

**Notice of Annual and Special Meeting  
of the Shareholders  
and  
Management Proxy Circular  
of  
ABRASILVER RESOURCE CORP.  
to be held on August 28, 2023**

**DATED: July 18, 2023**



**ABRASILVER RESOURCE CORP.**  
**#550, 220 Bay Street**  
**Toronto, ON, M5J 2W4**

**NOTICE OF THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN** that an annual general and special meeting (the “**Meeting**”) of the holders of common shares (the “**Shareholders**”) of **ABRASILVER RESOURCE CORP.** (the “**Company**”) will be held as a fully electronic meeting at <https://virtual-meetings.tsxtrust.com/en/1542> on Monday, August 28, 2023 at 10:00 a.m. (Toronto Time) for the following purposes:

1. to receive the audited consolidated financial statements of the Company for the year ended December 31, 2022, together with the report of the auditor thereon;
2. to elect directors of the Company for the ensuing year;
3. to appoint auditors for the Company for the ensuing year and to authorize the Company’s board of directors to fix the auditors’ remuneration;
4. to consider and, if deemed appropriate, pass a resolution of the disinterested shareholders approving an amendment to the Company’s 10% rolling share compensation plan to provide for the exercise of stock options on a “net” basis, subject to the approval of the TSX Venture Exchange, as further described in the Circular (as defined herein); and
5. to transact such other business as may properly come before such Meeting or at any adjournment thereof.

The specific details of the matters proposed to be put before the Meeting are set forth in the management proxy circular (the “**Circular**”) dated July 18, 2023, accompanying and forming part of this Notice. A copy of the audited consolidated financial statements of the Company for the financial year ended December 31, 2022, together with the report of the auditor thereon and the corresponding management discussion and analysis are available on SEDAR at [www.sedar.com](http://www.sedar.com) and copies may be mailed to those Shareholders who request a copy.

Only Shareholders of record as of the close of business on July 10, 2023 are entitled to receive notice of the Meeting and to vote at the Meeting.

This year, the Meeting will be a fully electronic meeting conducted through a virtual-only format. Shareholders and duly appointed proxyholders are being asked to attend the Meeting by live audio webcast at <https://virtual-meetings.tsxtrust.com/en/1542>, which will enable registered Shareholders and duly appointed proxyholders to listen to the Meeting, submit questions and vote online. Non-registered Shareholders who have not duly appointed themselves as proxyholders may attend the Meeting virtually as guests, but will not have the ability to vote virtually or ask questions. The Meeting will begin promptly at 10:00 a.m. (Toronto time) on August 28, 2023. Online check-in will begin 15 minutes prior, at 9:45 a.m. (Toronto time). You should allow ample time for online check-in procedures and ensure your web browser and internet connection are working properly. The accompanying form of proxy or voting instruction form includes detailed instructions on how to attend and vote virtually at the Meeting.

Registered Shareholders wishing to be represented by proxy at the Meeting or any adjournment thereof must deposit his or her duly executed form of proxy with TSX Trust Company by fax at 416-595-9593 or by delivery to TSX Trust Company, Suite 301 – 100 Adelaide Street West, Toronto, Ontario, M5H 4H1, or online at [www.voteproxyonline.com](http://www.voteproxyonline.com), not later than 10:00 a.m. (Toronto time) on August 24, 2023 or, if the Meeting is adjourned, not later than 48 hours, excluding Saturdays, Sundays and holidays, preceding the time of such adjourned meeting.

Non-registered Shareholders holding securities through a broker or financial institution, should carefully follow the instructions set out on the voting instruction form and in the Circular. Please note that only Registered Shareholders and proxyholders are permitted to vote at the Meeting. A Non-registered Shareholder wishing to vote at the Meeting,

should appoint themselves as a proxyholder, and will be required to register with TSX Trust at <https://tsxtrust.com/resource/en/75> to receive a control number in order participate at the Meeting.

Shareholders who wish to appoint a third party proxyholder to represent them at the Meeting must submit their proxy or voting instruction form (as applicable) prior to registering their proxyholder. Registering the proxyholder is an additional step once the Shareholder has submitted their proxy or voting instruction form. If you do not register the proxyholder with TSX Trust to receive a control number they will NOT be able to participate in the Meeting. To register a proxyholder, Shareholders must visit <https://tsxtrust.com/resource/en/75> and provide TSX Trust Company with their proxyholder's contact information by August 24, 2023 at 10:00 a.m. (Toronto time), which is not less than 48 hours (Saturdays, Sundays, and holidays excepted) before the scheduled time of the Meeting (or any adjournment, as applicable), so that TSX Trust Company may provide the proxyholder with a control number via email. In order to ask questions and vote online, registered Shareholders and duly appointed proxyholders must have a valid 12-digit control number.

### **Notice-and-Access and Voting**

Particulars of the foregoing matters are set forth in the accompanying Circular. The Company has elected to use the notice-and-access provisions under National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* and National Instrument 51-102 – *Continuous Disclosure Obligations* (collectively, the “**Notice-and-Access Provisions**”) of the Canadian Securities Administrators for this Meeting. The Notice-and-Access Provisions are a set of rules developed by the Canadian Securities Administrators that reduce the volume of materials that must be physically mailed to shareholders of the Company by allowing the Company to post the Circular and any additional meeting-related materials online. Shareholders will still receive this Notice of Meeting and a form of proxy and may elect to receive a hard copy of the Circular. Shareholders will receive paper copies of a notice package via prepaid mail containing a notice with information prescribed by the Notice and Access Provisions and a form of proxy (if you are a registered shareholder) or a voting instruction form (if you are a non-registered shareholder), in each case with a supplemental mail list return box for shareholders to request they be included in the Company's supplementary mailing list for receipt of the Company's annual and interim financial statements for the year ended December 31, 2022.

Please review the Circular carefully and in full prior to voting in relation to the matters set out above as the Circular has been prepared to help you make an informed decision on such matters. The Circular is available on the website of the Company at <http://www.abrasilver.com> and under the Company's profile on SEDAR and on the Notice and Access Website at <https://docs.tsxtrust.com/2260>. Any Shareholder who wishes to receive a paper copy of the Circular should contact the Company's transfer agent, TSX Trust Company at 301 – 100 Adelaide Street West, Toronto, Ontario, M5H 4H1, Facsimile: (416) 595-9593, Toll-free: 1-866-600-5869. A Shareholder may also use the toll-free number noted above to obtain additional information about the Notice-and-Access Provisions.

**DATED** at Toronto, Ontario, this 18th day of July, 2023.

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

*/s/ John Miniotis*

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President and Chief Executive Officer

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**ABRASILVER RESOURCE CORP.**  
**#550, 220 Bay Street**  
**Toronto, ON M5J 2W4**  
**MANAGEMENT PROXY CIRCULAR**

This Management Proxy Circular (“**Circular**”) is furnished in connection with the solicitation of proxies by or on behalf of the management of AbraSilver Resource Corp. (“**Company**”) for use at the annual and special meeting of the shareholders of the Company (“**Shareholders**”) to be held on Monday, August 28, 2023 at 10:00 a.m. (Toronto Time) (“**Meeting**”), or at any adjournment thereof, for the purposes set forth in the accompanying notice of meeting (“**Notice of Meeting**”). All references to \$ in this Circular are Canadian dollars.

**GENERAL VOTING INFORMATION**

This year, the Meeting will be a fully electronic meeting conducted through a virtual-only format at <https://virtual-meetings.tsxtrust.com/en/1542>. Please see “Attending and Voting Virtually at the Meeting” below.

If you are a Registered Shareholder (as defined herein) and eligible to vote, you can vote your Common Shares (as defined herein) through the webcast platform while the Meeting is being held or by signing and returning the enclosed form of proxy by mail in the return envelope provided. Please see “Voting by Proxy” and “Registered Shareholders” below.

If your Common Shares are not registered in your name but are held by a nominee (usually a bank, trust company, securities broker or other financial institution), please see “Voting by Proxy” and “Beneficial Shareholders” below.

**Attending and Voting Virtually at the Meeting**

Shareholders and duly appointed proxyholders are being asked to attend the Meeting by live audio webcast at <https://virtual-meetings.tsxtrust.com/en/1542>. The Meeting will begin promptly at 10:00 am (Toronto time) on August 28, 2023. Online check-in will begin starting 15 minutes prior, at 9:45 am (Toronto time). Shareholders and duly appointed proxyholders should allow ample time for online check-in procedures.

Registered Shareholders and duly appointed proxyholders can participate in the Meeting by going to <https://virtual-meetings.tsxtrust.com/en/1542>, clicking “I have a Control Number” and entering a control number and password before the start of the Meeting. For Registered Shareholders, the 12-digit control number located on the form of proxy or in the email notification you received is the control number and the password is “abrasilver2023” (case sensitive). For duly appointed proxyholders, TSX Trust Company (“**TSX Trust**”) will provide you with a control number by email after the voting deadline has passed, provided that you have been duly appointed and registered as described in this Circular, and the password to the Meeting is “abrasilver2023” (case sensitive). The live audio webcast will enable Registered Shareholders and duly appointed proxyholders to listen to the Meeting, submit questions, and vote online.

Beneficial Shareholders (as defined herein) who have not duly appointed themselves as proxyholders may attend the Meeting virtually as guests, but will not have the ability to vote virtually or ask questions. Guests, including Beneficial Shareholders, may attend the Meeting by going to <https://virtual-meetings.tsxtrust.com/en/1542>, clicking “I am a guest” and filling in the required information to access the Meeting. The Meeting platform is fully supported across browsers and devices running the most updated version of applicable software plug-ins. Shareholders and duly appointed proxyholders should ensure they have a strong, preferably highspeed, internet connection wherever they intend to participate in the Meeting. For any technical difficulties experienced during the check-in process or during the Meeting, please refer to the virtual meeting guide insert, which outlines the instructions for attending the virtual meeting.

## **Voting by Proxy**

### ***Appointment of Proxyholder***

The persons named as proxyholders in the enclosed form of proxy are the Company's directors or officers. **A Shareholder has the right to appoint a person or company (who need not be a Shareholder) in place of the persons named in the form of proxy to attend and act on your behalf at the Meeting. To exercise this right, you must either insert the name of your representative in the blank space provided in the form of proxy and strike out the other names or complete and deliver another appropriate proxy.**

If you are an individual Shareholder, you or your authorized attorney must sign the proxy. If you are a corporation or other legal entity, an authorized signing officer or attorney must sign the proxy.

### ***Voting***

The Common Shares represented by the proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for and, if the Shareholder specifies a choice on the proxy with respect to any matter to be acted upon, the shares will be voted accordingly. On any poll, the persons named in the proxy (the "**Proxyholders**") will vote the shares in respect of which they are appointed. Where directions are given by the Shareholder in respect of voting for or against any resolution, the Proxyholder will do so in accordance with such direction.

**The proxy, when properly signed, confers discretionary authority on the Proxyholder with respect to amendments or variations to the matters which may properly be brought before the Meeting. At the time of printing this Circular, Management is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. However, if any other matters which are not now known to Management should properly come before the Meeting, the proxies hereby solicited will be exercised on such matters in accordance with the best judgment of the Proxyholder.**

**In the absence of instructions to the contrary, the Proxyholders intend to vote the Common Shares represented by each proxy, properly executed, in favour of the motions proposed to be made at the Meeting as stated under the headings in this Circular.**

### ***Completion and Return of Proxy***

You must deliver a completed proxy to the office of the Company's registrar and transfer agent, TSX Trust (contact information below), by August 24, 2023 at 10:00 am (Toronto time), which is not less than 48 hours (Saturdays, Sundays, and holidays excepted) before the scheduled time of the Meeting (or any adjournment, as applicable).

Mail: TSX Trust  
Suite 301 – 100 Adelaide Street West  
Toronto ON M5H 4H1

Fax: 1-416-595-9593

Internet: Go to [www.voteproxyonline.com](http://www.voteproxyonline.com) and enter the 12-digit control number from your VIF or Proxy form.

### ***Revocation of Proxy***

A Shareholder who has given a proxy may revoke it at any time before it is exercised. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Shareholders or by his or her attorney authorized in writing, or, if the Shareholder is a corporation, it must either be under its common seal or signed by a duly authorized officer and deposited with the Company's registrar and transfer agent, TSX Trust at Suite 301, 100 Adelaide Street West, Toronto, Ontario, M5H 4H1, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment of it, at which the proxy is to be used, or to

the Chair of the Meeting on the day of the Meeting or any adjournment of it. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

### **Registered Shareholders**

Shareholders whose names appear on the records of the Company as the registered holders of Common Shares (the “**Registered Shareholders**”) are encouraged to vote by proxy.

Registered Shareholders who choose to submit a proxy may do so by completing, signing, dating and depositing the proxy with TSX Trust, at Suite 301, 100 Adelaide Street West, Toronto, Ontario, M5H 4H1, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment thereof or by any of the methods described in “Completion and Return of Proxy” herein. The proxy may be signed by the Shareholder or by his or her attorney in writing, or, if the Registered Shareholder is a corporation, it must either be under its common seal or signed by a duly authorized officer.

### **Beneficial Shareholders**

**The information set forth in this section is of significant importance to many Shareholders as a substantial number of Shareholders do not hold shares in their own name.**

Shareholders who do not hold their shares in their own name (the “**Beneficial Shareholders**”) should note that only proxies deposited by Registered Shareholders can be recognized and acted upon at the Meeting.

If shares are listed in an account statement provided to a Shareholder by an intermediary, such as a stockbroker, securities dealer, bank, trust company, trustee, and its agent or nominee (an “**Intermediary**”) then, in almost all cases, those shares will not be registered in the Shareholder’s name on the records of the Company. Such shares will more likely be registered under the name of the Intermediary, and consequently the Shareholder will be a Beneficial Shareholder. In Canada, the vast majority of such shares are registered under the name CDS & Co. (being the registration name for the Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). The shares held by Intermediaries can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, an Intermediary is prohibited from voting shares for the Intermediary’s clients. Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their shares are communicated to the appropriate person.

These proxy-related materials are being made available by Notice-and-Access to both Registered Shareholders and Beneficial Shareholders of the Company. If you are a Beneficial Shareholder and the Company or its agent has sent a Notice of Meeting and proxy directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf. The Company (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you; and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purpose of voting shares registered in the name of their broker, agent or nominee, a Beneficial Shareholder may attend the Meeting as a Proxyholder for a Registered Shareholder and vote their shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their shares as Proxyholder for a Registered Shareholder should contact their broker, agent or nominee well in advance of the Meeting to determine the steps necessary to permit them to indirectly vote their shares as a Proxyholder.

There are two kinds of Beneficial Shareholders, those who object to their name being made known to the issuers of securities that they own (“**OBOs**” for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are (“**NOBOs**” for Non-Objecting Beneficial Owners).

### ***Non-Objecting Beneficial Owners***

Pursuant to National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), issuers can obtain a list of their NOBOs from Intermediaries for distribution of proxy-related materials directly to NOBOs. This year, the Company will rely on those provisions of NI 54-101 that permit it to directly deliver proxy-related materials to its NOBOs. As a result, NOBOs can expect to receive a scannable voting instruction form (“**VIF**”) from the Company’s transfer agent, TSX Trust. These VIFs are to be completed and returned to TSX Trust in the envelope provided or by facsimile. In addition, TSX Trust provides internet voting as described on the VIF itself which contains complete instructions. TSX Trust will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive.

If you are a Beneficial Shareholder and the Company or its agent has sent the Notice of Meeting and proxy to you directly, please be advised that your name, address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding your securities on your behalf. By choosing to send the Notice of Meeting and proxy to you directly, the Company (and not the Intermediaries holding securities your behalf) has assumed responsibility for (i) delivering the proxy-related materials to you and (ii) executing your proper voting instructions as specified in the VIF.

### ***Objecting Beneficial Owners***

The Company will not be mailing the meeting materials to the OBOs. The Company does not intend to pay for Intermediaries to forward copies of the proxy-related meeting materials and related forms to OBOs and an OBO will not receive the proxy-related Meeting materials unless the OBO’s Intermediary assumes the cost of delivery. Intermediaries deliver these materials to all OBOs of the Company who have not waived their rights to receive these materials, and seek instructions as to how to vote the shares. Often, Intermediaries will use a service company (such as Broadridge Financial Solutions, Inc.) to forward the Meeting materials to OBOs.

OBOs who receive Meeting materials will typically be given the ability to provide voting instructions in one of two ways:

- (a) Usually, an OBO will be given a VIF which must be completed and signed by the OBO in accordance with the instructions provided by the Intermediary. In this case, the mechanisms described above for Registered Shareholders cannot be used and the instructions provided by the Intermediary must be followed.
- (b) Occasionally, an OBO may be given a proxy that has already been signed by the Intermediary. This form of proxy is restricted to the number of shares owned by the OBO but is otherwise not completed. This form of proxy does not need to be signed by the OBO but must be completed by the OBO and returned to TSX Trust in the manner described above for Registered Shareholders.

The purpose of these procedures is to allow OBOs to direct the proxy voting of the shares that they own but that are not registered in their name. OBOs who received meeting materials from their Intermediary should carefully follow the instructions provided by the Intermediary.

### **SOLICITATION OF PROXIES**

The solicitation of proxies by management will be primarily by mail, but proxies may be solicited by directors, officers, and regular employees of the Company personally, by telephone, or by means of electronic communication.

All costs of this solicitation will be borne by the Company.

### **NOTICE-AND-ACCESS**

The Company has given notice of the Meeting in accordance with the “Notice-and-Access” procedures of NI 54-101 (“**Notice-and-Access**”), pursuant to which it has sent the Notice of Meeting and the proxy, but not this Circular,

directly to its Registered Shareholders and NOBOs. Arrangements have been made to forward proxy solicitation materials to the NOBOs.

The Company does not intend to pay for Intermediaries to forward the Notice of Meeting, proxy, or Request for Voting Instructions made by Intermediary (54-107F7) to those OBOs. Accordingly, OBOs will not receive the Notice of Meeting, proxy, or Request for Voting Instructions made by Intermediary unless their respective Intermediaries assume the cost of forwarding such documents to them.

Instead of mailing this Circular to Shareholders, this Circular is being made available to Shareholders at <https://docs.tsxtrust.com/2260> and on SEDAR and has not been mailed to Shareholders. Shareholders may request, without any charge to them, a paper copy of the Circular (and the audited financial statements and related management's discussion and analysis for the Company's last financial year and any other documents referred to in the Circular) and further information on Notice and Access by contacting TSX Trust via telephone at 1-866-600-5869 or via e-mail at [tsxtis@tmx.com](mailto:tsxtis@tmx.com).

Requests for paper copies of the Circular (and any other related documents) must be received by no later than 10:00 a.m. (Toronto time) on August 17, 2023 in order for Shareholders to receive paper copies of such documents and return their completed proxies by the deadline for proxy submission of 10:00 a.m. (Toronto time) on August 24, 2023.

