) the extension of accelerated expiry dates to, but not beyond, the expiry date originally set at the time of the Option grant;~~

~~(e)(d)~~ amendments to the vesting provisions of any Option granted under the Plan; and

~~(f)(e)~~ amendments to the terms of Options in order to maintain Option value in connection with an adjustment in the Shares of the Company as contemplated in section 11 hereof.

- 17.3 Notwithstanding the provisions of section 17.2, the Board may not, without the prior approval of the shareholders of the Company, make amendments to the Plan for any of the following purposes:

(a) to increase in the maximum ~~number~~ percentage of Shares issuable under the Plan as set out in section 5;

~~(b) to increase the limits on the aggregate number of Shares that may be reserved for issuance under the Plan to any one person or group or category of persons as set out in section 6;~~

~~(b)(c)~~ subject to section 17.45, to reduce the exercise price of any outstanding Options held by an Insider;

~~(e)(d)~~ subject to section 17.45, to extend the Option Period of any outstanding Options held by an Insider, except where the Option Period is extended because it would have expired during a Black Out Period;

~~(d)(e)~~ to amend the ~~Plan to permit~~ method for determining the ~~grant~~ exercise price of ~~an Option with an Option Period of more than 10 years from the Date of Grant~~ Options granted under the Plan as set out in section 7;

~~(f)~~ subject to section 8.1, to amend the expiry or termination provisions applicable to Options granted under the Plan;

~~(e)(g)~~ to amend the non-assignability provision contained in section 12 hereof, except as otherwise permitted by the Exchange or for estate planning or estate settlement purposes;

~~(f)(h)~~ to expand the class of Optionees to whom Options may be granted under the Plan; and

~~(g)(i)~~ to amend this Section 17.3.

17.4 Any adjustment, other than in connection with a security consolidation or security split, to Options or Shares issuable upon exercise of Options granted under the Plan are subject to the prior acceptance of the Exchange, including adjustments related to an amalgamation, merger, arrangement, reorganization, spin-off, dividend or recapitalization of the Company.

17.45 The Board may amend any Option with the consent of the affected Optionee and the Exchange, including any shareholder approval required by the Exchange. For greater certainty, disinterested shareholder approval is required for: (i) a reduction in the exercise price of an Option if the Optionee is an Insider at the time of the proposed amendment; or (ii) an extension of the Option Period of an Option if the Optionee is an Insider at the time of the proposed amendment, except where the Option Period is extended because it would have expired during a Black Out Period.

17.417.5 If the amendment of an Option requires regulatory or shareholder approval, such amendment may be made prior to such approvals being given, but no such amended Options may be exercised unless and until such approvals are given.

18. No Representation or Warranty

The Company makes no representation or warranty as to the future market value of any Shares issued in accordance with the provisions of the Plan.

19. General Provisions

19.1 Nothing contained in the Plan shall prevent the Company or any of its Affiliates from adopting or continuing in effect other compensation arrangements, which may, but need not, provide for the issuance of securities of the Company (subject to shareholder approval if such approval is required by applicable securities regulatory authorities) and such arrangements may be either generally applicable or applicable only in specific cases.

19.2 The validity, construction and effect of the Plan and any rules and regulations relating to the Plan and any option agreement, and all determinations made and actions taken pursuant hereto shall be governed by and determined in accordance with the laws of the Province of British Columbia, Canada.

19.3 If any provision of the Plan or any Option is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction or as to any person or Option, or would disqualify the Plan or any Option under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to the applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Option, such provision shall be stricken as to such jurisdiction, person or Option and the remainder of the Plan and any such Option shall remain in full force and effect.

19.4 Neither the Plan nor any Option shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any of its Affiliates and an Optionee or any other person.

19.5 Headings are given to the sections of the Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of the Plan or any provision thereof.

20. Effective Date of the Plan

- 20.1 Subject to the ratification and approval of the Plan by the shareholders of the Company and all necessary regulatory approvals pursuant to section 15 hereof, the Plan will be effective as of the ~~6th~~12th day of ~~November, 2019~~September, 2022.

Adopted by the Board of Directors as of the ~~6th~~12th day of ~~November, 2019~~September, 2022.

EXHIBIT “C”

OMNIBUS EQUITY COMPENSATION PLAN

See attached.



OMNIBUS EQUITY COMPENSATION PLAN

GUANAJUATO SILVER COMPANY LTD.

OMNIBUS EQUITY COMPENSATION PLAN

Guanajuato Silver Company Ltd. (the “**Corporation**”) hereby establishes an Omnibus Equity Compensation Plan for certain eligible directors, officers, employees and consultants providing ongoing services to the Corporation and its Subsidiaries (as defined herein).

ARTICLE 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions.

Where used herein or in any amendments hereto or in any communication required or permitted to be given hereunder, the following terms shall have the following meanings, unless the context otherwise requires:

“**Affiliate**”, when referring to the relationship between two companies, means that one of them is the subsidiary of the other, or each of them is controlled by the same Person or entity;

“**Applicable Taxes**” has the meaning ascribed to such term in Section 10.2(a);

“**Associate**”, where used to indicate a relationship with a Participant, means (i) any partner of that Participant and (ii) the spouse of that Participant and that Participant’s children, as well as that Participant’s relatives and that Participant’s spouse’s relatives, if they share that Participant’s residence;

“**Awards**” means DSUs, RSUs, PSUs and SARs granted to a Participant pursuant to the terms of the Plan;

“**BCBCA**” means the *Business Corporations Act* (British Columbia), as amended.

“**Black Out Period**” means a temporary period formally imposed by the Corporation pursuant to its internal trading policies as a result of the bona fide existence of undisclosed material information during which period the Corporation may not grant Awards and certain Participants designated by the Corporation may not exercise or settle their Awards for Common Shares;

“**Board**” means the board of directors of the Corporation;

“**Business Day**” means a day other than a Saturday, Sunday or statutory holiday, that is a Trading Day and a day when banks are generally open for business in Vancouver, British Columbia, Canada, for the transaction of banking business;

“**Cash Equivalent**” means (i) with respect to RSUs, the amount of money equal to the Market Value multiplied by the number of vested RSUs in the Participant’s Account, net of any Applicable Taxes, on the applicable RSU Settlement Date; (ii) with respect to PSUs, the amount of money equal to the Market Value multiplied by the number of vested PSUs in the Participant’s Account, net of any Applicable Taxes, on the applicable PSU Settlement Date; (iii) with respect to DSUs, the amount of money equal to the Market Value multiplied by the number of vested DSUs in the Participant’s Account, net of any Applicable Taxes on the applicable DSU Settlement Date; and (iv) with respect to SARs, the amount of money equal to the excess of the Market Value of the Common Shares on the date of exercise over the exercise price of the SAR multiplied by the number of Common Shares with respect to which the SAR shall have been exercised, net of any Applicable Taxes on the applicable exercise;

“**Cause**” shall have the meaning set forth in the Grant Agreement or any other arrangement between a Participant and the Corporation, and if no such other definition shall exist, then “**Cause**” shall mean a Participant’s (i) repeated failure to satisfactorily perform his or her job duties, including the Participant’s refusal or failure to follow lawful and reasonable directions of the supervisor to whom the Participant reports; (ii) commission of an act that materially injures the business of the Corporation or an Affiliate; (iii) commission of an act constituting dishonesty, fraud, or immoral or disreputable conduct; (iv) conviction of a felony, or conviction of any crime involving moral turpitude; (v) engaging or in any manner participating in any activity which is directly competitive with or injurious to the

Corporation or an Affiliate, or which violates any material provisions of any written employment or similar agreement with the Corporation or an Affiliate; (vi) use or intentional appropriation for Participant's personal use or benefit of any funds, information or properties of the Corporation or an Affiliate not authorized by the Corporation to be so used or appropriated; (vii) other conduct which may constitute cause for dismissal of employment pursuant to common law; (viii) in the case of a Participant who is a Director, failure to continue to meet the qualifications for acting as a director as set forth in the BCBCA; (ix) removal as a Director by a resolution passed by the shareholders of the Corporation pursuant to the BCBCA; or (x) removal as a Director by order of the British Columbia Registrar of Companies, British Columbia Securities Commission, the Exchange or any other regulatory body having jurisdiction to so order. The determination that the termination is for Cause shall be made by the Board in its sole discretion, provided that nothing in this provision nor any other provision of the Plan is intended to, and they shall not be interpreted in a manner that limits or restricts a Participant from exercising any legally protected whistleblower rights.

