



**SILVER47 EXPLORATION CORP.**

**2025  
ANNUAL  
GENERAL  
MEETING**

Notice of Annual General Meeting of Shareholders

Management Information Circular

**To Participate In-Person:**

DLA Piper (Canada) LLP  
1133 Melville St, Suite 2700  
Vancouver, British Columbia  
V6E 4E5

**To Participate Via Teleconference:**

+1 604-901-0719 (Canada)  
Access Code: 171 536 285#

**Time:**

11:00 a.m. (Vancouver time)

**Date:**

April 4, 2025

## SILVER47 EXPLORATION CORP.

### NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

Take notice that the annual general meeting (the “**Meeting**”) of shareholders of Silver47 Exploration Corp. (the “**Company**”) will be held at 1133 Melville Street, Suite 2700, Vancouver, British Columbia, V6E 4E5 and also via teleconference, on April 4, 2025 at 11:00 a.m. (Vancouver time) for the following purposes:

1. To receive the financial statements of the Company for its financial year ended July 31, 2024, and the report of the auditor thereon;
2. To fix the number of directors of the Company at three (3);
3. To elect directors of the Company for the ensuing year;
4. To appoint an auditor of the Company for the ensuing year and to authorize the directors to fix the auditor’s remuneration;
5. To consider, and if thought fit, to pass an ordinary resolution approving the Company’s share compensation plan; and
6. To transact such other business as may properly come before the Meeting or any adjournment thereof.

The Management Information Circular of the Company (the “**Circular**”) contains details of matters to be considered at the Meeting and accompanies and is deemed to form part of this Notice.

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

The Company has elected to use the notice and access (“**Notice and Access**”) provisions under National Instrument 54-101 *Communications with Beneficial Owners of Securities of a Reporting Issuer* and National Instrument 51-102 *Continuous Disclosure Obligations* to distribute Meeting materials to shareholders. Notice and Access allows issuers to post electronic versions of proxy related materials on SEDAR+ and on one additional website, rather than mailing paper copies to shareholders. Shareholders have the right to request hard copies of any proxy related materials posted online by the Company under Notice and Access.

Meeting materials, including the Circular, are available under the Company’s profile at [www.sedarplus.ca](http://www.sedarplus.ca) and also at [www.silver47.ca](http://www.silver47.ca). The Company will provide to any shareholder, free of charge, upon request to the Company’s transfer agent, Odyssey Trust Company (“**Odyssey**”), toll free at 1-888-290-1175 (toll-free within North America) or 1-587-885-0960 (direct from outside North America) or via [www.odysseycontact.com](http://www.odysseycontact.com) by , a paper copy of the Circular and any financial statements or management’s discussion and analysis of the Company filed with the applicable securities regulatory authorities during the past year. In order to allow reasonable time for you to receive and review a paper copy of the Circular or other document prior to the proxy deadline, you should make your request for a paper copy to March 19, 2025.

Shareholders will have the opportunity to participate at the Meeting via teleconference regardless of their geographic location by calling +1-604-901-0719 (Canada and USA). Callers should dial in fifteen to twenty minutes prior to the scheduled time of the Meeting and input conference code 171 536 285# to join the Meeting. Please refer to the sections titled “*Appointment of Proxyholders*”, “*Voting by Proxyholders*”, “*Registered Shareholders*”, “*Beneficial Shareholders*” and “*Revocation of Proxies*” in the Circular for details on how to vote at the Meeting. **Shareholders will not be able to vote through the teleconference call and we encourage shareholders to vote their Common Shares prior to the Meeting by any of the means described in the Circular.**

**Only shareholders whose names have been entered in the register of shareholders at the close of business on February 18, 2025, the record date for the Meeting, will be entitled to receive notice of and to vote at the Meeting. A registered shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting or any adjournment or postponement thereof in person are requested to date, sign and return the accompanying form of proxy for use at the Meeting or any adjournment or postponement**

thereof. To be effective, the enclosed form of proxy must be deposited with the Company's registrar and transfer agent, Odyssey, by mail or delivery to Proxy Department Odyssey Trust Company, Suite 702, 67 Yonge St., Toronto, ON M5E 1J8, by email ([proxy@odysseustrust.com](mailto:proxy@odysseustrust.com)) or over the internet, as set out on the proxy, no later than 11:00 a.m. (Vancouver time) on April 2, 2025, being at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before any adjournment or postponement of the Meeting.

If you are a non-registered shareholder (for example, if you hold shares of the Company in an account with a broker or other intermediary), you should follow the voting procedures described in the form of proxy or voting instruction form provided by your intermediary or call your intermediary for information as to how you can vote your shares. Note that the deadlines set by your intermediary for submitting your form of proxy or voting instruction form may be earlier than the dates described above. Late instruments of proxy may be accepted or rejected by the Chair of the Meeting in his or her discretion and the Chair is under no obligation to accept or reject any particular late instrument of proxy. The enclosed form of proxy appoints nominees of management as proxyholder and you may amend the proxy, if you wish, by inserting in the space provided the name of the person you wish to represent you as proxyholder at the Meeting.

Dated at Vancouver, British Columbia, February 18, 2025.

**BY ORDER OF THE BOARD**

*"Gary R. Thompson"*

**Gary R. Thompson**  
**President, Chief Executive Officer, and Director**

## MANAGEMENT INFORMATION CIRCULAR

as at February 18, 2025 unless indicated otherwise

**This Management Information Circular (the “Circular”) is furnished in connection with the solicitation of proxies by the management of Silver47 Exploration Corp. (the “Company”) for use at the annual general meeting (the “Meeting”) of its shareholders to be held on April 4, 2025 at the time and place and for the purposes set forth in the accompanying notice of the Meeting (the “Notice of Meeting”).**

In this Circular, references to “the Company”, “we” and “our” refer to Silver47 Exploration Corp. “Common Shares” means common shares without par value in the capital of the Company. “Beneficial Shareholders” or “Non-Registered Holder” means shareholders who do not hold Common Shares in their own name and “Intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

### GENERAL PROXY INFORMATION

#### Solicitation of Proxies

The solicitation of proxies by management of the Company will be conducted by mail and may be supplemented by telephone or other personal contact to be made without special compensation by the directors, officers and employees of the Company. The Company does not reimburse Shareholders, nominees or agents for costs incurred in obtaining from their principals’ authorization to execute forms of proxy, except that the Company has requested brokers and nominees who hold stock in their respective names to furnish this proxy material to their customers, and the Company will reimburse such brokers and nominees for their related out-of-pocket expenses. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company. No person has been authorized to give any information or to make any representation other than as contained in this Circular in connection with the solicitation of proxies. If given or made, such information or representations must not be relied upon as having been authorized by the Company. The delivery of this Circular shall not create, under any circumstances, any implication that there has been no change in the information set forth herein since the date of this Circular. This Circular does not constitute the solicitation of a proxy by anyone in any jurisdiction in which such solicitation is not authorized, or in which the person making such solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such an offer of solicitation.

#### Notice-and-Access

The Company has elected to use the “notice-and-access” provisions (“**Notice-and-Access**”) that came into effect on February 11, 2013 under National Instrument 54-101 *Communications with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) and National Instrument 51-102 *Continuous Disclosure Obligations* (“**NI 51-102**”) of the Canadian Securities Administrators, for distribution of this Circular and other meeting materials, including the form of proxy, the voting instruction form (the “**VIF**”) and the Notice of Meeting (collectively, the “**Meeting Materials**”), to registered shareholders of the Company and Non-Registered Holders (as defined herein), other than those shareholders with existing instructions on their accounts to receive printed materials or those shareholders that request printed Meeting Materials.

Notice-and-Access allows issuers to post electronic versions of certain Meeting Materials online, via SEDAR+ and one other website, rather than mailing paper copies of such meeting materials to shareholders. The Company has adopted this alternative means of delivery in order to further its commitment to environmental sustainability and to reduce its printing and mailing costs.

The Company has posted the Meeting Materials, and its audited financial statements and management’s discussion and analysis for the year ended July 31, 2024, under its profile at [www.sedarplus.ca](http://www.sedarplus.ca) and also on its website at [www.silver47.ca](http://www.silver47.ca).

Although the Meeting Materials will be posted electronically online, registered shareholders and Non-Registered Holders (subject to the provisions set out below under the heading “*Beneficial Shareholders*”) will receive a “notice package” (the “**Notice-and-Access Notification**”) by prepaid mail, which includes the information prescribed by NI 54-101, and a form of proxy, in the case of registered shareholders, or VIF, in the case of Non-Registered Holders,

enabling them to vote at the Meeting. Shareholders should follow the instructions for completion and delivery contained in the form of proxy or VIF, and are reminded to review the Circular before voting.

Shareholders will not receive paper copies of the Meeting Materials unless they contact the Company's transfer agent, Odyssey Trust Company ("Odyssey") via [www.odysseycontact.com](http://www.odysseycontact.com) or by phone at 1-888-290-1175 (toll-free within North America) or 1-587-885-0960 (direct from outside North America). Provided the request is made prior to the Meeting, Odyssey will mail the requested materials within three business days. **Requests for paper copies of the Meeting Materials should be made by March 19, 2025 in order to receive the Meeting Materials in time to vote before the Meeting.**

Shareholders with questions about Notice-and-Access may contact Odyssey by toll-free at -888-290-1175 (toll-free within North America) or 1-587-885-0960 (direct from outside North America) or via [www.odysseycontact.com](http://www.odysseycontact.com) or the Company's investor relations department by email at [info@silver47.ca](mailto:info@silver47.ca).

