



**NOTICE OF ANNUAL GENERAL AND SPECIAL  
MEETING OF SHAREHOLDERS  
AND  
MANAGEMENT INFORMATION CIRCULAR**

**April 11, 2023**



Suite 520 – 999 West Hastings Street  
Vancouver, British Columbia V6C 2W2

---

**NOTICE OF ANNUAL GENERAL & SPECIAL MEETING OF SHAREHOLDERS**  
**TO BE HELD ON THURSDAY, MAY 25, 2023**

---

**NOTICE IS HEREBY GIVEN** that the **Annual General & Special Meeting** (the “**Meeting**”) of Norseman Silver Inc. (the “**Company**”) will be held on **Thursday, May 25, 2023 at 3:00 p.m.** (Vancouver time). To mitigate risks to the health and safety of our shareholders, employees, communities and other stakeholders related to COVID-19, and in order to comply with federal, provincial and municipal restrictions that are or may be imposed in connection with the COVID-19 mitigation efforts, the Meeting will take place online only via a virtual meeting portal through which you can listen to the Meeting and submit questions.

The Meeting will be held for the following purposes:

1. to receive the audited financial statements of the Company for the financial year ended September 30, 2022, together with the auditor’s report thereon;
2. to fix number of directors at four (4);
3. to elect the directors for the ensuing year;
4. to appoint the auditors of the Company and to authorize the directors to fix their remuneration;
5. to consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution to adopt and approve the new 2023 Stock Option Plan, the text of which resolution is set forth in the Information Circular which accompanies this Notice of Meeting;
6. to consider, and if deemed appropriate, to pass, with or without variation, an ordinary resolution of disinterested shareholder authorizing and approving a repricing of certain of the Company’s previously granted stock options, as more particularly described in the Information Circular which accompanies this Notice of Meeting; and
7. to transact such other business as may properly come before the Meeting or any adjournments or postponements thereof.

The accompanying management information circular (the “**Circular**”) provides additional detailed information relating to the matters to be dealt with at the Meeting and is supplemental to, and expressly made a part of, this notice of annual general and special meeting (“**Notice**”). Also accompanying this Notice are (i) Form of Proxy or Voting Instruction Form, and (ii) Financial Statement Request Form. Any adjournment of the Meeting will be held at a time and place to be specified at the Meeting. Additional information about the Company and its financial statements are also available on the Company’s profile at [www.sedar.com](http://www.sedar.com).

The board of directors of the Company has by resolution fixed the close of business on Tuesday, April 11, 2023 as the record date, being the date for the determination of the registered holders of common shares of the Company entitled to receive notice of, and to vote at, the Meeting and any adjournment or postponement thereof.

**Registered shareholders who are unable to attend the Meeting, are requested to date, complete and sign the enclosed form of proxy so that as large a representation as possible may be had at the Meeting and deliver it in accordance with the instructions set out in the form of proxy and in the accompanying Circular.**

**Non-registered shareholders who plan to attend the Meeting must follow the instructions set out in the Form of Proxy or Voting Instruction Form to ensure that their common shares will be voted at the Meeting. If you hold your shares in a brokerage account, you are not a registered shareholder.**

**ZOOM MEETING DETAILS:**

In order to dial into the Meeting within Canada, shareholders can phone 1.778.907.2071 or in the United States, shareholders can phone 1.669.900.6833 and enter the Meeting ID and Password noted below.

Alternatively, you can find your local number at: <https://zoom.us/j/88550285209>

In order to access the Meeting through Zoom, shareholders will need to download the application onto their computer or smartphone and then once the application is loaded, enter the Meeting ID and Password below or open the following link:

<https://us02web.zoom.us/j/88550285209?pwd=N3VYcjdWS0p4WHZZODlnYWJxK0ZaZz09>

Shareholders will have the option through the application to join the video and audio or simply view and listen.

Meeting ID: 885 5028 5209

Passcode: 876741

In order to assist the Scrutineer with attendance, Shareholders are asked to log into the Meeting with their First and Last Names.

**DATED** at Vancouver, British Columbia, this 11<sup>th</sup> day of April, 2023.

**BY ORDER OF THE BOARD OF DIRECTORS**

"Sean Hurd" (signed)

Sean Hurd

President & Chief Executive Officer



**MANAGEMENT INFORMATION CIRCULAR**  
**As at April 11, 2023**

**IMPORTANT NOTICE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS OF NORSEMAN SILVER INC. WILL BE A VIRTUAL ONLY MEETING.**

The information contained in this Management Information Circular (the “**Circular**”), unless otherwise indicated, is as of April 11, 2023.

**SOLICITATION OF PROXIES**

This Circular is furnished in connection with the solicitation of proxies by the management of Norseman Silver Inc. (the “**Company**” or “**Norseman**”) to shareholders of record at the close of business on April 11, 2023, which is the date that has been fixed by the directors of the Company as the record date to determine the shareholders who are entitled to receive notice of the meeting. The Company is mailing this Circular in connection with the solicitation of proxies by and on behalf of the Company for use at its annual general and special meeting (the “**Meeting**”) of the shareholders that is to be held on **Thursday, May 25, 2023** at the time and place and for the purposes set forth in the accompanying Notice of Meeting and any adjournment thereof. The solicitation of proxies will be primarily by mail. Certain employees or directors of the Company may also solicit proxies by telephone or in person. The cost of solicitation will be borne by the Company.

The Company is not relying on the “Notice and Access” delivery procedures outlined in National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) to distribute copies of proxy-related materials in connection with the Meeting by posting them on a website.

Under the Company’s Articles, one or more persons present and being, or representing by proxy, two or more shareholders entitled to attend and vote and the Meeting. If such a quorum is not present in person or by proxy, the Meeting will be rescheduled.

**APPOINTMENT AND RECOVCATION OF PROXIES**

If you are a registered shareholder of the Company as at **April 11, 2023**, you are entitled to notice of and to attend at the Meeting and cast a vote for each common share of the Company (each, a “**Common Share**”) registered in your name on all resolutions put before the Meeting. If the Common Shares are registered in the name of a corporation, a duly authorized officer of such corporation may attend on its behalf, but documentation indicating such officer’s authority should be presented at the Meeting. If you are a registered shareholder but do not wish to, or cannot, attend the Meeting in person you can appoint someone who will attend the Meeting and act as your proxyholder to vote in accordance with your instructions (see “**Voting By Proxy**” below). If your Common Shares are registered in the name of a “nominee” (usually a bank, trust company, securities dealer, financial institution or other intermediary) you should refer to the section entitled “**Non-registered Shareholders**” set out below.

It is important that your Common Shares be represented at the Meeting regardless of the number of Common Shares you hold. If you will not be attending the Meeting in person, we invite you to complete, date, sign and return your form of proxy as soon as possible so that your Common Shares will be represented.

**VOTING BY PROXY**

**If you do not come to the Meeting, you can still make your votes count by appointing someone who will be there to act as your proxyholder. You can either tell that person how you want to vote or you can let him or her decide for you. You can do this by completing a form of proxy.**

In order to be valid, you must return the completed form of proxy to the Company’s transfer agent, Odyssey Trust Company (“**Odyssey**”), located at 350 – 409 Granville Street, Vancouver, British Columbia, V6C 1T2, not later than 48 hours, excluding Saturdays, Sundays and holidays, prior to the time fixed for the Meeting or any adjournments thereof.

### *What Is A Proxy?*

A form of proxy is a document that authorizes someone to attend the Meeting and cast your votes for you. We have enclosed a form of proxy with this Circular. You should use it to appoint a proxyholder, although you can also use any other legal form of proxy.

### *Appointing a Proxyholder*

**You can choose any individual to be your proxyholder.** It is not necessary for the person whom you choose to be a shareholder. To make such an appointment, simply fill in the person's name in the blank space provided in the enclosed form of proxy. To vote your Common Shares, your proxyholder must attend the Meeting. If you do not fill a name in the blank space in the enclosed form of proxy, the persons named in the form of proxy are appointed to act as your proxyholder (the "**Management Proxyholders**"). Those persons are directors, officers or other authorized representatives of the Company.

### *Instructing Your Proxy*

You may indicate on your form of proxy how you wish your proxyholder to vote your Common Shares. To do this, simply mark the appropriate boxes on the form of proxy. If you do this, your proxyholder must vote your Common Shares in accordance with the instructions you have given.

**If you do not give any instructions as to how to vote on a particular issue to be decided at the Meeting, your proxyholder can vote your Common Shares as he or she thinks fit. If you have appointed the persons designated in the form of proxy as your proxyholder they will, unless you give contrary instructions, vote your Common Shares IN FAVOUR of each of the items of business being considered at the Meeting.**

For more information about these matters, see Part 3 - The Business of the Meeting. **The enclosed form of proxy gives the persons named on it the authority to use their discretion in voting on amendments or variations to matters identified in the Notice of Meeting.** At the time of printing this Circular, the management of the Company is not aware of any other matter to be presented for action at the Meeting. If, however, other matters do properly come before the Meeting, the persons named on the enclosed form of proxy will vote on them in accordance with their best judgment, pursuant to the discretionary authority conferred by the form of proxy with respect to such matters.

### *Changing Your Mind*

If you want to revoke your proxy after you have delivered it, you can do so at any time before it is used. You may do this by (a) attending the Meeting and voting in person; (b) signing a proxy bearing a later date; (c) signing a written statement which indicates, clearly, that you want to revoke your proxy and delivering this signed written statement to the Company at Suite 520 – 999 West Hastings Street, Vancouver, British Columbia, V6C 2W2; or (d) in any other manner permitted by law.

Your proxy will only be revoked if a revocation is received by 5:00 in the afternoon (Vancouver time) on the last business day before the day of the Meeting, or any adjournment thereof, or delivered to the person presiding at the Meeting before it (or any adjournment) commences. If you revoke your proxy and do not replace it with another that is deposited with us before the deadline, you can still vote your Common Shares but to do so you must attend the Meeting in person. **Only registered shareholders may revoke a proxy. If your Common Shares are not registered in your own name and you wish to change your vote, you must arrange for your nominee to revoke your proxy on your behalf (see below under "Non-Registered Shareholders").**

### **NON-REGISTERED SHAREHOLDERS**

Only registered holders of Common Shares or the persons they appoint as their proxyholders are permitted to vote at the Meeting. In many cases, however, Common Shares beneficially owned by a holder (a "**Non-Registered Holder**") are registered either:

- (a) in the name of an Intermediary (an "**Intermediary**") that the Non-Registered Holder deals with in respect of the Common Shares. Intermediaries include banks, trust companies securities dealers or brokers, and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans; OR
- (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited (CDS)) of which the Intermediary is a participant.

Non-Registered Holders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Company are referred to as “**NOBOs**”. Those Non-Registered Holders who have objected to their Intermediary disclosing ownership information about themselves to the Company are referred to as “**OBOs**”.