While it is expected that the solicitation will be primarily by mail, proxies may be solicited personally or by telephone or electronically by the directors and regular employees of the Company or other proxy solicitation services. All costs of solicitation will be borne by the Company.

## VOTING SHARES

The Company has an authorized capital consisting of an unlimited number of common shares (the "**Common Shares**"), of which 564,312,364 are issued and outstanding as of July 10, 2023.

The board of directors of the Company (the "**Board**" or "**Board of Directors**") has fixed the record date for the Meeting as the close of business on July 10, 2023 (the "**Record Date**"). Only Shareholders of record as of the close of business on the Record Date will be entitled to vote at the Meeting, provided that a Shareholder who is not a Shareholder on the Record Date may demand that such Shareholder's name be included on the list of Shareholders entitled to vote at the Meeting if satisfactory evidence is produced not later than ten (10) days before the Meeting that such person owns Common Shares.

Shareholders entitled to vote shall have one (1) vote per Common Share on a poll. The Meeting is a fully electronic meeting and cannot be conducted by show of hands.

## QUORUM

Two (2) persons present and each entitled to vote at the Meeting and authorized to cast at the Meeting in aggregate not less than five percent (5%) of the total number of votes attaching to all shares of the Company carrying the right to vote will constitute a quorum at the Meeting.

## PRINCIPAL HOLDERS

As of the Record Date and the date hereof, to the knowledge of the directors and executive officers of the Company, no person or company beneficially owns, or exercises control or direction over, directly or indirectly, Common Shares carrying ten percent (10%) or more of the voting rights attached to the outstanding Common Shares except as follows:

Name or Group and Municipality of Residence	Type of Ownership	Number of Issued Shares Owned <sup>(1)</sup>	% of Shares Outstanding
Eric Sprott	Indirect <sup>(2)</sup>	62,481,500	11.07%

## NOTES:

- (1) The information as to Common Shares beneficially owned, directly or indirectly, controlled or directed is not within the knowledge of the Company, its directors or its executive officers and has been furnished by the respective shareholders or has been extracted from reports of the Transfer Agent.
- (2) These shares are held indirectly through 2176423 Ontario Ltd., a corporation beneficially owned by Eric Sprott.

## BUSINESS TO BE TRANSACTED AT THE MEETING

### Presentation of Financial Statements

The consolidated financial statements of the Company and the auditor's report thereon for the year ended December 31, 2022, are filed on SEDAR under the Company's profile and will be presented to the Shareholders at the Meeting.

### Election of Directors

The term of office of each of the current directors will end at the conclusion of the Meeting. Unless a director's office is vacated earlier in accordance with the provisions of the British Columbia *Business Corporations Act*, each director elected will hold office until the conclusion of the next annual general meeting of the Company or, if no director is then elected, until a successor is elected.

#### *Director Nominees*

At the Meeting, management intends to nominate for re-election all incumbent directors.

The persons named in the list that follows are, in the opinion of management, well qualified to direct the Company's activities for the ensuing year. They have all confirmed their willingness to continue to serve as directors, if re-elected. The term of office of each director elected will be until the next annual meeting of the Shareholders or until the position is otherwise vacated. The following table sets forth certain information with respect to each of the persons proposed to be nominated for election as a director (a "**Proposed Director**") as of the date hereof.

**Unless the proxy specifically instructs the Proxyholder to withhold such vote, Common Shares represented by the proxies hereby solicited shall be voted for the election of the nominees whose names are set forth below.** Management does not contemplate that any of these proposed nominees will be unable to serve as a director of the Company, but if that should occur for any reason prior to the Meeting, the persons designated in the enclosed instrument appointing proxy will have the right to use their discretion in voting for a properly qualified substitute.

<b>Name, Province and Country of Residence</b>	<b>Principal Occupation</b>	<b>Director Since</b>	<b>Current Position(s) with the Company</b>	<b>Common Shares of the Company Owned, Controlled or Directed</b>
Robert Bruggeman Guanacaste, Costa Rica <sup>(1)(2)</sup>	President & CEO of Canstar Resources Inc.	June 14, 2018	Chairman and Director	2,980,529
Hernan Zaballa <sup>(1)(3)(4)</sup> Buenos Aires, Argentina	Lawyer and Senior Partner, Zaballa Carchio Abogados	April 24, 2017	Director	4,847,431
Sam Leung <sup>(1)(4)</sup> Ontario, Canada	Vice President, Corporate Development, of Adventus Mining Corp.	December 18, 2019	Director	2,140,983

<b>Name, Province and Country of Residence</b>	<b>Principal Occupation</b>	<b>Director Since</b>	<b>Current Position(s) with the Company</b>	<b>Common Shares of the Company Owned, Controlled or Directed</b>
Jens Mayer <sup>(1)(2)(3)</sup> Ontario, Canada	Principal with INFOR Financial Inc.	December 18, 2019	Director	1,288,958
Flora Wood <sup>(1)(2)(4)</sup> Ontario, Canada	VP, Investor Relations & Sustainability of Altius Minerals Corp.	December 18, 2019	Director	384,664
Nicholas Teasdale <sup>(1)(3)</sup> Grand Cayman, Cayman Islands	Vice President, Mining Evaluations at Wheaton Precious Metals International Ltd.	November 30, 2020	Director	282,666
Stephen Gatley <sup>(1)</sup> West Sussex, United Kingdom	Retired	October 18, 2021	Director	203,333

**NOTES:**

- (1) Independent Director
- (2) Member of Audit Committee
- (3) Member of Compensation Committee
- (4) Member of Nominating and Corporate Governance Committee

**Robert Bruggeman** – Chairman and Director

Rob Bruggeman has been President and CEO of Canstar Resources Inc. since September 2020. He has over 20 years' experience in corporate development and equities research and trading, including five years as Vice President, Trading Strategy & Research, with TD Securities from 2005 to 2010. Mr. Bruggeman holds a Bachelor of Engineering & Management from McMaster University and a Master of Business Administration degree from the Schulich School of Business at York University. Mr. Bruggeman is a CFA charterholder.

**Hernan Zaballa** – Director

Hernan Zaballa is a senior partner at Zaballa Carchio Abogados in Buenos Aires, Argentina. He was formerly a director of the Argentine subsidiaries of Barrick, Peñoles, Northern Orion, Newcrest, and Polimet/Yamana, as well as Vice President of Pan American Silver's Argentine subsidiaries. Mr. Zaballa was admitted to the Bar in 1989, and practices in the areas of Energy and Natural Resources (Mining and Oil & Gas) as well as in Administrative and Regulatory Law. In addition to memberships in the Buenos Aires Bar Association and the International Bar Association, he is a member of the Rocky Mountain Mineral Law Association and the Prospectors and Developers Association of Canada. He also teaches law at the Universidad del Museo Social Argentina where he is Professor of Rural, Mining and Environmental Law.

**Sam Leung** – Director

Sam Leung is Vice President, Corporate Development, of Adventus Mining Corporation with extensive experience in the mining industry focused primarily on corporate strategy, due diligence, and mergers and acquisitions. Prior to joining Adventus Mining, Mr. Leung was Director of Corporate Development at Lundin Mining Corporation, where he played a key role in the evaluation and completion of several successful acquisitions valued at over US\$3.7 billion, and was also

responsible for joint-venture related activities with Freeport-McMoRan Inc. Prior to Lundin Mining, Mr. Leung was a due diligence and strategy consultant for Hatch Ltd.'s advisory practice based in London and Toronto, and began his career as a metallurgist. Mr. Leung is a professional engineer (Ontario, Canada) and received a B.A.Sc. degree in Engineering Chemistry, with first class honours, from Queen's University at Kingston, Canada.

**Jens Mayer – Director**

Jens Mayer is a Principal with INFOR Financial and has 20 plus years of experience as a mining investment banker, he was Head/Co-Head of Investment Banking and the Resource Group at Canaccord Genuity from 2000-2016. While at Canaccord Genuity, Mr. Mayer helped build the firm from a small regional dealer to Canada's largest independent investment bank with a global reach. Through his career, Mr. Mayer has advised on numerous M&A transactions while at Gordon Capital, Yorkton Securities, Canaccord Genuity and now at INFOR Financial. Mr. Mayer holds an H.B.Sc. from Brock University and an MBA from Queen's University.

**Flora Wood – Director**

Flora Wood is Vice President, Investor Relations and Sustainability at Altius Minerals Corporation, a diversified royalty company listed on the Toronto Stock Exchange, a position she has held since August 2017. Ms. Wood is also Corporate Secretary of Altius Renewable Royalties Corp., which was spun off from Altius Minerals Corporation in 2021. Prior to that, Ms. Wood led Investor Relations (debt and equity) for mining and steel-making companies that included. Sherritt International Corporation (2015-2017), Essar Steel Algoma bondholder restructuring (2013-2014), Callinan Royalties (2014-15) and Inmet Mining Corp. (2010-2013). Ms. Wood graduated from the University of Toronto with an MA (Philosophy).

**Nicholas Teasdale – Director**

Nicholas Teasdale is a geologist with over 30 years of experience in mining, exploration, management of technical services, project management, and business development, at world-class mines throughout South America and Canada. Mr. Teasdale is currently Vice President Mining Evaluations at Wheaton Precious Metals International Ltd. since August 2017. Mr. Teasdale has over 18 years' experience based in South America and was part of the discovery team and development team for the world-class Lagunas Norte high sulphidation epithermal Au-Ag deposit (>10MOz Au contained). Throughout his career he has worked on world-class ore deposits including: Fruta del Norte, Lagunas Norte, Pierina, Pascua Lama, Veladero and Bousquet. Mr. Teasdale holds a Masters of Applied Sciences from the Ecole Polytechnique in Montreal, and a Bachelor of Science from the University of Montreal.

**Stephen Gatley – Director**

Stephen Gatley is a mining engineer with over 40 years of experience in the minerals industry. Mr. Gatley spent the early part of his career working for Rio Tinto, initially in the Cornish tin mines, before holding senior positions at underground base metal mines in both Europe and South America. The later part of his career was spent with Lundin Mining Corp. where he served initially as General Manager of the Galmoy zinc/lead mine in Ireland. Moving from mine sites to a corporate role, Mr. Gatley held the position of Vice President Technical Services from 2012 to 2021. In this position, he provided technical oversight to Lundin's operating mines and growth initiatives. Mr. Gatley holds a Bachelor of Sciences Engineering degree from the Royal School of Mines, London.

To the knowledge of the Company, no Proposed Director:

- (a) is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer, or chief financial officer of any company (including the Company) that, while that person was acting in that capacity,
  - (i) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days (collectively, an

“Order”) that was issued while the Proposed Director was acting in the capacity as director, chief executive officer, or chief financial officer; or

- (ii) 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; or
- (b) is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement, or compromise with creditors, or had a receiver, receiver manager, or trustee appointed to hold its assets; or
- (c) has, 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 the Proposed Director.

### **Appointment of Auditors**

Crowe MacKay LLP, Chartered Accountants, will be nominated at the Meeting for re-appointment as auditors of the Company at remuneration to be fixed by the directors. **In the absence of contrary instructions, the persons named in the accompanying form of proxy intend to vote the Common Shares represented thereby FOR the appointment of Crowe MacKay LLP as auditors of the Company at remuneration to be fixed by the directors.**

### **Approval of Amendment to the Share Compensation Plan**

The share compensation plan of the Company (the “**Share Compensation Plan**”) was adopted by the Board on July 16, 2020 and approved by the Shareholders on August 27, 2020 (the “**2020 Meeting**”). On July 13, 2022, the Board approved an amendment to the Share Compensation Plan in order to allow for the issuance of “incentive stock options” (as defined by the Code (as defined herein)) (“**ISOs**”) and to effect other administrative amendments to comply with the policies of the TSX Venture Exchange (the “**TSX-V**”). Such amendment to the Share Compensation Plan was approved by the Shareholders on August 25, 2022. On July 18, 2023, the Board approved a further amendment to the Share Compensation Plan in order to allow for the exercise of Options on a “net” basis.

Shareholders of the Company will be asked to consider and, if deemed appropriate, to pass a resolution, on a disinterested basis, to amend the Share Compensation Plan to allow for the exercise of Options on a “net” basis (the “**Share Compensation Plan Resolution**”).

The following description of the Share Compensation Plan assumes that the Share Compensation Plan Resolution is approved at the Meeting. A copy of the Share Compensation Plan is attached to this Circular as **Schedule A**.

### ***General***

The Share Compensation Plan is a 10% “rolling” plan pursuant to which the number of Common Shares which may be issued pursuant to restricted share units (“**RSUs**”) and stock options (“**Options**”) granted under the Share Compensation Plan is a maximum of 10% of the issued and outstanding Common Shares at the time of the grant; provided, however, that the total number of RSUs that may be issued under the Share Compensation Plan has been fixed at 5,000,000 RSUs. The policies of the TSX-V provide that, where an issuer has a rolling Share Compensation Plan in place, it must seek Shareholder approval annually.

The Share Compensation Plan provides participants (each, a “**Participant**”), with the opportunity, through RSUs and Options, to acquire an ownership interest in the Company. The RSUs will rise and fall in value based on the value of

the Common Shares. Unlike the Options, the RSUs will not require the payment of any monetary consideration to the Company. Instead, each RSU represents a right to receive one Common Share following the attainment of vesting criteria determined at the time of the award. See “*Restricted Share Units – Vesting Provisions*” below. The Options, on the other hand, are rights to acquire Common Shares upon payment of monetary consideration (i.e., the exercise price), subject also to vesting criteria determined at the time of the grant. See “*Options – Vesting Provisions*” below.

#### ***Administration of the Share Compensation Plan***

The Share Compensation Plan is administered by the Board or such other persons as may be designated by the Board (the “**Administrators**”) based on the recommendation of the compensation committee of the Board (the “**Compensation Committee**”). The Administrators determine the eligibility of persons to participate in the Share Compensation Plan, when RSUs and Options will be awarded or granted, the number of RSUs and Options to be awarded or granted, the vesting criteria for each award of RSUs and grant of Options and all other terms and conditions of each award and grant, in each case in accordance with applicable securities laws and the requirements of the TSX-V.

#### ***Number of Common Shares Issuable under the Share Compensation Plan***

The number of Common Shares (inclusive of Common Shares reserved and available for issuance upon the exercise of ISOs) available for issuance upon the vesting of RSUs awarded and Options granted under the Share Compensation Plan (together with those Common Shares issuable pursuant to any other share compensation arrangement of the Company) is limited to 10% of the issued and outstanding Common Shares at the time of any grant.

#### ***Restrictions on the Award of RSUs and Grant of Options***

The awards of RSUs and grants of Options under the Share Compensation Plan is subject to a number of restrictions:

- (a) the total number of Common Shares issuable under the Share Compensation Plan or any other share compensation arrangements of the Company, including the RSUs that may be awarded under the Share Compensation Plan, cannot exceed 10% of the Common Shares then outstanding, including the RSUs that may be awarded thereunder;
- (b) the total number of Common Shares reserved and available for issuance upon exercise of ISOs granted pursuant to the Share Compensation Plan shall be 19,666,904;
- (c) the total number of Common Shares issuable to any one Participant under the Share Compensation Plan and any other share compensation arrangements of the Company, including the RSUs that may be awarded under the Share Compensation Plan, in a 12 month period cannot exceed 5% of the Common Shares then outstanding;
- (d) the total number of Common Shares issuable to insiders under the Share Compensation Plan and any other share compensation arrangements of the Company cannot exceed 10% of the Common Shares then outstanding;
- (e) the number of Options granted to Insider Participants, within a 12 month period, must not exceed 10% of the issued and outstanding Common Shares unless disinterested Shareholder approval is obtained;
- (f) the total number of Common Shares issuable to any one consultant under the Share Compensation Plan and any other share compensation arrangements of the Company, including the RSUs that may be awarded under the Share Compensation Plan, within any 12 month period cannot exceed 2% of the Common Shares then outstanding; and
- (g) the total number of Common Shares issuable pursuant to exercise of options under the Share Compensation Plan and any other share compensation arrangements of the Company within a 12

month period to persons retained to provide Investor Relations Activities (defined in the Share Compensation Plan as activities, by or on behalf of the Company or Shareholder of the Company, that promote or reasonably could be expected to promote the purchase or sale of securities of the Company, subject to certain exclusions listed therein) shall not, at any time, exceed 2% of the issued and outstanding Common Shares; provided, that Options granted to persons providing Investor Relations Activities must vest in stages over a period of not less than 12 months with no more than 1/4 of the Options vesting in any three month period.

In the event of any declaration by the Company of any stock dividend payable in securities (other than a dividend which may be paid in cash or in securities at the option of the holder of Common Shares), or any subdivision or consolidation of the Common Shares, reclassification or conversion of the Common Shares, or any combination or exchange of securities, merger, consolidation, recapitalization, amalgamation, plan of arrangement, reorganization, spin off involving the Company, distribution (other than normal course cash dividends) of Company assets to holders of Common Shares, or any other corporate transaction or event involving the Company or the Common Shares, the Administrators may in their sole discretion make such changes or adjustments, if any, as the Administrators consider fair or equitable to reflect such change or event including, without limitation, adjusting the number of Options and RSUs outstanding under the Share Compensation Plan, the type and number of securities or other property to be received upon exercise or redemption thereof, and the exercise price of Options outstanding under the Share Compensation Plan, provided that the value of any Option or RSU immediately after such an adjustment shall not exceed the value of such Option or RSU prior thereto.

#### *Restricted Share Units*

The total number of RSUs that may be awarded shall not exceed 5,000,000 RSUs. RSUs will not be awarded to persons providing Investor Relations Activities.

##### *(a) Mechanics for RSUs*

RSUs awarded to Participants under the Share Compensation Plan are credited to an account that is established on their behalf and maintained in accordance with the Share Compensation Plan. After the relevant date of vesting of any RSUs awarded under the Share Compensation Plan, a Participant shall be entitled to receive and the Company shall issue or pay (at its discretion): (a) a lump sum payment in cash equal to the number of vested RSUs recorded in the Participant's account multiplied by the volume weighted average price of the Common Shares traded on the Exchange for the five (5) consecutive trading days prior to the payout date; (b) the number of Common Shares required to be issued to a Participant upon the vesting of such Participant's RSUs in the Participant's account will be, duly issued as fully paid and non-assessable shares and such Participant shall be registered on the books of the Company as the holder of the appropriate number of Common Shares; or (c) any combination of thereof.

##### *(b) Vesting Provisions*

The Share Compensation Plan provides that: (i) at the time of the award of RSUs, the Administrators will determine the vesting criteria applicable to the awarded RSUs, subject to the policies of the TSX-V; (ii) vesting of RSUs may include criteria such as performance vesting; (iii) each RSU shall be subject to vesting in accordance with the terms set out in an agreement evidencing the award of the RSU attached as Exhibit A to the Share Compensation Plan (or in such form as the Administrators may approve from time to time) (each an "**RSU Agreement**"); and (iv) all vesting and issuances or payments in respect of an RSU shall be completed no later than December 15 of the third calendar year commencing after the award date for such RSU.