### **Appointment of Proxyholders**

The individuals named in the form of proxy are officers and/or directors of the Company. **If you are a registered shareholder entitled to vote at the Meeting, you have the right to appoint a person or corporation other than either of the persons designated in the form of proxy, who need not be a shareholder, to attend and act for you on your behalf at the Meeting. You may do so either by striking out the names of those persons named in the accompanying form of proxy and inserting the name of that other person in the blank space provided in the form of proxy or by completing and delivering another suitable form of proxy.**

### **Voting by Proxyholders**

The persons named in the form of proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. A properly completed form of proxy confers discretionary authority on persons named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors,
- (b) any amendment to or variation of any matter identified therein, and
- (c) any other matter that properly comes before the Meeting.

**In respect of a matter for which a choice is not specified in the form of proxy, the persons named in the form of proxy will vote the Common Shares represented by the proxy for the approval of such matter.**

### **Registered Shareholders**

Registered shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered shareholders electing to submit their proxies may do so by:

- (a) completing, dating and signing the enclosed form of proxy and returning it to Odyssey by mail at Proxy Department, Odyssey Trust Company, Suite 702, 67 Yonge St., Toronto, ON M5E 1J, by email ([proxy@odysseytrust.com](mailto:proxy@odysseytrust.com)); or
- (b) using the internet through the website of Odyssey <https://login.odysseytrust.com/pxlogin>. Registered shareholders must follow the instructions that appear on the screen and refer to the enclosed form of proxy for the control number and the proxy access number;

in all cases ensuring that the completed form of proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the proxy is to be used.

## Beneficial Shareholders

**Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Many shareholders of the Company may be “non-registered” shareholders because the shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the shares.** More particularly, a person is not a registered shareholder in respect of shares which are held on behalf of that person (the “**Non-Registered Holder**”) but which are registered either: (a) in the name of an Intermediary that the Non-Registered Holder deals with in respect of the shares (“**Intermediaries**”) include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSP’s, RRIF’s, RESPs and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited) of which the Intermediary is a participant.

Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive Meeting Materials will either:

- (a) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of Shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Holder when submitting the proxy. In this case, the Non-Registered Holder who wishes to submit a proxy should otherwise properly complete the form of proxy and deposit it with the Transfer Agent as provided above; or
- (b) more typically, be given a voting instruction form which is not signed by the Intermediary, and which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary or its service company, will constitute voting instructions (often called a “**proxy authorization form**”) which the Intermediary must follow. Typically, the proxy authorization form will consist of a one-page pre-printed form. Sometimes, instead of a one-page pre-printed form, the proxy authorization will consist of a regular printed proxy form accompanied by a page of instructions, which contains a removable label containing a bar-code and other information. In order for the form of proxy to validly constitute a proxy authorization form, the Non-Registered Holder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and return it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit a Non-Registered Holder to direct the voting of Shares which they beneficially own. Should a Non-Registered Holder who receives one of the above forms wish to vote at the Meeting in person, the Non-Registered Holder should strike out the names of the Management Nominees named in the form and insert the Non-Registered Holder’s name in the blank space provided. In either case, Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or proxy authorization form is to be delivered. As previously mentioned, there are two types of Non-Registered Holders: (i) those who object to their identity being made known to the issuers of securities which they own (“**Objecting Beneficial Owners**” or “**OBOs**”), and (ii) those who do not object to their identity being made known to the issuers of securities which they own (“**Non-Objecting Beneficial Owners**” or “**NOBOs**”). Subject to the provisions of NI 54- 101, issuers may deliver proxy-related materials directly to NOBOs.

In accordance with the requirements of NI 54-101, the Company has elected to send the Notice-and-Access Notification directly to the NOBOs. The Company will not be mailing the Notice-and-Access Notification to the OBOs. The Company does not intend to pay for Intermediaries to forward the Notice-and-Access Notification to OBOs, and an OBO will not receive the Notice-and-Access Notification unless the OBO’s Intermediary assumes the cost of delivery.

*The Notice-and-Access Notification is being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the Company or its agent has sent the Notice-and-Access Notification 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.*

*By choosing to send the Notice-and-Access Notification to you directly, the Company (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering the Notice-and-Access Notification to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions set out in the VIF.*

Notice-and-Access Notifications sent to Beneficial Shareholders who have not waived the right to receive Meeting Materials are accompanied by a VIF to be used instead of a form of proxy. By returning the VIF in accordance with the instructions noted on it, a Non-Registered Holder is able to instruct the registered shareholder how to vote on behalf of the Non-Registered Holder. VIFs, whether provided by the Company or by an Intermediary, should be completed and returned in accordance with the specific instructions noted on the VIF.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Common Shares which they beneficially own. **Non-Registered Holders receiving a VIF cannot use that form to vote Common Shares directly at the Meeting. Non-Registered Holders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered.** Should a Non-Registered Holder who receives a VIF wish to attend the Meeting or have someone else attend on his/her behalf, the Non-Registered Holder may request a legal proxy as set forth in the VIF, which will grant the Non-Registered Holder or his/her nominee the right to attend and vote at the Meeting.

### **Revocation of Proxies**

In addition to revocation in any other manner permitted by law, a registered shareholder who has given a proxy may revoke it by:

- (a) executing a form of proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder's authorized attorney in writing, or, if the registered shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the form of proxy bearing a later date to Odyssey at Proxy Department, Odyssey Trust Company, Suite 702, 67 Yonge St., Toronto, ON M5E 1J or at the address of the registered office of the Company at 1133 Melville Street, Suite 2700, Vancouver, British Columbia, V6E 4E5 at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law, or
- (b) personally attending the Meeting and voting the registered shareholder's Common Shares.

A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

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

The board of directors of the Company (the "**Board**") has fixed February 18, 2025 as the record date (the "**Record Date**") for determination of persons entitled to receive Notice of Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting.

As at February 18, 2025, there were 50,043,860 Common Shares issued and outstanding, each carrying the right to one vote.

On a show of hands, every individual who is present and is entitled to vote as a shareholder or as a representative of one or more corporate shareholders, or who is holding a proxy on behalf of a shareholder who is not present at the Meeting, will have one vote, and on a poll every shareholder present in person or represented by a proxy and every person who is a representative of one or more corporate shareholders, will have one vote for each Common Share.

To the knowledge of the directors and senior officers of the Company, other than as set forth below, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares.

| <u>Registered Shareholder</u>   | <u>Number of Common Shares</u> | <u>Percentage of class<sup>(1)</sup></u> |
|---------------------------------|--------------------------------|--|
| Gary R. Thompson <sup>(2)</sup> | 9,223,000                      | 18.43%                                   |

**Notes:**

- (1) Percentages on a non-diluted basis, based on 50,043,860 Common Shares issued and outstanding as of the date of this Circular.  
 (2) Of this amount, Gary R. Thompson owns 34,500 (0.07%) directly, and 9,188,500 (18.36%) Common Shares through XT88 Holdings Inc. (“XT88”), a private company controlled by Gary R. Thompson.

**VOTES NECESSARY TO PASS RESOLUTIONS**

A simple majority of affirmative votes cast at the Meeting is required to pass the ordinary resolutions described herein. Any special resolutions must be determined by a two-thirds (2/3) majority of the votes cast on each special resolution at the Meeting.

**PARTICULARS OF MATTERS TO BE ACTED UPON**

**Receipt of Financial Statements**

The financial statements of the Company for the financial year ended July 31, 2024, together with the report of the auditor thereon, will be presented to the shareholders at the Meeting.

**Election of Directors**

The Board presently consists of three (3) directors: Gary R. Thompson, Ryan Goodman, and David Netherway. Shareholders will be asked to fix the number of directors of the Company at three (3) and to elect the persons listed below as directors. The following table sets out the name of each person proposed to be nominated by management for election as a director (a “**proposed director**”), the province or state, as applicable, and country of residence, all major offices and positions with the Company and any of its significant affiliates each now holds, each nominee’s principal occupation, business or employment for the five preceding years, the number of Common Shares beneficially owned by each, or over which each exercised control or direction, directly or indirectly, as at February 18, 2025.

| Nominee Name and Place of Residence                             | Principal Occupation  | Appointment Date   | Common Shares Beneficially Owned Directly or Indirectly <sup>(1)</sup> |
|---|---|--------------------|--|
| Gary R. Thompson <sup>(3)(4)</sup><br>Vancouver, BC             | President, CEO and Director of the Company; CEO and Chairman of Brixton Metals Corporation  | January 29, 2021   | 9,223,000 <sup>(2)</sup>   |
| Ryan Goodman <sup>(3)(4)</sup><br>Vancouver, BC                 | SVP & General Counsel at Orezone Gold Corporation   | September 1, 2021  | 50,000   |
| David Netherway <sup>(3)(4)</sup><br>Johannesburg, South Africa | Director of Kore Potash plc<br>Director of Altus Strategies plc<br>Director of Kilo Goldmines Limited<br>Director of Avesoro Resources Inc.<br>Director of Elemental Altus Royalties Corp.<br>Director of Canyon Resources Ltd. | September 22, 2021 | 100,000  |

Notes:

- (1) The information as to Common Shares beneficially owned or controlled has been furnished by the respective nominees.  
 (2) 9,188,500 Common Shares are held by XT88, a private company controlled by Gary R. Thompson. 34,500 Common Shares are owned directly by Gary R. Thompson.  
 (3) Member of the Audit Committee.



(4) Member of the Compensation and Corporate Governance Committee.

The term of office of each of the present directors of the Company expires at the Meeting. The nominees named above will be presented for election at the Meeting as management's nominees and the persons named in the form of proxy intend to vote for the election of these nominees. Management does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until the next annual general meeting of shareholders of the Company or until that person's successor is elected or appointed, unless such person's office is earlier vacated in accordance with the articles of the Company, or in accordance with the provisions of the *Business Corporations Act* (British Columbia) ("**BCBCA**").