Pursuant to NI 54-101 of the Canadian Securities Administrators, the Company has distributed copies of proxy-related materials in connection with this Meeting (including this Circular) indirectly or directly to the NOBOs and to the Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries that receive the proxy-related materials are required to forward the proxy-related materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Intermediaries often use service companies to forward the proxy-related materials to Non-Registered Holders.

The Company will not be paying for Intermediaries to deliver to OBOs (who have not otherwise waived their right to receive proxy-related materials) copies of the proxy-related materials and related documents. Accordingly, an OBO will not receive copies of the proxy-related materials and related documents unless the OBO’s Intermediary assumes the costs of delivery.

Generally, Non-Registered Holders who have not waived the right to receive proxy-related materials (including OBOs who have made the necessary arrangements with their Intermediary for the payment of delivery and receipt of such proxy-related materials) will be sent a voting instruction form which must be completed, signed and returned by the Non-Registered Holder in accordance with the Intermediary’s directions on the voting instruction form. In some cases, such Non-Registered Holders will instead be given a proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. This form of proxy does not need to be signed by the Non-Registered Holder, but, to be used at the Meeting, needs to be properly completed and deposited with Odyssey Trust Company as described under “**Voting By Proxy**” above.

The purpose of these procedures is to permit Non-Registered Holders to direct the voting of the Common Shares that they beneficially own. Should a Non-Registered Holder wish to attend and vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should insert the Non-Registered Holder’s (or such other person’s) name in the blank space provided or, in the case of a voting instruction form, follow the corresponding instructions on the form.

**Non-Registered Holders should carefully follow the instructions of their Intermediaries and their service companies, including instructions regarding when and where the voting instruction form or Proxy form is to be delivered.**

## **BACKGROUND TO THE MEETING**

### **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

The authorized capital of the Company consists of an unlimited number of Common Shares without par value. At the close of business on **April 11, 2023**, 67,076,491 Common Shares were issued and outstanding. Each shareholder is entitled to one vote for each Common Share registered in his or her name at the close of business on **April 11, 2023**, the date fixed by the Company’s directors as the record date for determining who is entitled to receive notice of and to vote at the Meeting.

To the knowledge of the directors and officers of the Company, no person or company beneficially owned, directly or indirectly, or exercised control or direction over, Common Shares carrying more than 10% of the voting rights attached to the outstanding Common Shares of the Company.

### **INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED ON**

Other than as otherwise disclosed in this Circular, no director or executive officer of the Company who was a director or executive officer at any time since the beginning of the Company’s last financial year, or any associate or affiliates of any such directors or officers, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

## PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the board of directors of the Company (the “**Board**”), the matters to be brought before the Meeting are those matters set forth in the accompanying Notice.

### 1. FINANCIAL STATEMENTS

The audited financial statements of the Company for the financial year ended September 30, 2022 and the report of the auditors thereon will be placed before the shareholders at the Meeting. No vote will be taken on the financial statements. The financial statements have been mailed to the shareholders who have requested they receive a copy together with the Notice and this Circular. The financial statements and additional information concerning the Company are available under the Company’s profile at [www.sedar.com](http://www.sedar.com).

### 2. FIX NUMBER OF DIRECTORS AND ELECTION OF DIRECTORS

#### *Number of Directors*

The size of the Board is currently set at four (4). The Board proposes that the number of directors remain at four. At the Meeting, the shareholders will be asked to approve an ordinary resolution that the number of directors elected by fixed at four. Directors of the Company are elected for a term of one year. The term of office of each of the nominees proposed for election as a director will expire at the Meeting, and each of them, if elected, will serve until the close of the next annual general meeting, unless he or she resigns or otherwise vacates office before that time. Under the Company’s Articles and pursuant to the *British Columbia Business Corporations Act*, the number of directors may be set by ordinary resolution but shall not be fewer than three (3). The Company’s four (4) current directors are being put forward by management of the Company for election at the Meeting for the ensuing year.

**The Company’s management recommends that the shareholders vote in favour of the resolution setting the number of directors at four (4). Unless you give other instructions, the Management Proxyholders intend to vote FOR the resolution setting the number of directors at four (4).**

#### *Nominees for Election*

The following are the nominees proposed for election as directors of the Company together with the number of Common Shares, stock options and Common Share purchase warrants that are beneficially owned, directly or indirectly, or over which control or direction is exercised, by each nominee. Each of the nominees has agreed to stand for election and management of the Company is not aware of any intention of any of them not to do so. If, however, one or more of them should become unable to stand for election, it is likely that one or more other persons would be nominated at the Meeting for election and, in that event, the persons designated in the form of proxy will vote in their discretion for a substitute nominee.

The Company’s articles include an advance notice requirement for nominations by shareholders in certain circumstances. The advance notice requirement fixes a deadline by which holders of record of Common Shares must submit director nominations to the Secretary of the Company prior to any annual meeting of shareholders (or any special meeting of shareholders if one of the purposes for which the special meeting is called is the election of one or more directors) and sets forth the specific information that a nominating shareholder must include in the written notice to the Secretary of the Company for a nomination to be valid. A copy of the Company’s articles which includes the advance notice policy may be obtained under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

Name and place of residence	Principal occupation	Director since	Number of shares <sup>(1)</sup>	Number of Convertible Securities
<b>John Campbell Smyth</b> <sup>(2)</sup> Western Australia <i>Chairman and Director</i>	Director of Clariden Capital Ltd. since 2007; Advisor to the Phoenix Gold Fund from 2007 to 2014; Director to Nubian Resources Ltd. since 2019.	September 2, 2018	4,248,500 <sup>(3)</sup>	50,000 warrants <sup>(4)</sup> 950,000 options
<b>Sean Hurd</b> <sup>(2)</sup> British Columbia, Canada <i>President, CEO &amp; Director</i>	Self-employed, private investment. President, CEO & Director of Aftermath Silver Ltd. from 2017 to 2019.	May 29, 2018	1,200,000	1,000,000 options
<b>John Seaman</b> <sup>(2)</sup> Ontario, Canada <i>Director</i>	Mr. Seaman currently serves as President and Chief Executive Officer of a private security company and is a director of I80 Gold Corp., Magna Mining and Wolfden Resources Corporation. Mr. Seaman previously served as Chief Financial Officer of Premier (from August 2006 to June 2012) and as Chief Financial Officer of Wolfden Resources Inc. (from October 2002 to May 2007). He has also been a director and/or officer of various small-cap public companies in the past.	September 2, 2020	123,000	550,000 options
<b>Samuel “Kyler” Hardy</b> British Columbia, Canada <i>Director</i>	President of Cronin Capital Corp. from January 2007 to present. Director of Temas Resources Corp. since 2020 and CEO of Cloudbreak Discovery Plc since 2019.	February 8, 2021	50,000 <sup>(5)</sup>	950,000 options <sup>(6)</sup>

**Notes:**

- (1) Information as to ownership of the Company’s Common Shares has been taken from the list of registered shareholders maintained by the Company’s transfer agent or has been provided by the individual.
- (2) Member of the Audit Committee.
- (3) Of these shares, 400,00 are held directly by Mr. Smyth and 3,848,500 are held by Clariden Capital Ltd., a company wholly owned by Mr. Smyth.
- (4) These warrants are held by Clariden Capital Ltd., a company wholly owned by Mr. Smyth.
- (5) These shares are held by Cronin Capital Corp., a company wholly owned by Mr. Hardy.
- (6) Of these options, 150,000 are held by Cronin Services Ltd. over which Mr. Hardy exercises control and direction.

**THE COMPANY’S MANAGEMENT RECOMMENDS THAT THE SHAREHOLDERS VOTE IN FAVOUR OF THE ELECTION OF DIRECTORS. UNLESS YOU GIVE OTHER INSTRUCTIONS, THE MANAGEMENT PROXYHOLDERS INTEND TO VOTE FOR THE ELECTION OF DIRECTORS.** Management has no reason to believe that any of the nominees will be unable to serve as a director but, **IF A NOMINEE IS FOR ANY REASON UNAVAILABLE TO SERVE AS A DIRECTOR, PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE REMAINING NOMINEES AND MAY BE VOTED FOR A SUBSTITUTE NOMINEE UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF THE ELECTION OF DIRECTORS.**

***Corporate Cease Trade Orders or Bankruptcies***

On February 2, 2018, the British Columbia Securities Commission (“BCSC”) issued a failure to file cease trade order (the “FFCTO”) against the Company for failing to file (i) its annual audited financial statements for the year ended September 30, 2017; (ii) its annual management’s discussion and analysis for the year ended September 30, 2017; and (iii) certification of the annual filings for the year ended September 30, 2017 (the “**Outstanding Continuous Disclosure**”). On April 23, 2018, the Company filed the Outstanding Continuous Disclosure and on May 2, 2018, the BCSC revoked the FFCTO.

Other than as disclosed in this Circular, no proposed director, within 10 years before the date of this Circular, has been a director, chief executive officer or chief financial officer of any company that:

- (a) was subject to: (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (collectively an “Order”) and that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No proposed director, within 10 years before the date of this Circular, has been a director or executive officer of any company that, while the proposed director was acting in that capacity, or within a year of the proposed director 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.

#### ***Personal Bankruptcies***

None of the directors of the Company have, within the 10 years before the date of this 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 such person.

#### ***Penalties and Sanctions***

None of the directors of the Company have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

### **3. APPOINTMENT OF THE AUDITOR**

At the Meeting, DeVisser Gray LLP, located at 401 – 905 West Pender Street, Vancouver, British Columbia V6C 1L6, will be recommended by management and the Board for re-appointment as auditors of the Company at a remuneration to be fixed by the directors. DeVisser Gray LLP, Chartered Professional Accountants, were first appointed as the auditors of the Company on December 21, 2020.

The Company’s management recommends that the shareholders vote in favour of the appointment of DeVisser Gray LLP, as the Company’s auditor for the ensuing year and grant the Board the authority to determine the remuneration to be paid to the auditor. **Unless you give instructions otherwise, the Management Proxyholders intend to vote FOR the appointment of DeVisser Gray LLP, to act as the Company’s auditors until the close of its next annual general meeting and also intend to vote FOR the proposed resolution to authorize the Board to fix the remuneration to be paid to the auditors.**

### **4. APPROVAL OF STOCK OPTION PLAN**

The Company is seeking the approval of its new 2023 stock option plan (the “**New Plan**”), whereby a maximum of 10% of the number of issued and outstanding shares of the Company at any given time may be reserved for issuance pursuant to the exercise of options. As the number of shares reserved for issuance under the New Plan increases with the issue of additional shares by the Company, the New Plan is considered to be a “rolling” stock option plan.