It is the current intention that RSUs may be awarded with both time-based vesting provisions as a component of the Company's annual incentive compensation program, and performance-based vesting provisions as a component of the Company's long-term incentive compensation program.

Under the Share Compensation Plan, should the date of vesting of an RSU fall within a blackout period, the date of vesting will be automatically extended to the tenth business day after the end of the blackout period.

(c) *Termination, Retirement and Other Cessation of Employment in connection with RSUs*

A person participating in the Share Compensation Plan will cease to be eligible to participate in the following circumstances: (i) receipt of any notice of termination of employment or service (whether voluntary or involuntary and whether with or without cause); (ii) retirement; and (iii) any cessation of employment or service for any reason whatsoever, including disability and death (an “**Event of Termination**”). In such circumstances, any vested RSUs will be issued and unless otherwise determined by the Administrators in their discretion, any unvested RSUs will be automatically forfeited and cancelled. Notwithstanding the above and subject to the requirements of the TSX-V, if a person retires in accordance with the Company’s retirement policy at such time, the *pro-rata* portion of any unvested performance-based RSUs will not be forfeited or cancelled and instead shall be eligible to become vested on the earlier of: (i) 12 months from the date of such termination; or (ii) in accordance with the vesting conditions set forth in the applicable RSU Agreement after such retirement (as if retirement had not occurred), but only if the performance vesting criteria, if any, have been met on the applicable date. For greater certainty, if a person is terminated for just cause, all unvested RSUs will be forfeited and cancelled.

*Options*

The total number of Common Shares that may be issued on exercise of Options, together with any other share compensation arrangements of the Company, including ISOs and RSUs that may be awarded under the Share Compensation Plan, shall not exceed 10% of the number of issued and outstanding Common Shares from time to time.

(a) *Mechanics for Options*

Each Option granted pursuant to the Share Compensation Plan will entitle the holder thereof to the issuance of one Common Share upon achievement of the vesting criteria and payment of the applicable exercise price. Options granted under the Share Compensation Plan will be exercisable for Common Shares issued from treasury once the vesting criteria established by the Administrators at the time of the grant have been satisfied. However, the Company will continue to retain the flexibility through the amendment provisions in the Share Compensation Plan to satisfy its obligation to issue Common Shares by making a lump sum cash payment of equivalent value (i.e., pursuant to a cashless exercise), provided there is a full deduction of the number of underlying Common Shares from the Share Compensation Plan’s reserve.

(b) *Vesting Provisions*

The Share Compensation Plan provides that the Administrators may, subject to the policies of the TSX-V, determine when any Option will become exercisable and may determine that Options shall be exercisable in instalments or pursuant to a vesting schedule. The option agreement will disclose any vesting conditions prescribed by the Administrators.

(c) *Termination, Retirement and Other Cessation of Employment in connection with Options*

A person participating in the Share Compensation Plan will cease to be eligible to participate where there is an Event of Termination. In such circumstances, unless otherwise determined by the Administrators in their discretion, any unvested Options will be automatically cancelled, terminated and not available for exercise and any vested Options may be exercised only before the earlier of: (i) the termination of the Option; and (ii) six (6) months after the date of the Event of Termination. If a person is terminated for just cause, all Options will be (whether or not then exercisable) automatically cancelled.

(d) *Cashless Exercise*

Provided that the Common Shares are listed and posted for trading on the TSX-V or a market that permits a cashless exercise, a Participant may elect a cashless exercise in a notice of exercise, which election will result in all of the Common Shares issuable on the exercise being sold. In such case, the Participant will not be required to deliver to the Administrators a cheque or other form of payment for the aggregate applicable exercise price. Instead the following provisions will apply:

- (a) The Participant will instruct a broker selected by the Participant to sell through the stock exchange or market on which the Common Shares are listed or quoted, the Common Shares issuable on the exercise of Options, as soon as possible upon the issue of such Common Shares to the Participant at the then applicable bid price of the Common Shares.
- (b) Before the relevant trade date, the Participant will deliver the exercise notice including details of the trades to the Company electing the cashless exercise and the Company will direct its registrar and transfer agent to issue a certificate for such Participant's Common Shares in the name of the broker (or as the broker may otherwise direct) for the number of Common Shares issued on the exercise of the Options, against payment by the broker to the Company of (i) the exercise price for such Common Shares; and (ii) the amount the Company determines, in its discretion, is required to satisfy the Company withholding tax and source deduction remittance obligations in respect of the exercise of the Options and issuance of Common Shares.
- (c) The broker will deliver to the Participant the remaining proceeds of sale, net of any brokerage commission or other expenses.

(e) *Net Exercise*

Provided that the Common Shares are listed and posted for trading on the TSX-V or a market that permits a net exercise, a Participant may elect a net exercise in a notice of exercise. In such case, the Participant will not be required to deliver to the Administrators a cheque or other form of payment for the aggregate exercise price referred to above. Instead the Participant shall elect on a notice of exercise to receive an amount equal to the number of underlying Common Shares listed on the TSX-V 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 five-day volume weighted average price of the underlying Common Shares so listed and the exercise price of the subject Options; by (b) the five-day volume weighted average price of the underlying Common Shares so listed; provided, however, that persons retained to provide investor relations activities shall not be permitted to exercise an Option using the net exercise method.

(f) *Other Terms*

The Administrators will determine the exercise price and term/expiration date of each Option, provided that the exercise price in respect of that Option shall not be less than the Discounted Market Price on the date of grant. "**Discounted Market Price**" is defined in the Share Compensation Plan as the Market Price of the Common Shares, less a discount of up to 25% if the Market Price is \$0.50 or less; up to 20% if the Market Price is between \$2.00 and \$0.51; and up to 15% if the Market Price is greater than \$2.00; and "**Market Price**" is defined in the Share Compensation Plan as of any date, the closing price of the Common Shares on the Exchange for the last market trading day prior to the date of grant of the Option or if the Common Shares are not listed on a stock exchange or quotation system, the Market Price shall be determined in good faith by the Administrators.

No Option shall be exercisable after ten (10) years from the date the Option is granted. Under the Share Compensation Plan, should the term of an Option expire on a date that falls within a blackout period, such expiration date will be automatically extended to the tenth (10<sup>th</sup>) business day after the end of the blackout period.

Unless otherwise determined by the Board, in the event of a "Change of Control" (as defined in the Share Compensation Plan), any surviving or acquiring corporation shall assume any Option outstanding under the Share Compensation Plan on substantially the same economic terms and conditions or substitute or replace similar options for those Options outstanding under the Share Compensation Plan on substantially the same economic terms and conditions.

(g) *ISOs*

At the time of grant of any Option, the Administrators may in its discretion designate that such Option be subject to additional restrictions to permit it to qualify as an ISO. Any Option designated as an ISO:

- (a) shall be granted only to an employee of the Company or a subsidiary of the Company and shall cease to qualify as an ISO three (3) months after the Participant has ceased to be an employee of the Company or a subsidiary of the Company;
- (b) shall have an exercise price that is not less than 100% of the Market Price of a Common Share on the date of grant (the “**Grant Date**”), and, if granted to a person who owns capital stock (including stock treated as owned under Section 424(d) of the United States Internal Code of 1986, as amended (the “**Code**”)) possessing more than 10% of the total combined voting power of all classes of capital stock of the Company or any subsidiary of the Company (a “**More Than 10% Owner**”), have an exercise price not less than 110% of the fair market value of a Common Share on the Grant Date;
- (c) shall be for a period of not more than 10 years (five years if the Participant is a More Than 10% Owner) from its Grant Date, and shall be subject to earlier termination as provided in the Share Compensation Plan or in the applicable option agreement;
- (d) shall not have an aggregate value (based on the Market Price as of the Grant Date) of the Common Shares with respect to which ISOs (whether granted under the Plan or any other stock option plan of the Company or any subsidiary of the Company (“**Other Plans**”)) are exercisable for the first time by such Participant during any calendar year (“**Current Grant**”), determined in accordance with the provisions of Section 422 of the Code, which exceeds US\$100,000 (the “**\$100,000 Limit**”);
- (e) shall, if the aggregate value of the Common Shares (based on the Market Price as of the Grant Date) with respect to the Current Grant and all ISOs previously granted under the Plan and any Other Plans which are exercisable for the first time during a calendar year (“**Prior Grants**”) would exceed the \$100,000 Limit, be, as to the portion in excess of the \$100,000 Limit, exercisable as a separate option that is not an ISO at such date or dates as are provided in the Current Grant;
- (f) shall require the Participant to notify the Administrators of any disposition of any Common Shares delivered pursuant to the exercise of the ISO under the circumstances described in Section 421(b) of the Code (relating to holding periods and certain disqualifying dispositions) (“**Disqualifying Disposition**”) within 10 days of such a Disqualifying Disposition;
- (g) shall by its terms not be assignable or transferable other than by will or the laws of descent and distribution and may be exercised, during the Participant’s lifetime, only by the Participant; provided, however, that the Participant may, to the extent provided in the Plan in any manner specified by the Administrators, designate in writing a beneficiary to exercise his or her ISO after the Participant’s death; and
- (h) shall, if such Option nevertheless fails to meet the foregoing requirements, or otherwise fails to meet the requirements of Section 422 of the Code for an ISO, be treated for all purposes of this Share Compensation Plan, except as otherwise provided in subsections (d) and (e) above, as an Option that is not an ISO.

### ***Transferability***

RSUs awarded and Options (including ISOs) granted under the Share Compensation Plan or any rights of a Participant cannot be transferred, assigned, charged, pledged or hypothecated, or otherwise alienated, whether by operation of law or otherwise.

### ***Reorganization and Change of Control Adjustments***

In the event of any declaration by the Company of any stock dividend payable in securities (other than a dividend which may be paid in cash or in securities at the option of the holder of Common Shares), or any subdivision or consolidation of Common Shares, reclassification or conversion of the Common Shares, or any combination or exchange of securities, merger, consolidation, recapitalization, amalgamation, plan of arrangement, reorganization, spin off involving the Company, distribution (other than normal course cash dividends) of Company assets to holders

of Common Shares, or any other corporate transaction or event involving the Company or the Common Shares, the Administrators may make such changes or adjustments, if any, as they consider fair or equitable, to reflect such change or event including adjusting the number of Options and RSUs outstanding under the Share Compensation Plan, the type and number of securities or other property to be received upon exercise or redemption thereof, and the exercise price of Options outstanding under the Share Compensation Plan, provided that the value of any Option or RSU immediately after such an adjustment shall not exceed the value of such Option or RSU prior thereto.

***Amendment Provisions in the Share Compensation Plan***

The Board may amend the Share Compensation Plan or any RSU or Option at any time without the consent of any Participant provided that such amendment shall:

- (a) not adversely alter or impair any RSU previously awarded or any Option previously granted, except as permitted by the adjustment provisions of the Share Compensation Plan;
- (b) be subject to any regulatory approvals including, where required, the approval of the TSX-V;
- (c) be subject to Shareholder approval, where required, by the requirements of the TSX-V, provided that Shareholder approval shall not be required for amendments of a “housekeeping nature”, including any amendment to the Share Compensation Plan or a RSU or Option to fix typographical errors or that is necessary to clarify existing provisions that do not have the effect of altering the scope, nature and intent of such provisions; and
- (d) be subject to disinterested shareholder approval in the event of any reduction in the exercise price or any extension of the term of any Option granted under the Share Compensation Plan to an insider.

For greater certainty, Shareholder approval will be required in circumstances where an amendment to the Share Compensation Plan would:

- (a) change the persons eligible to be granted or issued Options or RSUs under the Share Compensation Plan;
- (b) increase the fixed maximum percentage of issued and outstanding Common Shares issuable under the Share Compensation Plan, other than by virtue of the adjustment provisions in the Share Compensation Plan, or change from a fixed maximum percentage of issued and outstanding Common Shares to a fixed maximum number of Common Shares;
- (e) increase the limits referred to above under “*Restrictions on the Award of RSUs and Grant of Options*”;
- (f) reduce the exercise price of any Option (including any cancellation of an Option for the purpose of reissuance of a new Option at a lower exercise price to the same person);
- (g) extend the term of any Option beyond the original term (except if such period is being extend by virtue of a blackout period);
- (h) add a net exercise provision;
- (i) modify the method or formula for calculating prices, values or amounts under the Share Compensation Plan that may result in a benefit to a Participant; or
- (j) amend the amendment provisions in Section 6.4 of the Share Compensation Plan.

A copy of the Share Compensation Plan may be inspected at the offices of the Company at 220 Bay Street, Suite 500, Toronto, Ontario, M5J 2W4, during normal business hours and at the Meeting. In addition, a copy of the Share

Compensation Plan will be mailed, free of charge, to any Shareholder who provides a request in writing, to Carlos Pinglo, at 220 Bay Street, Suite 500, Toronto, Ontario, M5J 2W4.

### ***The Share Compensation Plan Resolution***

The Share Compensation Plan Resolution is an ordinary resolution, which must be passed by more than 50% of the votes cast by those disinterested Shareholders entitled to vote, whether case in person or by proxy. **In the absence of contrary instructions, the persons named in the accompanying form of proxy intend to vote the Common Shares represented thereby FOR the Share Compensation Plan Resolution.**

All directors and senior officers and their associates and affiliates will be excluded from voting on the Share Compensation Plan Resolution, including, without limitation, John Miniotis, Robert Bruggeman, Carlos Pinglo, Hernan Zaballa, Jens Mayer, Flora Wood, Sam Leung, Stephen Gatley and Nicholas Teasdale. As of the date hereof, the Company has been advised that a total of 18,012,946 Common Shares will be excluded from voting on the Share Compensation Plan Resolution.

The text of the Share Compensation Plan Resolution is as follows:

“RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. the share compensation plan of the Company, as amended, attached as Schedule A to the management information circular of the Company dated July 18, 2023 (the “**Share Compensation Plan**”), is hereby confirmed and approved; and
2. any one director or officer of the Company is authorized and directed, on behalf of the Company, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things that may be necessary or desirable to give effect to this ordinary resolution.”

### **OTHER BUSINESS**

Management of the Company is not aware of any matter to come before the Meeting other than the matters referred to in the Notice of Meeting.

### **STATEMENT OF CORPORATE GOVERNANCE PRACTICES**

Corporate governance relates to the activities of the Board of Directors, the members of which are elected by and are accountable to the Shareholders, and takes into account the role of the individual members of management who are appointed by the Board of Directors and who are charged with the day-to-day management of the Company. The Board of Directors is committed to sound corporate governance practices which are in the interest of the Shareholders and also contribute to effective and efficient decision making. Attached as **Schedule B** to this Circular is a description of certain corporate governance practices of the Company in accordance with Form 58-101F2 of National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

The Board examines its size annually to determine whether the number of directors is appropriate. In that regard, the Board believes that the proposed size of the Board will provide a diversity of views and experience while maintaining efficiency. The Board believes that the proposed composition of the Board fairly represents the interests of Shareholders.

### **Directorships**

Certain of the current directors of the Company are also directors of other reporting issuers, as follows:

**Director**

Sam Leung

Robert Bruggeman

Stephen Gatley

**Other Reporting Issuer**

Canstar Resources Inc. (TSX-V)

Canstar Resources Inc. (TSX-V)

Cornish Metals Inc. (TSX-V)

**EQUITY COMPENSATION PLAN INFORMATION**

As of July 18, 2023, the Company had 23,959,375 Options outstanding under the Previous Stock Option Plan (as defined herein) and the Share Compensation Plan that were exercisable to acquire, in the aggregate, 23,959,375 Common Shares. See table below for additional information with regard to the options outstanding as at December 31, 2022.

<b>Plan category</b>	<b>Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights</b>	<b>Weighted-Average Price of Outstanding Options, Warrants and Rights (\$)</b>	<b>Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans</b>
Equity compensation plans approved by Shareholders	27,100,004	0.20	30,857,734
Equity compensation plans not approved by Shareholders	Nil	N/A	Nil
Total:	27,100,004	0.20	30,857,734

**Share Compensation Plan**

The Share Compensation Plan was adopted by the Board on July 16, 2020 and approved by the Shareholders at the 2020 Meeting. On July 13, 2022, the Board approved an amendment to the Share Compensation Plan in order to allow for the issuance of ISOs and to effect other administrative amendments to comply with the policies of TSX-V. Such amendment to the Share Compensation Plan was approved by the Shareholders on August 25, 2022. On July 18, 2023, the Board approved a further amendment to the Share Compensation Plan in order to allow for the exercise of Options on a “net” basis. The Share Compensation Plan is a 10% “rolling” plan pursuant to which the number of Common Shares which may be issued pursuant to RSUs and Options granted under the Share Compensation Plan is a maximum of 10% of the issued and outstanding Common Shares at the time of the grant; provided, however, that the total number of RSUs that may be issued under the Share Compensation Plan has been fixed at 5,000,000 RSUs. As of the date of this Circular, there are 23,959,375 Options and 2,371,675 RSUs outstanding under the Share Compensation Plan. See “*Business to be Transacted at the Meeting – Annual Approval of the Share Compensation Plan*”.

**Previous Option Plan**

Prior to the approval of the Share Compensation Plan in 2020, all Options granted by the Company were made under the previous stock option plan of the Company (the “**Previous Stock Option Plan**”) approved by the Shareholders on July 24, 2019. The Previous Stock Option Plan continues to exist but only for the purpose of governing the terms of all outstanding Options that have been issued under the Previous Stock Option Plan before the adoption of the Share Compensation Plan.

**EXECUTIVE COMPENSATION**

The following information is presented in accordance with National Instrument Form 51-102F6V *Statement of*

*Executive Compensation – Venture Issuers.* The following executive compensation disclosure is provided in respect of the Company’s named Executive officers (“NEOs”) consisting of (a) each person who served as the Company’s Chief Executive Officer (“CEO”) or Chief Financial Officer (“CFO”) during the 2022 fiscal year, (b) each of up to the three most highly compensated executive officers of the Company whose annual aggregate compensation for the 2022 fiscal year exceeded \$150,000 (including each individual who would be included under (b) above but for the fact such individual was not an executive officer of the Company at the end of the financial year); and (c) each person who served as a director of the Company during fiscal 2022.

### Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table sets out all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company to each NEO and director, in any capacity, for the two most recently completed financial years.