"Change of Control" shall mean (i) the sale of all or substantially all of the assets of the Corporation on a consolidated basis, in one transaction or a series of related transactions, to a Person that is not a Subsidiary; (ii) a merger, reorganization, acquisition or consolidation pursuant to which a Person, or any Associate or affiliated corporation of such Person, thereafter "beneficially owns" (as defined under the BCBCA), directly or indirectly, securities of the Corporation representing 50% or more of the aggregate voting power of all of the Corporation's then issued and outstanding securities; (iii) the dissolution or liquidation of the Corporation except in connection with the distribution of assets of the Corporation to one or more Subsidiaries prior to such event; or (iv) the occurrence of a transaction requiring approval of the Corporation's shareholders involving the acquisition of the Corporation by an entity through purchase of assets, by amalgamation, arrangement or otherwise; provided, however, a transaction will not constitute a Change of Control if its sole purpose is to change the jurisdiction of the Corporation or to create a holding company that will be owned in substantially the same proportions by the Persons who held the Corporation's securities prior to such transaction;

"Committee" means the Board or a subcommittee thereof formed by the Board to act as the Committee hereunder to administer the Plan;

"Common Shares" means the common Shares in the capital of the Corporation;

"Date of Award" means the date an Award is granted by the Committee to the Participant, subject to any regulatory or other approvals or conditions;

"Disability" means the circumstance whereby the Participant is permanently or substantially incapacitated so as to be prevented from properly and continuously performing in full their duties to the Corporation for a substantially continuous period of four months or more or for a cumulative six-month period in any consecutive 12-month period;

"Disinterested Shareholder Approval" means approval by a majority of the votes cast with respect to such approval by the Corporation's shareholders at a duly constituted shareholders' meeting, excluding votes required to be excluded in respect of the subject matter of such approval pursuant to applicable laws or the rules and policies of the Exchange;

"DSU" means a deferred share unit, which is a bookkeeping entry equivalent in value to a Common Share credited to a Participant's Account in accordance with Article 4;

"DSU Expiry Date" means the Business Day preceding December 31 of the calendar year following the calendar year during which a Participant (i) ceases to be a director of the Corporation or its Subsidiaries; (ii) ceases to be employed by the Corporation or its Subsidiaries; or (iii) ceases to provide services to the Corporation or its Subsidiaries, as applicable, or such shorter period as may be determined by the Committee at the time the DSU is granted;

"DSU Settlement Date" means the date of receipt of a DSU settlement request in accordance with Section 4.3(a) or the date of automatic settlement of a DSU pursuant to Section 4.3(b), as applicable;

“Eligible Director” means a member of the Board or the board of directors of a Subsidiary who, subject to Section 2.3(a), at the time of execution of a Grant Agreement, and at all times thereafter while he or she continues to serve as a member of the Board or the board of directors of a Subsidiary, is not an officer, employee or consultant of the Corporation or a Subsidiary;

“Eligible Participants” has the meaning ascribed thereto in Section 2.3(a);

“Employment Agreement” means, with respect to any Participant, any written agreement regarding a Participant’s employment or engagement with the Corporation or a Subsidiary and that is between the Corporation or a Subsidiary and such Participant;

“Exchange” means the TSX Venture Exchange or, if the Common Shares are no longer listed on the TSX Venture Exchange, the stock exchange on which the Common Shares are principally listed from time to time;

“Exercise Notice” means a notice in writing signed by a Participant and stating the Participant’s intention to exercise a particular Award, if applicable;

“Grant Agreement” means an agreement evidencing the grant to a Participant of an Award, including a RSU Agreement, PSU Agreement and a SAR Agreement;

“Insider” means any “reporting insiders” as defined in National Instrument 55-104 – *Insider Reporting Requirements*;

“Investor Relations Activities” shall have the meaning ascribed to such term in the *Securities Act* (British Columbia), as amended;

“Market Value” means (A) if the Common Shares of the Corporation are listed on an Exchange, the volume weighted average trading price of the Common Shares on the Exchange for the five Trading Days preceding the date on which the Market Value is to be determined; or (B) if the Common Shares of the Corporation are not listed on any Exchange, the value as is determined solely by the Committee, acting reasonably and in good faith;

“Participants” means Eligible Participants that are granted Awards under the Plan;

“Participant’s Account” means an account maintained for each Participant’s participation in RSUs, PSUs or DSUs under the Plan;

“Performance Criteria” means criteria established by the Committee which, without limitation, may include criteria based on the Participant’s personal performance and the financial performance of the Corporation or of its Subsidiaries, and that may be used to determine the vesting of the Awards, when applicable;

“Person” includes an individual, corporation, company, limited liability company, cooperative, partnership, trust, unincorporated association, entity with juridical personality or governmental authority or body, and pronouns which refer to a Person shall have a similarly extended meaning;

“Plan” means this Omnibus Equity Compensation Plan, as amended or restated from time to time;

“PSU” means a right awarded to a Participant to receive a payment in the form of Common Shares or the Cash Equivalent as provided in Article 6 and subject to the terms and conditions of this Plan;

“PSU Agreement” means a written letter agreement between the Corporation and a Participant evidencing the grant of PSUs and the terms and conditions thereof, in such form as may be determined by the Committee from time to time in accordance with Section 6.5;

“PSU Settlement Date” has the meaning determined in Section 6.3(a)(i);

“PSU Vesting Date” has the meaning described thereto in Section 6.2(b);

“**RSU**” means a right awarded to a Participant to receive a payment in the form of Common Shares or the Cash Equivalent as provided in Article 5 and subject to the terms and conditions of this Plan;

“**RSU Agreement**” means a written letter agreement between the Corporation and a Participant evidencing the grant of RSUs and the terms and conditions thereof, in such form as may be determined by the Committee from time to time in accordance with Section 5.5;

“**RSU Settlement Date**” has the meaning determined in Section 5.3(a)(i);

“**RSU Vesting Date**” has the meaning described thereto in Section 5.2(b);

“**Rule 701**” means Rule 701 under the U.S. Securities Act;

“**SAR**” or “**Share Appreciation Right**” means a right to receive a payment in the form of Common Shares or the Cash Equivalent, equal to the appreciation in the Corporation’s Common Shares over a specified period, as set forth in the respective SAR Agreement and subject to the terms and conditions of this Plan;

“**SAR Agreement**” means a written letter agreement between the Corporation and a Participant evidencing the grant of SARs and the terms and conditions thereof, in such form as may be determined by the Committee from time to time in accordance with Section 7.7;

“**SAR Price**” has the meaning ascribed thereto in Section 7.2 hereof;

“**SAR Term**” has the meaning ascribed thereto in Section 7.4(a) hereof;

“**SEC**” means the United States Securities and Exchange Commission;

“**Security Based Compensation Plan**” includes any plan of the Corporation pursuant to which the Corporation may grant stock options, DSUs, PSUs, RSUs or SARs, a stock purchase plan and/or any other compensation or incentive mechanism involving the issuance or potential issuance of securities of the Company from treasury to a Participant;

“**Subsidiary**” has the meaning given to this term in the *Securities Act* (British Columbia), as amended;

“**Successor Corporation**” has the meaning ascribed thereto in Section 9.1(c);

“**Tax Act**” means the *Income Tax Act (Canada)* and the regulations thereunder, as amended;

“**Termination Date**” means the date on which a Participant ceases to be an Eligible Participant;

“**Trading Day**” means a day when trading occurs through the facilities of the Exchange;

“**Unit**” means an RSU, PSU or a DSU;

“**Unit Restriction Period**” means, subject to Section 9.3(a), the applicable restriction period in respect of a particular RSU or PSU, which period shall end on the Business Day preceding December 31 of the calendar year which is three (3) years after the calendar year in which the services in relation to which the RSU or PSU is granted were performed, or such shorter period as may be determined by the Committee at the time the RSU or PSU is granted;

“**Unit Settlement Notice**” means a notice by a Participant to the Corporation electing to receive Common Shares, the Cash Equivalent or a combination of both in respect of the vested Units;

“**United States**” means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;

“**U.S. Person**” means a “U.S. person” as that term is defined in Regulation S under the U.S. Securities Act; and

“U.S. Securities Act” means the United States Securities Act of 1933, as amended.

1.2 Interpretation.

- (a) Whenever the Committee is to exercise discretion or authority in the administration of the terms and conditions of this Plan, the term “discretion” or “authority” means the sole and absolute discretion of the Committee.
- (b) The division of this Plan into Articles, Sections and other subdivisions and the insertion of headings are for convenient reference only and do not affect the interpretation of this Plan.
- (c) In this Plan, words importing the singular shall include the plural, and vice versa and words importing any gender include any other gender.
- (d) The words “including”, “includes” and “include” and any derivatives of such words mean “including (or includes or include) without limitation”. As used herein, the expressions “Article”, “Section” and other subdivision followed by a number, mean and refer to the specified Article, Section or other subdivision of this Plan, respectively.
- (e) Unless otherwise specified in the Award Agreement, all references to money amounts are to Canadian currency.
- (f) For purposes of this Plan, the legal representatives of a Participant shall only include the administrator, the executor or the liquidator of the Participant’s estate or will.
- (g) If any action may be taken within, or any right or obligation is to expire at the end of, a period of days under this Plan, then the first day of the period is not counted, but the day of its expiry is counted.

ARTICLE 2

PURPOSE AND ADMINISTRATION OF THE PLAN; ELIGIBLE PARTICIPANTS

2.1 Purpose of the Plan

The purpose of the Plan is to permit the Corporation to grant Awards to Eligible Participants, subject to certain conditions as hereinafter set forth, for the purposes of attracting and retaining individuals to serve as employees, officers, directors, consultants or advisors of the Corporation and its Affiliates who are expected to contribute to the Corporation’s success and to achieve long-term objectives that will benefit the shareholders of the Corporation through the additional incentives inherent in the Awards hereunder.

2.2 Administration of the Plan

- (a) The Plan is under the direction of the Committee. The Committee shall from time to time determine the type and grants of Awards in its sole discretion. For greater certainty, the Committee shall have full power and authority, subject to the provisions of the Plan and such orders or resolutions not inconsistent with the provisions of the Plan as may from time to time be adopted by the Committee, to:
 - (a) select the Participants to whom Awards may from time to time be granted hereunder; (ii) determine the type or types of Awards to be granted to each Participant hereunder; (iii) determine the number of Common Shares (or dollar value) to be covered by each Award granted hereunder; (iv) determine the terms and conditions, not inconsistent with the provisions of the Plan, of any Award granted hereunder; (v) determine whether, to what extent and under what circumstances Awards may be settled in cash, Common Shares or other property; (vi) determine whether, to what extent, and under what circumstances cash, Common Shares, other property and other amounts payable with respect to an Award made under the Plan shall be deferred either automatically or at the election of the Participant; (vii) determine whether, to what extent and under what circumstances any Award shall be cancelled or suspended, or vesting terms or other restrictions waived or accelerated; (viii) interpret and administer

the Plan and any instrument or agreement entered into under or in connection with the Plan, including any Grant Agreement; (ix) correct any defect, supply any omission or reconcile any inconsistency in the Plan or any Award in the manner and to the extent that the Committee shall deem desirable to carry it into effect; (x) appoint such agents as it shall deem appropriate for the proper administration of the Plan; (xi) amend the terms of any Grant Agreement, subject to and in accordance with Section 9.2; and (xii) make any other determination and take any other action that the Committee deems necessary or desirable for the administration of the Plan.