The purpose of the New Plan is to advance the interests of the Company by encouraging equity participation in the Company through the acquisition of Common Shares of the Company.

### Particulars of the New Plan

The New Plan provides that stock options may be granted to Service Providers of the Company (defined as a director, officer, employees, management company employee, consultant or consultant company) of the Company. For the purposes of the New Plan, the terms “director”, “officer”, “employee”, “management company employee”, “consultant” and “consultant company” have the meanings set out in the Exchange Policy 4.4.

The New Plan provides for the issuance of stock options to acquire at any time up to a maximum of 10% of the issued and outstanding common shares of the Company (subject to standard anti-dilution adjustments). If a stock option expires or otherwise terminates for any reason without having been exercised in full, the number of common shares reserved for issuance under that expired or terminated stock option will again be available for the purposes of the New Plan. Any stock option outstanding when the New Plan is terminated will remain in effect until it is exercised or it expires.

The New Plan provides that it is solely within the discretion of the Board to determine who should receive stock options and in what amounts, subject to the following conditions:

- (a) options will be non-assignable and non-transferable except that they will be exercisable by the personal representative of the Service Provider in the event of the Service Provider’s death;
- (b) options may be exercisable for a maximum of ten years from the date of grant;
- (c) options to acquire no more than 5% of the issued shares of the Company may be granted to any one person (including companies wholly-owned by such person) in any 12-month period;
- (d) options to acquire no more than 2% of the issued shares of the Company may be granted to any one consultant in any 12-month period;
- (e) options to acquire no more than an aggregate of 2% of the issued shares of the Company may be granted to a Service Provider conducting Investor Relations Activities in any 12-month period, without the prior consent of the Exchange;
- (f) at no time will options be issued which could permit at any time the aggregate number of shares reserved for issuance under stock options granted to insiders (as a group) at any point in time exceeding 10% of the issued shares;
- (g) at no time will options be issued which could permit at any time the grant to insiders (as a group), within a 12-month period, of an aggregate number of options exceeding 10% of the issued shares calculated at the date an option is granted to any insider;
- (h) options held by a Service Provider must expire within one year after the Service Provider ceases to be a director, officer, employee, management company employee, consultant or consultant company, which time period the Company determines is reasonable;
- (i) options held by a Service Provider who is engaged in Investor Relations Activities must expire within 30 days after the Service Provider ceases to be employed by the Company to provide Investor Relations Activities; and
- (j) in the event of a Service Provider’s death, the Service Provider’s personal representative may exercise any portion of the Service Provider’s vested outstanding options for a period of one year following the Service Provider’s death.

The New Plan provides that other terms and conditions may be attached to a particular stock option, such terms and conditions to be referred to in a schedule attached to the option certificate. Stock options granted to Service Providers vest when granted unless otherwise determined by the Board on a case by case basis. Stock options

granted to Service Providers performing Investor Relations Activities, will vest in stages over 12 months with no more than  $\frac{1}{4}$  of the options vesting in any three-month period.

In addition, under the New Plan, a stock option will expire immediately in the event a director or officer ceases to be a director or officer of the Company as a result of:

- (a) ceasing to meet the qualifications under the Act;
- (b) the passing of a special resolution by the shareholders; or
- (c) an order made by a regulatory authority.

A stock option will also expire immediately in the event a Service Provider ceases to be a Service Provider as a result of termination for cause or a Service Provider ceases to be a Service Provider as a result of an order made by a regulatory authority.

The price at which a Service Provider may purchase a share upon the exercise of a stock option will be as set forth in the option certificate issued in respect of such option and in any event will not be less than the Discounted Market Price of the Company's shares as of the date of the grant of the stock option (the "Award Date"). The market price of the Company's shares for a particular Award Date will typically be the closing trading price of the Company's shares on the day immediately preceding the Award Date, or otherwise in accordance with the terms of the New Plan. Discounted Market Price has the meaning assigned by Policy 1.1 of the Exchange.

In no case will a stock option be exercisable at a price less than the minimum prescribed by the organized trading facility or the applicable regulatory authorities that would apply to the award of the stock option in question.

Subject to the provisions of the New Plan, once an Option has vested and become exercisable, an Optionee may elect to exercise such Option by either:

- (a) A "net exercise" whereby Options, excluding Options held by any Investor Relations Service Provider, are exercised without the Participant making any cash payment so the Company does not receive any cash from the exercise of the subject Options, and instead the Participant receives only the number of underlying Common Shares that is the equal to the quotient obtained by dividing: (A) the product of the number of Options being exercised multiplied by the difference between the VWAP of the underlying Common Shares and the exercise price of the subject Options; by (B) the VWAP of the underlying Shares; or
- (b) a broker assisted "cashless exercise" in which the Company delivers a copy of irrevocable instructions to a broker engaged for such purposes by the Company to sell the Common Shares otherwise deliverable upon the exercise of the Options and to deliver promptly to the Company an amount equal to the Exercise Price and all applicable required withholding obligations a determined by the Company against delivery of the Common Shares to settle the applicable trade.

The New Plan also provides that: (a) disinterested shareholder approval will be obtained for any reduction in the exercise price of an option held by an Insider; and (b) options cannot be granted to Service Providers that are not bona fide Service Providers, as the case may be.

Shares will not be issued pursuant to stock options granted under the New Plan until they have been fully paid for by the option holder.

The above information is intended to be a brief description of the New Plan and is qualified in its entirety by the full text of the New Plan, a copy of which is attached hereto as Schedule "B".

As at April 11, 2023, there were 5,600,000 stock options outstanding.

## Shareholder Approval

The New Plan is subject to receipt of the annual acceptance from the Exchange to its filing. Shareholders will be asked to consider, and if thought fit, pass, an ordinary resolution approving the Company's New Plan. The text of the proposed resolution is as follows:

**“BE IT RESOLVED, AS AN ORDINARY RESOLUTION OF THE SHAREHOLDERS AND SUBJECT TO REGULATORY APPROVAL, THAT:**

1. the Company's 2023 Stock Option Plan (the “**New Plan**”), dated April 6, 2023, as approved by the Board on April 6, 2023, be and is hereby confirmed, ratified and approved;
2. the Board be authorized on behalf of the Company to make any further amendments to the New Plan as may be required by regulatory authorities, without further approval of the shareholders of the Company, in order to ensure the approval of the New Plan;
3. the Company be authorized to grant stock options pursuant and subject to the terms and conditions of the New Plan, entitling the option holders to purchase up to that number of common shares in the capital of the Company (the “**Common Shares**”) that would equal 10% of the issued and outstanding Common Shares as at the time of the grant; and
4. any one or more of the directors or senior officers of the Company be and is hereby authorized and directed, for and on behalf of the Company, to execute and deliver all such documents and other writings, including treasury orders, and to do all such other acts and things as such director or officer may determine to be necessary or advisable to give effect to this ordinary resolution, the execution and delivery of any such document or the doing of any such other act or thing being conclusive evidence of such determination.”

The resolution may be passed by a simple majority of the shares voted by shareholders of the Company who vote on the matter in person via teleconference or by proxy. Accordingly, the Board recommends that shareholders vote in favour of the resolution approving the New Plan, the full text of which is attached to this circular as Schedule “B”.

**The Company's management recommends that the shareholders vote in favour of the resolution approving the New Plan. Unless you give other instructions, the Management Proxyholders intend to vote FOR the resolution approving the New Plan.**

## 5. APPROVAL OF RE-PRICING OF CERTAIN STOCK OPTIONS

As an exploration stage company, the Company relies on incentive stock options as a means of attracting, retaining and motivating employees and consultants, as well as aligning management's interest with shareholders.

The options currently outstanding are exercisable between \$0.375 and \$0.45 per share, which are significantly above the trading price of the Common Shares on the record date, being \$0.11. The stated goal of the incentive stock option plan approved by the Company's shareholders is to attract and retain qualified personnel to work for the Company. However, the referenced options no longer accomplish that goal. Accordingly, on April 20, 2023, the Company announced that subject to approval by the TSXV and by an ordinary resolution of disinterested Shareholders, to re-price its stock options.

The options to be repriced are set out in the table below:

Number of Options	Current Exercise Price	Proposed Exercise Price	Expiry Date
3,075,000	\$0.375	\$0.20	February 9, 2026
500,000	\$0.40	\$0.20	June 16, 2026
700,000	\$0.45	\$0.20	September 3, 2026

### Stock Option Repricing Resolution

At the Meeting, the Shareholders of the Company will be asked to consider and approve an ordinary resolution, in substantially the following form, in order to approve the repricing of the stock options set forth above, which resolution requires approval of greater than 50% of the votes cast by the Shareholders, excluding the votes attached to all Common Shares held by those insiders set forth above (to the knowledge of the Company, those insiders referred to above hold an aggregate of 5,621,500 Common Shares as of April 11, 2023, representing approximately 8.38% of all issued and outstanding Common Shares as of such date), who, being entitled to do so, vote, in person or by proxy, on the ordinary resolution at the Meeting:

**“BE IT RESOLVED, AS AN ORDINARY RESOLUTION OF DISINTERESTED SHAREHOLDERS AND SUBJECT TO REGULATORY APPROVAL, THAT:**

- (a) subject to final acceptance of the TSX Venture Exchange (the “TSXV”), the Company repricing of those stock options detailed in the management information circular of Norseman Silver Inc. (the “Company”) dated April 11, 2023, is hereby approved;
- (b) any one director or officer of the Company is hereby authorized to execute and deliver on behalf of the Company all such documents and instruments and to do all such other acts and things as in such director’s opinion may be necessary to give effect to the matters contemplated by these resolutions; and
- (c) notwithstanding that this resolution be passed by the shareholders of the Company, the approval of the proposed repricing of the Company’s stock options is conditional upon receipt of final approval of the TSXV, and the directors of the Company are hereby authorized and empowered to revoke this resolution, without any further approval of the shareholders of the Company, at any time if such revocation is considered necessary or desirable to the directors.”

The Board has determined that the re-repricing of the stock options set forth above is in the best interests of the Company and unanimously recommends that the Shareholders vote in favour of approving the foregoing resolution. In absence of any contrary directions, it is the intention of management to vote proxies in the accompanying form **FOR** the foregoing resolution.

**PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE RESOLUTION REPRICING STOCK OPTION UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE VOTED AGAINST SUCH RESOLUTION.**

### STATEMENT OF EXECUTIVE COMPENSATION

Under applicable securities legislation, the Company is required to disclose certain financial and other information relating to the compensation of the Chief Executive Officer, the Chief Financial Officer and the most highly compensated executive officer of the Company as at September 30, 2022 whose total compensation was more than \$150,000 for the financial year of the Company ended September 30, 2022 (collectively the “Named Executive Officers”) and for the directors of the Company.