Table of compensation excluding compensation securities							
Name and Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total Compensation (\$)
John Miniotis President and CEO	2022	242,134	101,250	Nil	Nil	Nil	343,384
	2021	225,000	100,000	Nil	Nil	Nil	335,000
Robert Bruggeman Chairman and Director	2022	55,000	Nil	Nil	Nil	Nil	55,000
	2021	55,000	Nil	Nil	Nil	Nil	55,000
Carlos Pinglo CFO and Corporate Secretary	2022	180,000	40,000	Nil	4,566	Nil	224,566
	2021	180,000	40,000	Nil	Nil	Nil	220,000
Hernan Zaballa Director	2022	204,123	Nil	Nil	Nil	Nil	204,123 <sup>(1)</sup>
	2021	161,506	Nil	Nil	Nil	Nil	161,506
Jens Mayer Director	2022	25,000	Nil	Nil	Nil	Nil	25,000
	2021	25,000	Nil	Nil	Nil	Nil	25,000
Flora Wood Director	2022	25,000	Nil	Nil	Nil	Nil	25,000
	2021	25,000	Nil	Nil	Nil	Nil	25,000
Sam Leung Director	2022	25,000	Nil	Nil	Nil	Nil	25,000
	2021	25,000	Nil	Nil	Nil	Nil	25,000
Nicholas Teasdale Director	2022	25,000	Nil	Nil	Nil	Nil	25,000
	2021	25,000	Nil	Nil	Nil	Nil	25,000
Stephen Gatley Director	2022	25,000	Nil	Nil	Nil	Nil	25,000
	2021	6,250	6,250	6,250	Nil	Nil	6,250

#### NOTES:

(1) \$25,000 of such amount was paid directly to Mr. Zaballa in connection with his role as a director of the Company. \$179,123 of such amount relates to legal fees paid to Zaballa Carchio Abogados in connection with legal services provided by such firm to the Company. Mr. Zaballa is a senior partner at Zaballa Carchio Abogados.

## Options and other Compensation Securities

The following table sets out all compensation securities granted to each NEO and director during fiscal year 2022.

Compensation Securities							
Name and Position	Type of Compensation Security	# of Compensation Securities, # of underlying securities and % 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
John Miniotis President and CEO	Options	750,000	2022-11-02	0.375	0.375	0.35	2027-11-02
Robert Bruggeman Chairman and Director	Options	200,000	2022-11-02	0.375	0.375	0.35	2027-11-02
Carlos Pinglo CFO and Corporate Secretary	Options	200,000	2022-11-02	0.375	0.375	0.35	2027-11-02
Hernan Zaballa Director	Options	137,500	2022-11-02	0.375	0.375	0.35	2027-11-02
Jens Mayer Director	Options	137,500	2022-11-02	0.375	0.375	0.35	2027-11-02
Flora Wood Director	Options	150,000	2022-11-02	0.375	0.375	0.35	2027-11-02
Sam Leung Director	Options	125,000	2022-11-02	0.375	0.375	0.35	2027-11-02
Nicholas Teasdale Director	Options	125,000	2022-11-02	0.375	0.375	0.35	2027-11-02
Stephen Gatley Director	Options RSU's	125,000 250,000	2022-11-02 2022-11-02	0.375 N/A	0.375 0.375	0.35 0.35	2027-11-02 N/A

The following table discloses all exercises of compensation securities by each NEO and director during fiscal year 2022.

Exercise of Compensation Securities by Directors and NEOs							
Name and Position	Type of Compensation Security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
John Miniotis President and CEO	RSU's	433,333	N/A	2022-12-01	0.385	N/A	166,833
Robert Bruggeman Director and Chairman	Options RSU'S	300,000 133,333	0.25 N/A	2022-11-09 2022-12-01	0.380 0.385	0.130 N/A	39,000 51,333
Carlos Pinglo CFO and Corporate Secretary	RSU's	133,333	N/A	2022-12-01	0.385	N/A	51,333
Hernan Zaballa Director	RSU's	91,666	N/A	2022-12-01	0.385	N/A	35,291
Jens Mayer Director	RSU's	91,666	N/A	2022-12-01	0.385	N/A	35,291
Flora Wood Director	RSU's	100,000	N/A	2022-12-01	0.385	N/A	38,500
Sam Leung Director	RSU's	83,333	N/A	2022-12-01	0.385	N/A	32,083
Nicholas Teasdale Director	RSU'S	83,333	N/A	2022-12-01	0.385	N/A	32,083

### Stock Option Plans and Other Incentive Plans

The Company has a Share Compensation Plan under which it may make awards of Options thereunder to eligible individuals. The material terms of the Share Compensation Plan are summarized in this Circular under the heading “*Business to be Transacted at the Meeting – Approval of the Amendment to the Share Compensation Plan*”. Prior to the approval of the Share Compensation Plan in 2020, all Options granted by the Company were made under the Previous Stock Option Plan. The Previous Stock Option Plan continues to exist but only for the purpose of governing the terms of all outstanding Options that have been issued under the Previous Stock Option Plan before the adoption of the Share Compensation Plan.

### Stock Ownership Policy

With the intention of aligning the financial interests of the Company’s executives and non-employee members of the Board with those of Shareholders, under advisement from the Company’s nominating and corporate governance committee, the Board adopted a stock ownership policy on May 27, 2022 (the “**Stock Ownership Policy**”). The Stock Ownership Policy applies to the Company’s CEO, CFO, Senior Vice-President Projects (“**SVP**”), Chief Geologist (together with CFO and SVP, the “**Executive Officers**”), and any member of the Board who is not employed by the Company. Under the Stock Ownership Policy, participants are required to maintain a minimum level of ownership of Common Shares (or Common Share equivalents) having a fair market value of: (i) three times the annual base salary, in the case of the CEO; (ii) one-and-a-half times the annual base salary, in the case of each Executive Officer (other than the CEO); and (iii) three times the annual retainer, in the case of each non-employee members of the Board.

Participants under the Stock Ownership Policy shall have three years to comply with the share ownership requirements under the Stock Ownership Policy with the share ownership requirements being pro-rated over such three year period.

### **Employment, Consulting and Management Agreements**

The Company has entered into employment agreements with the President and CEO, John Minitotis and the CFO and Corporate Secretary, Carlos Pinglo. The Company has also entered into a consulting agreement with the chair of its Board of Directors, Robert Bruggeman. A summary of the terms of these employment agreements pursuant to which compensation was provided during the most recently completed financial year is provided below.

#### ***Employment Agreement – John Minitotis***

On December 18, 2019, the Company entered into an executive employment agreement with John Minitotis, as amended and restated on June 1, 2022, pursuant to which Mr. Minitotis agreed to act as the President and Chief Executive Officer of the Company (the “**Minitotis Agreement**”). Pursuant to the Minitotis Agreement, Mr. Minitotis receives an annual salary of US\$180,000 as well as participation in the benefit and incentive-based plans established by the Company. In addition, Mr. Minitotis is eligible to earn an annual bonus up to a maximum of 60% of his annual salary, provided: (i) certain performance to be mutually agreed upon are achieved and (ii) that the Company has adequate financial capacity to make such payment, and subject to Board approval.

The Company may terminate Mr. Minitotis’ employment at any time for just cause and Mr. Minitotis may terminate his employment on 30 days written notice. Further, the Minitotis Agreement provides that, if Mr. Minitotis’ employment is terminated by the Company without cause, the Company will be required to provide twelve (12) months’ notice or payment in lieu thereof and continued participation in the Company’s benefit plan. In addition, the Minitotis Agreement also provides that in the event of a Change of Control that results in the termination of Mr. Minitotis’ employment (or materially diminished duties) and at any time during the twelve (12) month period following such Change of Control, the Company may terminate Mr. Minitotis’ employment without cause and will be required to, within 30 days of such termination, pay Mr. Minitotis a lump sum cash payment equal to twenty-four (24) month’s of Mr. Minitotis’ annual salary at the relevant time.

For the purpose of the Minitotis Agreement, “**Change of Control**” is defined as an event pursuant to which:

- the acquisition of ownership of voting securities representing more than 50 percent of the aggregate ordinary voting power represented by the issued and outstanding voting securities of the Company by any person or persons acting jointly or in concert with each other;
- the sale, to any person, of all or substantially all of the assets, rights or properties of Company;
- within any period of two consecutive years, individuals who at the beginning of such period constituted the Board and any new directors whose appointment by the Board or nomination for election by Shareholders of the Company was approved by a vote of at least a majority of the directors then still in office who either were directors at the beginning of the period or whose appointment or nomination for election was previously so approved, cease for any reason to constitute a majority of the members of the Board;
- any determination by the majority of incumbent directors of the Board that a change in control has occurred or is about to occur; or
- a resolution being adopted by the Board to wind-up, dissolve, or liquidate the Company.

#### ***Employment Agreement – Carlos Pinglo***

On December 18, 2019, the Company entered into an executive employment agreement with Carlos Pinglo, pursuant to which Mr. Pinglo agreed to act as the Chief Financial Officer and Corporate Secretary of the Company (the “**Pinglo Agreement**”). Pursuant to the Pinglo Agreement, Mr. Pinglo receives an annual salary of \$180,000 as well as participation in the benefit and incentive-based plans established by the Company

The Company may terminate Mr. Pinglo’s employment at any time for just cause and Mr. Pinglo may terminate his employment on 30 days written notice. Further, the Pinglo Agreement provides that, if Mr. Pinglo’s employment is

terminated by the Company without cause, the Company will be required to provide a one-time lump sum payment equal to twelve (12) months' of Mr. Pinglo's then annual salary continued participation in the Company's benefit plan. In addition, the Pinglo Agreement also provides that in the event of a Change of Control that results in the termination of Mr. Pinglo's employment (or materially diminished duties), the Company may terminate Mr. Pinglo's employment without cause and will be required to, within 30 days of such termination, pay Mr. Pinglo a lump sum cash payment equal to twelve (12) month's of Mr. Pinglo's annual salary at the relevant time.

For the purpose of the Pinglo Agreement, "**Change of Control**" is defined as an event pursuant to which:

- the acquisition of ownership of voting securities representing more than 50 percent of the aggregate ordinary voting power represented by the issued and outstanding voting securities of the Company by any person or persons acting jointly or in concert with each other;
- the sale, to any person, of all or substantially all of the assets, rights or properties of Company;
- within any period of two consecutive years, individuals who at the beginning of such period constituted the Board and any new directors whose appointment by the Board or nomination for election by Shareholders of the Company was approved by a vote of at least a majority of the directors then still in office who either were directors at the beginning of the period or whose appointment or nomination for election was previously so approved, cease for any reason to constitute a majority of the members of the Board;
- any determination by the majority of incumbent directors of the Board that a change in control has occurred or is about to occur; or
- a resolution being adopted by the Board to wind-up, dissolve, or liquidate the Company.

#### ***Consulting Agreement – Robert Bruggeman***

Pursuant to a consulting agreement with the Company dated effective January 5, 2022 (the "**Bruggeman Consulting Agreement**"), Mr. Bruggeman is employed as a consultant of the Company. In consideration for the personal services of Mr. Bruggeman as a consultant and committing, on average, approximately 0.75 days per week of his working time to the Company, subject to review by the Company, the Company pays Mr. Bruggeman a monthly fee of \$2,500. The Company also reimburses Mr. Bruggeman for all reasonable travel and other out-of-pocket expenses incurred in connection with carrying out his duties as a consultant.

The Company may terminate the Bruggeman Consulting Agreement at any time for cause without notice or payment in lieu of notice and without payment of any fees whatsoever either by way of anticipated earnings or damages of any kind by advising Mr. Bruggeman in writing. The Bruggeman Consulting Agreement may be terminated at any time by either party giving written notice of termination to the other party at least 30 days in advance of the termination date stated in the said notice. There are no provisions in the Bruggeman Consulting Agreement respecting any payments in the event of a change of control of the Company. The Bruggeman Consulting Agreement was terminated effective February 28, 2023.

#### **Responsibility for Determining Executive Compensation**

Historically, the objective of the Company's compensation program has been to compensate the Company's executive officers for their services to the Company at a level that is both in line with the Company's fiscal resources and competitive with companies at a similar stage of development.

The Company's executive compensation philosophy is that its executive officers should be compensated based on their skill and experience levels and the existing stage of development of the Company taking into account the skill and level of responsibility involved in each executive officer's position, the individual's experience and qualifications, the Company's resources, industry practice, and regulatory guidelines regarding executive compensation levels.

The Board of Directors has established a compensation committee, consisting solely of non-executive directors, that is responsible for ensuring that the Company has in place an appropriate plan for executive compensation and for making recommendations to the Board of Directors with respect to the compensation of the Company's executive officers.

The Company has established three levels of compensation to align the interests of the executive officers with those of the Shareholders. First, most executive officer functions are compensated through base salary. Second, the Board of Directors has awarded, and may continue to award, executive officers long term incentives in the form of stock options and RSUs. Finally, and only in special circumstances, the Board of Directors may award cash or share bonuses for exceptional performance that results in a significant increase in Shareholder value. The following table provides each element of compensation and the link to both the compensation and corporate objectives:

<b>Compensation Element</b>	<b>Link to Compensation Objective</b>	<b>Link to Corporate Objectives</b>
Base Salary and/or Consulting/Administration Fees	Attract and Retain	Competitive pay ensures access to skilled employees necessary to achieve corporate objectives
Options and RSUs	Motivate and Reward Align interest with Shareholders	Long-term incentives motivate executive officers to enhance Shareholder value by the achievement of longer-term corporate strategies and objectives
Bonuses	Motivate and Reward	Short-term incentives motivate and reward executive officers to increase Shareholder value by the achievement of near-term corporate strategies and objectives

At the present time, the Company's approach to executive compensation is being dictated primarily by the Company's ability to pay having regard to the Company's current financial resources and near-term prospects.

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

At all times during the Company's most recently completed financial year, no director, executive officer, or employee of the Company, no former executive officer, director, or employee of the Company, no proposed management nominee for election as a director of the Company and no associate or affiliate of any such director, executive officer, or director nominee was indebted to the Company or any of its subsidiaries or was indebted to another entity where such indebtedness was or had been the subject of a guarantee, support agreement, letter of credit, or other similar arrangement or understanding provided by the Company or any of its subsidiaries, other than routine indebtedness.

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

The Company is unaware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any informed person of the Company, any proposed director of the Company or any associate or affiliate of any informed person or proposed director, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

#### **AUDIT COMMITTEE DISCLOSURE**

National Instrument 52-110 *Audit Committees* ("NI 52-110") of the Canadian Securities Administrators requires the Company, as a venture issuer, to disclose annually in its Circular certain information concerning the constitution of the Company's audit committee (the "Audit Committee") and its relationship with its independent auditor.

#### **Audit Committee Charter**

The charter of the Audit Committee is reproduced in its entirety in Schedule C to this Circular.

## **Composition of the Audit Committee**

The Audit Committee currently consists of Ms. Wood (Chair), Mr. Bruggeman and Mr. Mayer. The Board of Directors has determined that each member of the Audit Committee is “independent” and “financially literate” within the meaning of NI 52-110.

## **Relevant Education and Experience of Members of the Audit Committee**

### Flora Wood

Flora Wood is Vice President, Investor Relations and Sustainability at Altius Minerals Corporation, a diversified royalty company listed on the Toronto Stock Exchange, a position she has held since August 2017. Ms. Wood is also Corporate Secretary of Altius Renewable Royalties Corp., which was spun off from Altius Minerals Corporation in 2021. Prior to that, Ms. Wood led Investor Relations (debt and equity) for mining and steel-making companies that included Sherritt International Corporation (2015-2017), Essar Steel Algoma bondholder restructuring (2013-2014), Callinan Royalties (2014-15) and Inmet Mining Corp. (2010-2013). Ms. Wood graduated from the University of Toronto with an MA (Philosophy) and was previously an Audit Committee member and independent director of gold developer Treasury Metals Ltd.

### Robert Bruggeman

Rob Bruggeman has been President of Alpha Advisory Services Inc., which provides corporate development and investor relations consulting to the mining industry, since July 2016. He has over 20 years’ experience in corporate development and equities research and trading, including five years as Vice President, Trading Strategy & Research, with TD Securities from 2005 to 2010. Mr. Bruggeman holds a Bachelor of Engineering & Management from McMaster University and a Master of Business Administration degree from the Schulich School of Business at York University. Mr. Bruggeman is a CFA charterholder.

### Jens Mayer

Jens Mayer is a Principal with INFOR Financial and has 20 plus years of experience as a mining investment banker, he was Head/Co-Head of Investment Banking and the Resource Group at Canaccord Genuity from 2000-2016. While at Canaccord Genuity, Mr. Mayer helped build the firm from a small regional dealer to Canada’s largest independent investment bank with a global reach. Through his career, Mr. Mayer has advised on numerous M&A transactions while at Gordon Capital, Yorkton Securities, Canaccord Genuity and now at INFOR Financial. Mr. Mayer holds an H.B.Sc. from Brock University and an MBA from Queen’s University.

## **Audit Committee Oversight**

Since the commencement of the Company’s most recently completed financial year, the Board of Directors has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

## **Reliance on Certain Exemptions**

Since the commencement of the Company’s most recently completed financial year, the Company has not relied on the exemptions contained in sections 2.4, 6.1.1(4), 6.1.1 (5), 6.1.1 (6) or 8 of NI 52-110. Section 2.4 (*De Minimis Non-audit Services*) provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the financial year in which the non-audit services were provided. Section 6.1.1(4) (*Circumstances Affecting the Business or Operations of the Venture Issuer*) provides a temporary exemption from the requirement that a majority of the members of the Audit Committee must not be executive officers in circumstances where it is necessary for business reasons that a non-executive member of the Audit Committee become an executive officer. Section 6.1.1(5) (*Events Outside Control of Member*) provides a temporary exemption from the requirement that a majority of the members of the Audit Committee must not be executive officers in circumstances where, for reasons beyond the member’s reasonable control, the member becomes

a control person. Section 6.1.1(6) (*Death, Incapacity or Resignation*) provides a temporary exemption from the requirement that a majority of the members of the Audit Committee must not be executive officers in circumstances where a vacancy on the Audit Committee must be filled due to the death, incapacity or resignation of a former member. Section 8 (*Exemptions*) permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110 in whole or in part.

### **Pre-Approval Policies and Procedures**

The charter of the Audit Committee requires that the Audit Committee approve in advance all auditing services and any non-audit related services provided by the Company’s auditors, and the fees for such services, with a view to ensuring the independence of the auditors and, in accordance with applicable regulatory standards, including applicable stock exchange requirements, with respect to approval of non-audit related services performed by the auditors.

### **External Auditor Service Fees**

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

<b>Financial Year Ended December 31</b>	<b>Audit Fees</b>	<b>Audit-related Fees</b>	<b>Tax Fees</b>	<b>All Other Fees</b>	<b>Total</b>
2022	\$134,500	Nil	Nil	\$23,000	\$157,500
2021	\$69,000	Nil	Nil	Nil	\$69,000

### **MANAGEMENT CONTRACTS**

Management functions of the Company and its subsidiaries are not performed by a person or persons other than the directors or executive officers of the Company.

### **ADDITIONAL INFORMATION**

Additional information relating to the Company is on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders may contact the Company’s Corporate Secretary by mail at 220 Bay Street, Suite 500, Toronto, Ontario, M5J 2W4, or by email to: [carlos@abrasilver.com](mailto:carlos@abrasilver.com) to request copies of the Company’s financial statements and management’s discussion and analysis (“**MD&A**”).

Financial information for the Company’s most recently completed financial year is provided in its comparative financial statements and MD&A which are filed on SEDAR.