The constating documents of the Company include an advance notice provision (the "**Advance Notice Provision**"). The purpose of the Advance Notice Provision is to provide shareholders, directors and management of the Company with direction on the procedure for shareholder nomination of directors. The Advance Notice Provision is the framework by which the Company seeks to fix a deadline by which holders of record of the Common Shares must submit director nominations to the Company prior to any annual or special general meeting of shareholders and sets forth the information that a shareholder must include in the notice to the Company for the notice to be in proper written form. Pursuant to the Advance Notice Provision, for an annual shareholders' meeting, a shareholder nominating a person for election to the Board must provide notice to the Company's Corporate Secretary not less than 35 nor more than 65 days prior to the date of the meeting (or, if the meeting is to be held less than 50 days after the date on which the first public announcement of the meeting's date was made, then notice must be given to the Company not later than the close of business on the 10th day following such public announcement). For a special shareholders' meeting which is not also an annual meeting, a shareholder nominating a person for election to the Board must provide notice to the Company's Corporate Secretary not later than the close of business on the 15th day following the date on which the first public announcement of the meeting's date was made.

#### ***Occupation, Business or Employment of Nominees***

The following sets forth further particulars on those individuals who will be members of the Board and their relevant educational background:

#### **Gary R. Thompson, Age 61 – President, Chief Executive Officer and Director**

Mr. Thompson is the founder of the Company. He has 27 years' experience in resource exploration including precious and base metals, geothermal power and unconventional oil and gas, and is a "qualified person" as defined in National Instrument 43-101 Standards of Disclosure for Mineral Projects. Mr. Thompson is a co-founder and Chairman and CEO of Brixton Metals Corporation (TSXV:BBB). Mr. Thompson was the president and CEO of Sierra Geothermal Power Corp., from 2006 until 2010 when it was acquired by Ram Power Corporation. Prior to 2006, Mr. Thompson previously held positions with EnCana Corporation, Newmont Alaska Ltd., NovaGold Resources Inc. and CBM Solutions Ltd.

Mr. Thompson is a professional geologist and an active member in good standing of the Engineers and Geoscientists British Columbia. Mr. Thompson holds a B.Sc. (Honours) in Geology from the University of British Columbia.

#### **Ryan Goodman, Age 48 – Director**

Mr. Goodman has over 20 years of experience working with mining companies in various stages of growth and development, and specializes in such areas as financings, M&A and corporate governance. Mr. Goodman has been the SVP & General Counsel at Orezone Gold Corporation since January 2024 and prior to that was the VP Legal & Administration at Orezone from March 2019. Mr. Goodman was the VP Legal Affairs of Aura Minerals Inc. from 2012 until 2019. Previous to Aura Minerals, Mr. Goodman practiced law with a large Canadian multinational law firm with a focus on securities and mining. Mr. Goodman holds a J.D. from the University of Manitoba.

#### **David Netherway, Age 71 – Director**

David is a mining engineer with over 40 years of experience in the mining industry. David was involved in the construction and development of the New Liberty, Iduapriem, Siguiiri, Samira Hill and Kiniero gold mines in West Africa and has mining experience in Africa, Australia, China, Canada, India and the Former Soviet Union. David

served as the CEO of Shield Mining until its takeover by Gryphon Minerals, prior to that he was the CEO of TSX listed Afcan Mining Corporation, a China focused gold mining company that was sold to Eldorado Gold in 2005. He was also the Chairman of Afferro Mining which was acquired by IMIC in 2013. David has held senior management positions in a number of mining companies including Golden Shamrock Mines, Ashanti Goldfields and Semafo Inc. He is a former director of Canyon Resources Ltd., Altus Resource Capital, Altus Global Gold, African Aura Mining, Afferro Mining, Avesoro Resources, GMA Resources Ltd. and Kilo Goldmines Ltd.. Mr. Netherway is currently a non-executive director of Elemental Altus Royalties Corp. (ELE: TSX-V) and Kore Potash plc (ASX, AIM & JSE: KP2). Mr. Netherway holds a BEng (Mining) from the University of Melbourne, Australia and a C.DipAF from the CACA in the UK.

#### *Regulatory Matters and Bankruptcies*

Except as disclosed in this Circular, none of the proposed nominees for election as a director of the Company are proposed for election pursuant to any arrangement or understanding between the nominee and any other person, except the directors and senior officers of the Company acting solely in such capacity.

Except as disclosed below, no proposed nominee for election as a director of the Company:

- (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,
  - (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 that was in effect for more than 30 consecutive days (together, 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;
- (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.

No proposed nominee for election as a director of the Company has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

#### **Appointment of Auditor**

Management proposes to pass an ordinary resolution to appoint MNP LLP , Chartered Professional Accountants, as the Company’s auditors for the ensuing fiscal year and to authorize the directors of the Company to fix the

remuneration to be paid to the auditors. An ordinary resolution needs to be passed by a simple majority of the votes cast by the Shareholders present in person or represented by proxy and entitled to vote at the Meeting. MNP LLP was first appointed auditor of the Company on August 26, 2021.

Unless such authority is withheld, the persons named in the accompanying form of proxy intend to vote for the appointment of MNP LLP, as auditors of the Company, at a remuneration to be determined by the directors.

## **Approval of Share Compensation Plan**

### ***Background***

On September 30, 2021, the Board adopted a share compensation plan (the “**Share Compensation Plan**”).

The Share Compensation Plan is a “rolling up to 10%” omnibus plan pursuant to which the total number of Common Shares which may be issued pursuant to restricted share units (“**RSUs**”) and stock options (“**Options**”) granted under the Share Compensation Plan, in the aggregate, is equal to up to a maximum of 10% of the issued and outstanding Common Shares at the time of the grant or award.

The TSX-V requires all listed companies with a “rolling up to 10%” share compensation plan, such as the Share Compensation Plan, to obtain shareholder approval for such plan on an annual basis. Accordingly, at the Meeting, shareholders will be asked to vote on an ordinary resolution (the “**Plan Resolution**”) to approve, for the ensuing year, the Share Compensation Plan as described below. A copy of the Share Compensation Plan is attached to this Circular as Schedule “A”.

All Options and RSUs are governed under the terms of the Share Compensation Plan and, subject to shareholder approval of the Plan Resolution, any additional Options and RSUs granted by the Company would be governed by the Share Compensation Plan.

### ***Particulars of the Share Compensation Plan***

#### ***Overview***

The Share Compensation Plan provides that the Board may from time to time, in its discretion, grant to the Eligible Person (as such term is defined below) selected by the Administrators (as such term is defined below) to participate the Share Compensation Plan (each, a “**Participant**”), who may include participants who are citizens or residents of the United States (each, a “**US Participant**”), with the opportunity, through RSUs and Options, to acquire an ownership interest in the Company.

The purpose of the Share Compensation Plan is to provide an incentive to the directors, officers, employees, consultants and other personnel of the Company or any of its subsidiaries to achieve the longer-term objectives of the Company; to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Company; and to attract to and retain in the employ of the Company or any of its subsidiaries, persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary 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 or a lump sum payment in cash following the attainment of vesting criteria determined by the Administrators at the time of the award (subject to TSX-V policies). 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.

### *Purpose of the Share Compensation Plan*

The stated purpose of the Share Compensation Plan is to advance the interests of the Company and its subsidiaries, and its shareholders by: (a) ensuring that the interests of Participants are aligned with the success of the Company and its subsidiaries; (b) encouraging stock ownership by such persons; and (c) providing compensation opportunities to attract, retain and motivate such persons.

The following people (each, an “**Eligible Person**”) are eligible to participate in the Share Compensation Plan: any Director, Officer, Employee, Management Company Employee and Consultant (as these terms are defined in the Share Compensation Plan).

### *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 from time to time (the “**Administrators**”). 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 Available for Issuance under the Share Compensation Plan*

The number of Common Shares available for issuance upon the vesting of RSUs awarded and Options granted under the Share Compensation Plan 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 (collectively, the “**Security Based Compensation**”) under the Share Compensation Plan are subject to a number of restrictions:

- (a) the total number of Common Shares issuable pursuant to all Security Based Compensation granted or awarded under the Share Compensation Plan and any other share compensation arrangements of the Company cannot exceed 10% of the Common Shares then outstanding;
- (b) unless the Company obtains disinterested shareholder approval, the maximum aggregate number of Common Shares issuable pursuant to all Security Based Compensation granted or issued under the Share Compensation Plan and any other share compensation arrangements of the Company to any one Participant and where permitted under the TSX-V rules, any companies that are wholly owned by that Participant together with those Common Shares issuable pursuant to any other share compensation arrangements of the Company) in any 12 month period shall not exceed 5% of the issued and outstanding Common Shares, calculated as at the date that such Security Based Compensation is granted or issued to the Participant;
- (c) the maximum number of Common Shares issuable pursuant to all Security Based Compensation granted or issued under the Share Compensation Plan and any other share compensation arrangements of the Company in any 12 month period to any one Consultant shall not exceed 2% of the issued and outstanding Common Shares then outstanding; and
- (d) the maximum aggregate number of Common Shares issuable pursuant to all Options granted to Investor Relations Service Providers (as such term is defined in the Share Compensation Plan) under the Share Compensation Plan and any other share compensation arrangements of the Company in any 12 month period in aggregate shall not exceed 2% of the issued and outstanding Common Shares; provided, that Options granted to any and all Investor Relations Service Providers 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 in accordance with the vesting requirements set out in the TSX-V’s policies.