#### *Summary Compensation Table*

The following table provides a summary of compensation paid, directly or indirectly, for each of the two most recently completed financial years to the Named Executive Officers and the directors of the Company:

TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES <sup>(1)</sup>							
Name and position	Year Ended Sept 30	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
<b>John “Campbell” Smyth</b> <sup>(2)</sup> <i>Chairman &amp; Director</i>	2022	90,000	Nil	Nil	Nil	Nil	90,000
	2021	90,000	Nil	Nil	Nil	Nil	90,000
<b>Sean Hurd</b> <sup>(3)</sup> <i>President, CEO &amp; Director</i>	2022	180,000	Nil	Nil	Nil	Nil	180,000
	2021	180,000	Nil	Nil	Nil	Nil	180,000
<b>David Robinson</b> <sup>(4)</sup> <i>CFO</i>	2022	90,000	Nil	Nil	Nil	Nil	90,000
	2021	90,000	Nil	Nil	Nil	Nil	90,000
<b>John Seaman</b> <sup>(5)</sup> <i>Director</i>	2022	30,000	Nil	Nil	Nil	Nil	30,000
	2021	30,000	Nil	Nil	Nil	Nil	30,000
<b>Samuel “Kyler” Hardy</b> <sup>(6)</sup> <i>Director</i>	2022	30,000	Nil	Nil	Nil	Nil	30,000
	2021	30,000	Nil	Nil	Nil	Nil	30,000

**Notes:**

- (1) This table does not include any amount paid as reimbursement for expenses. This table includes compensation received by the Named Executive Officers as directors of the Company.
- (2) John Campbell Smyth was appointed as a director on September 2, 2018 and as Chairman on September 8, 2020.
- (3) Sean Hurd was appointed as a director on May 29, 2018 and as President and CEO on September 8, 2020.
- (4) David Robinson was appointed as Chief Financial Officer on September 8, 2020.
- (5) John Seaman was appointed as a director on September 2, 2020.
- (6) Samuel “Kyler” Hardy was appointed as a director on February 8, 2021.

**Stock Options and Other Compensation Securities**

Compensation securities granted or issued to each Named Executive Officer and director during the financial year ended September 30, 2022 for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries is set out in the table below:

COMPENSATION SECURITIES							
Name and Position	Type of compensation security	Number of Compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
<b>John “Campbell” Smyth</b> <i>Chairman &amp; Director</i>	Stock options <sup>(1)</sup>	150,000	Apr 5, 2022	\$0.20	\$0.175	\$0.115	Apr 5, 2027
<b>Sean Hurd</b> <i>President, CEO &amp; Director</i>	Stock options <sup>(1)</sup>	150,000	Apr 5, 2022	\$0.20	\$0.175	\$0.115	Apr 5, 2027
<b>David Robinson</b> <i>CFO</i>	Stock options <sup>(1)</sup>	50,000	Apr 5, 2022	\$0.20	\$0.175	\$0.115	Apr 5, 2027
<b>John Seaman</b> <i>Director</i>	Stock options <sup>(1)</sup>	50,000	Apr 5, 2022	\$0.20	\$0.175	\$0.115	Apr 5, 2027
<b>Samuel “Kyler” Hardy</b> <i>Director</i>	Stock options <sup>(1)</sup>	100,000	Apr 5, 2022	\$0.20	\$0.175	\$0.115	Apr 5, 2027

**Notes:**

- (1) The fair value of each stock option at the date of grant was estimated using the Black-Scholes option pricing model to be consistent with the audited financial statements of the Company and included the following weighted average assumptions: April 5, 2022 dividend yield 0.00%, expected volatility 111%, risk-free interest rate 2.28% and an expected life of five years.

***Exercise of Compensation Securities by Directors and Named Executive Officers***

There were no compensation securities exercised by a director or Named Executive Officer during the financial year ended September 30, 2022.

***Stock Option Plans and Other Incentive Plans***

In 2018 the directors of the Company adopted a “rolling” stock option plan (the “**Current Plan**”), which was approved by Shareholders at its 2018 Annual General and Special Meeting, and also approved by the TSX Venture Exchange (the “**Exchange**”). Effective November 24, 2021, the Exchange adopted Policy 4.4 Security Based Compensation (the “**Policy 4.4**”) and the Company wished to adopt a new stock option plan to comply with the more comprehensive requirements of the Policy 4.4 for Ties 2 issuers.

Under the Current Plan, the maximum number of common shares reserved for issuance, including stock options currently outstanding, is equal to ten (10%) percent of the common shares outstanding from time to time. The Current Plan has been established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Current Plan provides that options will be issued to directors, officers, employees or consultants of the Company.

The directors have approved the new 2023 Stock Option Plan (the “**New Plan**”) which will be presented to the Shareholders for approval at the Meeting. The New Plan will replace the Current Plan.

Pursuant to the New Plan, the Board may grant stock options to purchase common shares in the capital of the Company from time to time by the Board to eligible persons (collectively, “**Service Providers**”) in consideration of such Service Providers providing services to the Company or its affiliates. The number of stock options granted by the Company to Service Providers is determined by the Board, within the guidelines established by the New Plan. The stock options enable such persons to purchase common shares at a price fixed under such guidelines. The stock options are exercisable by the Service Providers giving the Company notice and payment of the exercise price for the number of common shares to be acquired.

The purpose of the New Plan is to advance the interests of the Company by encouraging equity participation in the Company through the acquisition of Common Shares of the Company.

Under the New Plan, the maximum aggregate number of common shares reserved for issuance, including stock options currently outstanding, is equal to ten (10%) percent of the common shares outstanding from time to time (the “**10% Maximum**”). The 10% Maximum is an “evergreen” provision, meaning that, following the exercise, termination, cancellation or expiration of any stock options, a number of common shares equivalent to the number of options so exercised, terminated, cancelled or expired would automatically become reserved and available for issuance in respect of future stock option grants.

At the most recently completed financial year, there are 5,600,000 stock options outstanding under the Current Plan, 3,450,000 of which are held by NEOs or directors of the Company.

The Company has no equity compensation plans other than the Stock Option Plan.

***Employment, consulting and management agreements***

In the financial year ended September 30, 2022 the Company did not have any employment, consulting and management agreements in place.

The Company does not have any employment, consulting or management agreements or arrangements with any of the Company’s current Named Executive Officers or directors.

## **Oversight and Description of Director and Named Executive Officer Compensation**

### ***Compensation of Directors***

The Board determines the compensation payable to the directors of the Company and reviews such compensation periodically throughout the year. For their role as directors of the Company, each director of the Company who is not a Named Executive Officer may, from time to time, be awarded stock options under the provisions of the Stock Option Plan. There are no other arrangements under which the directors of the Company who are not Named Executive Officers were compensated by the Company or its subsidiaries during the most recently completed financial year end for their services in their capacity as directors of the Company.

### ***Compensation of Named Executive Officers***

#### **Principles of Executive Compensation**

The Company believes in linking an individual's compensation to his or her performance and contribution as well as to the performance of the Company as a whole. The primary components of the Company's executive compensation are base salary and option-based awards. The Board believes that the mix between base salary and incentives must be reviewed and tailored to each executive based on their role within the organization as well as their own personal circumstances. The overall goal is to successfully link compensation to the interests of the shareholders. The following principles form the basis of the Company's executive compensation program:

- (1) align interest of executives and shareholders;
- (2) attract and motivate executives who are instrumental to the success of the Company and the enhancement of shareholder value;
- (3) pay for performance;
- (4) ensure compensation methods have the effect of retaining those executives whose performance has enhanced the Company's long-term value; and
- (5) connect, if possible, the Company's employees into principles 1 through 4 above.

The Board approves, or recommends for approval, all compensation to be awarded to the directors of the Company and the Named Executive Officers. The Board also has the responsibility to make recommendations concerning annual bonuses and grants to eligible persons under the Stock Option Plan. The Board may direct management to gather information on its behalf and provide initial analysis and commentary. The Board reviews this material along with other information received from any external advisors which may be retained in its deliberations before considering or making decisions. The Board has full discretion to adopt or alter management recommendations. The Board also reviews and approves the hiring of executive officers.

#### **Base Salary**

The Board approves the salary ranges for the Named Executive Officers. The base salary review for each Named Executive Officer is based on assessment of factors such as current competitive market conditions, compensation levels within the peer group and particular skills, such as leadership ability and management effectiveness, experience, responsibility and proven or expected performance of the particular individual. Comparative data for the Company's peer group is also accumulated from a number of external sources including independent consultants. The Company's policy for determining salary for executive officers of the Company is consistent with the administration of salaries for all other employees.

#### **Annual Incentives**

The Company is not currently awarding any annual incentives by way of cash bonuses. However, the Company, in its discretion, may award such incentives in order to motivate executives to achieve short-term corporate goals. The Board approves annual incentives.

The success of Named Executive Officers in achieving their individual objectives and their contribution to the Company in reaching its overall goals are factors in the determination of their annual bonus. The Board assesses each Named Executive Officers' performance on the basis of his or her respective contribution to the achievement of the predetermined corporate objectives, as well as to needs of the Company that arise on a day to day basis. This assessment is used by the Board in developing its recommendations with respect to the determination of annual bonuses for the Named Executive Officers.

### Compensation and Measurements of Performance

It is the intention of the Board to approve targeted amounts of annual incentives for each Named Executive Officer at the beginning of each financial year. The targeted amounts will be determined by the Board based on a number of factors, including comparable compensation of similar companies.

Achieving predetermined individual and/or corporate targets and objectives, as well as general performance in day to day corporate activities, will trigger the award of a bonus payment to the Named Executive Officers. The Named Executive Officers will receive a partial or full incentive payment depending on the number of the predetermined targets met and the Board's assessment of overall performance. The determination as to whether a target has been met is ultimately made by the Board and the Board reserves the right to make positive or negative adjustments to any bonus payment if they consider them to be appropriate.

### Long Term Compensation

The Company currently has no long-term incentive plans, other than stock options granted from time to time by the Board under the provisions of the Stock Option Plan.

### **Pension Disclosure**

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

### **Termination and Change of Control Benefits**

The Company does not have in place any pension or retirement plan. Compensation plans with Named Executive Officers and directors resulting from the termination of employment of such Named Executive Officer or a change of control of the Company are described under "*Employment, Consulting and Management Agreements*".

Other than as otherwise disclosed in this Circular, the Company has not provided compensation, monetary or otherwise, during the preceding fiscal year, to any person who now acts or has previously acted as a Named Executive Officer or director of the Company in connection with or related to the retirement, termination or resignation of such person. The Company has not provided any compensation to such persons as a result of a change of control of the Company, its subsidiaries or affiliates.

### **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

As of September 30, 2022, the Company's most recently completed financial year, the Company's Stock Option Plan was the only equity compensation plan under which securities were authorized for issuance.