**DIRECTORS' APPROVAL**

The contents of this Circular and its distribution to Shareholders have been approved by the Board of Directors of the Company.

**DATED** at Vancouver, British Columbia, as of the 18th day of July, 2023.

**BY ORDER OF THE BOARD OF DIRECTORS**

*/s/ John Miniotis*

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President and Chief Executive Officer

**SCHEDULE A**  
**ABRASILVER RESOURCE CORP.**  
**SHARE COMPENSATION PLAN, AS AMENDED**

**(as attached)**

**ABRASILVER RESOURCE CORP.**  
**SHARE COMPENSATION PLAN**  
**(as amended and restated effective July 18, 2023)**

**1. DEFINITIONS AND INTERPRETATION**

1.1 **Definitions:** For purposes of the Plan, unless the context requires otherwise, the following words and terms shall have the following meanings:

- (a) “**Account**” has the meaning attributed to that term in section 4.8;
- (b) “**Administrators**” means the Board or such other persons as may be designated by the Board from time to time;
- (c) “**Affiliate**” has the meaning attributed to that term in the *Securities Act* (Ontario)
- (d) “**Associate**” means, if used to indicate a relationship with any person:
  - (i) a partner, other than a limited partner, of that person;
  - (ii) a trust or estate in which that person has a substantial beneficial interest or for which that person serves as trustee or in a similar capacity;
  - (iii) an issuer in respect of which that person beneficially owns or controls, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all outstanding voting securities of the issuer; or
  - (iv) a relative, including the spouse, of that person or a relative of that person’s spouse, if the relative has the same home as that person;but
  - (v) where the Exchange determines that two persons shall, or shall not, be deemed to be Associates with respect to a Member firm, Member corporation or holding company of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D.1.00 of the TSX Venture Exchange Rule Book and Policies with respect to that Member firm, Member corporation or holding company;
- (e) “**Award Date**” means the date or dates on which an award of Restricted Share Units is made to a Participant in accordance with section 4.1;
- (f) “**Blackout Period**” means the period during which designated directors, officers and employees of the Corporation cannot trade the Common Shares pursuant to the Corporation’s policy respecting restrictions on directors’, officers’ and employee trading which is in effect at that time (which, for greater certainty, does not include the period during which a cease trade order is in effect to which the Corporation or in respect of an insider, that insider is subject);
- (g) “**Board**” means the board of directors of the Corporation from time to time;
- (h) “**Business Day**” means each day other than a Saturday, Sunday or statutory holiday in Toronto, Ontario, Canada;
- (i) “**Change of Control**” means:
  - (i) the acceptance of an Offer by a sufficient number of holders of voting shares in the capital of the Corporation to constitute the offeror, together with persons acting jointly or in concert with the offeror, a shareholder of the Corporation being entitled to exercise more

- than 50% of the voting rights attaching to the outstanding voting shares in the capital of the Corporation (provided that prior to the Offer, the offeror was not entitled to exercise more than 50% of the voting rights attaching to the outstanding voting shares in the capital of the Corporation),
- (ii) the completion of a consolidation, merger or amalgamation of the Corporation with or into any other corporation whereby the voting shareholders of the Corporation immediately prior to the consolidation, merger or amalgamation receive less than 50% of the voting rights attaching to the outstanding voting shares of the consolidated, merged or amalgamated corporation or any parent entity, or
  - (iii) the completion of a sale whereby all or substantially all of the Corporation's undertakings and assets become the property of any other entity and the voting shareholders of the Corporation immediately prior to that sale hold less than 50% of the voting rights attaching to the outstanding voting securities of that other entity immediately following that sale;
- (j) “**Code**” means the United States Internal Revenue Code of 1986, as amended;
  - (k) “**Common Shares**” means the common shares of the Corporation;
  - (l) “**Consultant**” means an individual (other than a director, officer or employee of the Corporation or of any of its Subsidiaries) or company that:
    - (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Corporation or any of its Subsidiaries, other than services provided in relation to a Distribution;
    - (ii) provides the services under a written contract between the Corporation or any of its Subsidiaries and the individual or the company, as the case may be; and
    - (iii) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or any of its Subsidiaries;
  - (m) “**Corporation**” means AbraSilver Resource Corp., a corporation existing under the *Business Corporations Act* (British Columbia) and the successors thereof;
  - (n) “**Discounted Market Price**” means the Market Price of the Common Shares, less a discount of up to 25% if the Market Price is \$0.50 or less; up to 20% if the Market Price is between \$0.51 and \$2.00; and up to 15% if the Market Price is greater than \$2.00;
  - (o) “**Distribution**” has the meaning ascribed thereto in the Exchange Policies;
  - (p) “**Effective Date**” means July 18, 2023;
  - (q) “**Eligible Person**” means:
    - (i) any officer or employee of the Corporation and/or any officer or employee of any Subsidiary of the Corporation and, solely for purposes of the grant of Options, any director of the Corporation and/or any director of any Subsidiary of the Corporation; and
    - (ii) a Consultant;
  - (r) “**Event of Termination**” means an event whereby a Participant ceases to be an Eligible Person and shall be deemed to have occurred by the giving of any notice of termination of employment or service (whether voluntary or involuntary and whether with or without cause), retirement, or any cessation of employment or service for any reason whatsoever, including disability or death;

- (s) **“Exchange”** means the TSX Venture Exchange or any successor thereto or, if the Common Shares are not then listed and posted for trading on TSX Venture Exchange, on such stock exchange on which such shares are listed and posted for trading as may be selected for such purpose by the Board;
- (a) **“Exchange Policies”** means the policies of the Exchange, including those set forth in the Corporate Finance Manual of the Exchange, each as amended or restated from time to time;
- (t) **“Grant Date”** means the date on which a grant of Options is made to a Participant in accordance with section 5.1 or 5.10;
- (u) **“Incentive Stock Option”** means an Option that is intended to meet the requirements of Section 422 of the Code;
- (v) **“insider”** if used in relation to an Corporation means:
  - (i) a director or an officer of the Corporation,
  - (ii) a director or an officer of a company that is itself an Insider or a subsidiary of the Corporation;
  - (iii) a person that has (i) beneficial ownership of, or control or direction over, directly or indirectly, or (ii) a combination of beneficial ownership of, and control or direction over, directly or indirectly, securities of the Corporation carrying more than 10% of the voting rights attached to all the Corporation’s outstanding voting securities, excluding, for the purpose of the calculation of the percentage held, any securities held by the person as underwriter in the course of a distribution; or
  - (iv) the Corporation if it has purchased, redeemed or otherwise acquired a security of its own issue, for so long as it continues to hold that security;
- (w) **“Insider Participant”** means a Participant who is (i) an insider of the Corporation or any of its Subsidiaries, and (ii) an associate of any person who is an insider by virtue of (i);
- (x) **“Investor Relations Activities”** means any activities, by or on behalf of the Corporation or shareholder of the Corporation, that promote or reasonably could be expected to promote the purchase or sale of securities of the Corporation, but does not include:
  - (i) the dissemination of information provided, or records prepared, in the ordinary course of business of the Corporation:
    - (A) to promote the sale of products or services of the Corporation, or
    - (B) to raise public awareness of the Corporation, that cannot reasonably be considered to promote the purchase or sale of securities of the Corporation;
  - (ii) activities or communications necessary to comply with the requirements of:
    - (A) applicable securities laws;
    - (B) the by-laws, rules or other regulatory instruments of the Exchange or any other self-regulatory body or exchange having jurisdiction over the Corporation;
  - (iii) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if:

- (A) the communication is only through the newspaper, magazine or publication, and
  - (B) the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or
- (iv) activities or communications that may be otherwise specified by the Exchange.
- (y) **“Market Price”** means, as of any date, the closing price of the Common Shares on the Exchange for the last market trading day prior to the date of grant of the Option or if the Common Shares are not listed on a stock exchange, the Market Price shall be determined in good faith by the Administrators;
  - (z) **“Market Value”** means, on any date, the volume weighted average price of the Common Shares traded on the Exchange for the five (5) consecutive trading days prior to such date;
  - (aa) **“Member”** means a person who has executed the Members’ Agreement, as amended from time to time, and is accepted as and becomes a member of the Exchange under the Exchange Requirements as defined in the Exchange’s Corporate Finance Manual;
  - (bb) **“Members' Agreement”** means the members' agreement among the Exchange and each person who, from time to time, is accepted as and becomes a member of the Exchange;
  - (cc) **“Offer”** means a bona fide arm’s length offer made to all holders of voting shares in the capital of the Corporation to purchase, directly or indirectly, voting shares in the capital of the Corporation;
  - (dd) **“Option”** means an option granted to an Eligible Person under the Plan to purchase Common Shares;
  - (ee) **“Option Agreement”** has the meaning ascribed to that term in section 3.2;
  - (ff) **“Participant”** means an Eligible Person selected by the Administrators to participate in the Plan in accordance with section 3.1 hereof;
  - (gg) **“Payout Date”** means the day on which the Corporation pays to a Participant the Market Value of the Restricted Share Units that have become vested and payable;
  - (hh) **“person”** means a corporation, incorporated association or organization, body corporate, partnership, trust, fund, association and any other entity, or an individual.
  - (ii) **“Plan”** means this share compensation plan, as amended, replaced or restated from time to time;
  - (jj) **“reserved for issuance”** refers to Common Shares that may be issued in the future upon the vesting of Restricted Share Units which have been awarded and upon the exercise of Options which have been granted;
  - (kk) **“Restricted Share Unit”** means a right granted in accordance with section 4.1 hereof to receive one Common Share that becomes vested in accordance with section 4.3;
  - (ll) **“Restricted Share Unit Agreement”** has the meaning ascribed to that term in section 3.2;
  - (mm) **“Share Compensation Arrangement”** means a stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares to directors, officers and employees of the Corporation and any of its Subsidiaries or to Consultants;
  - (nn) **“Subsidiary”** has the meaning ascribed thereto in the *Securities Act* (Ontario) and **“Subsidiaries”** shall have a corresponding meaning;

(oo) “**Subsidiary Corporation**” has the meaning ascribed thereto in Section 424(f) of the Code:

(pp) “**Withholding Obligations**” has the meaning ascribed to that term in section 4.6.

1.2 **Headings:** The headings of all articles, sections, and paragraphs in the Plan are inserted for convenience of reference only and shall not affect the construction or interpretation of the Plan.

1.3 **Context, Construction:** Whenever the singular or masculine are used in the Plan, the same shall be construed as being the plural or feminine or neuter or vice versa where the context so requires.

1.4 **References to this Plan:** The words “hereto”, “herein”, “hereby”, “hereunder”, “hereof” and similar expressions mean or refer to the Plan as a whole and not to any particular article, section, paragraph or other part hereof.

1.5 **Currency:** All references in this Plan or in any agreement entered into under this Plan to “dollars”, “\$” or lawful currency shall be references to Canadian dollars, unless the context otherwise requires.

## 2. PURPOSE AND ADMINISTRATION OF THE PLAN

2.1 **Purpose:** The purpose of the Plan is to advance the interests of the Corporation and its Subsidiaries, and its shareholders by: (i) ensuring that the interests of Eligible Persons are aligned with the success of the Corporation and its Subsidiaries; (ii) encouraging stock ownership by Eligible Persons; and (iii) providing compensation opportunities to attract, retain and motivate Eligible Persons.

### 2.2 Common Shares Subject to the Plan:

(a) The total number of Common Shares reserved and available for grant and issuance pursuant to this Plan (inclusive of Common Shares reserved and available pursuant to section 2.2(b)) shall not exceed 10% of the issued and outstanding Common Shares from time to time (together with those Common Shares issuable pursuant to any other Share Compensation Arrangement, including the Restricted Share Units that may be awarded under Section 4);

(b) The total number of Common Shares reserved and available for issuance upon exercise of Incentive Stock Options granted pursuant this Plan shall be 19,666,904.

(c) The number of Common Shares issuable under the Plan to any one Participant (together with those Common Shares issuable pursuant to any other Share Compensation Arrangement, including the Restricted Share Units that may be awarded under Section 4) in a 12 month period shall not exceed 5% of the issued and outstanding Common Shares from time to time;

(d) The number of Common Shares issuable under the Plan to Insider Participants (together with those Common Shares issuable pursuant to any other Share Compensation Arrangement, including the Restricted Share Units that may be awarded under Section 4) shall not, at any time, exceed 10% of the issued and outstanding Common Shares;

(e) The number of Options granted to Insider Participants, within a 12 month period, must not exceed 10% of the issued and outstanding Common Shares unless disinterested shareholder approval is obtained;

(f) The number of Common Shares issuable under the Plan to any one Consultant within a 12 month period (together with those Common Shares that are issued pursuant to any other Share Compensation Arrangement, including the Restricted Share Units that may be awarded under Section 4) shall not, at any time, exceed 2% of the issued and outstanding Common Shares; and

(g) The number of Common Shares issuable pursuant to the exercise of Options under the Plan within a 12 month period to all Eligible Persons retained to provide Investor Relations Activities (together with those Common Shares that are issued pursuant to any other Share Compensation Arrangement)

shall not, at any time, exceed 2% of the issued and outstanding Common Shares; provided, that Options granted to any and all Eligible Persons providing Investor Relations Activities must vest in stages over a period of not less than 12 months with no more than ¼ of the Options vesting in any three month period.

2.3 **Administration of the Plan:** The Plan shall be administered by the Administrators, through the recommendation of the Compensation Committee of the Board. Subject to any limitations of the Plan, the Administrators shall have the power and authority to:

- (a) adopt rules and regulations for implementing the Plan;
- (b) determine the eligibility of persons to participate in the Plan, when Restricted Share Units and Options to Eligible Persons shall be awarded or granted, the number of Restricted Share Units and Options to be awarded or granted, the vesting criteria for each award of Restricted Share Units and the vesting period for each grant of Options;
- (c) interpret and construe the provisions of the Plan and any agreement or instrument under the Plan;
- (d) subject to regulatory requirements, make exceptions to the Plan in circumstances which they determine to be exceptional;
- (e) require that any Participant provide certain representations, warranties and certifications to the Corporation to satisfy the requirements of applicable laws; and
- (f) make all other determinations and take all other actions as they determine to be necessary or desirable to implement, administer and give effect to the Plan.

### 3. ELIGIBILITY AND PARTICIPATION IN PLAN

3.1 **The Plan and Participation:** The Plan is hereby established for Eligible Persons. Restricted Share Units may be awarded and Options may be granted to any Eligible Person as determined by the Administrators in accordance with the provisions hereof. The Corporation and each Participant acknowledge that they are responsible for ensuring and confirming that such Participant is a bona fide Eligible Person entitled to receive Options or Restricted Share Units, as the case may be.

3.2 **Agreements:** All Restricted Share Units awarded hereunder shall be evidenced by a restricted share unit agreement (“**Restricted Share Unit Agreement**”) between the Corporation and the Participant, substantially in the form set out in Exhibit A or in such other form as the Administrators may approve from time to time. All Options granted hereunder shall be evidenced by an option agreement (“**Option Agreement**”) between the Corporation and the Participant, substantially in the form as set out in Exhibit B (or, in the case of an Incentive Stock Option, in the form set out in Exhibit C) or in such other form as the Administrators may approve from time to time.

### 4. AWARD OF RESTRICTED SHARE UNITS

4.1 **Award of Restricted Share Units:** Subject to section 2.2, the total number of Common Shares issuable under the Plan pursuant to settlement of Restricted Share Units that may be awarded pursuant to this section shall not exceed 5,000,000 Common Shares. Restricted Share Units will not be granted to persons providing Investor Relations Activities.

The Administrators may, at any time and from time to time, award Restricted Share Units to Eligible Persons. In awarding any Restricted Share Units, the Administrators shall determine:

- (a) to whom Restricted Share Units pursuant to the Plan will be awarded;
- (b) the number of Restricted Share Units to be awarded and credited to each Participant’s Account;

- (c) the Award Date; and
- (d) subject to section 4.3 hereof, the applicable vesting criteria.

Upon the award of Restricted Share Units, the number of Restricted Share Units awarded to a Participant shall be credited to the Participant's Account effective as of the Award Date.

4.2 **Restricted Share Unit Agreement:** Upon the award of each Restricted Share Unit to a Participant, a Restricted Share Unit Agreement shall be delivered by the Administrators to the Participant.

4.3 **Vesting:**

- (a) Subject to subsections (c) and (d) below, at the time of the award of Restricted Share Units, the Administrators shall determine in their sole discretion the vesting criteria applicable to such Restricted Share Units, provided that Restricted Share Units shall not vest before the date that is one year following the date of issuance and provided that, as long as the Common Shares are listed on the TSX Venture Exchange, such vesting criteria shall comply with the Exchange Policies.
- (b) For greater certainty, the vesting of Restricted Share Units may be determined by the Administrators to include criteria such as performance vesting, in which the number of Common Shares to be delivered to a Participant for each Restricted Share Unit that vests may fluctuate based upon the Corporation's performance and/or the market price of the Common Shares, in such manner as determined by the Administrators in their sole discretion.
- (c) Each Restricted Share Unit shall be subject to vesting in accordance with the terms set out in the Restricted Share Unit Agreement.
- (d) Notwithstanding anything to the contrary in this Plan, all vesting and issuances or payments, as applicable, in respect of a Restricted Share Unit shall be completed no later than December 15 of the third calendar year commencing after the Award Date for such Restricted Share Unit.

4.4 **Blackout Periods:** Should the date of vesting of a Restricted Share Unit fall within a Blackout Period, such date of vesting shall be automatically extended without any further act or formality to that date which is the tenth Business Day after the end of the Blackout Period, such tenth Business Day to be considered the date of vesting for such Restricted Share Unit for all purposes under the Plan. Notwithstanding section 6.4 hereof, the ten Business Day period referred to in this section 4.4 may not be extended by the Board.

4.5 **Vesting and Settlement:** As soon as practicable after the relevant date of vesting of any Restricted Share Units awarded under the Plan, but subject to subsection 4.3(d), a Participant shall be entitled to receive and the Corporation shall issue or pay (at its discretion):

- (a) a lump sum payment in cash equal to the number of vested Restricted Share Units recorded in the Participant's Account multiplied by the Market Value of a Common Share on the Payout Date;
- (b) the number of Common Shares required to be issued to a Participant upon the vesting of such Participant's Restricted Share Units (on the basis of one Common Share for each vested Restricted Share Unit) in the Participant's Account, duly issued as fully paid and non-assessable shares and such Participant shall be registered on the books of the Corporation as the holder of the appropriate number of Common Shares; or
- (c) any combination of the foregoing.