The following restrictions also apply to the Share Compensation Plan in accordance with TSX-V Policy 4.4:

- (a) all Security Based Compensation granted or issued under the Share Compensation Plan is non-assignable and non-transferable;
- (b) unless the Company obtains disinterested shareholder approval, the maximum aggregate number of Common Shares issuable pursuant to all Security Based Compensation granted or issued under the Share Compensation Plan to Insider Participants (as such term is defined in the Share Compensation Plan) as a group shall not exceed 10% of the issued and outstanding Common Shares at any point in time;
- (c) unless the Company obtains disinterested shareholder approval, the maximum number of Common Shares issuable pursuant to all Security Based Compensation granted or issued under the Share Compensation Plan in any 12 month period to Insider Participants as a group (together with those Common Shares issuable pursuant to any other share compensation arrangement) shall not exceed 10% of the issued and outstanding Common Shares, calculated as at the date that such Security Based Compensation is granted or issued to any Insider Participant;
- (d) Investor Relations Service Providers may not receive any Security Based Compensation other than Options; and
- (e) any Security Based Compensation granted or issued to any Participant who is a Director, Officer, Employee, Consultant or Management Company Employee must expire within 12 months following the date the Participant ceases to be an Eligible Person under the Share Compensation Plan.

#### *Restricted Share Units*

The Administrators may award RSUs to Eligible Persons (other than Investor Relations Service Providers) under the Share Compensation Plan reserving for issuance such number of Common Shares equal to up to a maximum of 10% of the issued and outstanding Common Shares at the date of the award (such maximum amount to include any Options granted under the Share Compensation Plan that may be exercised for Common Shares).

(a) Mechanics for RSUs

RSUs awarded to Participants under the Share Compensation Plan are credited to a RSU account that is established on their behalf and maintained in accordance with the Share Compensation Plan. After the vesting criteria of any RSUs awarded under the Share Compensation Plan is satisfied, a Participant shall be entitled to receive and the Company shall issue or pay (at its discretion): (i) a lump sum payment in cash equal to the number of vested RSUs recorded in the Participant's RSU account multiplied by the Market Price (as defined below) of the Common Shares traded on the TSX-V on the payout date; (ii) the number of Common Shares required to be issued to a Participant upon the vesting of such Participant's RSUs in the Participant's RSU 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 (iii) any combination of thereof.

(b) Vesting Provisions

The Share Compensation Plan provides that: (i) at the time of the award of RSUs, the Administrators shall, subject to the TSX-V rules, determine the vesting criteria applicable to the awarded RSUs provided that, subject to certain exceptions in the Share Compensation Plan, no RSUs may vest before the date that is one year following the date of award; (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 formally imposed by the Company, such date of vesting will be automatically extended to the tenth business day after the end of the blackout period. This ten day extension period may not be extended by the Board. Notwithstanding the foregoing, with respect to RSUs of U.S. Participants, no such extension shall operate to extend the time of settlement/payment with respect to such RSUs except to the extent permitted under Section 409A of the Code.

(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 as soon as practicable after the Event of Termination (and with respect to each RSU of a US Participant, such RSU will be settled and shares issued as soon as practicable following the date of vesting of such RSU as set forth in the applicable RSU Agreement, but in all cases within 60 days following such date of vesting); and, unless otherwise determined by the Administrators in their discretion or otherwise agreed to by the Company in an employment agreement or consulting agreement with an Eligible Person, and subject to the requirements set out in section 4.6 of TSX-V Policy 4.4, any unvested RSUs will be automatically forfeited and cancelled (and with respect to any RSU of a US Participant, if the Administrators determine, in their discretion, to waive vesting conditions applicable to an RSU that is unvested at the time of an Event of Termination, such RSU shall not be forfeited or cancelled, but instead will be deemed to be vested and settled and shares delivered following the date of vesting date of such RSU as set forth in the applicable RSU Agreement).

If an Event of Termination involving the death of a Participant occurs and such Participant is entitled to any RSUs under the Share Compensation Plan, the heirs or administrators of such Participant must claim such Security Based Compensation within one year of the Participant’s death.

Notwithstanding the above and the requirements set out in section 4.6 of TSX-V Policy 4.4, if a person retires in accordance with the Company’s retirement policy at such time, any unvested performance-based RSUs will not be forfeited or cancelled and instead shall be eligible to become vested 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 Administrators may at any time and from time to time grant Options to Eligible Persons reserving for issuance such number of Common Shares equal to up to a maximum of 10% of the issued and outstanding Common Shares as at the date of the grant (such maximum amount to include any RSUs awarded under the Share Compensation Plan).

(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.

(b) Vesting Provisions

The Share Compensation Plan provides that 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 agreement evidencing the grant of the Option attached as Exhibit B to the Share Compensation

Plan (or in such form as the Administrators may approve from time to time) 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 expiry of the Option; and (ii) six 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.

If an Event of Termination involving the death of a Participant occurs and such Participant is entitled to any Options under the Share Compensation Plan, the heirs or administrators of such Participant must claim such Security Based Compensation within one year of the Participant's death.

(d) Cashless Exercise

1.1 Without limiting the regular exercise of the Options through the payment of the exercise price, unless otherwise determined by the Administrators or not compliant with any applicable laws or rules of any applicable securities exchange or market, a Participant may elect cashless 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 of the Options. Instead the following will apply:

- (i) Whereby the Company has an arrangement with a brokerage firm pursuant to which the brokerage firm will loan money to a Participant to purchase the Common Shares underlying the Options. The brokerage firm then sells a sufficient number of Common Shares to cover the Exercise Price of the Options in order to repay the loan made to the Participant. The brokerage firm receives an equivalent number of Common Shares from the exercise of the Options and the Participant then receives the balance of Common Shares or the cash proceeds from the balance of such Common Shares.
- (ii) 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.
- (iii) The broker will deliver to the Participant the remaining value of the Options, net of any brokerage commission or other expenses (the "**In-the-Money Amount**"), in either (i) cash in an amount equal to the In-the-Money-Amount, or (b) such number of Common Shares (rounded down to the nearest whole number) having a fair Market Price (as defined below) equal to the In-the-Money Amount, plus a cash amount equal to the fraction of a Common Share that would otherwise be issuable multiplied by the fair Market Price of a Common Share.

(e) Net Exercise

Subject to prior approval by the Administrators, a Participant, excluding Investor Relations Service Providers, may elect to surrender for cancellation to the Company any vested Options being exercised and the Company will issue to the Participant, as consideration for the surrender of such Options, that number of Common Shares (rounded down to the nearest whole Common Share) on a net issuance basis in accordance with the following formula below:

$$X = \frac{Y(A - B)}{A}$$

where:

X = The number of Common Shares to be issued to the Participant in consideration for the net exercise of the Options under this Section 5.8;

Y = The number of vested Options with respect to the vested portion of the Option to be surrendered for cancellation;

A = The volume weighted average trading price of the Common Shares (“**VWAP**”) the TSX-V calculated by dividing the total value by the total volume of such securities trade for the five trading days immediately preceding the exercise of the subject Option. Where appropriate, the TSX-V may exclude internal crosses and certain other special terms trades from the calculation; and

B = The Exercise Price for such Options.

The Company may elect to forego any deduction in accordance with subsection 110(1.1) of the *Income Tax Act* (Canada) with respect to Options settled on a net exercise basis.

In the event of a cashless exercise or net exercise, the number of Options exercised, surrendered or converted, and not the number of Common Shares actually issued by the Company, must be included in calculating the limits as set out in the section above “*Particulars of Matters to be Acted Upon – Approval of Share Compensation Plan – Restrictions on the Award of RSUs and Grant of Options*”.

(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 “as of any date, the closing price of the Common Shares on the TSX-V 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 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 formally imposed by the Company, such expiration date will be automatically extended to the tenth business day after the end of the blackout period.

***Change of Control***

If there is a Change of Control (as such term is defined in the Share Compensation Plan) then, notwithstanding any other provision of the Share Compensation Plan except subsection 4.3(d) which will continue to apply in all circumstances, all unvested RSUs and any or all Options (whether or not currently exercisable) shall automatically vest or become exercisable, as applicable, such that Participants under the Share Compensation Plan shall be able to participate in the Change of Control transaction, including, at the election of the holder thereof, by surrendering such RSUs and Options to the Company or a third party or exchanging such RSUs or Options, for consideration in the form of cash and/or securities, to be determined by the Administrators in their sole discretion, subject to any necessary TSX-V approvals. For clarity, RSUs of a Participant will only be accelerated under the Share Compensation Plan if such Participant ceases to be an Eligible Person in connection with the Change of Control. Notwithstanding the foregoing, there can be no acceleration of the vesting requirements applicable to Options granted to an Investor Relations Service Provider without the prior written approval of the TSX-V.



### ***Transferability***

RSUs awarded and Options 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, subject to any necessary TSX-V approvals, 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 and RSU immediately after such an adjustment shall not exceed the value of such Option and 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 and with respect to RSUs and Options of US Participants;
- (b) be subject to any regulatory approvals including, where required, the approval of the TSX-V; and
- (c) be subject to shareholder approval, where required by the requirements of the TSX-V, provided that shareholder approval shall not be required for the following amendments:
  - (i) amendments of a “housekeeping nature”, including any amendment to the Share Compensation Plan or a RSU or Option that is necessary to comply with applicable laws, tax or accounting provisions or the requirements of any regulatory authority, stock exchange or quotation system and any amendment to the Share Compensation Plan or an RSU or Option to correct or rectify any ambiguity, defective provision, error or omission therein, including any amendment to any definitions therein; and
  - (ii) amendments that are necessary or desirable for RSUs or Options to qualify for favourable treatment under any applicable tax law.

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

- (a) 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;
- (b) increase the limits referred to above under “*Restrictions on the Award of RSUs and Grant of Options*”;
- (c) 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);

- (d) extend the term of any Option beyond the original term (except if such period is being extend by virtue of a blackout period); or
- (e) amend the amendment provisions in Section 6.4 of the Share Compensation Plan.