<b>Plan category</b>	<b>Number of securities<sup>(2)</sup> to be issued upon exercise of outstanding options, warrants and rights (a)<sup>(3)</sup></b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)</b>
Equity compensation plans <sup>(1)</sup> approved by security holders	5,600,000	\$0.35	1,107,649
Equity compensation plans not approved by security holders	N/A	N/A	N/A
<b>Total:</b>	<b>5,600,000</b>	<b>\$0.35</b>	<b>1,107,649</b>

#### **Notes:**

<sup>(1)</sup> The Stock Option Plan is a "rolling" stock option plan whereby the maximum number of Common Shares that may be reserved for issue pursuant to the Stock Option Plan will not exceed 10% of the issued Common Shares at the time of the stock option grant. As at the date

hereof, 6,707,649 stock options may be reserved for issue pursuant to the Stock Option Plan, 5,600,000 stock options have been issued and are outstanding and 1,107,649 stock options are still available for future issue.

(2) Underlying securities are Common Shares in the capital of the Company.

(3) As of September 30, 2022.

### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Except as otherwise disclosed herein, no proposed nominee for election as a director, and no director or executive officer of the Company who has served in such capacity since the beginning of the last financial year of the Company, and no shareholder holding of record or beneficially, directly or indirectly, more than 10% of the Company's outstanding Common Shares, and none of the respective associates or affiliates of any of the foregoing, had (or has) any interest in any transaction with the Company since the commencement of our most recently completed financial year ended September 30, 2022, or in any proposed transaction, that has materially affected the Company or is likely to do so.

### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

No director or officer of the Company or person who acted in such capacity in the last financial year of the Company, or any other individual who at any time during the most recently completed financial year of the Company was a director of the Company or any associate of the Company, is indebted to the Company, nor is any indebtedness of any such person to another entity the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company.

### **AUDIT COMMITTEE INFORMATION REQUIRED IN THE INFORMATION CIRCULAR OF A VENTURE ISSUER**

National Instrument 52-110 – *Audit Committees* (“NI 52-110”) requires that certain information regarding the Audit Committee of a “venture issuer” (as that term is defined in NI 52-110) be included in the management information circular sent to shareholders in connection with the issuer’s annual meeting. The Company is a “venture issuer” for the purposes of NI 52-110.

#### **Audit Committee Charter**

The full text of the charter of the Company’s Audit Committee Charter is attached as Schedule “A” to this Circular (the “**Audit Committee Charter**”).

#### **Composition of Audit Committee**

Sean Hurd, John “Campbell” Smyth and John Seaman are members of the Company’s Audit Committee. At present, one of the Audit Committee members, John Seaman, is considered “independent” as that term is defined in applicable securities legislation. Sean Hurd is not considered independent by virtue of him holding office as the President and Chief Executive Officer of the Company. John “Campbell” Smyth is not considered independent by virtue of him holding office as the Chairman of the Company.

All of the Audit Committee members 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.

#### **Relevant Education and Experience**

The following is a description of the education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as an Audit Committee member and, in particular, any education or experience that would provide the member with:

1. an understanding of the accounting principles used by the Company to prepare its consolidated financial statements;
2. the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;

3. experience preparing, auditing, analyzing or evaluating consolidated financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's consolidated financial statements, or experience actively supervising one or more persons engaged in such activities; and
4. an understanding of internal controls and procedures for financial reporting.

**Sean Hurd, President CEO and Director** – Mr. Hurd has over twenty years of experience in the mining exploration sector holding positions as President, CEO Director, Investor Relations and Corporate Development with various companies including issuers listed on the TSX Venture Exchange. His primary activities have been with publicly traded venture companies in mining, oil & gas and industrial sectors providing management, fundraising and various consulting/marketing services. He has held leading roles taking companies public, marketing, mergers, acquisitions, restructurings and negotiating joint ventures with major multinational companies.

**John “Campbell” Smyth, Director and Chairman** – Mr. Smyth serves as director to Nubian Resources Ltd., a company listed on the TSX Venture Exchange. He has fifteen years of experience in managed portfolio investing (in both mutual and hedge funds) and over twenty-five years of experience in corporate financing and capital raising. Mr. Smyth received a Bachelor of Commerce degree from the University of Western Australia in 1990 and he holds the designation of an authorized securities representative granted by the Australian Securities and Investments Commission as of 2001.

**John Seaman, Director** – Mr. Seaman was the Chief Financial Officer of Premier Gold Mines from August 2006 to June 2012, Chief Financial Officer of Pediment Gold Corp. from April 2007 to February 2007 and Chief Financial Officer of Wolfden Resources Inc. from October 2002 to May 2007. In addition, John has been a director and/or officer of various public companies and currently President and CEO of a private security company.

#### **Audit Committee Oversight**

Since the commencement of the Company's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board.

#### **Reliance on Exemptions in NI 52-110**

Since the commencement of the Company's most recently completed financial year, the Company has not relied on:

1. the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110 (which exempts all non-audit services provided by the Company's auditor from the requirement to be pre-approved by the Audit Committee if such services are less than 5% of the auditor's annual fees charged to the Company, are not recognized as non-audit services at the time of the engagement of the auditor to perform them and are subsequently approved by the Audit Committee prior to the completion of that year's audit);
2. the exemption in subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*) of NI 52-110 (an exemption from the requirement that a majority of the members of the Audit Committee must not be executive officers, employees or control persons of the Company or of an affiliate of the Company if a circumstance arises that affects the business or operations of the Company and a reasonable person would conclude that the circumstance can be best addressed by a member of the Audit Committee becoming an executive officer or employee of the Company);
3. the exemption in subsection 6.1.1(5) (*Events Outside Control of Member*) (an exemption from the requirement that a majority of the members of the Audit Committee must not be executive officers, employees or control persons of the Company or of an affiliate of the Company if an Audit Committee member becomes a control person of the Company or of an affiliate of the Company for reasons outside the member's reasonable control);

4. the exemption in subsection 6.1.1(6) (*Death, Incapacity or Resignation*) (an exemption from the requirement that a majority of the members of the Audit Committee must not be executive officers, employees or control persons of the Company or of an affiliate of the Company if a vacancy on the Audit Committee arises as a result of the death, incapacity or resignation of an Audit Committee member and the Board was required to fill the vacancy); or
5. an exemption from the requirements of NI 52-110, in whole or in part, granted by a securities regulator under Part 8 (Exemptions) of NI 52-110.

The Company is a “venture issuer” for the purposes of NI 52-110. Accordingly, the Company is relying upon the exemption in section 6.1 of NI 52-110 providing that the Company is exempt from the application of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

#### **Pre-Approval Policies and Procedures for Non-Audit Services**

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in the Audit Committee Charter.

#### **Audit Fees**

The fees paid by the Company to its auditors in each of the last two financial years, by category, are as follows:

	Financial Year Ending September 30	Audit Fees	Audit-related Fees	Tax Fees	All Other Fees
DeVisser Gray LLP <sup>(1)</sup>	2022	\$15,000	\$146	\$1,000	Nil
	2021	\$13,000	Nil	\$1,000	Nil

**Note:**

<sup>(1)</sup> DeVisser Gray LLP was appointed as the Company’s auditor effective December 21, 2020.

**Audit Fees** – aggregate fees billed for professional services rendered by the auditor for the audit of the Company’s annual consolidated financial statements as well as services provided in connection with statutory and regulatory filings.

**Audit-Related Fees** – aggregate fees billed for professional services rendered by the auditor and were comprised primarily of audit procedures performed related to the review of quarterly consolidated financial statements and related documents.

**Tax Fees** – aggregate fees billed for tax compliance, tax advice and tax planning professional services. These services included reviewing tax returns and assisting in responses to government tax authorities.

**All Other Fees** – aggregate fees billed for professional services which included accounting advice.

### **REPORT ON CORPORATE GOVERNANCE**

The Company believes that adopting and maintaining appropriate governance practices is fundamental to a well-run company, to the execution of its chosen strategies and to its successful business and financial performance. National Instrument 58-101 – *Disclosure of Corporate Governance Practices* and National Policy 58-201 – *Corporate Governance Guidelines* (collectively the “**Governance Guidelines**”) of the Canadian Securities Administrators set out a list of non-binding corporate governance guidelines that issuers are encouraged to follow in developing their own corporate governance 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. The Company will continue to review and implement corporate governance guidelines as the business of the Company progresses and becomes more active in operations.

The following disclosure is required by the Governance Guidelines and describes the Company’s approach to governance and outlines the various procedures, policies and practices that the Company and the Board have implemented.

## Board of Directors

The Board is currently composed of four (4) directors. Form 58-101F2 – *Corporate Governance Disclosure* (Venture Issuers) (“**Form 58-101F2**”) requires disclosure regarding how the Board facilitates its exercise of independent supervision over management of the Company by providing the identity of directors who are independent and the identity of directors who are not independent and the basis for that determination. NI 52-110 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 Board, be reasonably expected to interfere with the exercise of a director’s independent judgment. In addition, under NI 52-110, an individual who is, or has been within the last three years, an employee or executive officer of an issuer, is deemed to have a “material relationship” with the issuer. Accordingly, all of the proposed director nominees are considered not to be “independent” within the meaning of NI 52-110. In assessing Form 58-101F2 and making the foregoing determinations, the Board has examined the circumstances of each director in relation to a number of factors.

## Directorships

Certain of the Board nominees are also directors of other reporting issuers (or equivalent) in a jurisdiction or a foreign jurisdiction as follows:

Name of Director	Other reporting issuer (or equivalent in a foreign jurisdiction)
John “Campbell” Smyth	Nubian Resources Ltd. (TSX-V)
John Seaman	I80 Gold Corp. (TSX) Magna Mining (TSX-V) Wolfden Resources (TSX-V) Canadian Nexus Team Ventures Corp. (CSE)
Samuel “Kyler” Hardy	Cloudbreak Discovery Plc (AQSE) Graycliff Exploration Ltd. (CSE) Temas Resources Corp. (CSE) Buscando Resources Corp. (CSE)

## Board Committees

The Board has constituted one committee, the Audit Committee.

### *Audit Committee*

The Audit Committee is composed of three directors as named above. The operation of the Audit Committee is described in the section entitled “*Audit Committee Information Required in The Information Circular of a Venture Issuer*” in this Circular.

## Orientation and Continuing Education

The Board does not have a formal orientation or education program for its members. The Board’s continuing education is typically derived from correspondence with the Company’s legal counsel to remain up to date with developments in relevant corporate and securities law matters. Additionally, historically board members have been nominated who are familiar with the Company and the nature of its business. New Board members are provided with information regarding the functioning of the Board and its committees and full access to management. New Board members are encouraged to, (i) communicate with management, auditors and technical consultants, (ii) keep themselves current with industry trends and developments and changes in legislation with management’s assistance, (iii) attend industry related seminars, and (iv) visit the Company’s operations.