- (b) The Plan is drafted to provide the greatest amount of discretion to the Committee as to the types of Awards it wishes to grant; nothing herein obligates the Committee to utilize all or any of the types of Awards contemplated by this Plan nor does it obligate the Committee to grant to any Eligible Participant a particular type of Award.
- (c) The Committee may, from time to time, as it may deem expedient, adopt, amend and rescind rules and regulations for carrying out the provisions and purposes of the Plan, subject to any applicable rules of the Exchange. Subject to the provisions of the Plan, the Committee is authorized, in its sole discretion, to make such determinations under, and such interpretations of, and take such steps and actions in connection with, the proper administration of the Plan, as it may deem necessary or advisable. The interpretation, construction and application of the Plan and any provisions hereof made by the Committee shall be final and binding on all Eligible Participants.
- (d) The Committee may modify the terms and conditions of any Awards granted to Participants outside of Canada to comply with applicable foreign laws, and establish subplans and addendums and modify settlement procedures and other terms and procedures, to the extent the Committee determines such actions to be necessary or advisable (and such subplans and addendums and modifications shall be attached to this Plan as addendums).
- (e) No member of the Board or of the Committee shall be liable for any action or determination taken or made in good faith in the administration, interpretation, construction or application of the Plan or any Award granted hereunder.
- (f) Any determination approved by a majority of the Committee shall be deemed to be a determination of that matter by the Committee.

2.3 Eligible Participants

- (a) The Persons who shall be eligible to receive Awards (“**Eligible Participants**”) shall be the Eligible Directors, officers and employees of the Corporation or a Subsidiary, as well as consultants providing ongoing services to the Corporation and/or its Subsidiaries, who the Committee may determine from time to time, in its sole discretion. For greater certainty, a Person whose employment or engagement with the Corporation or a Subsidiary has ceased for any reason, or who has given notice of such cessation, as the case may be, shall cease to be eligible to receive Awards hereunder as of the date on which such Person provides notice to the Corporation or the Subsidiary, as the case may be, in writing or verbally, of such cessation, or on the Termination Date for any cessation of a Participant’s employment or engagement initiated by the Corporation.
- (b) Participation in the Plan shall be entirely voluntary and any decision not to participate shall not affect an Eligible Participant’s employment or engagement with the Corporation or a Subsidiary.
- (c) Notwithstanding any express or implied term of this Plan to the contrary, the granting of an Award pursuant to the Plan shall in no way be construed as a guarantee of employment by the Corporation or a Subsidiary to the Participant or the commencement, extension, continuation or modification of any engagement between the Corporation or a Subsidiary and the Participant.

- (d) A Participant shall have no rights as a shareholder of the Corporation with respect to any Common Shares underlying their Awards until such Awards have been duly exercised, as applicable, and settled and Common Shares have been issued in respect thereof.
- (e) For Awards to be granted to employees, officers, directors or consultants, the Corporation and the Participant must each represent that the Participant is a bona fide employee, officer, director or consultant, as the case may be.

**ARTICLE 3
SHARES SUBJECT TO PLAN;
GRANTING OF AWARDS**

3.1 Shares Subject to the Plan

- (a) The maximum number of Common Shares which may be reserved for issuance under this Plan at any time shall be [●] Common Shares, subject to adjustment as provided in Section 9.1.
- (b) Grants of Awards shall be subject to the following limitations:
 - (i) subject to section 3.1(b)(ii) below, the aggregate number of Common Shares that may be reserved for issuance pursuant to the Plan, and any other Security Based Compensation Plan, to any one Participant in any 12-month period must not exceed 5% of the issued and outstanding Common Shares (determined at the Date of Award), unless, if required by the Exchange, Disinterested Shareholder Approval is obtained;
 - (ii) the aggregate number of Common Shares that may be reserved for issuance pursuant to the Plan, and any other Security Based Compensation Plan, to any one consultant in any 12-month period must not exceed 2% of the issued and outstanding Common Shares (determined at the Date of Award), unless, if required by the Exchange, Disinterested Shareholder Approval is obtained;
 - (iii) the aggregate number of Common Shares that may be reserved for issuance pursuant to the Plan, and any other Security Based Compensation Plan, to Insiders (as a group) must not exceed, at any point in time, 10% of the issued and outstanding Common Shares (determined at the Date of Award), unless, if required by the Exchange, Disinterested Shareholder Approval is obtained;
 - (iv) the aggregate number of Common Shares that may be reserved for issuance pursuant to the Plan, and any other Security Based Compensation Plan, to Insiders (as a group) in any 12-month period must not exceed 10% of the issued and outstanding Common Shares (determined at the Date of Award), unless, if required by the Exchange, Disinterested Shareholder Approval is obtained; and
 - (v) no Awards shall be granted to any consultant engaged to perform Investor Relations Activities or any director, officer or employee of the Corporation or any Subsidiary whose role and duties consist primarily of Investor Relations Activities.
- (c) The limitations set out in Section 3.1(b) only apply to Awards which can be settled in Common Shares and not Awards which may be settled in cash only.
- (d) If any Award expires or otherwise terminates for any reason without having been exercised in full, the number of Common Shares in respect of which Award expired or is terminated shall be added back to the Plan and again be available for future grant, whereas the number of Common Shares underlying any grant of Awards that are issued upon exercise shall not be available for future grants.

- (e) Awards may not be granted unless and until the Awards have been allocated to specific Persons, and then, once allocated, a minimum Market Value can be established.
- (f) No Awards that can be settled in Common Shares issued from treasury may be granted if such grant would have the effect of causing the total number of Common Shares subject to all Awards then outstanding to exceed the maximum number of Common Shares reserved for issuance under the Plan in section 3.1(a).
- (g) Any Common Shares issued hereunder may consist, in whole or in part, of authorized and unissued shares, treasury shares or shares purchased in the open market or otherwise.

3.2 Granting of Awards

- (a) Any Award granted under the Plan shall be subject to the requirement that, if at any time counsel to the Corporation shall determine that the listing, registration or qualification of the Common Shares subject to such Award, if applicable, upon any securities exchange (including the Exchange) or under any law or regulation of any jurisdiction, or the consent or approval of any securities exchange (including the Exchange) or any governmental or regulatory body, is necessary as a condition of, or in connection with, the grant or exercise of such Award or the issuance or purchase of Common Shares thereunder, if applicable, such Award may not be accepted or settled in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained on conditions acceptable to the Committee. Nothing herein shall be deemed to require the Corporation to apply for or to obtain such listing, registration, qualification, consent or approval.
- (b) Any Award granted under the Plan shall be subject to the requirement that the Corporation has the right to place any restriction or legend on any securities issued pursuant to this Plan as the Committee may, in its discretion, deem necessary or advisable including placing a legend to the effect that the securities have not been registered under the U.S. Securities Act and may not be offered or sold in the United States unless registration or an exemption from registration is available.
- (c) For Awards granted under the Plan to Participants in the United States or that are U.S. Persons, the Corporation intends to comply with Rule 701. Under Rule 701, a company can offer their own securities, as part of a written compensation plan, to Participants (consultants must be natural persons) without having to comply with federal securities registration requirements. Compliance with Rule 701 in connection with the issuance of any Award to a Participant will be determined in the sole discretion of the Corporation.
- (d) The Corporation makes no representation or warranty as to the future market value of the Common Shares or with respect to any income tax matters affecting any Participant resulting from the grant of an Award, the exercise of any Award, or transactions in the Common Shares or otherwise in respect of participation under the Plan. Neither the Corporation, nor any of its directors, officers, employees, shareholders or agents shall be liable for anything done or omitted to be done by such Person or any other Person with respect to the price, time, quantity or other conditions and circumstances of the issuance of Common Shares hereunder, or in any other manner related to the Plan. The Corporation and its Subsidiaries do not assume and shall not have responsibility for the income or other tax consequences resulting to any Participant and each Participant is advised to consult with his or her own tax advisors.
- (e) Participants (and their legal representatives) shall have no legal or equitable right, claim, or interest in any specific property or asset of the Corporation or any of its Subsidiaries. No asset of the Corporation or any of its Subsidiaries shall be held in any way as collateral security for the fulfillment of the obligations of the Corporation or any of its Subsidiaries under this Plan. Unless otherwise determined by the Committee, this Plan shall be unfunded. To the extent any Participant or his or her estate holds any rights by virtue of a grant of Awards under this Plan, such rights (unless otherwise determined by the Committee) shall be no greater than the rights of an unsecured creditor of the Corporation.

- (f) Unless otherwise determined by the Committee, the Corporation shall not offer financial assistance to any Participant in regards to the exercise of any Award granted under this Plan.

ARTICLE 4

DEFERRED SHARE UNITS

4.1 Nature of DSUs

A DSU is an Award of share units to a Participant entitling the Participant to receive payment based on the value of one Common Share upon satisfaction of vesting conditions, retirement, termination or death, subject to such restrictions and conditions as the Committee may determine at the time of grant. Conditions may be based on such factors as may be determined by the Committee from time to time, including the achievement of pre-established Performance Criteria, and the Committee shall have absolute discretion to determine whether any consideration (other than services) is to be received by the Corporation or any Affiliate as a condition precedent to the grant of DSUs, subject to such minimum consideration as may be required by applicable law and the rules and policies of the Exchange.