A full copy of the Share Compensation Plan is attached to this Circular as Schedule “A” and will be available for inspection at the Meeting.

### ***Plan Resolution***

In accordance with the policies of the TSX-V, the Plan Resolution must be passed by a majority of the votes cast on the ordinary resolution by all shareholders at the Meeting.

The Plan Resolution is an ordinary resolution, which must be passed by more than 50% of the votes cast by those shareholders entitled to vote, whether 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 Plan Resolution.**

As of date of this Circular, there are 1,950,000 Options and 2,350,000 RSUs outstanding under the Share Compensation Plan reserving for issuance of a total of 4,300,000 Common Shares, being approximately a total of 8.59% of the issued and outstanding Common Shares. If the Plan Resolution is approved by the shareholders, 704,386 additional Options and RSUs will be available for grant based on the number of 50,043,860 issued and outstanding Common Shares as of the date of this Circular.

The Plan Resolution, which must be approved by the holders of a majority of the Common Shares voting at the Meeting, is as follows:

#### **“RESOLVED AS AN ORDINARY RESOLUTION THAT:**

1. the Share Compensation Plan, as described in the Circular, with the grant of RSUs and Options thereunder in accordance therewith, is hereby ratified, confirmed and approved and shall continue and remain in effect until further ratification is required pursuant to the rules of the TSX-V or other applicable regulatory requirements;
2. the maximum number of Common Shares reserved for issuance under the Share Compensation Plan shall be no more than 10% of the Company’s issued and outstanding share capital at the time of any RSU or Option award or grant;
3. the Company is hereby authorized and directed to issue such Common Shares pursuant to the Share Compensation Plan as fully paid and non-assessable Common Shares;
4. any one director or officer of the Company be and is hereby authorized to make any changes to the Share Compensation Plan, as may be required or permitted by the TSX-V; and
5. 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.”

The Plan Resolution must be approved by a simple majority approval of the votes cast at the Meeting by the holders of Common Shares. If the Share Compensation Plan is not approved by the shareholders, the Company will have to consider other methods of compensating and providing incentives to directors, officers, employees and consultants.

**The Board recommends that you vote in favour of the above Plan Resolution. In the absence of a contrary instruction, the persons named in the enclosed form of proxy intend to vote in favour of the Plan Resolution.**

## EXECUTIVE COMPENSATION

All dollar amounts in this Circular are expressed in Canadian dollars unless otherwise indicated.

### Statement of Executive Compensation

The following information is presented in accordance with Form 51-102F6V - *Statement of Executive Compensation – Venture Issuers* and sets forth the executive compensation of the Company for the financial year ended July 31, 2024.

### Named Executive Officer

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

- (a) a Chief Executive Officer ("CEO");
- (b) a Chief Financial Officer ("CFO");
- (c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 for that financial year; and
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at July 31, 2024.

The following information regarding executive compensation is presented in accordance with National Instrument Form 51-102F6V and sets out the compensation that the Board intended to pay, make payable, award, grant, give or otherwise provide to each NEO and director for the financial year ended July 31, 2024.

Gary R. Thompson, President and CEO of the Company, Kevin Chen, CFO of the Company, and Alex Wallis, Vice President Exploration, are the only NEOs of the Company for the purposes of the following disclosure.

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

The compensation paid to the directors and NEOs of the Company for each of the two most recently completed financial years of the Company, other than compensation securities disclosed under the heading of "*Stock Options and Other Compensation Securities*" below. The information is set out below and expressed in Canadian dollars unless otherwise noted:

| Table of Compensation Excluding Compensation Securities         |             |   |            |                                |                           |                                      |                         |
|---|-------------|---|------------|--------------------------------|---------------------------|--------------------------------------|-------------------------|
| Name and Position   | Fiscal Year | Salary, consulting fee, retainer or commission (\$) | Bonus (\$) | Committee or meeting fees (\$) | Value of perquisites (\$) | Value of all other compensation (\$) | Total Compensation (\$) |
| Gary R. Thompson<br><i>CEO and Director</i> <sup>(1)</sup>      | 2024        | \$175,000 <sup>(2)</sup>                            | Nil        | Nil                            | Nil                       | Nil                                  | \$175,000               |
|   | 2023        | \$175,000   | \$9,800    | Nil                            | Nil                       | Nil                                  | \$184,800               |
| Kevin Chen<br><i>CFO</i> <sup>(3)</sup>                         | 2024        | \$100,000 <sup>(4)</sup>                            | Nil        | Nil                            | Nil                       | Nil                                  | \$100,000               |
|   | 2023        | \$100,000   | \$6,400    | Nil                            | Nil                       | Nil                                  | \$106,400               |
| Alex Wallis<br><i>Vice President Exploration</i> <sup>(5)</sup> | 2024        | \$150,000 <sup>(6)</sup>                            | Nil        | Nil                            | Nil                       | Nil                                  | \$150,000               |
|   | 2023        | \$150,000   | \$2,500    | Nil                            | Nil                       | Nil                                  | \$152,500               |
| Ryan Goodman<br><i>Director</i> <sup>(7)</sup>                  | 2024        | \$20,000  | Nil        | Nil                            | Nil                       | Nil                                  | \$20,000                |
|   | 2023        | \$20,000  | \$800      | Nil                            | Nil                       | Nil                                  | \$20,800                |

| Table of Compensation Excluding Compensation Securities |             |   |            |                                |                           |                                      |                         |
|---|-------------|---|------------|--------------------------------|---------------------------|--------------------------------------|-------------------------|
| Name and Position                                       | Fiscal Year | Salary, consulting fee, retainer or commission (\$) | Bonus (\$) | Committee or meeting fees (\$) | Value of perquisites (\$) | Value of all other compensation (\$) | Total Compensation (\$) |
| David Netherway<br><i>Director</i> <sup>(8)</sup>       | 2024        | \$20,000  | Nil        | Nil                            | Nil                       | Nil                                  | \$20,000                |
|   | 2023        | \$20,000  | \$800      | Nil                            | Nil                       | Nil                                  | \$20,800                |

**Notes:**

- (1) Mr. Thompson was appointed a director and the CEO of the Company upon the Amalgamation.
- (2) Mr. Thompson is entitled to an annual salary of \$175,000.
- (3) Mr. Chen was appointed the CFO of the Company upon the amalgamation (the “**Amalgamation**”) of Silver47 Exploration Corp., as it existed prior to the Amalgamation (“**Original Silver47**”) and Gastown Acquisitions 2.0 Corp. (“**Gastown Acquisitions**”) pursuant to the amalgamation agreement dated March 11, 2021, between Original Silver47 and Gastown Acquisitions.
- (4) Mr. Chen is entitled to an annual salary of \$100,000.
- (5) Mr. Wallis was appointed the Vice President Exploration of the Company on May 1, 2022.
- (6) Mr. Wallis is entitled to an annual salary of \$150,000.
- (7) Mr. Goodman was appointed a director of the Company on September 1, 2021.
- (8) Mr. Netherway was appointed a director of the Company on September 22, 2021.

**External Management Companies**

Other than as disclosed herein, none of the directors or NEOs of the Company have been retained or employed by an external management company which has entered into an understanding, arrangement or agreement with the Company to provide executive management services to the Company, directly or indirectly.

**Stock Options and Other Compensation Securities**

The following table sets out information of all compensation securities granted or issued to each of the directors and NEOs by the Company or its subsidiary in the financial year ended July 31, 2024, for services provided or to be provided, directly or indirectly, to the Company or its subsidiary:

| Compensation Securities                          |   |   |                        |  |  |   |                   |
|--|---|---|------------------------|--|--|---|-------------------|
| Name and Position                                | Type of Compensation on security <sup>(1)</sup> | Number of compensation securities, number of underlying securities, and percentage of class | Date of issue or grant | Issue, conversion or exercise price (\$) | Closing price of security or underlying security on date of grant (\$) | Closing price of security or underlying security at year end (\$) | Expiry date       |
| Gary R. Thompson<br><i>CEO and Director</i>      | RSUs  | 450,000 <sup>(2)(3)</sup>   | November 30, 2023      | 0.75 <sup>(2)</sup>                      | -  | -   | November 30, 2025 |
| Kevin Chen<br><i>CFO</i>                         | RSUs  | 200,000 <sup>(2)(4)</sup>   | November 30, 2023      | 0.75 <sup>(2)</sup>                      | -  | -   | November 30, 2025 |
| Alex Wallis<br><i>Vice President Exploration</i> | RSUs  | 400,000 <sup>(2)</sup>  | November 30, 2023      | 0.75 <sup>(2)</sup>                      | -  | -   | November 30, 2025 |
| Ryan Goodman<br><i>Director</i>                  | RSUs  | 200,000 <sup>(2)</sup>  | November 30, 2023      | 0.75 <sup>(2)</sup>                      | -  | -   | November 30, 2025 |
| David Netherway<br><i>Director</i>               | RSUs  | 200,000 <sup>(2)</sup>  | November 30, 2023      | 0.75 <sup>(2)</sup>                      | -  | -   | November 30, 2025 |

**Notes:**

- (1) Each outstanding RSU entitles the holder to receive one Common Share subject to vesting criteria and on the terms as set out above.
- (2) 50% of these RSUs shall vest on November 30, 2024 and the remaining 50% of which shall vest on November 30, 2025. The price of \$0.75 represents the deemed value per Common Share had the Common Share underlying each such RSU been issued for money on the date of award.
- (3) A total of 600,000 RSUs were originally awarded to Mr. Thompson, but such number of RSUs was reduced to 450,000 RSUs by resolutions of the Board dated June 15, 2024.

(4) A total of 300,000 RSUs were originally awarded to Mr. Chen, but such number of RSUs was reduced to 200,000 RSUs by resolutions of the Board dated June 15, 2024.