## Ethical Business Conduct

The Board monitors the ethical conduct of the Company and ensures that it complies with applicable legal and regulatory requirements, such as those of relevant securities commissions and stock exchanges. The Board has found that the fiduciary duties placed on individual directors by our governing corporate legislation and the common law, as well as the restrictions placed by applicable corporate legislation on the individual director’s participation in decisions of the Board in which the director has an interest, have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

### **Nomination of Directors**

The Company has not yet implemented a nominating committee. Accordingly, the Board, as a whole, is responsible for considering the Board's size and the number of directors to recommend to the Company's shareholders for election at annual meetings of shareholders, taking into account the number of directors required to carry out the Board's duties effectively, and to maintain a majority of independent directors and a diversity of view and experience.

### **Other Board Committees**

The Board currently does not have any standing committees other than as set in the section entitled "*Board Committees*" above.

### **Assessments**

The Board has not, as yet, established procedures to formally review the contributions of individual directors. At this point, the directors believe that the Board's current size facilitates informal discussion and evaluation of members' contributions within that framework.

### **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 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 Common Shares represented thereby in accordance with their best judgment on such matter.**

### **ADDITIONAL INFORMATION**

Financial information about the Company is included in the Company's financial statements and Management's Discussion and Analysis for the financial year ended September 30, 2022, which have been electronically filed with regulators and are available through the Internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at [www.sedar.com](http://www.sedar.com). Copies may be obtained without charge upon request to the Company at Suite 550, 999 West Hastings Street, Mailbox 55, Vancouver, British Columbia V6C 2T6 - telephone (604) 505-4554. You may also access the Company's public disclosure documents through the Internet on SEDAR at [www.sedar.com](http://www.sedar.com).

### **APPROVAL OF THE BOARD OF DIRECTORS**

The contents of this Circular have been approved, and the delivery of it to each shareholder entitled thereto and to the appropriate regulatory agencies has been authorized by the Board.

**DATED** at Vancouver, British Columbia, this 11<sup>th</sup> day of April, 2023.

### **BY ORDER OF THE BOARD OF DIRECTORS**

"Sean Hurd" *(signed)*  
Sean Hurd  
President & Chief Executive Officer

## SCHEDULE "A"

### AUDIT COMMITTEE CHARTER

The Audit Committee's mandate and charter can be described as follows:

1. Each member of the Audit Committee shall be a member of the Board, in good standing, and the majority of the members of the Audit Committee shall be independent in order to serve on this committee.
2. At least one of the members of the Audit Committee shall be financially literate.
3. Review the Audit Committee's charter annually, reassess the adequacy of this charter, and recommend any proposed changes to the Board. Consider changes that are necessary as a result of new laws or regulations.
4. The Audit Committee shall meet at least four times per year, and each time the Company proposes to issue a press release with its quarterly or annual earnings information. These meetings may be combined with regularly scheduled meetings, or more frequently as circumstances may require. The Audit Committee may ask members of the management or others to attend the meetings and provide pertinent information as necessary.
5. Conduct executive sessions with the outside auditors, outside counsel, and anyone else as desired by the Audit Committee.
6. The Audit Committee shall be authorized to hire outside counsel or other consultants as necessary (this may take place any time during the year).
7. Approve any non-audit services provided by the independent auditors, including tax services. Review and evaluate the performance of the independent auditors and review with the full Board any proposed discharge of the independent auditors.
8. Review with the management the policies and procedures with respect to officers' expense accounts and perquisites, including their use of corporate assets, and consider the results of any review of these areas by the independent auditor.
9. Consider, with the management, the rationale for employing accounting firms rather than the principal independent auditors.
10. Inquire of the management and the independent auditors about significant risks or exposures facing the Company; assess the steps the management has taken or proposes to take to minimize such risks to the Company; and periodically review compliance with such steps.
11. Review with the independent auditor, the audit scope and plan of the independent auditors. Address the coordination of the audit efforts to assure the completeness of coverage, reduction of redundant efforts, and the effective use of audit resources.
12. Inquire regarding the "quality of earnings" of the Company from a subjective as well as an objective standpoint.
13. Review with the independent accountants: (a) the adequacy of the Company's internal controls including computerized information systems controls and security; and (b) any related significant findings and recommendations of the independent auditors together with the Management's responses thereto.

14. Review with the management and the independent auditor the effect of any regulatory and accounting initiatives, as well as off-balance-sheet structures, if any.
15. Review with the management the annual financial reports before they are filed with the regulatory authorities.
16. Review with the independent auditor that performs an audit: (a) all critical accounting policies and practices used by the Company; and (b) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with the management of the Company, the ramifications of each alternative and the treatment preferred by the Company.
17. Review all material written communications between the independent auditors and the management.
18. Review with the management and the independent auditors: (a) the Company's annual financial statements and related footnotes; (b) the independent auditors' audit of the financial statements and their report thereon; (c) the independent auditor's judgments about the quality, not just the acceptability, of the Company's accounting principles as applied in its financial reporting; (d) any significant changes required in the independent auditors' audit plan; and (e) any serious difficulties or disputes with the management encountered during the audit.
19. Review the procedures for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters that may be submitted by any party internal or external to the organization. Review any complaints that might have been received, current status, and resolution if one has been reached.
20. Review procedures for the confidential, anonymous submission by employees of the organization of concerns regarding questionable accounting or auditing matters. Review any submissions that have been received, the current status, and resolution if one has been reached.
21. The Audit Committee will perform such other functions as assigned by law, the Company's articles, or the Board.

Schedule "B"

**NORSEMAN SILVER INC.**

**STOCK OPTION PLAN**

## STOCK OPTION PLAN

### ARTICLE 1 DEFINITIONS AND INTERPRETATION

#### 1.1 Definitions

As used herein, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the meanings set forth below:

- (a) “Administrator” means, initially, the President of the Issuer and thereafter shall mean such director or other senior officer or employee of the Issuer as may be designated as Administrator by the Board from time to time;
- (b) “Affiliate” has the meaning given to it in Policy 1.1 of the TSXV Corporate Finance Manual;
- (c) “Associate” has the meaning given to it in Policy 1.1 of the TSXV Corporate Finance Manual;
- (d) “Award Date” means the date on which the Board awards a particular Option;
- (e) “Board” means the board of directors of the Issuer, or any committee thereof which the board of directors of the Issuer has delegated the power to administer and grant Options under this Plan;
- (f) “Cause” means:
  - (i) in the case of an Employee: (1) cause as such term is defined in the written employment agreement with the Employee or if there is no written employment agreement or cause is not defined there, the usual meaning of just cause under the common law or the laws of the jurisdiction in which the Employee is employed; or (2) the termination of employment as a result of an order made by any Regulatory Authority having jurisdiction to so order;
  - (ii) in the case of a Consultant: (1) the occurrence of any event which, under the written consulting contract with the Consultant or the common law or the laws of the jurisdiction in which the Consultant provides services, gives the Issuer or any of its Affiliates the right to immediately terminate the consulting contract; or (2) the termination of the consulting contract as a result of an order made by any Regulatory Authority having jurisdiction to so order;
  - (iii) in the case of a Director, ceasing to be a Director as a result of: (1) ceasing to be qualified pursuant to section 124 of the *Business Corporation Act* (British Columbia); (2) a resolution having been passed under section 128(3)(a) of the *Business Corporations Act* (British Columbia) or by the resolution or method specified in the Issuer’s Articles; or (3) an order made by any Regulatory Authority having jurisdiction to so order;

- (g) “Change of Control” means and shall be deemed to have occurred if one of the following events takes place:
- (i) the Issuer sells, leases or otherwise disposes of all or substantially all of its assets and undertaking to a Person or a combination of Persons at arm’s length to the Issuer and its Affiliates, whether pursuant to one or more transactions;
  - (ii) the Issuer amalgamates or enters into a plan of arrangement with another Company at arm’s length to the Issuer and its Affiliates, other than an amalgamation or plan of arrangement that would result in the voting securities of the Issuer outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving or resulting entity) more than 50% of the combined voting power of the surviving or resulting entity outstanding immediately after such amalgamation or plan of arrangement;
  - (iii) any Person or combination of Persons at arm’s length to the Issuer and its Affiliates acquires or becomes the beneficial owner of, directly or indirectly, more than 50% of the voting securities of the Issuer, whether through the acquisition of previously issued and outstanding voting securities, or of voting securities that have not been previously issued, or any combination thereof, or any other transaction having a similar effect; or
  - (iv) any resolution is passed or any action or proceeding is taken with respect to the liquidation, dissolution or winding-up of the Issuer;
- (h) “Company” means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual;
- (i) “Consultant” means an individual, other than an Employee or Director of the Issuer, or Company that:
- (i) is engaged to provide on a *bona fide* basis consulting, technical, management or other services to the Issuer or to an Affiliate of the Issuer, other than services provided in relation to a distribution;
  - (ii) provides the services under a written contract between the Issuer or the Affiliate and the individual or the Company, as the case may be;
  - (iii) in the reasonable opinion of the Issuer, spends or will spend a significant amount of time and attention on the affairs and business of the Issuer or an Affiliate of the Issuer; and
  - (iv) has a relationship with the Issuer or an Affiliate of the Issuer that enables the individual to be knowledgeable about the business and affairs of the Issuer.
- (j) “consultant company” means a Consultant that is a Company;
- (k) “Director” means any individual holding the office of director or senior officer of the Issuer or a subsidiary of the Issuer;

- (l) “Discounted Market Price” has the meaning given to it in Policy 1.1 of the TSXV Corporate Finance Manual;
- (m) “Disinterested Shareholder Approval” has the meaning ascribed thereto in Policy 4.4 of the TSXV Corporate Finance Manual;
- (n) “Employee” means an individual who:
  - (i) is considered an employee under the *Income Tax Act* (Canada) (i.e. for whom income tax, employment insurance and CPP deductions must be made at source);
  - (ii) works full-time for the Issuer or a subsidiary of the Issuer providing services normally provided by an employee and who is subject to the same control and direction by the Issuer over the details and methods of work as an employee of the Issuer, but for whom income tax deductions are not made at source; or
  - (iii) works for the Issuer or a subsidiary of the Issuer on a continuing and regular basis, providing services normally provided by an employee and who is subject to the same control and direction by the Issuer over the details and methods of work as an employee of the Issuer, but for whom income tax deductions are not made at source;
- (o) “Exercise Notice” means the notice respecting the exercise of an Option, in the form set out as Schedule “B” hereto, duly executed by the Option Holder;
- (p) “Exercise Period” means the period during which a particular Option may be exercised and is the period from and including the Award Date through to and including the Expiry Date;
- (q) “Exercise Price” means the price at which an Option may be exercised as determined in accordance with paragraph 3.5;
- (r) “Expiry Date” means the date determined in accordance with paragraph 3.3 and after which a particular Option cannot be exercised;
- (s) “Insider” has the meaning given to it in the *Securities Act* (British Columbia);
- (t) “Investor Relations Activities” has the meaning given to it in Policy 1.1 of the TSXV Corporate Finance Manual;
- (u) “Issuer” means **NORSEMAN SILVER INC.**;
- (v) “Market Price” means the last closing price of the Issuer’s Shares on the TSXV before the issuance of the required news release disclosing the grant of an Option, subject to the exceptions provided for in Policy 1.1 of the TSXV Corporate Finance Manual;
- (w) “Option” means a non-transferable and non-assignable option to acquire Shares, awarded to a Director, Employee or Consultant pursuant to the Plan;
- (x) “Option Certificate” means the certificate, in the form set out as Schedule “A” hereto, evidencing an Option;