4.2 DSU Awards

- (a) Subject to the provisions herein set forth and any shareholder or regulatory approval which may be required, the Committee may, from time to time by resolution, in its sole discretion (i) designate the Participants who may receive DSUs under the Plan; (ii) fix the number of DSUs, if any, to be granted to each Eligible Director and the date or dates on which such DSUs shall be granted; and (iii) determine the relevant conditions and vesting provisions of such DSUs, the whole subject to the terms and conditions prescribed in this Plan.
- (b) The DSUs are structured so as to be considered to be a plan described in subsection 6801(d) of the regulations to the Tax Act or any successor to such provision.
- (c) Subject to the vesting and other conditions and provisions set forth herein and in any agreement relating to a grant of DSUs, the Committee shall determine whether each DSU awarded to a Participant shall entitle the Participant: (i) to receive one (1) Common Share issued from treasury or purchased on the open market; (ii) to receive the Cash Equivalent of one (1) Common Share; or (iii) to elect to receive either one (1) Common Share from treasury or purchased on the open market, the Cash Equivalent of one (1) Common Share or a combination of cash and Common Shares.
- (d) DSUs will be credited in the registers maintained by the Corporation but will not be represented by any certificate or other document.

4.3 Settlement of DSUs

- (a) A Participant who (i) ceases to be a director of the Corporation; (ii) ceases to be employed by the Corporation or its Subsidiaries; or (iii) ceases to provide services to the Corporation or its Subsidiaries, as applicable, (or, if deceased, their estate, successors, heirs or legal representatives) may request the settlement of all (but not less than all) of their DSUs at any time during the period between the date on which they cease to be a director of, or employed by or provide services to, the Corporation or its Subsidiaries and the DSU Expiry Date, in such manner as the Committee may determine from time to time and in accordance with such rules and regulations as the Committee may prescribe from time to time.
- (b) Any DSU which has not been settled prior to the DSU Expiry Date shall be automatically settled on the DSU Expiry Date.
- (c) Settlement of DSUs shall take place promptly following the DSU Settlement Date and, for greater certainty, before the DSU Expiry Date, through:

- (i) in the case of the settlement of DSUs for their Cash Equivalent, delivery of a cheque to the Participant representing the Cash Equivalent;
 - (ii) in the case of the settlement of DSUs for Common Shares, delivery of a share certificate to the Participant or the entry of the Participant's name on the share register for the Common Shares; or
 - (iii) in the case of settlement of the DSUs for a combination of Common Shares and the Cash Equivalent, a combination of Section 4.3(c)(i) and Section 4.3(c)(ii) above.
- (d) Notwithstanding any other provision of this Plan, in the event that a DSU Settlement Date occurs during a Black Out Period imposed by the Corporation, then settlement of the applicable DSUs shall be automatically extended to the tenth (10th) day following the date that such Black Out Period is lifted, terminated or removed.

ARTICLE 5 RESTRICTED SHARE UNITS

5.1 Nature of RSUs

A RSU is an Award granted for services rendered in a particular year entitling the Participant to receive payment based on the value of one Common Share once such Award has vested, subject to such restrictions and conditions as the Committee may determine at the time of grant. Conditions may be based on such factors as may be determined by the Committee from time to time, including continuing employment (or engagement) with the Corporation or a Subsidiary, and the Committee shall have absolute discretion to determine whether any consideration (other than services) is to be received by the Corporation or any Affiliate as a condition precedent to the grant of RSUs, subject to such minimum consideration as may be required by applicable law and the rules and policies of the Exchange.

5.2 RSU Awards

- (a) Subject to the provisions herein set forth and any shareholder or regulatory approval which may be required, the Committee may, from time to time by resolution, in its sole discretion (i) designate the Eligible Participants who may receive RSUs under the Plan for services rendered in a particular year; (ii) fix the number of RSUs, if any, to be granted to each Eligible Participant and the date or dates on which such RSUs shall be granted; and (iii) determine the relevant conditions and vesting provisions and RSU Settlement Date of such RSUs, the whole subject to the terms and conditions prescribed in this Plan and in any RSU Agreement. For greater certainty, the terms and conditions of RSUs need not be the same with respect to each Participant.
- (b) Unless otherwise set forth in the RSU Agreement, each RSU shall vest as to 1/3 on each of the first, second and third anniversary of the Date of Award (each such date being a “**RSU Vesting Date**”).
- (c) Subject to the vesting and other conditions and provisions set forth herein and in the RSU Agreement, the Committee shall determine whether each RSU awarded to a Participant shall entitle the Participant: (i) to receive one (1) Common Share issued from treasury or purchased on the open market; (ii) to receive the Cash Equivalent of one (1) Common Share; or (iii) to elect to receive either one (1) Common Share from treasury or purchased on the open market, the Cash Equivalent of one (1) Common Share or a combination of cash and Common Shares.

5.3 Settlement of RSUs

- (a) Except as otherwise provided in the RSU Agreement and subject to Section 9.3(a):
 - (i) all of the vested RSUs covered by a particular grant shall be settled as soon as practicable on any day (each such day being a “**RSU Settlement Date**”) following a RSU Vesting Date, but in no event later than the last day of the Unit Restriction Period; and
 - (ii) as soon as practicable following a RSU Settlement Date, if applicable, the Participant shall deliver a Unit Settlement Notice in respect of whether to receive Common Shares, the Cash Equivalent or a combination thereof.
- (b) Subject to Section 9.4, settlement of RSUs shall take place promptly following the RSU Settlement Date and, for greater certainty, before the last day of the Unit Restriction Period, through:
 - (i) in the case of settlement of RSUs for their Cash Equivalent, delivery of a cheque to the Participant representing the Cash Equivalent;
 - (ii) in the case of settlement of RSUs for Common Shares, delivery of a share certificate to the Participant or the entry of the Participant’s name on the share register for the Common Shares; or
 - (iii) in the case of settlement of the RSUs for a combination of Common Shares and the Cash Equivalent, a combination of Section 5.3(b)(i) and Section 5.3(b)(ii) above.

5.4 Determination of Amounts

- (a) **Cash Equivalent of RSUs.** For purposes of determining the Cash Equivalent of RSUs to be made pursuant to Section 5.3, such calculation will be made on the RSU Settlement Date and shall equal the Market Value on the RSU Settlement Date multiplied by the number of vested RSUs in the Participant’s Account which the Participant desires to settle in cash pursuant to the Unit Settlement Notice.
- (b) **Payment in Common Shares.** For the purposes of determining the number of Common Shares from treasury to be issued or purchased on the open market and delivered to a Participant upon settlement of RSUs pursuant to Section 5.3, such calculation will be made on the RSU Settlement Date and be the whole number of Common Shares equal to the whole number of vested RSUs then recorded in the Participant’s Account which the Participant desires to settle pursuant to the Unit Settlement Notice. Common Shares issued from treasury or purchased on the open market, as applicable, will be issued or transferred, as applicable, in consideration for the past services of the Participant to the Corporation and the entitlement of the Participant under this Plan shall be satisfied in full by such issuance or transfer of Common Shares.

5.5 RSU Agreements

RSUs shall be evidenced by a RSU Agreement or included in an Employment Agreement, in such form not inconsistent with the Plan as the Committee may from time to time determine, provided that the substance of Article 5 and Article 8 be included therein. The RSU Agreement shall contain such terms that may be considered necessary in order that the RSU will comply with any provisions respecting restricted share units in the income tax or other laws in force in any country or jurisdiction of which the Participant may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the Corporation.

ARTICLE 6 PERFORMANCE SHARE UNITS

6.1 Nature of PSUs

A PSU is an Award granted for services rendered in a particular year entitling the Participant to receive payment based on the value of one Common Share once such Award has vested, subject to such restrictions and conditions as the Committee may determine at the time of grant. Conditions may be based on such factors as may be determined by the Committee from time to time, including continuing employment (or engagement) with the Corporation or a Subsidiary and Performance Criteria, and the Committee shall have absolute discretion to determine whether any consideration (other than services) is to be received by the Corporation or any Affiliate as a condition precedent to the grant of RSUs, subject to such minimum consideration as may be required by applicable law and the rules and policies of the Exchange.

6.2 PSU Awards

- (a) Subject to the provisions herein set forth and any shareholder or regulatory approval which may be required, the Committee may, from time to time by resolution, in its sole discretion (i) designate the Eligible Participants who may receive PSUs under the Plan for services rendered in a particular year; (ii) fix the number of PSUs, if any, to be granted to each Eligible Participant and the date or dates on which such PSUs shall be granted; and (iii) determine the relevant conditions, Performance Criteria (including the length of the period during which the Performance Criteria is to be measured), vesting provisions and PSU Settlement Date of such PSUs, the whole subject to the terms and conditions prescribed in this Plan and in any PSU Agreement. For greater certainty, the terms and conditions of PSUs need not be the same with respect to each Participant.
- (b) Except as provided in Section 8.2, as provided by the Committee or as may be provided in the PSU Agreement, PSUs will be distributed only after the end of the relevant period established by the Committee during which any Performance Criteria specified by the Committee with respect to the PSUs, as applicable, are to be measured as set out in the PSU Agreement.
- (c) Unless otherwise set forth in the PSU Agreement, each PSU shall vest as to 1/3 on each of the first, second and third anniversary of the Date of Award (each such date being a “**PSU Vesting Date**”).
- (d) Subject to the vesting and other conditions and provisions set forth herein and in the PSU Agreement, the Committee shall determine whether each PSU awarded to a Participant shall entitle the Participant: (i) to receive one (1) Common Share issued from treasury or purchased on the open market; (ii) to receive the Cash Equivalent of one (1) Common Share; or (iii) to elect to receive either one (1) Common Share from treasury or purchased on the open market, the Cash Equivalent of one (1) Common Share or a combination of cash and Common Shares.