4.6 **Taxes and Source Deductions:** the Corporation or an affiliate of the Corporation may take such reasonable steps for the deduction and withholding of any taxes and other required source deductions which the Corporation or the affiliate, as the case may be, is required by any law or regulation of any governmental authority whatsoever to remit in connection with this Plan, any Restricted Share Units or any issuance of

Common Shares (“**Withholding Obligations**”). Without limiting the generality of the foregoing, the Corporation may, at its discretion: (i) deduct and withhold those amounts it is required to remit pursuant to the Withholding Obligations from any cash remuneration or other amount payable to the Participant, whether or not related to the Plan, the vesting of any Restricted Share Units or the issue of any Common Shares; (ii) allow the Participant to make a cash payment to the Corporation equal to the amount required to be remitted, pursuant to the Withholding Obligations, which amount shall be remitted by the Corporation to the appropriate governmental authority for the account of the Participant; or (iii) settle a portion of vested Restricted Share Units of a Participant in cash equal to the amount the Corporation is required to remit, pursuant to the Withholding Obligations, which amount shall be remitted by the Corporation to the appropriate governmental authority for the account of the Participant. Where the Corporation considers that the steps undertaken in connection with the foregoing result in inadequate withholding or a late remittance of taxes, the delivery of any Common Shares to be issued to a Participant on vesting of any Restricted Share Units may be made conditional upon the Participant (or other person) reimbursing or compensating the Corporation or making arrangements satisfactory to the Corporation for the payment to it in a timely manner of all taxes required to be remitted, pursuant to the Withholding Obligations, for the account of the Participant.

#### 4.7 **Rights Upon an Event of Termination:**

- (a) If an Event of Termination has occurred in respect of any Participant, any and all Common Shares corresponding to any vested Restricted Share Units in the Participant’s Account shall be issued as soon as practicable after the Event of Termination to the former Participant in accordance with section 4.5 hereof.
- (b) If an Event of Termination has occurred in respect of any Participant, any unvested Restricted Share Units in the Participant’s Account shall, unless otherwise determined by the Administrators in their discretion, forthwith and automatically be forfeited by the Participant and cancelled.
- (c) Notwithstanding the foregoing subsection 4.7(b) and subject to the requirements of the Exchange, if a Participant retires in accordance with the Corporation’s retirement policy, at such time, any unvested performance-based Restricted Share Units in the Participant’s Account shall not be forfeited by the Participant or cancelled and instead shall be eligible to become vested on the earlier of: (i) twelve (12) months from the date of such termination; or (ii) in accordance with the vesting conditions set forth in the applicable Restricted Share Unit Agreement after such retirement (as if retirement had not occurred), but only if the performance vesting criteria, if any, are met on the applicable date.
- (d) For greater certainty, if a Participant’s employment is terminated for just cause, each unvested Restricted Share Unit in the Participant’s Account shall forthwith and automatically be forfeited by the Participant and cancelled.
- (e) For the purposes of this Plan and all matters relating to the Restricted Share Units, the date of the Event of Termination shall be determined without regard to any applicable severance or termination pay, damages, or any claim thereto (whether express, implied, contractual, statutory, or at common law).

4.8 **Restricted Share Unit Accounts:** A separate notional account for Restricted Share Units shall be maintained for each Participant (an “**Account**”). Each Account will be credited with Restricted Share Units awarded to the Participant from time to time pursuant to section 4.1 hereof by way of a bookkeeping entry in the books of the Corporation. On the vesting of the Restricted Share Units pursuant to section 4.3 hereof and the corresponding issuance of Common Shares to the Participant pursuant to section 4.5 hereof, or on the forfeiture and cancellation of the Restricted Share Units pursuant to section 4.7 hereof, the applicable Restricted Share Units credited to the Participant’s Account will be cancelled.

- 4.9 **Record Keeping:** the Corporation shall maintain records in which shall be recorded:
- (a) the name and address of each Participant;
  - (b) the number of Restricted Share Units credited to each Participant's Account;
  - (c) any and all adjustments made to Restricted Share Units recorded in each Participant's Account; and
  - (d) any other information which the Corporation considers appropriate to record in such records.

## 5. GRANT OF OPTIONS

- 5.1 **Grant of Options:** Subject to section 2.2, the total number of Common Shares reserved and available for grant pursuant to this section on exercise of Options (together with those Common Shares issuable pursuant to any other Share Compensation Arrangement, including the Restricted Share Units that may be awarded under Section 4) shall not exceed 10% of the number of issued and outstanding Common Shares from time to time.

The Administrators may at any time and from time to time grant Options to Eligible Persons. In granting any Options, the Administrators shall determine:

- (a) to whom Options pursuant to the Plan will be granted;
- (b) the number of Options to be granted, the Grant Date and the exercise price of each Option;
- (c) the expiration date of each Option; and
- (d) subject to section 5.3 hereof, the applicable vesting criteria,

provided, however that the exercise price for a Common Share pursuant to any Option shall not be less than the Discounted Market Price on the Grant Date in respect of that Option.

- 5.2 **Option Agreement:** Upon each grant of Options to a Participant, an Option Agreement shall be delivered by the Administrators to the Participant.

### 5.3 Vesting:

- (a) Subject to subsection 2.2(g) above with respect to grants to Eligible Persons providing Investor Relations Activities, at the time of the grant of any Options, the Administrators shall determine, in accordance with minimum vesting requirements of the Exchange, the vesting criteria applicable to such Options.
- (b) The Administrators may determine when any Option will become exercisable and may determine that Options shall be exercisable in instalments or pursuant to a vesting schedule. The Option Agreement will disclose any vesting conditions prescribed by the Administrators.

- 5.4 **Term of Option/Blackout Periods:** The term of each Option shall be determined by the Administrators; provided that no Option shall be exercisable after ten years from the Grant Date. Should the term of an Option expire on a date that falls within a Blackout Period, such expiration date shall be automatically extended without any further act or formality to that date which is the tenth Business Day after the end of the Blackout Period, such tenth Business Day to be considered the expiration date for such Option for all purposes under the Plan. Notwithstanding section 6.4 hereof, the ten Business Day period referred to in this section 5.4 may not be extended by the Board.

## 5.5 **Exercise of Option:**

Options that have vested in accordance with the provisions of this Plan and the applicable Option Agreement may be exercised at any time, or from time to time, during their term and subject to the provisions of Section 5.10 hereof as to any number of whole Common Shares that are then available for purchase thereunder; provided that no partial exercise may be for less than 100 whole Common Shares. Options may be exercised by delivery of a written notice of exercise to the Administrators, substantially in the form attached to this Plan as Exhibit D with respect to the Options, or by any other form or method of exercise acceptable to the Administrators.

## 5.6 **Payment and Issuance:**

- (a) Upon actual receipt by the Corporation or its agent of the materials required by subsection 5.5 and receipt by the Corporation of cash, a cheque, bank draft for the aggregate exercise price, the number of Common Shares in respect of which the Options are exercised will be issued as fully paid and non-assessable shares and the Participant exercising the Options shall be registered on the books of the Corporation as the holder of the appropriate number of Common Shares. No person or entity shall enjoy any part of the rights or privileges of a holder of Common Shares which are subject to Options until that person or entity becomes the holder of record of those Common Shares. No Common Shares will be issued by the Corporation prior to the receipt of payment by the Corporation for the aggregate exercise price for the Options being exercised.
- (b) Without limiting the foregoing, and unless otherwise determined by the Administrators or not compliant with any applicable laws, (i) cashless exercise of Options shall only be available to a Participant who was granted and is exercising such Options at a time when the Common Shares are listed and posted for trading on an Exchange or market in Canada that permits cashless exercise, the Participant intends to immediately sell the Common Shares issuable upon exercise of such Options in Canada and the proceeds of sale will be sufficient to satisfy the exercise price of the Options, and (ii) if an eligible Participant elects to exercise the Options through cashless exercise and complies with any relevant protocols approved by the Administrators, a sufficient number of the Common Shares issued upon exercise of the Options will be sold in Canada by a designated broker on behalf of the Participant to satisfy the exercise price of the Options, the exercise price of the Options will be delivered to the Corporation and the Participant will receive only the remaining unsold Common Shares from the exercise of the Options and the net proceeds of the sale after deducting the exercise price of the Options, applicable taxes and any applicable fees and commissions, all as determined by the Administrators from time to time. The Corporation shall not deliver the Common Shares issuable upon a cashless exercise of Options until receipt of the exercise price therefor, whether by a designated broker selling the Common Shares issuable upon exercise of such Options through a short position or such other method determined by the Administrators in compliance with applicable laws.

5.7 **Cashless Exercise:** Provided that the Common Shares are listed and posted for trading on an Exchange or market that permits cashless exercise, a Participant may elect a cashless exercise in a notice of exercise, which election will result in all of the Common Shares issuable on the exercise being sold. In such case, the Participant will not be required to deliver to the Administrators a cheque or other form of payment for the aggregate exercise price referred to above. Instead the following provisions will apply:

- (a) The Participant will instruct a broker selected by the Participant to sell through the stock exchange or market on which the Common Shares are listed or quoted, the Common Shares issuable on the exercise of Options, as soon as possible upon the issue of such Common Shares to the Participant at the then applicable bid price of the Common Shares.
- (b) Before the relevant trade date, the Participant will deliver the exercise notice including details of the trades to the Corporation electing the cashless exercise and the Corporation will direct its registrar and transfer agent to issue a certificate for such Participant's Common Shares in the name of the broker (or as the broker may otherwise direct) for the number of Common Shares issued on the

exercise of the Options, against payment by the broker to the Corporation of (i) the exercise price for such Common Shares; and (ii) the amount the Corporation determines, in its discretion, is required to satisfy the Corporation withholding tax and source deduction remittance obligations in respect of the exercise of the Options and issuance of Common Shares.

- (c) The broker will deliver to the Participant the remaining proceeds of sale, net of any brokerage commission or other expenses.

5.8 **Net Exercise.** Provided that the Common Shares are listed and posted for trading on an Exchange or market that permits net exercise, a Participant may elect a net exercise in a notice of exercise. In such case, the Participant will not be required to deliver to the Administrators a cheque or other form of payment for the aggregate exercise price referred to above. Instead the Participant will be entitled to receive that number of Common Shares that is the equal to the quotient obtained by dividing: (i) the product of the number of Options being exercised multiplied by the difference between the Market Price of the Common Shares and the exercise price of the subject Options; by (ii) the Market Price of the Common Shares; provided, however, that persons retained to provide Investor Relations Activities shall not be permitted to exercise an Option using the net exercise method described in this Section 5.8.

5.9 **Taxes and Source Deductions:** Subject to the Exchange Policies, the Corporation or an affiliate of the Corporation may take such reasonable steps for the deduction and withholding of any taxes and other required source deductions which the Corporation or the affiliate, as the case may be, is required by any law or regulation of any governmental authority whatsoever to remit pursuant to the Withholding Obligations in connection with this Plan, any Options or any issuance of Common Shares. Without limiting the generality of the foregoing, the Corporation may, at its discretion and subject to the Exchange Policies: (i) deduct and withhold those amounts it is required to remit, pursuant to the Withholding Obligations, from any cash remuneration or other amount payable to the Participant, whether or not related to the Plan, the exercise of any Options or the issue of any Common Shares; or (ii) allow the Participant to make a cash payment to the Corporation equal to the amount required to be remitted, pursuant to the Withholding Obligations, which amount shall be remitted by the Corporation to the appropriate governmental authority for the account of the Participant. Where the Corporation considers that the steps undertaken in connection with the foregoing result in inadequate withholding or a late remittance of taxes, the delivery of any Common Shares to be issued to a Participant on the exercise of Options may be made conditional upon the Participant (or other person) reimbursing or compensating the Corporation or making arrangements satisfactory to the Corporation for the payment in a timely manner of all taxes required to be remitted, pursuant to the Withholding Obligations, for the account of the Participant.

5.10 **Rights Upon an Event of Termination:**

- (a) If an Event of Termination has occurred in respect of a Participant, any unvested Options, to the extent not available for exercise as of the date of the Event of Termination, shall, unless otherwise determined by the Administrators in their discretion, forthwith and automatically be cancelled, terminated and not available for exercise without further consideration or payment to the Participant.
- (b) Except as otherwise stated herein or otherwise determined by the Administrators in their discretion (provided such determination does not exceed a maximum of one year), upon the occurrence of an Event of Termination in respect of a Participant, any vested Options granted to the Participant that are available for exercise may be exercised only before the earlier of:
  - (i) the expiry of the Option; and
  - (ii) six months after the date of the Event of Termination.
- (c) Notwithstanding the foregoing subsections 5.10(a) and (b), if a Participant's employment is terminated for just cause, each Option held by the Participant, whether or not then exercisable, shall forthwith and automatically be cancelled and may not be exercised by the Participant.

- (d) For the purposes of this Plan and all matters relating to the Options, the date of the Event of Termination shall be determined without regard to any applicable severance or termination pay, damages, or any claim thereto (whether express, implied, contractual, statutory, or at common law).

5.11 **Incentive Stock Options:** At the time of the grant of any Option, the Administrators may in its discretion designate that such Option shall be made subject to additional restrictions to permit it to qualify as an Incentive Stock Option. Any Option designated as an Incentive Stock Option:

- (a) shall be granted only to an employee of the Corporation or a Subsidiary Corporation and shall cease to qualify as an Incentive Stock Option three (3) months after the Participant has ceased to be an employee of the Corporation or a Subsidiary Corporation;
- (b) shall have an exercise price that is not less than 100% of the Market Price of a Common Share on the Grant Date, and, if granted to a person who owns capital stock (including stock treated as owned under Section 424(d) of the Code) possessing more than 10% of the total combined voting power of all classes of capital stock of the Corporation or any Subsidiary Corporation (a “**More Than 10% Owner**”), have an exercise price not less than 110% of the Fair Market Value of a Common Share on its Grant Date;
- (c) shall be for a period of not more than 10 years (five years if the Participant is a More Than 10% Owner) from its Grant Date, and shall be subject to earlier termination as provided herein or in the applicable Option Agreement;
- (d) shall not have an aggregate value (based on the Market Price as of the Grant Date) of the Common Shares with respect to which Incentive Stock Options (whether granted under the Plan or any other stock option plan of the Corporation or any Subsidiary Corporation (“**Other Plans**”)) are exercisable for the first time by such Participant during any calendar year (“**Current Grant**”), determined in accordance with the provisions of Section 422 of the Code, which exceeds U.S. \$100,000 (the “**\$100,000 Limit**”);
- (e) shall, if the aggregate value of the Common Shares (based on the Market Price as of the Grant Date) with respect to the Current Grant and all Incentive Stock Options previously granted under the Plan and any Other Plans which are exercisable for the first time during a calendar year (“**Prior Grants**”) would exceed the \$100,000 Limit, be, as to the portion in excess of the \$100,000 Limit, exercisable as a separate option that is not an Incentive Stock Option at such date or dates as are provided in the Current Grant;
- (f) shall require the Participant to notify the Administrators of any disposition of any Common Shares delivered pursuant to the exercise of the Incentive Stock Option under the circumstances described in Section 421(b) of the Code (relating to holding periods and certain disqualifying dispositions) (“**Disqualifying Disposition**”) within 10 days of such a Disqualifying Disposition;
- (g) shall by its terms not be assignable or transferable other than by will or the laws of descent and distribution and may be exercised, during the Participant’s lifetime, only by the Participant; provided, however, that the Participant may, to the extent provided in the Plan in any manner specified by the Administrators, designate in writing a beneficiary to exercise his or her Incentive Stock Option after the Participant’s death; and
- (h) shall, if such Option nevertheless fails to meet the foregoing requirements, or otherwise fails to meet the requirements of Section 422 of the Code for an Incentive Stock Option, be treated for all purposes of this Plan, except as otherwise provided in subsections (d) and (e) above, as an Option that is not an Incentive Stock Option.

Notwithstanding the foregoing, any Incentive Stock Option granted hereunder prior to shareholder approval of this amendment and restatement of the Plan within 12 months of the Effective Date, shall be subject to

and conditioned upon such shareholder approval and may not be exercised unless and until the shareholders approve the adoption of this amendment and restatement of the Plan.

The Administrators may, without the consent of the Participant, at any time before the exercise of an Option (whether or not an Incentive Stock Option), take any action necessary to prevent such Option from being treated as an Incentive Stock Option.

This section 5.10 and the Administrators' authorization to grant Incentive Stock Options under this Plan shall expire on the 10<sup>th</sup> anniversary of the Effective Date.

5.12 **Record Keeping:** The Corporation shall maintain an Option register in which shall be recorded:

- (a) the name and address of each holder of Options;
- (b) the number of Common Shares subject to Options granted to each holder of Options;
- (c) the term of the Option and exercise price, including adjustments for each Option granted; and
- (d) any other information which the Corporation considers appropriate to record in such register.

## 6. GENERAL

6.1 **Effective Date of Plan:** This amendment and restatement of the Plan shall be effective as of the Effective Date.

6.2 **Change of Control:** If there is a Change of Control transaction then, notwithstanding any other provision of this Plan except subsection 4.3(d) which will continue to apply in all circumstances, the Administrators may, in their sole discretion, subject to prior Exchange acceptance, determine that any or all unvested Restricted Share Units and any or all Options (whether or not currently exercisable) shall vest or become exercisable, as applicable, at such time and in such manner as may be determined by the Administrators in their sole discretion such that Participants under the Plan shall be able to participate in the Change of Control transaction, including, at the election of the holder thereof, by surrendering such Restricted Share Units and Options to the Corporation or a third party or exchanging such Restricted Share Units or Options, for consideration in the form of cash and/or securities, to be determined by the Administrators in their sole discretion, subject to prior Exchange acceptance.

6.3 **Reorganization Adjustments:**

- (a) In the event of any declaration by the Corporation of any stock dividend payable in securities (other than a dividend which may be paid in cash or in securities at the option of the holder of Common Shares), subdivision or consolidation of Common Shares, reclassification or conversion of Common Shares, or any combination or exchange of securities, merger, consolidation, recapitalization, amalgamation, plan of arrangement, reorganization, spin off involving the Corporation, distribution (other than normal course cash dividends) of company assets to holders of Common Shares, or any other corporate transaction or event involving the Corporation or the Common Shares, the Administrators, in the Administrators' sole discretion, may, subject to any relevant resolutions of the Board, and without liability to any person, make such changes or adjustments, if any, as the Administrators consider fair or equitable, in such manner as the Administrators may determine, to reflect such change or event including, without limitation, adjusting the number of Options and Restricted Share Units outstanding under this Plan, the type and number of securities or other property to be received upon exercise or redemption thereof, and the exercise price of Options outstanding under this Plan, provided that the value of any Option or Restricted Share Unit immediately after such an adjustment, as determined by the Administrators, shall not exceed the value of such Option or Restricted Share Unit prior thereto, as determined by the Administrators, provided that any adjustment under this section 6.3(a), other than a subdivision or consolidation of Common Shares, shall be subject to prior acceptance of the Exchange.

- (b) The Corporation shall give notice to each Participant in the manner determined, specified or approved by the Administrators of any change or adjustment made pursuant to this section and, upon such notice, such adjustment shall be conclusive and binding for all purposes.
- (c) The Administrators may from time to time adopt rules, regulations, policies, guidelines or conditions with respect to the exercise of the power or authority to make changes or adjustments pursuant to section 6.2 or section 6.3(a). The Administrators, in making any determination with respect to changes or adjustments pursuant to section 6.2 or section 6.3(a) shall be entitled to impose such conditions as the Administrators consider or determine necessary in the circumstances, including conditions with respect to satisfaction or payment of all applicable taxes (including, but not limited to, withholding taxes).