The following table discloses the total amount of compensation securities held by the directors and NEOs on the last day of the financial year ended July 31, 2024:

| Name and Position                                | Number of Options | Option Vesting Criteria | Number of RSUs | Total amount of compensation securities and underlying securities |
|--|-------------------|-------------------------|----------------|---|
| Gary R. Thompson<br><i>CEO and Director</i>      | 700,000           | Fully vested            | 450,000        | 1,150,000   |
| Kevin Chen<br><i>CFO</i>                         | 500,000           | Fully vested            | 200,000        | 700,000   |
| Alex Wallis<br><i>Vice President Exploration</i> | Nil               | N/A                     | 400,000        | 400,000   |
| Ryan Goodman<br><i>Director</i>                  | 350,000           | Fully vested            | 200,000        | 550,000   |
| David Netherway<br><i>Director</i>               | 300,000           | Fully vested            | 200,000        | 500,000   |

#### Exercise of Compensation Securities by Directors and NEOs

No directors or NEOs exercised compensation securities in the financial year ended July 31, 2024.

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

#### Equity Compensation Plan Information

The following table provides information regarding compensation plans under which equity securities of the Company are authorized for issuance in effect as of the end of the Company's most recently completed financial year:

| Plan Category  | Number of Securities to be Issued upon Exercise of Options, Warrants and Rights (as at July 31, 2024) | Weighted – Average Exercise Price of Outstanding Options, Warrants and Rights (as at July 31, 2024) | Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (as at July 31, 2024) |
|--|---|---|--|
| Equity Compensation Plans Approved by Securityholders                    | N/A   | N/A   | N/A  |
| Equity Compensation Plans Not Approved by Securityholders <sup>(1)</sup> | 4,300,000 <sup>(2)</sup>  | \$0.51  | 74,646 <sup>(3)</sup>  |
| <b>Total</b>   | <b>4,300,000</b>  | <b>\$0.51</b>   | <b>74,646</b>  |

Notes:

(1) For a description of the terms of the Share Compensation Plan, see “*Particulars of Matters to be Acted Upon – Approval of Share Compensation Plan*”. The Share Compensation Plan has not yet been approved by Securityholders and is being put forward for approval by the Securityholders at the Meeting.

(2) This figure represents all of 1,950,000 outstanding Options and 2,350,000 outstanding RSUs.

(3) This figure is calculated based upon 10% of the outstanding Common Shares as of July 31, 2024 being 43,746,467.

The maximum number of Common Shares and RSUs issuable under the Share Compensation Plan is limited to 10% of the total number of Common Shares outstanding from time to time under the Share Compensation Plan.

The Share Compensation Plan is a “rolling 10%” omnibus plan whereby the total number of Common Shares that are issuable pursuant to all Options and RSUs granted or awarded thereunder, in aggregate, is equal to up to a maximum of 10% of the issued and outstanding Common Shares as of the date of grant or award (together with any Common Shares issuable pursuant to any other share compensation arrangement).

#### Employment, Consulting and Management Agreements

Gary R. Thompson

Gary R. Thompson has been the President and CEO of the Company since January 29, 2021 and receives payment for his services through XT88. The Company has entered into a formal written services agreement with XT88 dated July 1, 2022 (the “**XT88 Services Agreement**”). Pursuant to the XT88 Services Agreement, Mr. Thompson is entitled to an annual base salary of \$175,000 (\$140,000 from June 1, 2022 to July 31, 2022). As the CEO of the Company, Mr. Thompson is also entitled to receive incentive compensation in the form of an annual short term incentive bonus to be agreed by the Board annually based on achieving certain corporate objectives and the Company’s financial performance.

*Kevin Chen*

Kevin Chen has been the CFO of the Company since January 29, 2021. Mr. Chen was compensated by the Company directly through the issuance of a total of 120,000 Common Shares which were subject to certain vesting provisions as set out in the reverse vesting agreement dated August 18, 2021 entered into between the Company and Mr. Chen. These 120,000 Common Shares have all vested.

The Company has entered into a formal services agreement dated July 1, 2022 (the “**VPS Services Agreement**”) with Vancouver Profit Services Inc., a company controlled by Mr. Chen. Pursuant to the VPS Services Agreement, Mr. Chen is entitled to an annual base salary of \$100,000 (\$91,000 from June 1, 2022 to July 31, 2022). As the CFO of the Company, Mr. Chen is also entitled to receive incentive compensation in the form of an annual short term incentive bonus to be agreed by the Board annually based on achieving certain corporate objectives and the Company’s financial performance.

*Alex Wallis*

Alex Wallis has been the Vice President Exploration of the Company since August 1, 2022. The Company has entered into a formal written employment with Mr. Wallis dated April 13, 2022 (the “**Wallis Employment Agreement**”, and together with the XT88 Services Agreement and the VPS Services Agreement, the “**Silver47 Services Agreements**”). Pursuant to the Wallis Employment Agreement, Mr. Wallis is entitled to an annual base salary of \$150,000. In addition, as the Vice President Exploration of the Company, Mr. Wallis is entitled to receive incentive compensation in the form of an annual short term incentive bonus to be agreed by the Board annually based on achieving certain corporate objectives and the Company’s financial performance. Pursuant to the Wallis Employment Agreement, following listing of the Common Shares in the TSX-V, Mr. Wallis is eligible to receive 400,000 Options with the granting and terms of such Options subject to Board approval.

**Employment Termination and Change of Control Benefits**

As noted above, the Company is party to the Silver47 Services Agreements, which contain change of control provisions. The Silver47 Services Agreements each provide that if such agreement is terminated or deemed to be terminated due to a change of control, the Company will become obligated to pay the contractors or employees certain termination fees.

Pursuant to the XT88 Services Agreement and the VPS Services Agreement, if (i) there is a “change of control” and the contractor’s services are terminated by the Company or (ii) the contractor terminates his services for “Good Cause” (as defined below), in either case, within twelve (12) months of a “change of control”, the contractor is entitled to receive severance in an amount equal to 24 months’ fees as at that date, inclusive of cash bonuses (based on the immediately preceding 12 months of service fees received) as at that date.

In the case of the termination of the XT88 Services Agreement upon a change of control, Mr. Thompson will be entitled to receive an aggregate amount of \$350,000. If Mr. Thompson resigns for Good Cause or is terminated without cause, Mr. Thompson is entitled to receive eighteen (18) months fees as at that date (\$262,500).

In the case of the termination of the VPS Services Agreement upon a change of control, Mr. Chen will be entitled to receive an aggregate amount of \$200,000. If Mr. Chen resigns for Good Cause or is terminated without cause, Mr. Chen is entitled to receive twelve (12) months fees as at that date (\$100,000).

Pursuant to the Wallis Employment Agreement, if there is a change of control and the employee's employment is terminated by the Company or the employee terminates his employment for "Good Cause" (as defined below), in either case, within twelve (12) months of a change of control, the employee is entitled to receive severance an amount equal to 24 months' fees as at that date, inclusive of cash bonuses (based on the immediately preceding 12 months of service fees received) as at that date.

In the case of the termination of the Wallis Employment Agreement upon a change of control, Mr. Wallis will be entitled to receive an aggregate amount of \$300,000. If the Company terminates Mr. Wallis' employment without cause, Mr. Wallis is entitled to a lump sum severance payment equal to twelve (12) months' salary (\$150,000).

"Good Cause" as used in Silver47 Services Agreements means the occurrence of any of the following without the employee or contractor's consent: the assignment of substantial new or different duties; a material reduction in responsibilities; a reduction in salary or fees payable; a change in the principal office of the Company by more than 50 kilometers; a requirement for the employee or contractor to move more than 50 kilometers from its current location; a material reduction in the value of the benefit to the employee or contractor under the Company's Share Compensation Plan (or other similar plans); anything that would constitute constructive dismissal; or, in the case of the Wallis Employment Agreement only, a material reduction in the number of paid vacation days Mr. Wallis is entitled to.

### **Oversight and Description of Director and NEO Compensation**

The Company's executive compensation is intended to be consistent with the Company's business plans, strategies and goals, including the preservation of working capital. The Company's executive compensation program is intended to provide appropriate compensation that permits the Company to attract and retain highly qualified and experienced senior executives and to encourage superior performance by the Company. The Company's compensation policies are intended to motivate individuals to achieve and to award compensation based on corporate and individual results.

The Board determines the compensation of the Company's directors and NEOs. The Board intends for executive compensation to be consistent with the Company's business plans, strategies and goals, including the preservation of working capital as the Company seeks to devote funds to the exploration of the Red Mountain VMS Property. Executive compensation is intended to provide appropriate compensation that permits the Company to attract and retain highly qualified and experienced senior executives and to encourage superior performance by the Company. The Company's compensation policies are intended to motivate individuals to achieve and to award compensation based on corporate and individual results.

The Company has adopted a Share Compensation Plan to assist the Company in attracting, retaining and motivating directors, officer, employees, consultants and contractors of the Company and of its affiliates and to closely align the personal interests of such service providers with the interests of the Company and its shareholders. See "*Share Compensation Plan*."

The Company has set standard compensation arrangements for the Company's non-executive directors, currently at the amount of \$20,000 per year. The Company expects that its directors will be reimbursed for expenses incurred on the Company's behalf. No additional fees, including meeting fees, will be paid to directors.

### **Pension Plan Benefits**

The Company does not have and does not anticipate having any deferred compensation plan or pension plan that provide for payments or benefits at, following or in connection with retirement. The Company has not provided compensation, monetary or otherwise, to any person who now or previously has acted as an NEO of the Company, in connection with or related to the retirement, termination or resignation of such person, and the Company has provided no compensation to any such person as a result of a change of control of the Company.

## AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

National Instrument 52-110 *Audit Committees* of the Canadian Securities Administrators (“**NI 52-110**”) requires the Company, as a venture issuer, to disclose annually in its information circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth in the following:

### Audit Committee Mandate and Terms of Reference for Chair

The mandate and responsibilities of the audit committee of the Board (the “**Audit Committee**”) can be found in the Audit Committee Charter, which is attached to this Circular as Schedule “B”.

### Composition of the Audit Committee

| <b>Name</b>                    | <b>Independent/Not Independent<sup>(1)</sup></b> | <b>Financially Literate<sup>(2)</sup></b> |
|--------------------------------|--|---|
| David Netherway <sup>(3)</sup> | Independent                                      | Financially Literate                      |
| Ryan Goodman                   | Independent                                      | Financially Literate                      |
| Gary R. Thompson               | Not Independent <sup>(4)</sup>                   | Financially Literate                      |

#### Notes:

- (1) A member is independent if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board of Directors, reasonably interfere with the exercise of that member’s independent judgment.
- (2) A member is financially literate if such member has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issued that can reasonably be expected to be raised by the Company’s financial statements.
- (3) David Netherway is the chair of the Audit Committee.
- (4) Gary R. Thompson is not independent because he is the CEO of the Company.

All of the proposed members of the Audit Committee are considered to be financially literate as required by section 1.6 of NI 52-110.

### Relevant Education and Experience

Information regarding the relevant education and experience of the members of the Audit Committee is set out above in the sections titled “*Particulars of Matters to be Acted Upon – Election of Directors*”. Each member of the Audit Committee has an understanding of the business in which the Company is engaged and has an appreciation of the financial issues and accounting principles that are relevant in assessing the Company’s financial disclosures and internal control systems.

### Audit Committee Oversight

At no time since the commencement of the Company’s most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

### Reliance on Certain Exemptions

At no time since the commencement of the Company’s most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), Subsection 6.1.1(4) of NI 52-110 (*Circumstance Affecting the Business or Operations of the Venture Issuer*), Subsection 6.1.1(5) of NI 52-110 (*Events Outside Control of Member*), subsection 6.1.1(6) of NI 52-110 (*Death, Incapacity or Resignation*) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

### Pre-Approval Policies and Procedures

The Audit Committee reviews all non-audit services and pre-approves all non-audit services to be provided to the Company by its external auditors.



### External Auditor Service Fees (By Category)

Fees incurred with the Company's external auditors in each of the last two financial years are outlined in the following table:

| <b>Nature of Services</b> | <b>Fees Paid or Payable to Auditor for Year Ended July 31, 2024 (\$)</b> | <b>Fees Paid or Payable to Auditor for Year Ended July 31, 2023 (\$)</b> |
|---------------------------|--|--|
| Audit Fees                | 35,000   | 25,000   |
| Audit-Related Fees        | Nil  | Nil  |
| Tax Fees                  | 2,500  | 2,500  |
| All Other Fees            | 15,000   | 4,000  |
| Total                     | 52,500   | 31,500   |

### Exemption

The Company is relying upon the exemption in section 6.1 of NI 52-110 in respect of the composition of its audit committee and in respect of its reporting obligations.

### STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with day-to-day management of the Company. The Company's approach to issues of corporate governance is designed with a view to ensuring that the business and affairs of the Company are effectively managed so as to enhance shareholder value. The Board fulfills its mandate directly and through its committees at meetings held as required.

NP 58-201 establishes corporate governance guidelines to be used by issuers in developing their own corporate governance practices. The Board is committed to ensuring that the Company has an effective corporate governance system, which adds value and assists the Company in achieving its objectives.

The Company's approach to corporate governance is set forth below.

### Mandate of the Board

The Board assumes responsibility for the stewardship of the Company and the enhancement of shareholder value. The Board is responsible for:

- (a) adopting a strategic plan for the Company and reviewing the plan in light of management's assessment of emerging trends, the competitive environment, the opportunities for the business of the Company, risk issues, and significant business practices and products;
- (b) ensuring that the risk management of the Company is prudently addressed;
- (c) reviewing the Company's approach to human resource management and overseeing succession planning for management;
- (d) reviewing the Company's approach to corporate governance, including an evaluation of the adequacy of the mandate of the Board and director independence standards; and
- (e) upholding a comprehensive policy for communications with shareholders and the public at large.

The frequency of meetings of the Board and the nature of agenda items may change from year to year depending upon the activities of Silver47. The Board intends to meet at least quarterly and at each meeting there is a review of the business of Silver47.

The Board of the Company facilitates its exercise of independent supervision over the Company's management through frequent meetings of the Board being held to obtain an update on significant corporate activities and plans, both with and without members of the Company's management being in attendance.

### **Composition of the Board**

The Board is composed of three directors, two of whom qualify as independent directors. For this purpose, a director is independent if he or she has no direct or indirect "material relationship" with Silver47, as defined in NI 58-101. A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of the director's independent judgment. An individual who has been an employee or executive officer of the Company within the last three years is considered to have a material relationship with the Company.

Of the directors, Ryan Goodman and David Netherway are considered independent for the purposes of NI 58-101. Gary R. Thompson, as CEO of the Company, is not considered independent for the purposes of NI 58-101.

### **Directorships**

Some of the current directors are presently a director of one or more other reporting issuers (public companies), as follows:

| <b>Director</b>  | <b>Directorships of other Reporting Issuers</b>                                     |
|------------------|---|
| Gary R. Thompson | Brixton Metals Corp.  |
| Ryan Goodman     | Orezone Gold Corporation  |
| David Netherway  | Kore Potash plc<br>Elemental Altus Royalties Corp. (formerly, Altus Strategies plc) |

### **Orientation and Continuing Education**

Each new director participates in the Company's initial orientation program and each director participates in the Company's continuing director development programs. The Board reviews the Company's initial orientation program and continuing director development programs. Silver47 provides new directors copies of relevant financial, technical, geological and other information regarding its properties and meetings with management. Board members are encouraged to communicate with management and auditors, to keep themselves current with industry trends and developments, and to attend related industry seminars. Board members have full access to the Company's records.

### **Ethical Business Conduct**

While Silver47 has not adopted a written code of business conduct and ethics, the Board will from time to time discuss and emphasize the importance of matters relating to conflicts of interest, protection and proper use of corporate assets and opportunities, confidentiality of corporate information, compliance with laws and the reporting of any illegal or unethical behaviour.

### **Nomination of Directors**

It is the view of the Board that all directors, individually and collectively, should assume responsibility for nominating directors. The Board is responsible for identifying and recommending potential nominees for directorship and senior management. The Board will consider its size each year when it considers the number of directors to recommend to

the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, shown support for the Company's mission and strategic objectives, and a willingness to serve.

### **Compensation**

Compensation matters are currently determined by the Board upon the recommendation of the CCGC.

### **Other Board Committees**

The Board has two standing committees: Audit Committee and Compensation and Corporate Governance Committee (the "CCGC").

#### *Audit Committee*

For additional information with respect to the Audit Committee of the Company, see "*Audit Committee*".

#### *Compensation and Corporate Governance Committee*

The members of the CCGC are Ryan Goodman (Chair), Gary R. Thompson and David G. Netherway. The CCGC's purpose is to: (a) discharge the Board's responsibilities relating to compensation of the Company's executive officers. Among other things, the CCGC will establish and administer the Company's policies, programs and procedures for compensating and providing incentives to its executive officers; (b) identify individuals qualified to become Board members; (c) recommend qualified candidates to fill Board vacancies and newly created director positions; (d) recommend whether incumbent directors should be nominated for re-election to the Board upon expiration of their terms; and (e) advise the Board of the appropriate corporate governance procedures that should be followed by the Company and the Board and monitor whether they comply with such procedures.

### **Assessments**

The Board and each individual director are regularly assessed regarding their effectiveness and contribution. The assessment considers and takes into account: (1) in the case of the Board, its mandate; and (2) in the case of an individual director, the applicable position description(s), if any, as well as the competencies and skills each individual director is expected to possess.

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

No director, proposed nominee for election as director, executive officer or their respective associates or affiliates, other management of the Company, employees, or former executive officers, directors or employees were indebted to the Company or any of its subsidiaries or is or has been indebted to another entity where such indebtedness is or has 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, as of the end of the most recently completed financial year or as at the date hereof, other than routine indebtedness.

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

Other than as set out elsewhere in this Circular and to the knowledge of management of the Company, no informed person or nominee for election as a director of the Company or any associate or affiliate of any informed person or proposed director has had any interest in any transaction since the commencement of the Company's last financial year, or has any interest in any proposed transaction, which, in either case, has materially affected or would materially affect the Company or any of its subsidiaries, other than as set out below and herein.

## **INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON**

No director or executive officer of the Company, nor any person who has held such a position since the beginning of the last completed financial year of the Company, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors or the appointment of auditors, and as may be set out herein. Directors and executive officers may, however, be interested in the approval of the Share Compensation Plan as detailed in “*Particulars of Matters to be Acted Upon*”.

## **MANAGEMENT CONTRACTS**

Except as set out herein, there are no management functions of the Company which are to any substantial degree performed by a person or company other than the directors or executive officers of the Company.

## **ADDITIONAL INFORMATION**

Financial information is provided in the audited financial statements of the Company for the year ended July 31, 2024 and in the related management discussion and analysis as filed on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

Additional information relating to the Company is filed on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and available upon request from the Company. Shareholders may also contact the Company at Suite 551- 409 Granville St., Vancouver, British Columbia, V6C 1T2, Canada, Canada by mail, telephone (+1-403-870-1166) or e mail ([info@silver47.ca](mailto:info@silver47.ca)) to request copies of the Company’s financial statements and MD&A. Copies of documents will be provided free of charge to security holders of the Company. The Company may require the payment of a reasonable charge from any person or company who is not a securityholder of the Company, who requests a copy of any such document.