6.3 Settlement of PSUs

- (a) Except as otherwise provided in the PSU Agreement and subject to Section 9.3(a):
 - (i) all of the vested PSUs covered by a particular grant shall be settled as soon as practicable on any day (each such day being a “**PSU Settlement Date**”) following a PSU Vesting Date, but in no event later than the last day of the Unit Restriction Period; and
 - (ii) as soon as practicable following a PSU Settlement Date, if applicable, the Participant shall deliver a Unit Settlement Notice in respect of whether to receive Common Shares, the Cash Equivalent or a combination thereof.
- (b) Subject to Section 9.4, settlement of PSUs shall take place promptly following the PSU Settlement Date and, for greater certainty, before the last day of the Unit Restriction Period, through:

- (i) in the case of settlement of PSUs for their Cash Equivalent, delivery of a cheque to the Participant representing the Cash Equivalent;
- (ii) in the case of settlement of PSUs for Common Shares, delivery of a share certificate to the Participant or the entry of the Participant's name on the share register for the Common Shares; or
- (iii) in the case of settlement of the PSUs for a combination of Common Shares and the Cash Equivalent, a combination of Section 6.3(b)(i) and Section 6.3(b)(ii) above.

6.4 Determination of Amounts

- (a) **Cash Equivalent of PSUs.** For purposes of determining the Cash Equivalent of PSUs to be made pursuant to Section 6.3, such calculation will be made on the PSU Settlement Date and shall equal the Market Value on the PSU Settlement Date multiplied by the number of vested PSUs in the Participant's Account which the Participant desires to settle in cash pursuant to the Unit Settlement Notice.
- (b) **Payment in Common Shares.** For the purposes of determining the number of Common Shares from treasury to be issued or purchased on the open market and delivered to a Participant upon settlement of PSUs pursuant to Section 6.3, such calculation will be made on the PSU Settlement Date and be the whole number of Common Shares equal to the whole number of vested PSUs then recorded in the Participant's Account which the Participant desires to settle pursuant to the Unit Settlement Notice. Common Shares issued from treasury or purchased on the open market, as applicable, will be issued or transferred, as applicable, in consideration for the past services of the Participant to the Corporation and the entitlement of the Participant under this Plan shall be satisfied in full by such issuance or transfer of Common Shares.

6.5 PSU Agreements

PSUs shall be evidenced by a PSU Agreement or included in an Employment Agreement, in such form not inconsistent with the Plan as the Committee may from time to time determine, provided that the substance of Article 6 and Article 8 be included therein. The PSU Agreement shall contain such terms that may be considered necessary in order that the PSU will comply with any provisions respecting performance share units in the income tax or other laws in force in any country or jurisdiction of which the Participant may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the Corporation.

ARTICLE 7 SHARE APPRECIATION RIGHTS

7.1 Nature of SARs

A SAR is an Award entitling the recipient to receive payment having a value equal to the excess of the Market Value of the Common Shares on the date of exercise over the exercise price of the SAR, which exercise price shall not be less than 100% of the Market Value of the Common Share on the Date of Award multiplied by the number of Shares with respect to which the SAR shall have been exercised.

7.2 SAR Awards

Subject to the provisions set forth herein and any shareholder or regulatory approval which may be required, the Committee may, from time to time by resolution, in its sole discretion, (i) designate the Eligible Participants who may receive SAR Awards under the Plan; (ii) fix the number of SAR Awards to be granted to each Eligible Participant and the date or dates on which such SAR Awards shall be granted; and (iii) determine the price per Common Share to be payable upon the vesting of each such SAR (the "SAR

Price”), the relevant conditions and vesting provisions (including the applicable Performance Criteria, if any) and the SAR Term, the whole subject to the terms and conditions prescribed in this Plan and in any SAR Agreement.

7.3 SAR Price

The SAR Price for the Common Shares that are the subject of any SAR shall be fixed by the Committee when such SAR is granted, but shall not be less than the Market Value of such Common Shares at the time of the grant.

7.4 SAR Term

- (a) The Committee shall determine, at the time of granting the particular SAR, the period during which the SAR is exercisable, which shall not be more than five (5) years from the date the SAR is granted (“**SAR Term**”) and the vesting schedule of such SAR, which will be detailed in the respective SAR Agreement. Unless otherwise determined by the Committee, each unexercised SAR shall be cancelled at the expiry of such SAR.
- (b) Should the expiration date for a SAR fall within a Black Out Period, such expiration date shall be automatically extended without any further act or formality to that date which is the tenth (10th) day after the end of the Black Out Period, such tenth (10th) day to be considered the expiration date for such SAR for all purposes under the Plan. For greater certainty, the ten (10) day period referred to in this Section 7.4(b) may not be extended by the Committee.

7.5 Exercise of SARs

Prior to its expiration or earlier termination in accordance with the Plan, each SAR shall be exercisable as to all or such part or parts of the granted Common Shares and at such time or times and pursuant to the achievement of such Performance Criteria or other vesting conditions as the Committee at the time of granting the particular SAR, may determine in its sole discretion. For greater certainty, no SAR shall be exercised by a Participant during a Black-Out Period.

7.6 Method of Exercise and Payment of Purchase Price

- (a) Subject to the provisions of the Plan, a SAR granted under the Plan shall be exercisable (from time to time as provided in Section 7.5 hereof) by the Participant (or by the liquidator, executor or administrator, as the case may be, of the estate of the Participant) by delivering a fully completed Exercise Notice to the Corporation at its corporate head office to the attention of the Corporate Secretary of the Corporation (or to the individual that the Corporate Secretary of the Corporation may from time to time designate) or give notice in such other manner as the Corporation may from time to time designate, not less than three (3) Business Days in advance of the effective date of the proposed exercise, which notice shall specify the number of Common Shares with respect to which the SAR is being exercised and the effective date of the proposed exercise.
- (b) Subject to the vesting and other conditions and provisions set forth herein and in the SAR Agreement, the Committee shall determine whether each SAR awarded to a Participant shall entitle the Participant:
 - (i) to receive Common Shares, issued from treasury or purchased on the open market, based on the excess of the Market Value of a Common Share on the effective date of such exercise over the SAR Price; (ii) to receive the Cash Equivalent; or (iii) to elect to receive either Common Shares from treasury or purchased on the open market, the Cash Equivalent or a combination of cash and Common Shares.
- (c) If, in accordance with Section 7.6(b) above, the Participant is entitled to receive Common Shares upon exercising a SAR, the Corporation shall, as soon as practicable after such exercise but no later than ten (10) Business Days following such exercise, forthwith cause the transfer agent and registrar of the Common Shares to either:

- (i) deliver to the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) a certificate in the name of the Participant representing in the aggregate such number of Common Shares as the Participant (or in the name of the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall be entitled to receive; or
- (ii) in the case of Common Shares issued in uncertificated form, cause the issuance of the aggregate number of Common Shares as the Participant (or the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall be entitled to receive to be evidenced by a book position on the register of the shareholders of the Corporation maintained by the transfer agent and registrar of the Common Shares.

7.7 SAR Agreements

SARs shall be evidenced by a SAR Agreement or included in an Employment Agreement, in such form not inconsistent with the Plan as the Committee may from time to time determine, provided that the substance of Article 7 and Article 8 hereof be included therein. The SAR Agreement shall contain such terms that may be considered necessary in order that the SAR will comply with any provisions respecting stock appreciation rights in the income tax or other laws in force in any country or jurisdiction of which the Participant may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the corporation.

ARTICLE 8 GENERAL CONDITIONS

8.1 General Conditions applicable to Awards.

Each Award, as applicable, shall be subject to the following conditions:

- (a) **Employment or Other Relationship.** The granting of an Award to a Participant shall not impose upon the Corporation or a Subsidiary any obligation to retain the Participant in its employ in any capacity or otherwise commence, extend, continue or modify any engagement between the Corporation or a Subsidiary and the Participant. For greater certainty, the granting of Awards to a Participant shall not impose any obligation on the Corporation to grant any awards in the future nor shall it entitle the Participant to receive future grants.
- (b) **Rights as a Shareholder.** Neither the Participant nor such Participant's personal representatives or legatees shall have any rights whatsoever as shareholder in respect of any Common Shares covered by such Participant's Awards until the date of issuance of a share certificate to such Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) or the entry of such person's name on the share register for the Common Shares. Without limiting the generality of the foregoing, no adjustment shall be made for dividends or other rights declared, granted or issued by the Corporation for which the record date is prior to the date such share certificate is issued or such person's name is entered on the share register for the Common Shares.
- (c) **Conformity to Plan.** In the event that an Award is granted or a Grant Agreement is executed which does not conform in all particulars with the provisions of the Plan, or purports to grant Awards on terms different from those set out in the Plan, then, subject to any overriding instruction from the Committee relating to such Award(s), the Award or the grant of such Award shall not be in any way void or invalidated, but the Award so granted and, if applicable, the Grant Agreement will be adjusted to become, in all respects, in conformity with the Plan

- (d) **Vesting.** Notwithstanding any other provision in this Plan, no Award may vest prior to the date that is one year after the Date of Award, provided that the Committee may, in its discretion, accelerate the vesting of any Award in the event of (i) the death of the Participant, or (ii) the Participant ceasing to be an Eligible Participant as a result of a Change of Control.
- (e) **Non-Transferability.** Other than by will or under the law of succession, or as expressly permitted by the Committee, or as otherwise set forth herein, Awards are not assignable or transferable. Awards may be exercised only by:
- (i) the Participant to whom the Awards were granted;
 - (ii) with the Corporation's prior written approval and subject to such conditions as the Corporation may stipulate, such Participant's family tax-free savings account or retirement savings trust or any registered retirement savings plans or registered retirement income funds of which the Participant is and remains the annuitant or holder, as applicable;
 - (iii) upon the Participant's death, by the legal representative of the Participant's estate; or
 - (iv) upon the Participant's incapacity, the legal representative having authority to deal with the property of the Participant,

provided that any such legal representative, as applicable, shall first deliver evidence satisfactory to the Corporation of its entitlement to exercise any Award.