#### 6.4 **Amendment or Termination of Plan:**

The Board may amend this Plan or any Restricted Share Unit or any Option at any time without the consent of Participants provided that such amendment shall:

- (a) not adversely alter or impair any Restricted Share Unit previously awarded or any Option previously granted except as permitted by the provisions of section 6.3 hereof;
- (b) be subject to any regulatory approvals including, where required, the approval of the Exchange;
- (c) be subject to shareholder approval, where required by the requirements of the Exchange, provided that shareholder approval shall not be required for amendments of a “housekeeping nature”, including any amendment to the Plan or a Restricted Share Unit or Option to fix typographical errors or that is necessary to clarify existing provisions that do not have the effect of altering the scope, nature and intent of such provisions; and
- (d) be subject to disinterested shareholder approval in the event of any reduction in the exercise price or any extension of the term of any Option granted under the Plan to an Insider Participant.

For greater certainty and subject to approval by the TSX Venture Exchange (if applicable), shareholder approval shall be required in circumstances where an amendment to the Plan would:

- (e) change the persons eligible to be granted or issued Options or Restricted Share Units under the Plan;
- (f) change the maximum percentage of the issued and outstanding Common Shares that may be issuable under the Plan;
- (g) increase the limits in section 2.2;
- (h) the method for determining the exercise price of any Option;
- (i) extend the term of any Option beyond the original term (except if such period is being extended by virtue of section 5.4 hereof);
- (j) add a Net Exercise (as defined in the Exchange’s Corporate Finance Manual) provision;
- (k) amend this section 6.4; or
- (l) modify the method or formula for calculating prices, values or amounts under the Plan that may result in a benefit to a Participant.

6.5 **Termination:** The Administrators may terminate this Plan at any time in their absolute discretion. If the Plan is so terminated, no further Restricted Share Units shall be awarded and no further Options shall be granted, but the Restricted Shares Units then outstanding and credited to Participants’ Accounts and the Options then outstanding shall continue in full force and effect in accordance with the provisions of this Plan.

- 6.6 **Transferability:** Other than as set permitted herein, a Participant shall not be entitled to transfer, assign, charge, pledge or hypothecate, or otherwise alienate, whether by operation of law or otherwise, the Participant's Restricted Share Units or Options or any rights the Participant has under the Plan.
- 6.7 **Rights as a Shareholder:** Under no circumstances shall the Restricted Share Units or Options be considered Common Shares nor shall they entitle any Participant to exercise voting rights or any other rights attaching to the ownership of Common Shares (including, but not limited to, the right to dividend equivalent payments).
- 6.8 **Credits for Dividends:** Unless otherwise determined by the Administrators, whenever cash or other dividends are paid on Common Shares, additional Restricted Share Units will be automatically granted to each Participant who holds Restricted Share Units on the record date for such dividends. The number of such Restricted Share Units (rounded to the nearest whole Restricted Share Units) to be credited to such Participant as of the date on which the dividend is paid on the Common Shares shall be an amount equal to the quotient obtained when (i) the aggregate value of the cash or other dividends that would have been paid to such Participant if the Participant's Restricted Share Units as of the record date for the dividend had been Common Shares, is divided by (ii) the Market Value of the Common Shares as of the date on which the dividend is paid on the Common Shares. Restricted Share Units granted to a Participant shall be subject to the same vesting conditions (time and performance (as applicable)) as the Restricted Share Units to which they relate. If the Corporation does not have sufficient Common Shares available for issuance under Section 2.2 to satisfy such dividends, such dividends shall be satisfied by the Corporation in cash.
- 6.9 **No Effect on Employment, Rights or Benefits:**
- (a) The terms of employment shall not be affected by participation in the Plan.
  - (b) Nothing contained in the Plan shall confer or be deemed to confer upon any Participant the right to continue as a director, officer, employee or Consultant nor interfere or be deemed to interfere in any way with any right of the Corporation, the Board or the shareholders of the Corporation to remove any Participant from the Board or of the Corporation or any Subsidiary to terminate any Participant's employment or agreement with a Consultant at any time for any reason whatsoever.
  - (c) Under no circumstances shall any person who is or has at any time been a Participant be able to claim from the Corporation or any Subsidiary any sum or other benefit to compensate for the loss of any rights or benefits under or in connection with this Plan or by reason of participation in this Plan.
- 6.10 **Market Value of Common Shares:** The Corporation makes no representation or warranty as to the future market value of any Common Shares. No Participant shall be entitled, either immediately or in the future, either absolutely or contingently, to receive or obtain any amount or benefit granted to or to be granted for the purpose of reducing the impact, in whole or in part, of any reduction in the market value of the shares of the Corporation or a corporation related thereto.
- 6.11 **Compliance with Applicable Law:**
- (a) If any provision of the Plan contravenes any law or any order, policy, by-law or regulation of any regulatory body having jurisdiction, then such provision shall be deemed to be amended to the extent necessary to bring such provision into compliance therewith.
  - (b) The award of Restricted Share Units, the grant of Options and the issuance of Common Shares under this Plan shall be carried out in compliance with applicable statutes and with the regulations of governmental authorities and the Exchange. If the Administrators determine in their discretion that, in order to comply with any such statutes or regulations, certain action is necessary or desirable as a condition of or in connection with the award of a Restricted Share Unit, the grant of an Option or the issue of a Common Share upon the vesting of a Restricted Share Unit or exercise of an Option, as applicable, that Restricted Share Unit may not vest in whole or in part and that Option may not

be exercised in whole or in part, as applicable, unless that action shall have been completed in a manner satisfactory to the Administrators.

- (c) If the Common Shares are listed on the TSX Venture Exchange and either (i) the award of Restricted Share Units or grant of Options and the issuance of Common Shares under this Plan is made to a director, officer, promoter, Consultant or other insider of the Corporation, unless the respective award, grant or issuance or is qualified by prospectus, or issued under a securities take-over bid, rights offering, amalgamation, or other statutory procedure; or (ii) the grant of Options is made with an exercise price that is less than the Market Price, then the Restricted Share Unit Agreement or Option Agreement will bear an Exchange Hold Period (as defined in the Exchange's Corporate Finance Manual), and the following legend will be inserted onto the first page of the Restricted Share Unit Agreement or Option Agreement:

“WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS AGREEMENT AND ANY SECURITIES ISSUED UPON EXERCISE THEREOF 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 \_\_\_\_\_, 20\_\_\_\_ [i.e., four months and one day after the date of grant].”

- 6.12 **Governing Law:** This Plan shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.
- 6.13 **Subject to Approval:** The Plan is adopted subject to the approval of the Exchange and any other required regulatory approval. To the extent a provision of the Plan requires regulatory approval which is not received, such provision shall be severed from the remainder of the Plan until the approval is received and the remainder of the Plan shall remain in effect.

## EXHIBIT A

[Insert if required: **WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS AGREEMENT AND ANY SECURITIES ISSUED UPON EXERCISE THEREOF 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 \_\_\_\_\_, 20\_\_ [FOUR MONTHS AND ONE DAY AFTER THE DATE OF GRANT].**

### RESTRICTED SHARE UNIT AGREEMENT

Notice is hereby given that, effective this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ (the “**Restricted Share Grant Date**”) AbraSilver Resource Corp. (the “**Corporation**”) has granted to \_\_\_\_\_ (the “**Participant**”), \_\_\_\_\_ Restricted Share Units pursuant to the Corporation’s Share Compensation Plan (the “**Plan**”), a copy of which has been provided to the Participant.

Restricted Share Units are subject to the following terms:

- (a) Pursuant to the Plan and as compensation to the Participant, the Corporation hereby grants to the Participant, as of the Restricted Share Grant Date, the number of Restricted Share Units set forth above.
- (b) The granting and vesting of the Restricted Share Units and the payment by the Corporation of any payout in respect of any Vested Restricted Share Units (as defined below) are subject to the terms and conditions of the Plan, all of which are incorporated into and form an integral part of this Restricted Share Unit Agreement.
- (c) The Restricted Share Units shall become vested restricted share units (the “**Vested Restricted Share Units**”) in accordance with the following schedule:
  - (i) ● on the 6 month anniversary of the Restricted Share Grant Date;
  - (ii) ● on the 12 month anniversary of the Restricted Share Grant Date;
  - (iii) ● on the 18 month anniversary of the Restricted Share Grant Date; and
  - (iv) ● on the 24 month anniversary of the Restricted Share Grant Date (each a “**Vesting Date**”).
- (d) As soon as reasonably practicable and no later than 60 days following the Vesting Date, the Participant shall be entitled to receive, and the Corporation shall issue or provide, a payout with respect to those Vested Restricted Share Units in the Participant’s Account to which the Vesting Date relates (each a “**Payout Date**”):
  - (i) a lump sum payment in cash equal to the number of vested Restricted Share Units recorded in the Participant’s Account multiplied by the Market Value of a Common Share on the Payout Date;
  - (ii) the number of Common Shares required to be issued to a Participant upon the vesting of such Participant’s Restricted Share Units in the Participant’s Account, duly issued as fully paid and non-assessable shares and such Participant shall be registered on the books of the Corporation as the holder of the appropriate number of Common Shares; or

- (iii) any combination of the foregoing.  
subject to any applicable Withholding Obligations.

(e) The Participant acknowledges that:

- (i) he or she has received and reviewed a copy of the Plan; and
- (ii) the Restricted Share Units have been granted to the Participant under the Plan and are subject to all of the terms and conditions of the Plan to the same effect as if all of such terms and conditions were set forth in this Restricted Share Unit Agreement, including with respect to termination and forfeiture as set out in Section 4.7 of the Plan.

Notwithstanding anything to the contrary in this Restricted Share Unit Agreement all vesting and issuances or payments, as applicable, in respect of a Restricted Share Unit evidenced hereby shall be completed no later than December 15 of the third calendar year commencing after the Restricted Share Grant Date;

The grant of the Restricted Share Units evidenced hereby is made subject to the terms and conditions of the Plan. The Participant agrees that he/she may suffer tax consequences as a result of the grant of these Restricted Share Units and the vesting of the Restricted Share Units. The Participant acknowledges that he/she is not relying on the Corporation for any tax advice and has had an adequate opportunity to obtain advice of independent tax counsel.

The Participant represents and warrants to the Corporation that under the terms and conditions of the Plan the Participant is a bona fide Eligible Person (as defined in the Plan) entitled to receive Restricted Share Units. The Corporation may condition awards and elections under the Plan upon receiving from the undersigned such representations and warranties as is satisfactory to the Corporation, acting in its sole discretion.

In the event of any inconsistency between the terms of this Restricted Share Unit Agreement and the Plan, the terms of the Plan shall prevail unless otherwise determined in the Plan.

**ABRASILVER RESOURCE CORP.**

\_\_\_\_\_  
Authorized Signatory

\_\_\_\_\_  
Signature of Participant

\_\_\_\_\_  
Name of Participant

**EXHIBIT B**

[Insert if required: **WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS AGREEMENT AND ANY SECURITIES ISSUED UPON EXERCISE THEREOF 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 \_\_\_\_\_, 20\_\_ [FOUR MONTHS AND ONE DAY AFTER THE DATE OF GRANT].**

**OPTION AGREEMENT**

Notice is hereby given that, effective this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ (the “**Effective Date**”) AbraSilver Resource Corp. (the “**Corporation**”) has granted to \_\_\_\_\_ (the “**Participant**”), Options to acquire \_\_\_\_\_ Common Shares (the “**Optioned Shares**”) up to 4:30 p.m. Pacific Time on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ (the “**Option Expiry Date**”) at an exercise price of Cdn\$ \_\_\_\_\_ per Optioned Share pursuant to the Corporation’s Share Compensation Plan (the “**Plan**”), a copy of which is attached hereto.

Optioned Shares may be acquired as follows:

- (a) **[insert vesting provisions, if applicable]; and**
- (b) **[insert hold period when required].**

The grant of the Options evidenced hereby and the Option Expiry Date thereof, is made subject to the terms and conditions of the Plan. The Participant agrees that he/she may suffer tax consequences as a result of the grant of these Options, the exercise of the Options and the disposition of Optioned Shares. The Participant acknowledges that he/she is not relying on the Corporation for any tax advice and has had an adequate opportunity to obtain advice of independent tax counsel.

The Participant represents and warrants that under the terms and conditions of the Plan the Participant is a bona fide Eligible Person (as defined in the Plan) entitled to receive Options. The Corporation may condition the exercise of the Options upon receiving from the Participant such representations and warranties as is satisfactory to the Corporation, acting in its sole discretion.

In the event of any inconsistency between the terms of this Option Agreement and the Plan, the terms of the Plan shall prevail.

**ABRASILVER RESOURCE CORP.**

\_\_\_\_\_  
Authorized Signatory

\_\_\_\_\_  
Signature of Participant

\_\_\_\_\_  
Name of Participant

## EXHIBIT C

[Insert if required: **WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS AGREEMENT AND ANY SECURITIES ISSUED UPON EXERCISE THEREOF 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 \_\_\_\_\_, 20\_\_ [FOUR MONTHS AND ONE DAY AFTER THE DATE OF GRANT].**

### INCENTIVE STOCK OPTION AGREEMENT

Notice is hereby given that, effective this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ (the “**Effective Date**”) AbraSilver Resource Corp. (the “**Corporation**”) has granted to \_\_\_\_\_ (the “**Participant**”), Incentive Stock Options to acquire \_\_\_\_\_ Common Shares (the “**Optioned Shares**”) up to 4:30 p.m. Pacific Time on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ (the “**Option Expiry Date**”) at an exercise price of Cdn\$ \_\_\_\_\_ per Optioned Share pursuant to the Corporation’s Share Compensation Plan (the “**Plan**”), a copy of which is attached hereto.

Optioned Shares may be acquired as follows:

- (a) **[insert vesting provisions, if applicable]; and**
- (b) **[insert hold period when required].**

The Options granted hereby are intended to qualify as incentive stock options within the meaning of Section 422 of the Code. The Participant hereby agrees that within 10 days after any Disqualifying Disposition (as defined in section 5.10(f) of the Plan) of Optioned Shares acquired upon exercise of this Option, the Participant shall notify the Corporation of such Disqualifying Disposition.

The grant of the Options evidenced hereby and the Option Expiry Date thereof, is made subject to the terms and conditions of the Plan. The Participant agrees that he/she may suffer tax consequences as a result of the grant of these Options, the exercise of the Options and the disposition of Optioned Shares. The Participant acknowledges that he/she is not relying on the Corporation for any tax advice and has had an adequate opportunity to obtain advice of independent tax counsel.

The Participant represents and warrants that under the terms and conditions of the Plan the Participant is a bona fide Eligible Person (as defined in the Plan) and an employee of the Corporation or a Subsidiary Corporation who is entitled to receive Options. The Corporation may condition the exercise of the Options upon receiving from the Participant such representations and warranties as is satisfactory to the Corporation, acting in its sole discretion.

*[Signatures on the following page]*

In the event of any inconsistency between the terms of this Option Agreement and the Plan, the terms of the Plan shall prevail.

**ABRASILVER RESOURCE CORP.**

\_\_\_\_\_  
Authorized Signatory

\_\_\_\_\_  
Signature of Participant

\_\_\_\_\_  
Name of Participant

**EXHIBIT D**

**NOTICE OF OPTION EXERCISE**

TO: **AbraSilver Resource Corp.** (the “Corporation”)

FROM: \_\_\_\_\_

DATE: \_\_\_\_\_

The undersigned hereby irrevocably gives notice, pursuant to the Corporation’s Share Compensation Plan (the “Plan”), of the exercise of the Options to acquire and hereby subscribes for:

*[check one]*

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

which are the subject of the Option Agreement attached hereto.

Calculation of total Exercise Price:

(i)	number of Optioned Shares to be acquired on exercise	_____ Optioned Shares	
(ii)	multiplied by the Exercise Price per Optioned Share:		\$ _____
TOTAL EXERCISE PRICE, enclosed herewith (unless this is a cashless or net exercise):			\$ _____

I hereby:

- (a) unless this is a cashless or net exercise, enclose a cheque payable to “●” for the aggregate Exercise Price plus the amount of the estimated Withholding Obligations and agree that I will reimburse the Corporation for any amount by which the actual Withholding Obligations exceed the estimated Withholding Obligations; or
- (b) advise the Corporation that I am exercising the above Options on a cashless exercise basis, in compliance with the procedures established from time to time by the Administrators for cashless exercises of Options under the Plan. I will consult with the Corporation to determine what additional documentation, if any, is required in connection with my cashless exercise of the above Options. I agree to comply with the procedures established by the Corporation for cashless exercises and all terms and conditions of the Plan. Please prepare the Optioned Shares certificates, if any, issuable in connection with this exercise in the following name(s):  
  
\_\_\_\_\_  
  
\_\_\_\_\_
- (c) advise the Corporation that I am exercising the above Options on a net exercise basis, in compliance with the procedures established from time to time by the Administrators for net exercises of Options under the Plan. I will consult with the Corporation to determine what additional documentation, if any, is required in connection with my net exercise of the above Options. I agree to comply with the

procedures established by the Corporation for net exercises and all terms and conditions of the Plan. Please prepare the Optioned Shares certificates, if any, issuable in connection with this exercise in the following name(s):

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

\_\_\_\_\_  
Signature of Participant

\_\_\_\_\_  
Name of Participant

Letter and consideration/direction received on \_\_\_\_\_, 20 \_\_\_\_\_.

●

By: \_\_\_\_\_  
[Name]  
[Title]

**SCHEDULE B**  
**CORPORATE GOVERNANCE DISCLOSURE**

National Instrument 58-101 (“**NI 58-101**”) of the Canadian Securities Administrators (“**CSA**”) requires the Company to disclose its corporate governance practices with reference to a series of corporate governance practices outlined in National Policy 58-201 - Corporate Governance Guidelines that the CSA believe reflect “best practices” standards to which they encourage Canadian public companies to adhere.

***Director Independence***

For the purposes of NI 58-101, a director is independent if he or she has no direct or indirect material relationship with the Company. A “material relationship” is one which could reasonably be expected to interfere with the exercise of the director’s independent judgment. The Board of Directors currently consists of seven (7) directors, all of whom are independent for the purposes of NI 58-101.

***Orientation and Continuing Education***

Although the Company does not currently have a formal program for the orientation and continuing education of its members, it intends, once financial resources permit, to formulate and implement such a program to ensure that all new directors:

- receive a comprehensive orientation,
- fully understand the role of the Board of Directors and its committees, and
- are familiar with the nature and operation of the Company’s business.

The Company also recognizes the importance of providing incumbent directors with continuing education opportunities designed to maintain or enhance the skills and abilities of the directors and to ensure that their knowledge and understanding of the business remains current.