- (y) “Option Holder” means a Director, Employee or Consultant or former Director, Employee or Consultant, who holds an unexercised and unexpired Option or, where applicable, the Personal Representative of such person;
- (z) “Person” means any individual, limited partnership, joint venture, syndicate, sole proprietorship, Company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency or entity however designated or constituted;
- (aa) “Plan” means this stock option plan;
- (bb) “Personal Representative” means:
  - (i) in the case of a deceased Option Holder, the executor or administrator of the deceased duly appointed by a court or public authority having jurisdiction to do so; and
  - (ii) in the case of an Option Holder who for any reason is unable to manage his or her affairs, the person entitled by law to act on behalf of such Option Holder;
- (cc) “Regulatory Authorities” means all stock exchanges and other organized trading facilities on which the Issuer’s Shares are listed and all securities commissions or similar securities regulatory bodies having jurisdiction over the Issuer;
- (dd) “Securities Laws” means securities legislation, securities regulations and securities rules, as amended, and the policies, notices, instruments and orders in force from time to time that are applicable to the Issuer;
- (ee) “Share” or “Shares” means, as the case may be, one or more common shares without par value in the capital stock of the Issuer;
- (ff) “Termination Date” means:
  - (i) in the case of the Option Holder’s resignation from employment or the termination of the Option Holder’s consulting contract by the Option Holder, the date that the Option Holder provides notice of such resignation or termination to the Issuer or any of its Affiliates; or
  - (ii) in the case of the termination of the Option Holder’s employment or consulting contract by the Issuer or any of its Affiliates for any reason (whether such termination is lawful or unlawful) other than death, the date that the Issuer or any of its Affiliates delivers written notice of such lawful or unlawful termination of the Option Holder’s employment or consulting contract to the Option Holder; or
  - (iii) in the case of the expiry of a fixed-term employment agreement or consulting contract that is not renewed or extended, the last day of the term; and
- (gg) “TSXV” means the TSX Venture Exchange.

1.2 Choice of Law

The Plan is established under, and the provisions of the Plan shall be subject to and interpreted and construed in accordance with, the laws of the Province of British Columbia.

1.3 Headings

The headings used herein are for convenience only and are not to affect the interpretation of the Plan.

**ARTICLE 2  
PURPOSE AND PARTICIPATION**

2.1 Purpose

The purpose of the Plan is to provide the Issuer with a share-related mechanism to attract, retain and motivate qualified Directors, Employees and Consultants, to reward such of those Directors, Employees and Consultants as may be awarded Options under the Plan by the Board from time to time for their contributions toward the long-term goals of the Issuer and to enable and encourage such Directors, Employees and Consultants to acquire Shares as long term investments.

2.2 Participation

- (a) The Board shall, from time to time and in its sole discretion, determine those Directors, Employees and Consultants, if any, to whom Options are to be awarded.
- (b) The Board may only grant options to an Employee or Consultant if such Employee or Consultant is a bona fide Employee or Consultant of the Issuer or a subsidiary of the Issuer. The Issuer and the Optionee are responsible for ensuring and confirming that such Employee or Consultant is a bona fide Employee or Consultant of the Issuer or a subsidiary of the Issuer.
- (c) The Board may, in its sole discretion, grant the majority of the Options to Insiders of the Issuer.
- (d) At no time will Options be issued under the Plan, together with all of the Issuer's previously established and outstanding stock option plans or grants which could permit at any time:
  - (i) the aggregate number of Shares reserved for issuance under stock options granted to Insiders (as a group), at any point in time exceeding 10% of the issued Shares;
  - (ii) the grant to Insiders (as a group), within a 12 month period, of an aggregate number of Options exceeding 10% of the issued Shares calculated at the date an Option is granted to any Insider; or
  - (iii) the aggregate number of Options granted to any one Option Holder within a 12 month period exceeding 5% of the issued Shares, calculated on the date an Option is granted to the Option Holder.

- (e) In no case will a Consultant be granted an Option where the number of Shares that may be purchased pursuant to that Option exceed 2% of the Issuer's issued and outstanding share capital in any 12 month period.
- (f) In no case will the aggregate number of Shares that may be purchased pursuant to Options together with any Other Share Compensation Arrangement granted to persons conducting Investor Relations Activities exceed 2% of the Issuer's issued and outstanding share capital in any 12 month period.

### 2.3 Notification of Award

Following the approval by the Board of the awarding of an Option, the Administrator shall notify the Option Holder in writing of the award and shall enclose with such notice the Option Certificate representing the Option so awarded.

### 2.4 Copy of Plan

Each Option Holder, concurrently with the notice of the award of the Option, shall be provided with a copy of the Plan. A copy of any amendment to the Plan shall be promptly provided by the Administrator to each Option Holder.

### 2.5 Limitation

The Plan does not give any Option Holder that is a Director the right to serve or continue to serve as a Director of the Issuer, does not give any Option Holder that is an Employee the right to be or to continue to be employed by the Issuer and does not give any Option Holder that is a Consultant the right to be or to continue to be retained as a Consultant by the Issuer.

### 2.6 Disinterested Shareholder Approval

- (a) The Issuer must obtain Disinterested Shareholder Approval of any amendment to stock options held by Insiders that would have the effect of decreasing the exercise price of the stock options or the extension of the expiry date of the stock options.
- (b) If (a) applies, the proposed amendment must be approved by a majority of the votes cast by all shareholders at the shareholders' meeting excluding votes attaching to Shares beneficially owned by:
  - (i) the person that holds or will hold the options in question; and
  - (ii) Associates of persons referred to in (b)(i).
- (c) In circumstances where Options are exercisable into a class of non-voting and subordinate voting shares, the holders of that class of non-voting or subordinate voting shares must be given full voting rights on a resolution that requires Disinterested Shareholder Approval pursuant to (a) above.

**ARTICLE 3**  
**TERMS AND CONDITIONS OF OPTIONS**

3.1 Board to Issue Shares

The Shares to be issued to Option Holders upon the exercise of Options shall be authorized and unissued Shares the issuance of which shall have been authorized by the Board.

3.2 Number of Shares

Subject to adjustment as provided for in paragraph 3.8 of this Plan, the number of Shares which will be available for purchase pursuant to Options granted under this Plan together with any Other Share Compensation Arrangement will not exceed 10% of the issued and outstanding Shares of the Issuer at the Award Date. If any Option expires or otherwise terminates for any reason without having been exercised in full, the number of Shares in respect of which the Option expired or terminated shall again be available for the purposes of the Plan.

3.3 Term of Option

Subject to paragraph 3.4, the Expiry Date of an Option shall be the date so fixed by the Board at the time the particular Option is awarded, provided that such date shall be no later than the tenth anniversary of the Award Date of such Option or such later date as allowed by the policies of the TSXV.

3.4 Termination of Option

Subject to such other terms or conditions that may be attached to Options granted hereunder, an Option Holder may exercise an Option in whole or in part at any time or from time to time during the Exercise Period. Any Option or part thereof not exercised within the Exercise Period shall terminate and become null, void and of no effect as of 4:30 p.m. local time in Vancouver, British Columbia on the Expiry Date. The Expiry Date of an Option shall be the earlier of the date so fixed by the Board at the time the Option is awarded and the date established, if applicable, in subparagraphs (a) to (c) below:

(a) Death of Option Holder

In the event that the Option Holder should die while he or she is still a Director (if he or she holds his or her Option as Director), an Employee (if he or she holds his or her Option as an Employee), or a Consultant (if he or she holds his or her Option as a Consultant), the maximum period that there will be an entitlement to make a claim after the death of the Option Holder will be no greater than 12 months following the death of the Option Holder.

(b) Ceasing to hold Office

In the event that the Option Holder holds his or her Option as a Director of the Issuer and such Option Holder ceases to be a Director of the Issuer other than by reason of death, the Expiry Date of the Option shall be within one year following the date the Option Holder ceases to be a Director of the Issuer, as such period is prescribed in the Option Certificate, unless the Option Holder ceases to be a Director of the Issuer for cause, in which case the Expiry Date shall be the date the Option Holder ceases to be a Director of the Issuer.

(c) Ceasing to be an Employee or Consultant

In the event that the Option Holder holds his or her Option as an Employee or Consultant of the Issuer and such Option Holder ceases to be an Employee or Consultant of the Issuer other than by reason of death, unless otherwise provided in the Option Certificate, the Expiry Date of the Option shall be within one year following the Termination Date, as such period is prescribed in the Option Certificate, unless the Option Holder ceases to be an Employee of the Issuer as a result of termination for Cause, in which case the Expiry Date shall be the Termination Date.

(d) Change of Control

In the event of a Change of Control or impending Change of Control, the Board may, in its sole discretion, deal with outstanding Options in the manner it deems fair and reasonable in light of the circumstances. Without limiting the generality of the foregoing, the Board may, without any action or consent required on the part of any Option Holder:

- (i) Deliver a notice to the Option Holder advising the Option Holder that the unvested portion of the Option held by the Option Holder, if any, shall immediately vest;
- (ii) Deliver a notice to the Option Holder advising the Option Holder that the Expiry Date for any vested portion or portions of the Option shall be changed to the earlier of the original Expiry Date of the Option and the tenth day following the date of the notice and the Expiry Date for any unvested portion of the Option shall be the date of the notice; or
- (iii) Take such other actions and combinations of the foregoing actions, as it deems fair and reasonable under the circumstances.

Notwithstanding anything contained herein, in no case will an Option be exercisable later than the Expiry Date of such Option fixed by the Board at the time the Option is awarded to the Option Holder.

3.5 Exercise Price

The price at which an Option Holder may purchase a Share upon the exercise of an Option shall be as set forth in the Option Certificate issued in respect of such Option and in any event shall not be less than the Discounted Market Price of the Issuer's Shares as of the Award Date. Disinterested Shareholder approval will be obtained for any reduction in the exercise price or extension of the expiry date if the Option Holder is an Insider of the Issuer at the time of the proposed amendment.