For greater certainty, no Award granted hereunder may be pledged, hypothecated, charged, transferred, assigned or otherwise encumbered or disposed of on pain of nullity.

8.2 General Conditions applicable to Awards

Each Award (other than DSUs granted to Eligible Directors) shall be subject to the following conditions:

- (a) **Termination for Cause.** Upon a Participant ceasing to be an Eligible Participant for Cause, all unexercised vested or unvested Awards granted to such Participant shall terminate as of the Termination Date. For the purposes of the Plan, the determination by the Corporation that the Participant was discharged for "Cause" shall be binding on the Participant.
- (b) **Resignation.** In the case of a Participant ceasing to be an Eligible Participant due to such Participant's resignation, subject to any later expiration dates determined by the Committee, all unexercised vested or unvested Awards granted to such Participant shall terminate on the Termination Date caused by of such resignation.
- (c) **Termination or Cessation.** In the case of a Participant ceasing to be an Eligible Participant for any reason (other than for Cause, resignation, death, Disability or retirement) the number of Awards that may vest is subject to pro ration over the applicable vesting period (ending on the Termination Date) and shall expire on the earlier of 90 days after the Termination Date, or the expiry date of the Awards. For greater certainty, the pro ration calculation referred to above shall be net of previously vested Awards.
- (d) **Death, Disability or Retirement.** If a Participant dies while in their capacity as an Eligible Participant, ceases to be an Eligible Participant as a result of a Disability or ceases to be an Eligible Participant as a result of their retirement, the number of Awards that may vest is subject to pro ration over the applicable vesting period (ending on the Termination Date) and shall expire on the earlier of 180 days after the Participant's Termination Date, or the expiry date of the Awards. Provided, however, that if the Participant is determined to have breached any post-employment restrictive covenants in favour of the Corporation, then any Awards held by the Participant, whether vested or unvested, will immediately

expire and the Participant shall pay to the Corporation any “in-the-money” amounts realized upon exercise of Awards following the Termination Date. For greater certainty, the pro ration calculation referred to above shall be net of previously vested Awards.

8.3 Unfunded Plan

Unless otherwise determined by the Committee, this Plan shall be unfunded. To the extent any Participant or their estate holds any rights by virtue of a grant of Awards under this Plan, such rights (unless otherwise determined by the Committee) shall be no greater than the rights of an unsecured creditor of the Corporation. Notwithstanding the foregoing, any determinations made shall be such that the DSU continuously meets the requirements of paragraph 6801(d) of the regulations to the Tax Act.

ARTICLE 9 ADJUSTMENTS AND AMENDMENTS

9.1 Adjustment to Common Shares Subject to Outstanding Awards

- (a) In the event of any subdivision of the Common Shares into a greater number of Common Shares at any time after the grant of an Award to a Participant and prior to the expiration of the term of such Award, the Corporation shall deliver to such Participant, at the time of any subsequent exercise or settlement of such Award in accordance with the terms hereof, in lieu of the number of Common Shares to which such Participant was theretofore entitled upon such exercise or settlement of such Award, but for the same aggregate consideration payable therefor, such number of Common Shares as such Participant would have held as a result of such subdivision if on the record date thereof the Participant had been the registered holder of the number of Common Shares to which such Participant was theretofore entitled upon such exercise or settlement of such Award.
- (b) In the event of any consolidation of Common Shares into a lesser number of Common Shares at any time after the grant of an Award to any Participant and prior to the expiration of the term of such Award, the Corporation shall deliver to such Participant at the time of any subsequent exercise or settlement of such Award in accordance with the terms hereof in lieu of the number of Common Shares to which such Participant was theretofore entitled upon such exercise or settlement of such Award, but for the same aggregate consideration payable therefor, such number of Common Shares as such Participant would have held as a result of such consideration if on the record date thereof the Participant had been the registered holder of the number of Common Shares to which such Participant was theretofore entitled upon such exercise or settlement of such Award.
- (c) If at any time after the grant of an Award to any Participant and prior to the expiration of the term of such Award, the Common Shares shall be reclassified, reorganized or otherwise changed, otherwise than as specified in Section 9.1(a) or Section 9.1(b) or, subject to the provisions of Section 9.3, the Corporation shall consolidate, merge or amalgamate with or into another corporation (the corporation resulting or continuing from such consolidation, merger or amalgamation being herein called the “**Successor Corporation**”), the Participant shall be entitled to receive upon the subsequent exercise or settlement of the Award, in accordance with the terms hereof and shall accept in lieu of the number of Common Shares then subscribed for but for the same aggregate consideration payable therefor, the aggregate number of shares of the appropriate class or other securities of the Corporation or the Successor Corporation (as the case may be) or other consideration from the Corporation or the Successor Corporation (as the case may be) that such Participant would have been entitled to receive as a result of such reclassification, reorganization or other change of shares or, subject to the provisions of Section 9.3, as a result of such consolidation, merger or amalgamation, if on the record date of such reclassification, reorganization or other change of shares or the effective date of such consolidation, merger or amalgamation, as the case may be, such Participant had been the registered holder of the number of Common Shares to which such Participant was immediately theretofore entitled upon such exercise or settlement of such Award.

- (d) If, at any time after the grant of an Award to any Participant and prior to the expiration of the term of such Award, the Corporation shall make a distribution to all holders of Common Shares or other securities in the capital of the Corporation, of cash, evidences of indebtedness or other assets of the Corporation (excluding ordinary course dividends declared by the Corporation), or should the Corporation effect any transaction or change having a similar effect, then the price or the number of Common Shares to which the Participant is entitled upon exercise or settlement of an Award shall be adjusted to take into account such distribution, transaction or change. The Committee shall determine the appropriate adjustments to be made in such circumstances in order to maintain the Participants' economic rights in respect of their Awards in connection with such distribution, transaction or change.
- (e) No fractional Common Share shall be delivered to a Participant under the Plan. Any fractional Common Share entitlement shall be satisfied by the payment of an amount in cash equal to such fractional Share entitlement multiplied by the Market Value on the applicable settlement date.

9.2 Amendment or Discontinuance of the Plan

- (a) The Committee may amend the Plan or any Award at any time without the consent of the Participants provided that such amendment shall:
 - (i) not adversely alter or impair any Award previously granted except as permitted by the provisions of this Article 9;
 - (ii) be in compliance with applicable law and subject to any regulatory approvals including, where required, the approval of the Exchange; and
 - (iii) be subject to shareholder approval including Disinterested Shareholder Approval, if applicable, where required by law, the requirements of the Exchange or the provisions of the Plan, provided that shareholder approval including Disinterested Shareholder Approval shall not be required and the Committee may, from time to time, in its absolute discretion, make the following amendments to the Plan:
 - (A) subject to Section 8.1(d), any amendment to the vesting provisions of any Award granted under the Plan;
 - (B) any amendment to the expiration date of an Award (other than an Award held by an Insider) that does not extend the term of the Award past the original date of expiration for such Award;
 - (C) any amendment regarding the effect of termination of a Participant's employment or engagement;
 - (D) subject to Section 8.1(d), any amendment which accelerates the date on which any Award may be exercised or settled under the Plan;
 - (E) any amendment necessary to comply with any changes required by applicable regulatory authorities having jurisdiction over securities of the Corporation from time to time including, but not limited to, the Exchange or other mandatory provisions of applicable law;
 - (F) any amendments which are advisable to accommodate changes in tax laws;
 - (G) any amendments to the terms of Awards in order to maintain Award value in connection with an adjustment in the Common Shares of the Corporation;

- (H) any amendments of a “housekeeping” nature, including those required to fix typographical errors or clarify existing provisions of the Plan that do not have the effect of altering the scope, nature and intent of such provisions;
 - (I) any amendment regarding the administration of the Plan;
 - (J) any amendment to add or amend provisions allowing for the granting of cash-settled awards, financial assistance or clawback; and
 - (K) any other amendment that does not require the approval of the holders of Common Shares pursuant to the amendment provisions of the Plan.
- (b) Notwithstanding Section 9.2(a)(iii) above, the Committee shall be required to obtain shareholder approval or Disinterested Shareholder Approval, if required by the Exchange, to make the following amendments:
- (i) any amendment to increase the maximum number of Common Shares issuable from treasury under the Plan, except increases resulting from the adjustment provisions in section 9.1 hereof;
 - (ii) any amendment to remove or increase the limits on the aggregate number of Common Shares that may be reserved for issuance under the Plan to any one Person or group or category of Persons;
 - (iii) subject to the Black Out Period provisions in the Plan, any amendment to the expiry or termination provisions applicable to Awards granted under the Plan;
 - (iv) any amendment which extends the expiry date of any Award held by an Insider, or the Unit Restriction Period of any Units held by an Insider, beyond the original expiry date, except in case of an extension due to a Black Out Period;
 - (v) any amendment to the non-assignability and non-transferability provisions contained in Plan, except as otherwise permitted by the Exchange or for estate planning or estate settlement purposes;
 - (vi) any amendment to expand the class of Eligible Participants to whom Awards may be granted under the Plan; and
 - (vii) any amendment to the amendment provisions of the Plan,
- provided that (A) Common Shares held directly or indirectly by Insiders benefiting from the amendments in Sections 9.2(b)(ii) and (iv); or (B) Common Shares held directly or indirectly by Insiders where the amendment will disproportionately benefit such Insiders over other Award holders, shall be excluded when obtaining such shareholder approval.
- (c) Subject to any required regulatory approvals including ,if applicable the acceptance of the Exchange, the Board may, in its discretion, suspend or discontinue the Plan at any time without the consent of the Participants provided that such suspension or discontinuance shall not materially and adversely affect any Awards previously granted to a Participant under the Plan.