Once the Company’s orientation and continuing education program is in place, the Company expects to provide each new director with an orientation handbook containing up-to-date information regarding the Company including, but not limited to, the mandate of the Board of Directors, charters for each of its committees, Company policies, guidelines and governance practices, Company organizational documents and information respecting the Company’s share capital and security based compensation arrangements. Directors will regularly be provided with the opportunity to interact with management to discuss key operational, financial and industry matters regarding the Company’s business.

***Ethical Business Conduct***

The Board of Directors intends to encourage and promote a culture of ethical business conduct through communication and supervision as part of their overall stewardship responsibility. To that end, the Company adopted, in June 2017, a Code of Business Conduct and Ethics (the “**Code**”) addressing the Company’s ongoing commitment to integrity and ethical behavior. The Code applies to all employees, consultants, officers and directors regardless of their position in the organization, at all times and everywhere the Company does business. Central tenets of the Code include:

- the principle that the Company’s employees, consultants, officers and directors must uphold the Company’s commitment to a culture of honesty, integrity, accountability and respect for the communities in which the Company operates; and
- that the Company requires the highest standards of professional and ethical conduct from its employees, consultants, officers and directors.

Certain members of the Board are directors or officers of, or have shareholdings in, other mineral resource companies and, to the extent that such other companies may, from time to time, participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. Where a conflict involves a particular board member (i.e. where a board

member has an interest in a material contract or material transaction involving the Company), such board member will be required to disclose his or her interest to the board and refrain from voting at the board meeting of the Company considering such contract or transaction in accordance with applicable law. It is not always easy to determine whether a conflict of interest exists, so any potential conflicts of interest are encouraged to be reported immediately to a member of senior management who is independent of the potential conflict and who will assess the issue with the advice of legal counsel. If deemed appropriate, the Company may establish a special committee of independent directors to review a matter in which several directors, or management, may have a conflict.

### ***Nomination of Directors***

The responsibility for identifying new director candidates resides with the Company's nominating and corporate governance committee (the "**Nominating and Corporate Governance Committee**"). The Nominating and Corporate Governance Committee is responsible for assisting the Board of Directors with the nomination of directors and the development, implementation and oversight of the Company's approach to corporate governance.

The role of the Nominating and Corporate Governance Committee is, among other things, to: (i) identify individuals qualified to become members of the Board of Directors and its committees and recommend that the Board of Directors select such persons as nominees for appointment or election to the Board of Directors; (ii) develop and recommend to the Board of Directors corporate governance guidelines for the Company and make recommendations to the Board of Directors with respect to corporate governance practices; and (iii) exercise such other powers and authority as are set forth in charter of the Nominating and Corporate Governance Committee.

In fulfilling its responsibilities to identify individuals qualified to become members of the Board of Directors, the committee will be required to consider: (i) the independence of each nominee; (ii) the experience and background of each nominee; (iii) the skill set of each nominee relative to the balance of skills required by the Board of Directors and its committees to meet their respective mandates; (iv) the past performance of directors being considered for re-election; (v) applicable regulatory requirements; and (vi) such other criteria as may be established by the Board of Directors or the Nominating and Corporate Governance Committee from time to time.

### ***Compensation***

The responsibility for determining the compensation of directors and executive officers of the Company has been assigned to a compensation committee (the "**Compensation Committee**"). Reference is made to "*Executive Compensation – Responsibility for Determining Executive Compensation*" in the Circular for a description of the process by which the Compensation Committee determines the compensation for the Company's directors and executive officers.

### ***Other Board Committees***

Other than the Compensation Committee, the Nominating and Corporate Governance Committee and the Audit Committee, the Board of Directors has not established any other committees.

### ***Assessments***

One of the responsibilities of the Nominating and Corporate Governance Committee is to formulate and implement a formal process for assessing the effectiveness of the Board of Directors as a whole, its committees and individual directors. It is expected that, as part of this process, directors will complete a detailed questionnaire which will provide for quantitative and qualitative ratings of their individual performance in key areas and which will seek subjective comment in each of those areas.

**SCHEDULE C**  
**ABRASILVER RESOURCE CORP.**  
**AUDIT COMMITTEE CHARTER**

**(as attached)**

## **ABRASILVER RESOURCE CORP.**

### **AUDIT COMMITTEE CHARTER**

#### **I. Purpose**

The primary objective of the Audit Committee (the “**Committee**”) of AbraSilver Resource Corp. (the “**Company**”) is to act as a liaison between the Company's Board of Directors (the “**Board**”) and the Company's independent auditors (the “**Auditors**”) and to oversee (a) the accounting and financial reporting processes of the Company, including the financial statements and other financial information provided by the Company to its shareholders, the public and others, (b) the Company's compliance with legal and regulatory requirements, (c) the audit of the Company's financial statements, (d) the qualification, independence and performance of the Auditors, and (e) the Company's risk management and internal financial and accounting controls, and management information systems. For greater certainty, references to the financial statements of the Company will include, where applicable, the financial statements of the Company's subsidiary entities.

Although the Committee has the powers and responsibilities set forth in this Charter, the role of the Committee is oversight. The members of the Committee are not full-time employees of the Company and may or may not be accountants or auditors by profession or experts in the fields of accounting or auditing and, in any event, do not serve in such capacity. Consequently, it is not the duty of the Committee to conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the Auditors.

The responsibilities of a member of the Committee are in addition to such member's duties as a member of the Board.

#### **II. Organization**

Members of the Committee will be directors of the Company who satisfy, at a minimum, the laws governing the Company and the financial literacy and financial experience requirements under applicable securities laws, rules and regulations, stock exchange and any other regulatory requirements applicable to the Company.

The Committee will consist of three or more directors of the Company who are not, except in the limited circumstances prescribed by National Instrument 52-110 of the Canadian Securities Administrators (“**NI 52-110**”), executive officers of the Company. If the Company ceases to be a “venture issuer” (as that term is defined in NI 52-110), then all of the members of the Committee shall be independent (as that term is defined in NI 52-110). No member of the Committee will have participated in the preparation of the financial statements of the Company or any current subsidiary at any time during the past three years.

If the Company ceases to be a “venture issuer” (as that term is defined in NI 52-110) then all, members of the Committee must be financially literate as the Board interprets such qualification in its business judgment. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of this Charter, the definition of “financially literate” is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company's financial statements.

The members of the Committee and the chair of the Committee (the “**Chair**”) will be appointed or re-appointed (as applicable) annually by the Board on the recommendation of the Nominating & Corporate Governance Committee. The Chair must be a non-executive director of the Company.

A majority of the members of the Committee (who are not officers or employees of the Company or of an affiliate of the Company) will constitute a quorum. A majority of the members of the Committee will be empowered to act on behalf of the Committee. Matters decided by the Committee will be decided by majority votes. The Chair will have an ordinary vote and will not be entitled to exercise a casting vote.

Any member of the Committee may be removed or replaced at any time by the Board and will cease to be a member of the Committee as soon as such member ceases to be a director.

The Committee may form and delegate authority to subcommittees when appropriate.

### **III. Meetings**

The Committee will meet as frequently as circumstances require, but not less frequently than four times per year. The Committee will meet at least quarterly with management, the Company's financial and accounting officer(s) and the Auditors in separate executive sessions to discuss any matters that the Committee or each of these groups believe should be discussed privately. Meetings may be held telephonically to the extent permitted by the Company's organizational documents and applicable law.

Notice of the time and place of a Committee meeting shall be given by the Committee to the Auditors in the same manner notice is provided to Committee members.

In the absence of the appointed Chair of the Committee at any meeting, the members will elect a chair from those in attendance at the meeting. The Chair, in consultation with the other members of the Committee, will set the frequency and length of each meeting and the agenda of items to be addressed at each upcoming meeting.

The Committee will appoint a recording secretary who will keep minutes of all meetings. The recording secretary may be any person and does not need to be a member of the Committee. The recording secretary for the Committee can be changed by simple notice from the Chair.

The Chair will ensure that the agenda for each upcoming meeting of the Committee is circulated to each member of the Committee as well as the other directors in advance of the meeting to give Committee members time to review and understand the information.

The Committee may invite, from time to time, such persons as it may see fit to attend its meetings and to take part in discussion and consideration of the affairs of the Committee. The Company's accounting and financial officer(s) and the Auditors will attend any meeting when requested to do so by the Chair of the Committee.

### **IV. Authority and Responsibilities**

The Board, after consideration of the recommendation of the Committee, will nominate the Auditors for appointment by the shareholders of the Company in accordance with applicable law. The Auditors report directly to the Audit Committee. The Auditors are ultimately accountable to the Committee and the Board as representatives of the shareholders.

In fulfilling its duties and responsibilities under this Charter, the Committee will be entitled to reasonably rely on (a) the integrity of those persons within the Company and of the professionals and experts (such as the Auditors) from whom it receives information, (b) the accuracy of the financial and other information provided to the Committee by such persons, professionals or experts and (c) the representations made by the Auditors as to any services provided by them to the Company.

The Committee will have the following responsibilities:

**(a) Auditors**

1. Be directly responsible for the appointment, compensation, retention (including termination) and oversight of the work of any independent registered public accounting firm engaged by the Company (including for the purposes of preparing or issuing an audit report or performing other audit, review or attestation services or other work for the Company and including the resolution of disagreements between management and the Company's independent registered public accounting firm regarding financial reporting) and ensure that such firm will report directly to it; recommend to the Board the independent auditors to be nominated for appointment or re-appointment as Auditors of the Company at the Company's annual meeting, the remuneration to be paid to the Auditors for services performed during the preceding year; and recommend to the Board and the shareholders the termination of the appointment of the Auditors, if and when advisable.
2. When there is to be a change of the Auditor, review all issues related to the change, including any notices required under applicable securities law, stock exchange or other regulatory requirements, and the planned steps for an orderly transition.
3. Review the Auditor's audit plan and discuss the Auditor's scope, staffing, materiality, and general audit approach.
4. Review on an annual basis the performance of the Auditors, including the lead audit partner.
5. Take reasonable steps to confirm the independence of the Auditors, which include:
  - (a) ensuring receipt from the Auditors of a formal written statement in accordance with applicable regulatory requirements delineating all relationships between the Auditors and the Company;
  - (b) considering and discussing with the Auditors any disclosed relationships or services, including non-audit services, that may impact the objectivity and independence of the Auditors;
  - (c) as necessary, taking or recommending that the Board take appropriate action to oversee the independence of the Auditors; and
  - (d) approving in advance all auditing services and any non-audit related services provided by the Auditors to the Company, and the fees for such services, with a view to ensuring the independence of the Auditors and, in accordance with applicable regulatory standards, including applicable stock exchange requirements, with respect to approval of non-audit related services performed by the Auditors, subject to the following:
    - I. the pre-approval requirement shall be satisfied with respect to the provision of non-audit services if the following criteria (as set form in Section 2.4 of NI 52-110) are met:
      - (1) the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of fees paid by the Company (and its subsidiary

entities) to its external auditors during the fiscal year in which the non-audit services are provided;

- (2) such services were not recognized by the Company (or the subsidiary entity) at the time of the engagement to be non-audit services;
- (3) such services are promptly brought to the attention of the Committee and approved, prior to the completion of the audit, by the Committee or by one or more members of the Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Committee (with such delegation being in compliance with Section 2.5 of NI 52-110); and

II. the Committee may delegate to the Chair or any other independent member of the Committee the authority to pre-approve non-audit services, provided such pre-approved non-audit services are presented to the Committee at the next scheduled Committee meeting following such pre-approval.

6. Review and approve any disclosures required to be included in periodic reports under applicable securities laws, rules and regulations and stock exchange and other regulatory requirements with respect to non-audit services.
7. Confirm with the Auditors and receive written confirmation at least once per year as to (i) the Auditor's internal processes and quality control procedures; and (ii) disclosure of any material issues raised by the most recent internal quality control review, or per review within the preceding five years respecting independent audit carried out by the Auditors or investigations or government or professional enquiries, reviews or investigations of the Auditors within the last five years.
8. Consider the tenure of the lead audit partner on the engagement in light of applicable securities law, stock exchange or applicable regulatory requirements.
9. Review all reports required to be submitted by the Auditors to the Committee under applicable securities laws, rules and regulations and stock exchange or other regulatory requirements.
10. Receive all recommendations and explanations which the Auditors place before the Committee.

**(b) Financial Statements and Financial Information**

11. Review and discuss with management, the financial and accounting officer(s) and the Auditors, the Company's annual audited financial statements, including disclosures made in management's discussion and analysis, prior to filing or distribution of such statements and recommend to the Board, if appropriate, that the Company's audited financial statements be included in the Company's annual reports distributed and filed under applicable laws and regulatory requirements.
12. Review and discuss with management, the financial and accounting officer(s) and the Auditors, the Company's interim financial statements, including management's discussion and analysis, and the Auditor's review of interim financial statements, prior to filing or distribution of such statements.

13. Review any annual and interim earnings press releases of the Company before the Company publicly discloses this information.
14. Be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements and periodically assess the adequacy of these procedures.
15. Discuss with the Auditor the matters required to be discussed by applicable auditing standards requirements relating to the conduct of the audit including:
  - (a) the adoption of, or changes to, the Company's significant auditing and accounting principles and practices;
  - (b) the management letter provided by the Auditor and the Company's response to that letter; and
  - (c) any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to requested information, or personnel and any significant disagreements with management.
16. Discuss with management and the Auditors major issues regarding accounting principles used in the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles. Review and discuss analyses prepared by management and/or the Auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative approaches under generally accepted accounting principles.
17. Prepare, or ensure the preparation of, and review any report under applicable securities law, stock exchange or other regulatory requirements, including any reports required to be included in statutory filings.
- (c) **Ongoing Reviews and Discussions with Management and Others**
18. Obtain and review an annual report from management relating to the accounting principles used in the preparation of the Company's financial statements, including those policies for which management is required to exercise discretion or judgments regarding the implementation thereof.
19. Periodically review separately with each of management, the financial and accounting officer(s) and the Auditors; (a) any significant disagreement between management and the Auditors in connection with the preparation of the financial statements, (b) any difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information and (c) management's response to each.
20. Periodically discuss with the Auditors, without management being present, (a) their judgments about the quality, integrity and appropriateness of the Company's accounting principles and financial disclosure practices as applied in its financial reporting and (b) the completeness and accuracy of the Company's financial statements.
21. Consider and approve, if appropriate, significant changes to the Company's accounting principles and financial disclosure practices as suggested by the Auditors or management and the resulting

financial statement impact. Review with the Auditors or management the extent to which any changes or improvements in accounting or financial practices, as approved by the Committee, have been implemented.

22. Review and discuss with management, the Auditors and the Company's independent counsel, as appropriate, any legal, regulatory or compliance matters that could have a significant impact on the Company's financial statements, including applicable changes in accounting standards or rules, or compliance with applicable laws and regulations, inquiries received from regulators or government agencies and any pending material litigation.
23. Enquire of the Company's financial and accounting officer(s) and the Auditors on any matters which should be brought to the attention of the Committee concerning accounting, financial and operating practices and controls and accounting practices of the Company.
24. Review the principal control risks to the business of the Company, its subsidiaries and joint ventures; and verify that effective control systems are in place to manage and mitigate these risks.
25. Review and discuss with management any earnings press releases, including the use of "pro forma" or "adjusted" non-GAAP information, as well as any financial information and earnings guidance provided to analysts and rating agencies. Such discussions may be done generally (i.e. discussion of the types of information to be disclosed and the types of presentations made).
26. Review and discuss with management any material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the Company with unconsolidated entities or other persons, that may have a material current or future effect on financial condition, changes in financial condition, results of operations, liquidity, capital resources, capital reserves or significant components of revenues or expenses. Obtain explanations from management of all significant variances between comparative reporting periods.
27. Review and discuss with management the Company's major risk exposures and the steps management has taken to monitor, control and manage such exposures, including the Company's risk assessment and risk management guidelines and policies.

**(d) Risk Management and Internal Controls**

28. Review, based upon the recommendation of the Auditors and management, the scope and plan of the work to be done by the Company's financial and accounting group and the responsibilities, budget and staffing needs of such group.
29. Ensure that management has designed and implemented effective systems of risk management and internal controls and, at least annually, review the effectiveness of the implementation of such systems.
30. Approve and recommend to the Board for adoption policies and procedures on risk oversight and management to establish an effective and efficient system for identifying, assessing, monitoring and managing risk relating to financial management and internal control.
31. In consultation with the Auditors and management, review the adequacy of the Company's internal control structure and procedures designed to ensure compliance with laws and regulations, and

discuss the responsibilities, budget and staffing needs of the Company's financial and accounting group.

32. Establish procedures for (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
33. Review the internal control reports prepared by management, including (i) management's assessment of the effectiveness of the Company's internal control structure and procedures for financial reporting; and (ii) the Auditors' attestation, and report, on the assessment made by management.
34. Review the appointment of the chief financial officer and any key financial executives involved in the financial reporting process and recommend to the Board any changes in such appointments.

**(e) Other Responsibilities**

35. Create an agenda for the ensuing year.
36. Review and approve related-party transactions if required under applicable securities law, stock exchange or other regulatory requirements.
37. Review and approve (a) any change or waiver in the Company's Code of Business Conduct and Ethics applicable to senior financial officers and (b) any disclosures made under applicable securities law, stock exchange or other regulatory requirements regarding such change or waiver.
38. Establish, review and approve policies for the hiring of employees, partners, former employees or former partners of the Company's Auditors or former independent auditors.
39. Review and reassess the duties and responsibilities set out in this Charter annually and recommend to the Nominating and Corporate Governance Committee and to the Board any changes deemed appropriate by the Committee.
40. Review its own performance annually, seeking input from management and the Board.
41. Confirm annually that all responsibilities outlined in this Charter have been carried out.
42. Perform any other activities consistent with this Charter, the Company's constituting documents and governing law, as the Committee or the Board deems necessary or appropriate.

**V. Reporting**

The Committee will report regularly to the Board and will submit the minutes of all meetings of the Audit Committee to the Board. The Committee will also report to the Board on the proceedings and deliberations of the Committee at such times and in such manner as the Board may require. The Committee will review with the full Board any issues that have arisen with respect to quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance or independence of the Auditors or the performance of the Company's financial and accounting group.

## **VI. Resources and Access to Information**

The Committee will have the authority to retain independent legal, accounting and other advisors or consultants to advise the Committee, as it determines necessary to carry out its duties.

The Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities. The Committee has direct access to anyone in the organization and may request any officer or employee of the Company or the Company's outside counsel or the Auditors to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee with or without the presence of management. In the performance of any of its duties and responsibilities, the Committee will have access to any and all books and records of the Company necessary for the execution of the Committee's obligations.

The Committee will determine the extent of funding necessary for payment of (a) compensation to the Company's independent public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attestation services for the Company, (b) compensation to any independent legal, accounting and other advisors or consultants retained to advise the Committee and (c) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