Notwithstanding anything else contained herein, in no case will the Discounted Market Price be less than the minimum prescribed by each of the organized trading facilities as would apply to the Award Date in question.

3.6 Additional Terms

Subject to all applicable Securities Laws of all applicable Regulatory Authorities, the Board may attach other terms and conditions to the grant of a particular Option, such terms and conditions to be referred to

in a schedule attached to the Option Certificate. These terms and conditions may include, but are not necessarily limited to, the following:

- (a) providing that an Option expires on a date other than as provided for herein;
- (b) providing that a portion or portions of an Option vest after certain periods of time or upon the occurrence of certain events, or expire after certain periods of time or upon the occurrence of certain events;
- (c) providing that an Option be exercisable immediately, in full, notwithstanding that it has vesting provisions, upon the occurrence of certain events, such as a friendly or hostile takeover bid for the Issuer; and
- (d) providing that an Option issued to, held by or exercised by an Option Holder who is a citizen or resident of the United States of America, and otherwise meets the statutory requirements, be treated as an “Incentive Stock Option” as that term is defined for purposes of the United States of America Internal Revenue Code of 1986, as amended.

### 3.7 Assignment of Options

Options may not be assigned or transferred, provided however that the Personal Representative of an Option Holder may, to the extent permitted by paragraph 4.1, exercise the Option within the Exercise Period.

### 3.8 Adjustments

If prior to the complete exercise of an Option the Shares are consolidated, subdivided, converted, exchanged or reclassified or in any way substituted for (collectively the “**Event**”), an Option, to the extent that it has not been exercised, shall be adjusted by the Board in accordance with such Event in the manner the Board deems appropriate. No fractional shares shall be issued upon the exercise of the Options and accordingly, if as a result of the Event, an Option Holder would become entitled to a fractional share, such Option Holder shall have the right to purchase only the next lowest whole number of Shares and no payment or other adjustment will be made with respect to the fractional interest so disregarded.

### 3.9 Vesting

Options granted to Directors, Employees and Consultants, other than Consultants engaged in Investor Relations Activities, will, subject to the terms and conditions of the Option Certificate, vest fully upon the Award Date, unless vesting is otherwise required by the relevant Regulatory Authorities.

Options granted to Employees or Consultants engaged in Investor Relations Activities will vest in stages over a minimum period of 12 months with no more than one-quarter of the Options vesting in any three month period.

### 3.10 Resale Restrictions

In addition to any resale restrictions under Securities laws, if the Exercise Price of the Option is at a discount to the Market Price or if the Option is granted to an Insider, the Option and any Shares issued upon exercise of the Option will be subject to a hold period of four months and one day from the Award

Date of the Option in accordance with the requirements of the TSXV Corporate Finance Manual. The Option, and the Shares, if applicable, will bear the following legend:

*Without prior written approval of the TSX Venture Exchange and compliance with all applicable securities legislation, the securities represented by this certificate may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until [four months and one day from the date of grant].*

## **ARTICLE 4 EXERCISE OF OPTION**

### 4.1 Exercise of Option

An Option may be exercised only by the Option Holder or the Personal Representative of the Option Holder. An Option Holder or the Personal Representative of an Option Holder may exercise an Option in whole or in part at any time or from time to time during the Exercise Period up to 4:30 p.m. local time in Vancouver, British Columbia on the Expiry Date by delivering to the Administrator an Exercise Notice, the applicable Option Certificate and a certified cheque or bank draft payable to the Issuer in an amount equal to the aggregate Exercise Price of the Shares to be purchased pursuant to the exercise of the Option.

### 4.2 Withholding Tax

Upon exercise of an Option, the Option Holder will, upon notification of the amount due and prior to or concurrently with the delivery of the certificates representing the Shares, pay to the Issuer amounts necessary to satisfy applicable withholding tax requirements or will otherwise make arrangements satisfactory to the Issuer for such requirements. In order to implement this provision, the Issuer or any related corporation will have the right to retain and withhold from any payment of cash or Shares under this Plan the amount of taxes required to be withheld or otherwise deducted and paid in respect of such payment. At its discretion, the Issuer may require an Option Holder receiving Shares to reimburse the Issuer for any such taxes required to be withheld by the Issuer and withhold any distribution to the Option Holder in whole or in part until the Issuer is so reimbursed. In lieu thereof, the Issuer will have the right to withhold from any cash amount due or to become due from the Issuer to the Option Holder an amount equal to such taxes. The Issuer may also retain and withhold or the Option Holder may elect, subject to approval by the Issuer at its sole discretion, to have the Issuer retain and withhold a number of Shares having a market value not less than the amount of such taxes required to be withheld by the Issuer to reimburse the Issuer for any such taxes and cancel (in whole or in part) any such Shares so withheld.

### 4.3 Issue of Share Certificates

As soon as practicable following the receipt of the Exercise Notice, the Administrator shall cause to be delivered to the Option Holder a certificate for the Shares so purchased. If the number of Shares so purchased is less than the number of Shares subject to the Option Certificate surrendered, the Administrator shall forward a new Option Certificate to the Option Holder concurrently with delivery of the Share Certificate for the balance of Shares available under the Option.

### 4.4 Condition of Issue

The Options and the issue of Shares by the Issuer pursuant to the exercise of Options are subject to the terms and conditions of this Plan and compliance with the rules and policies of all applicable Regulatory

Authorities to the granting of such Options and to the issuance and distribution of such Shares, and to all applicable Securities Laws. The Option Holder agrees to comply with all Securities Laws and agrees to furnish to the Issuer any information, reports or undertakings required to comply with, and to fully cooperate with, the Issuer in complying with such Securities Laws.

## **ARTICLE 5 ADMINISTRATION**

### 5.1 Administration

The Plan shall be administered by the Administrator on the instructions of the Board. The Board may make, amend and repeal at any time and from time to time such regulations not inconsistent with the Plan as it may deem necessary or advisable for the proper administration and operation of the Plan and such regulations shall form part of the Plan. The Board may delegate to the Administrator or any Director, senior officer or employee of the Issuer such administrative duties and powers as it may see fit.

### 5.2 Interpretation

The interpretation by the Board of any of the provisions of the Plan and any determination by it pursuant thereto shall be final and conclusive and shall not be subject to any dispute by any Option Holder. No member of the Board or any person acting pursuant to authority delegated by it hereunder shall be liable for any action or determination in connection with the Plan made or taken in good faith and each member of the Board and each such person shall be entitled to indemnification with respect to any such action or determination in the manner provided for by the Issuer.

## **ARTICLE 6 AMENDMENT AND TERMINATION**

### 6.1 Prospective Amendment

The Board may from time to time amend the Plan and the terms and conditions of any Option thereafter to be granted and, without limiting the generality of the foregoing, may make such amendment for the purpose of meeting any changes in any relevant law, rule or regulation applicable to the Plan, any Option or the Shares, or for any other purpose which may be permitted by all relevant laws, regulations, rules and policies provided always that any such amendment shall not alter the terms or conditions of any Option or impair any right of any Option Holder pursuant to any Option awarded prior to such amendment.

### 6.2 Retrospective Amendment

The Board may from time to time retrospectively amend the Plan and, with the consent of the affected Option Holders, retrospectively amend the terms and conditions of any Options that have been previously granted.

### 6.3 Approvals

This Plan and any amendments hereto are subject to all necessary approvals of the applicable Regulatory Authorities.

6.4            Termination

The Board may terminate the Plan at any time provided that such termination shall not alter the terms or conditions of any Option or impair any right of any Option Holder pursuant to any Option awarded prior to the date of such termination which shall continue to be governed by the provisions of the Plan.

6.5            Agreement

The Issuer and every Option awarded hereunder shall be bound by and subject to the terms and conditions of this Plan. By accepting an Option granted hereunder, the Option Holder has expressly agreed with the Issuer to be bound by the terms and conditions of this Plan.

**SCHEDULE "A"**

**Legend to be included if exercise price is below Market Price or the Option Holder is an Insider:**

[WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL \_\_\_\_\_.]

**NORSEMAN SILVER INC.**  
**Stock Option Plan**  
**Option Certificate**

This Certificate is issued pursuant to the provisions of the **Norseman Silver Inc.** (the "Issuer") Stock Option Plan (the "Plan") and evidences that \_\_\_\_\_ is the holder (the "Option Holder") of an option (the "Option") to purchase up to \_\_\_\_\_ common shares (the "Shares") in the capital stock of the Issuer at a purchase price of CDN\$ \_\_\_\_\_ per Share. Subject to the provisions of the Plan:

- (a) the Award Date of this Option is \_\_\_\_\_;
- (b) the Expiry Date of this Option is \_\_\_\_\_;
- (c) this Option vests as follows: [include vesting terms]: and
- (d) this Option terminates \_\_\_\_\_ days after the Option Holder ceases to be an eligible person to receive Options under the Plan.

This Option may be exercised at any time and from time to time from and including the Award Date through to and including up to 4:30 local time in Vancouver, British Columbia on the Expiry Date by delivery to the Administrator of the Plan an Exercise Notice, in the form provided in the Plan, together with this Certificate and a certified cheque or bank draft payable to "**Norseman Silver Inc.**" in an amount equal to the aggregate of the Exercise Price of the Shares in respect of which this Option is being exercised.

This Certificate and the Option evidenced hereby is not assignable, transferable or negotiable and is subject to the detailed terms and conditions contained in the Plan, the terms and conditions of which the Option Holder hereby expressly agrees with the Issuer to be bound by. This Certificate is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the Plan and the records of the Issuer shall prevail.

The foregoing Option has been awarded this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

**NORSEMAN SILVER INC.**

Per: \_\_\_\_\_  
Administrator, Stock Option Plan  
Norseman Silver Inc.

**SCHEDULE "B"**

**NORSEMAN SILVER INC.  
STOCK OPTION PLAN**

**NOTICE OF EXERCISE OF OPTION**

TO:           The Administrator, Stock Option Plan  
              **NORSEMAN SILVER INC.**

The undersigned hereby irrevocably gives notice, pursuant to the **NORSEMAN SILVER INC.** (the "Issuer") Stock Option Plan (the "Plan"), of the exercise of the Option to acquire and hereby subscribes for **(cross out inapplicable item)**:

- (a)     all of the Shares; or
- (b)     \_\_\_\_\_ of the Shares;

which are the subject of the Option Certificate attached hereto.

The undersigned tenders herewith a certified cheque or bank draft **(circle one)** payable to "**NORSEMAN SILVER INC.**" in an amount equal to the aggregate Exercise Price of the aforesaid shares and directs the Issuer to issue the certificate evidencing said shares in the name of the undersigned to be mailed to the undersigned at the following address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

DATED the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
**Signature of Option Holder**