9.3 Change of Control

In the event of and in connection with a transaction that would constitute a Change of Control, notwithstanding any other provision in this Plan but subject to the specific terms and conditions of any Grant Agreement to the contrary and the acceptance of the Exchange, if required, the Committee shall have

the right, in its discretion, to deal with any or all Awards (or any portion thereof) issued under this Plan in the manner it deems fair and reasonable in the circumstances of the Change of Control. Without limiting the generality of the foregoing, in connection with a Change in Control, the Committee, without any action or consent required on the part of any Participant, shall have the right to:

- (a) determine that the Awards, in whole or in part and whether vested or unvested, shall remain in full force and effect in accordance with their terms after the Change of Control;
- (b) provide for the conversion or exchange of any or all Awards (or any portion thereof, whether vested or unvested) into or for options, rights, units or other securities in any entity participating in or resulting from a Change of Control;
- (c) cancel any unvested Awards (or any portions thereof) without payment of any kind to any Participant;
- (d) accelerate the vesting of outstanding Awards;
- (e) provide for outstanding Awards to be purchased;
- (f) accelerate the date by which any or all Awards or any portion thereof, whether vested or unvested, must be exercised or settled either in whole or in part;
- (g) deem any or all Awards or any portion thereof, whether vested or unvested (including those accelerated pursuant to this Plan) to have been exercised or settled in whole or in part, tender, on behalf of the Participant, the underlying Common Shares that would have been issued pursuant to the exercise or settlement of such Awards to any third party purchaser in connection with the Change of Control, and pay to the Participant on behalf of such third party purchaser an amount per underlying Common Share equal to the positive difference between the Change of Control price of the Common Shares and the applicable exercise or settlement price; or
- (h) take such other actions, and combinations of the foregoing actions or any other actions permitted under this Section 9.3 as it deems fair and reasonable under the circumstances.

9.4 Settlement of RSUs and PSUs during a Black Out Period

Notwithstanding any other provision of this Plan, in the event that a RSU Settlement Date or a PSU Settlement Date falls during a Black Out Period imposed by the Corporation, then such RSU Settlement Date or PSU Settlement Date shall be automatically extended to the tenth (10th) day following the date that such Black Out Period is lifted, terminated or removed.

ARTICLE 10 MISCELLANEOUS

10.1 Use of an Administrative Agent and Trustee

The Committee may in its sole discretion appoint from time to time one or more entities to act as administrative agent to administer the Awards granted under the Plan and to act as trustee to hold and administer the assets that may be held in respect of Awards granted under the Plan, the whole in accordance with the terms and conditions determined by the Committee in its sole discretion. The Corporation, the administrative agent and the trustee, as applicable, will maintain records showing the holdings of the respective Awards, vesting periods, Performance Criteria and Participants.

10.2 Tax Withholding

- (a) Notwithstanding any other provision of this Plan, all distributions, deliveries of Common Shares or payments to a Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) under the Plan shall be made net of applicable source deductions and other applicable withholding taxes or other required deductions (collectively “**Applicable Taxes**”). If the event giving rise to the Applicable Taxes involves an issuance or delivery of Common Shares, then the Applicable Taxes may be satisfied by (a) having the Participant elect to have the appropriate number of such Common Shares underlying an Award sold by the Corporation’s transfer agent and registrar, any trustee appointed by the Corporation pursuant to Section 10.1 or broker, on behalf of and as agent for the Participant as soon as permissible and practicable, with the proceeds of such sale being delivered to the Corporation, which will in turn remit such amounts to the appropriate governmental authorities, or (b) any other mechanism as may be required or appropriate to conform with local tax and other rules.
- (b) Notwithstanding Section 10.2(a), the applicable tax withholdings may be waived where a Participant directs in writing that a payment be made directly to the Participant’s registered retirement savings plan in circumstances to which subsection 100(3) of the regulations made under the Tax Act apply.

10.3 Right of Discharge Reserved; Claims to Awards.

Nothing in the Plan nor the grant of an Award hereunder shall confer upon any employee, officer, director or consultant the right to continue in the employment or service of the Corporation or any Affiliate or affect any right that the Corporation or any Affiliate may have to terminate the employment or service of (or to demote or to exclude from future Awards under the Plan) any such employee, officer, director or consultant at any time for any reason. The Corporation shall not be liable for the loss of existing or potential profit from any Award granted hereunder in the event of termination of an employment or other relationship. No employee, officer, director or consultant shall have any claim to be granted any Award under the Plan, and there is no obligation for uniformity of treatment of employees, officers, directors or consultants under the Plan.

10.4 Reorganization of the Corporation

The existence of any Awards shall not affect in any way the right or power of the Corporation or its shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Corporation’s capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Corporation or to create or issue any bonds, debentures, shares or other securities of the Corporation or the rights and conditions attaching thereto or to affect the dissolution or liquidation of the Corporation or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

10.5 Clawback

Notwithstanding any other provision in this Plan, any Award which is subject to recovery under any law, government regulation, stock exchange listing requirement or policy adopted by the Corporation, will be subject to such deductions and clawback as may be required to be made pursuant to such law, government regulation, stock exchange listing requirement or policy. Without limiting the generality of the foregoing, the proceeds from the exercise or disposition of Awards or Common Shares acquired under Awards will be subject to forfeiture and disgorgement to the Corporation, with interest and other related earnings, if the Participant to whom the Award was granted violates (i) a non-competition, non-solicitation, confidentiality or other restrictive covenant by which he or she is bound, or (ii) any policy adopted by the Corporation applicable to the Participant that provides for forfeiture or disgorgement with respect to incentive compensation that includes Awards under the Plan. In addition, the Board may require forfeiture and disgorgement to the Corporation of outstanding Awards and the proceeds from the exercise or disposition of Awards or Common Shares acquired under Awards, with interest and other related earnings, to the extent required by law, government regulation or the rules and policies of the Exchange, including any related policy adopted by the Corporation. Each Participant, by accepting or being deemed to have accepted an Award under the Plan, agrees to cooperate fully with the Board, and to cause any and all permitted assignees of the

Participant to cooperate fully with the Board, to effectuate any forfeiture or disgorgement required hereunder. Neither the Board nor the Corporation nor any other Person, other than the Participant and his or her permitted assignees, if any, will be responsible for any adverse tax or other consequences to a Participant or his or her permitted assignees, if any, that may arise in connection with this Section 10.5.

10.6 Compliance with Securities Law

- (a) The Plan (including any amendments to it), the terms of the grant of any Award under the Plan, the grant of any Award and exercise of any Award, and the Corporation's obligation to sell and deliver Common Shares in respect of any Awards, shall be subject to all applicable federal, provincial, state and foreign laws, rules and regulations, the rules and policies of the Exchange and to such approvals by any regulatory or governmental agency as may, as determined by the Corporation, be required. The Corporation shall not be obliged by any provision of the Plan or the grant of any Award hereunder to issue, sell or deliver Common Shares in violation of such laws, rules and regulations or any condition of such approvals.
- (b) The Corporation shall have no obligation to issue any Common Shares pursuant to this Plan unless such Common Shares shall have been duly listed with the Exchange. Common Shares issued, sold or delivered to Participants under the Plan may be subject to limitations on sale or resale under applicable securities laws.

10.7 Other Plans

Nothing contained in the Plan shall prevent the Board from adopting other or additional compensation arrangements, subject to such regulatory or shareholder approvals including the acceptance of the Exchange as may be required; and such arrangements may be either generally applicable or applicable only in specific cases.

10.8 Governing Laws

The Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the province of British Columbia and the federal laws of Canada applicable therein.

10.9 Severability

The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from the Plan.

10.10 Foreign Participants

Awards may be granted to Participants who are foreign nationals or employed or providing services outside Canada, or both, on such terms and conditions different from those applicable to Awards to directors, officers, employees or consultants providing services in Canada as may, in the judgment of the Committee, be necessary or desirable in order to recognize differences in local law or tax policy. The Committee also may impose conditions on the exercise, vesting or settlement of Awards in order to minimize the Corporation's obligation with respect to tax equalization for directors, officers, employees or consultants on assignments outside their home country.

10.11 No Duty to Notify or Minimize Taxes; No Liability for Taxes

The Corporation has no duty or obligation to any Participant to advise such holder as to the time or manner of exercising any Award or to warn or otherwise advise such holder of a pending termination or expiration of an Award or a possible period in which the Award may not be exercised. The Corporation has no duty or obligation to minimize the tax consequences of an Award to the holder of such Award and will not be liable to any holder of an Award for any adverse tax consequences to such holder in connection with an Award. As

a condition to accepting an Award under the Plan, each Participant (i) agrees to not make any claim against the Corporation, or any of its officers, directors, employees, Affiliates, agents or advisors related to tax liabilities arising from such Award or other Corporation compensation and (ii) acknowledges that such Participant was advised to consult with his or her own personal tax, financial and other legal advisors regarding the tax consequences of the Award and has either done so or knowingly and voluntarily declined to do so.

10.12 No Registration Rights; No Right to Settle in Cash

The Corporation has no obligation to register with any governmental body or organization (including, without limitation, the SEC) any of (a) the offer or issuance of any Award, (b) any Common Shares issuable upon the exercise or settlement of any Award, or (c) the sale of any Common Shares issued upon exercise or settlement of any Award, regardless of whether the Corporation in fact undertakes to register any of the foregoing. In particular, in the event that any of (x) any offer or issuance of any Award, (y) any Common Shares issuable upon exercise or settlement of any Award, or (z) the sale of any Common Shares issued upon exercise or settlement of any Award are not registered with any governmental body or organization (including, without limitation, the SEC) or otherwise exempt therefrom, the Corporation will not under any circumstance be required to settle its obligations, if any, under this Plan in cash.

10.13 Personal Information

Each Participant shall provide the Corporation with all information (including personal information) required by the Corporation in order to administer the Plan. Each Participant acknowledges that information required by the Corporation in order to administer the Plan may be disclosed to any custodian, administrative agent or trustee appointed in respect of the Plan and other third parties including the Exchange, and may be disclosed to such Persons (including Persons located in jurisdictions other than the Participant's jurisdiction of residence), in connection with the administration of the Plan. Each Participant consents to such disclosure and authorizes the Corporation to make such disclosure on the Participant's behalf.

10.14 Indemnity

To the extent allowable pursuant to applicable law, each member of the Committee or of the Board and any Person to whom the Committee has delegated any of its authority under the Plan shall be indemnified and held harmless by the Corporation from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by such Person in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action or failure to act pursuant to the Plan and against and from any and all amounts paid by him or her in satisfaction of judgment in such action, suit, or proceeding against him or her; provided that in relation to the subject matter of the proceeding the indemnitee acted honestly and in good faith with a view to the best interests of the Corporation or its Affiliate, as applicable, and in the case of a proceeding other than a civil proceeding, the indemnitee had reasonable grounds for believing that his or her conduct in respect of which the proceeding was brought was lawful and, further provided, he or she gives the Corporation an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such Persons may be entitled pursuant to applicable law or the Corporation's Articles, or otherwise, or any power that the Corporation may have to indemnify them or hold them harmless.

10.15 Effective Date of the Plan; Termination of Plan

Subject to the acceptance of the Exchange, the Plan shall be effective on the date of the approval of the Plan by the holders of the shares entitled to vote at a duly constituted meeting of the shareholders of the Corporation. The Plan shall be null and void and of no effect if the foregoing condition is not fulfilled and in such event each Award shall, notwithstanding any of the preceding provisions of the Plan, be null and void and of no effect. Awards may be granted under the Plan at any time and from time to time until the Plan is terminated by the Board, on which date the Plan will expire except as to Awards then outstanding under the

Plan. Such outstanding Awards shall remain in effect until they have been exercised, settled or terminated, or have expired.

10.16 Language

Each Participant agrees with the Corporation that this Plan and all agreements, notices, declarations and documents accessory to the Plan be drafted in English only. *Chaque participant consent avec la société à ce que ce Plan ainsi que toutes conventions, avis, déclarations et documents afférents au Plan soient rédigés en anglais seulement.*

ADDENDUM FOR PARTICIPANTS IN THE UNITED STATES

Capitalized terms used but not defined in this Addendum shall have the same meanings assigned to them in the Guanajuato Silver Company Ltd. Omnibus Equity Compensation Plan (the “**Plan**”).

General

This Addendum includes additional terms and conditions that govern the Plan and Awards if the Participant works or resides in the United States or is otherwise a taxpayer to the United States.

The information contained herein is general in nature and may not apply to the Participant’s particular situation. As a result, the Corporation is not in a position to assure the Participant of any particular result. Accordingly, the Participant is strongly advised to seek appropriate professional advice as to how the relevant laws may apply to the Participant’s individual situation.

Section 409A and Section 457A of the Internal Revenue Code

With respect to Awards subject to Section 409A or Section 457A of the Internal Revenue Code of 1986, as amended, and the rules and regulations thereunder (the “**Code**”), the Plan is intended to be exempt from or otherwise to comply with the requirements of Section 409A and Section 457A of the Code and the provisions of the Plan and any Grant Agreement shall be interpreted in a manner that satisfies the requirements of Section 409A and Section 457A of the Code, and the Plan shall be operated accordingly. If any provision of the Plan or any term or condition of any Award is ambiguous such that an interpretation of the provision would otherwise frustrate or conflict with this intent, the provision, term or condition will be interpreted so as to avoid frustrating or conflicting with this intent. If an amount payable under an Award as a result of the Participant ceasing to be an Eligible Participant (other than due to death) at a time when the Participant is a “specified employee” under Section 409A of the Code constitutes a deferral of compensation subject to Section 409A of the Code, then payment of such amount shall not occur until six months and one day after the date of the Participant’s Termination Date, except as permitted under Section 409A of the Code. If the Award includes a “series of installment payments” (within the meaning of Section 1.409A-2(b)(2)(iii) of the Treasury Regulations), the Participant’s right to the series of installment payments shall be treated as a right to a series of separate payments and not as a right to a single payment, and if the Award includes “dividend equivalents” (within the meaning of Section 1.409A-3(e) of the Treasury Regulations), the Participant’s right to the dividend equivalents shall be treated as a right to a payment or series of payments that is separate from the right to any other payments payable under the Award. Notwithstanding the foregoing, the tax treatment of the benefits provided under the Plan or any applicable Grant Agreement is not warranted or guaranteed, and in no event shall the Corporation be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Participant on account of non-compliance with Section 409A or Section 457A of the Code.

Change of Control

For any Award that provides for accelerated distribution on a Change of Control of amounts that constitute “deferred compensation” (as defined in Section 409A of the Code), if the event that constitutes such Change of Control does not also constitute a change in the ownership or effective control of the Corporation, or in the ownership of a substantial portion of the Corporation’s assets (in either case, as defined in Section 409A of the Code), such amount shall not be distributed on such Change of Control but instead shall vest as of such Change of Control and shall be distributed on the scheduled payment date specified in the applicable Grant Agreement, except to the extent that earlier distribution would not result in the Participant who holds such Award incurring interest or additional tax under Section 409A of the Code.

Termination or Cessation of Employment

With respect to any Award subject to Section 409A of the Code (and not exempt therefrom), a Participant will cease to be an Eligible Participant upon the occurrence of the Participant’s “separation from service” (as such term is defined under Section 409A of the Code).

EXHIBIT "D"

GUANAJUATO SILVER COMPANY LTD.

AUDIT COMMITTEE CHARTER

Purpose

The overall purpose of the Audit Committee (the "**Audit Committee**") of Guanajuato Silver Company Ltd. (the "**Company**") is to ensure that the Company's management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the consolidated financial statements and related financial disclosure of the Company, and to review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of financial information. It is the intention of the Board that through the involvement of the Committee, the external audit will be conducted independently of the Company's management to ensure that the independent auditors serve the interests of Shareholders rather than the interests of management of the Company. The Committee will act as a liaison to provide better communication between the Board and the external auditors. The Committee will monitor the independence and performance of the Company's independent auditors.

Composition, Procedures and Organization

- (3) The Committee shall consist of at least three members of the Board of Directors (the "Board").
- (4) At least two members of the Committee shall be independent, and the Committee shall endeavor to appoint a majority of independent directors to the Committee, who in the opinion of the Board, would be free from a relationship which would interfere with the exercise of the Committee members' independent judgment. At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices applicable to the Company. For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.
- (5) The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
- (6) Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair and a secretary from among their number.
- (7) The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.
- (8) The Committee shall have access to such officers and employees of the Company and to the Company's external auditors, and to such information respecting the Company, as it considers to be necessary or advisable in order to perform its duties and responsibilities.
- (9) Meetings of the Committee shall be conducted as follows:

- (a) the Committee shall meet at least four times annually at such times and at such locations as may be requested by the chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee;
 - (b) the external auditors shall receive notice of and have the right to attend all meetings of the Committee; and
 - (c) management representatives may be invited to attend all meetings except private sessions with the external auditors.
- (8) The internal auditors and the external auditors shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee in the Company as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.

Role and Responsibilities

- (1) The overall duties and responsibilities of the Committee shall be as follows:
- (a) to assist the Board in the discharge of its responsibilities relating to the Company's accounting principles, reporting practices and internal controls and its approval of the Company's annual and quarterly consolidated financial statements and related financial disclosure;
 - (b) to establish and maintain a direct line of communication with the Company's internal and external auditors and assess their performance;
 - (c) to ensure that the management of the Company has designed, implemented and is maintaining an effective system of internal financial controls; and
 - (d) to report regularly to the Board on the fulfilment of its duties and responsibilities.
- (2) The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:
- (a) to recommend to the Board a firm of external auditors to be engaged by the Company, and to verify the independence of such external auditors;
 - (b) to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;
 - (c) review the audit plan of the external auditors prior to the commencement of the audit;
 - (d) to review with the external auditors, upon completion of their audit:
 - A. contents of their report;
 - B. scope and quality of the audit work performed;
 - C. adequacy of the Company's financial and auditing personnel;
 - D. co-operation received from the Company's personnel during the audit;
 - E. internal resources used;
 - F. significant transactions outside of the normal business of the Company;
 - G. significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and
 - H. the non-audit services provided by the external auditors;
 - (e) to discuss with the external auditors the quality and not just the acceptability of the Company's accounting principles; and

- (f) to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management.
- (3) The duties and responsibilities of the Committee as they relate to the internal control procedures of the Company are to:
- (a) review the appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;
 - (b) review compliance under the Company's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate;
 - (c) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Company; and
 - (d) periodically review the Company's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.
- (4) The Committee is also charged with the responsibility to:
- (a) review the Company's quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto;
 - (b) review and approve the financial sections of:
 - A. the annual report to Shareholders;
 - B. the annual information form, if required;
 - C. annual and interim MD&A;
 - D. prospectuses;
 - E. news releases discussing financial results of the Company; and
 - F. other public reports of a financial nature requiring approval by the Board, and report to the Board with respect thereto;
 - (c) review regulatory filings and decisions as they relate to the Company's consolidated financial statements;
 - (d) review the appropriateness of the policies and procedures used in the preparation of the Company's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
 - (e) review and report on the integrity of the Company's consolidated financial statements;
 - (f) review the minutes of any audit committee meeting of subsidiary companies;
 - (g) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Company and the manner in which such matters have been disclosed in the consolidated financial statements;
 - (h) review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information; and

- (i) develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board of Directors following each annual general meeting of shareholders.
- (5) The Committee shall have the authority:
 - (a) to engage independent counsel and other advisors as it determines necessary to carry out its duties,
 - (b) to set and pay the compensation for any advisors employed by the Committee; and
 - (c) to communicate directly with the internal and external auditors.