## **OTHER MATTERS**

The Board is not aware of any other matters which it anticipates will come before the Meeting as of the date of mailing of this Circular.

## **DIRECTORS’ APPROVAL**

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

Dated at Vancouver, British Columbia, February 18, 2025.

**BY ORDER OF THE BOARD**

*Gary R. Thompson*(signed)

**Gary R. Thompson**  
**President, Chief Executive Officer and Director**

## SCHEDULE "A"

### SILVER47 EXPLORATION CORP.

#### SHARE COMPENSATION PLAN

#### 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) **"1933 Act"** means the United States Securities Act of 1933, as amended;
- (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 Policy 1.1 of the TSXV;
- (d) **"Associate"** has the meaning attributed to that term in Policy 1.1 of the TSXV;
- (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 as a result of the bona fide existence of undisclosed material information pursuant to the Corporation's policy respecting restrictions on Directors', Officers' and Employees' trading which is in effect at that time (which, for greater certainty, (i) 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, and (ii) shall expire following the general disclosure of undisclosed material information);
- (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 Vancouver, British Columbia, 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 U.S. 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 any of its Subsidiaries) or company that is not a U.S. Person that:
- is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Corporation or to any of its Subsidiaries, other than services provided in relation to an offer or sale of securities of the Corporation in a capital-raising transaction, or services that promote or maintain a market for the Corporation’s securities;
- 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
- 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 of any of its Subsidiaries.
- (m) “**Corporation**” means Silver47 Exploration Corp., a corporation existing under the *Business Corporations Act* (British Columbia) and the successors thereof;
- (n) “**Discounted Market Price**” has the meaning attributed to that term in Policy 1.1 of the TSXV;
- (o) “**Director**” means a **director** (as defined under Securities Laws) of the Corporation or of any of its Subsidiaries;
- (p) “**Effective Date**” means September 30, 2021;
- (q) “**Eligible Person**” means any Director, Officer, Employee, Management Company Employee or Consultant to whom an award has **been** granted under this Plan;
- (r) “**Employee**” means an individual who:
- (i) is considered an employee of the Corporation or a Subsidiary of the Corporation for purposes of source deductions under applicable tax or social welfare legislation; or
- (ii) works full-time or part-time on a regular weekly basis for the Corporation or a Subsidiary of the Corporation providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or a Subsidiary of the Corporation over the details and methods of work as an employee of the Corporation or such Subsidiary, and, for greater certainty, includes any Executive Chairman of the Corporation.
- (s) “**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;
- (t) “**Exchange**” means any stock exchange or quotation system in Canada where the Common Shares are listed on or through which the Common Shares are listed or quoted;
- (u) “**Exercise Price**” means the price at which a Common Share may be purchased pursuant to the exercise of an Option;
- (v) “**Grant Date**” means the date on which a grant of Options is made to a Participant in accordance with section 5.1;
- (w) “**In-the-Money Amount**” has the meaning ascribed to that term in subsection 5.7(c);

- (x) **“insider”** has the meaning attributed to that term in Policy 1.1 of the TSXV;
- (y) **“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);
- (z) **“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;
- (aa) **“Investor Relations Service Provider”** all includes any Consultant that performs Investor Relations Activities and any Director, Officer, Employee or Management Company Employee whose role and duties primarily consist of Investor Relations Activities;
- (bb) **“Management Company Employee”** means an individual employed by a company providing management services to the Corporation, which services are required for the ongoing successful operation of the business enterprise of the Corporation;
- (cc) **“Market Price”** means the “Market Price” (as such term is defined in Policy 1.1 of the TSXV) of the Common Shares, or if the Common Shares are not listed on a stock exchange, the Market Price shall be determined in good faith by the Administrators;
- (dd) **“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;
- (ee) **“Officer”** means (as defined under Securities Laws) of the Corporation or of any of its Subsidiaries;
- (ff) **“Option”** means an option granted to an Eligible Person under the Plan to purchase Common Shares;
- (gg) **“Option Agreement”** has the meaning ascribed to that term in section 3.2;
- (hh) **“Option Exercise Notice”** has the meaning ascribed to that term in section 5.5;

- (ii) **“Participant”** means an Eligible Person selected by the Administrators to participate in the Plan in accordance with section 3.1 hereof;
- (jj) **“Payout Date”** means the day on which the Corporation pays to a Participant the Market Price of the Restricted Share Units that have become vested and payable;
- (kk) **“Plan”** means this share compensation plan, as amended, replaced or restated from time to time;
- (ll) **“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;
- (mm) **“Restricted Share Unit”** means a right granted to a Participant in accordance with section 4.1 hereof as compensation for employment or consulting services or services as a Director or Officer to receive, for no additional cash consideration, one Common Share or a lump sum payment in cash that becomes vested in accordance with section 4.3;
- (nn) **“Restricted Share Unit Agreement”** has the meaning ascribed to that term in section 3.2;
- (oo) **“RSU Account”** has the meaning attributed to that term in section 4.8;
- (pp) **“Securities Laws”** means securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that are applicable to the Corporation;
- (qq) **“Security Based Compensation”** means any Options and Restricted Share Units granted or issued under this Plan but, as the context requires, also includes any performance share unit, restricted share unit, securities for services, stock appreciation right, stock option, stock purchase plan, any security purchase from treasury by a Participant which is financially assisted by the Corporation by any means whatsoever, and any other compensation or incentive mechanism involving the issuance or potential issuance of securities of the Corporation from treasury to an Eligible Person under any other Share Compensation Arrangement, and for greater certainty, does not include:
  - (i) arrangements which do not involve the issuance from treasury or potential from treasury of securities of the Corporation;
  - (ii) arrangements under which Security Based Compensation is settled solely in cash and/or securities purchased on the secondary market; and
  - (iii) Shares for Services and shares for debt arrangements under Policy 4.3 of the TSXV that have been conditionally accepted by the Exchange prior to November 24, 2021;
- (rr) **“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 from treasury to Directors, Officers, Management Company Employees and Employees of the Corporation and any of its Subsidiaries or to Consultants;
- (ss) **“Shares for Services”** has the meaning ascribed to that phrase in Policy 4.3 - *Share for Debt* of the TSXV;
- (tt) **“Subsidiary”** has the meaning ascribed thereto in the *Securities Act* (British Columbia) and **“Subsidiaries”** shall have a corresponding meaning;
- (uu) **“TSXV”** means the TSX Venture Exchange;
- (vv) **“United States”** means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;



- (ww) **“U.S. Participant”** means a Participant who is a citizen of the United States or a resident of the United States, as defined in section 7701(a)(30)(A) and section 7701(b)(1) of the Code and any other Participant who is subject to tax under the Code with respect to compensatory awards granted pursuant to the Plan;
  - (xx) **“U.S. Person”** means a “U.S. person”, as such term is defined in Regulation S under the 1933 Act;
  - (yy) **“Withholding Obligations”** has the meaning ascribed to that term in section 4.6; and
  - (zz) **“VWAP”** means the volume weighted average trading price of the Common Shares on the Exchange calculated by dividing the total value by the total volume of such securities trade for the five trading days immediately preceding the relevant date. Where appropriate, the Exchange may exclude internal crosses and certain other special terms trades from the calculation.
- 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) *General:* This Plan is a “rolling up to 10%” omnibus plan whereby the total number of Common Shares that are issuable pursuant to all Security Based Compensation granted or awarded hereunder, in aggregate, is equal to up to a maximum of 10% of the issued and outstanding Common Shares as of the date of grant or award (together with any Common Shares issuable pursuant to any other Share Compensation Arrangement). For greater certainty, any Restricted Share Units that must be settled in cash in accordance with the Restricted Share Unit Agreement approved by the Administrators at the time of grant shall not count towards the maximum of 10% of issued and outstanding Common Shares reserved under this Plan as required by the policies of the Exchange.
  - (b) *Limits for Individuals:* Unless the Corporation obtains disinterested shareholder approval, the maximum aggregate number of Common Shares issuable pursuant to all Security Based Compensation granted or issued under the Plan to any one Participant and where permitted under the Exchange rules, any companies that are wholly owned by that Participant (together with those Common Shares issuable pursuant to any other Share Compensation Arrangement) in any 12 month period shall not exceed 5% of the issued and outstanding Common Shares, calculated as at the date that such Security Based Compensation is granted or issued to the Participant.
  - (c) *Limits for Consultants:* The maximum number of Common Shares issuable pursuant to all Security Based Compensation granted or issued under the Plan in any 12 month period to any one Consultant (together with those Common Shares issuable pursuant to any other Share Compensation

Arrangement) shall not exceed 2% of the issued and outstanding Common Shares, calculated as at the date that such Security Based Compensation is granted or issued to the Consultant.

- (d) *Limits for Investor Relations Service Providers:* The maximum aggregate number of Common Shares issuable pursuant to all Options granted to all Investor Relations Service Providers under the Plan in any 12 month period in aggregate shall not exceed 2% of the issued and outstanding Common Shares, calculated as at the date any Option is granted to such Investor Relations Services Provider; provided, that Options granted to any and all Investor Relations Service Providers must vest in stages over a period of not less than 12 months such that:
- (i) no more than 1/4 of the Options vest no sooner than three months after the Options were granted;
  - (ii) no more than 1/4 of the Options vest no sooner than six months after the Options were granted;
  - (iii) no more than 1/4 of the Options vest no sooner than nine months after the Options were granted; and
  - (iv) the remainder of the Options vest no sooner than 12 months after the Options were granted.

### 2.3 **Other Terms of the Plan**

- (a) All Security Based Compensation granted or issued hereunder is non-assignable and non-transferable.
- (b) Unless the Corporation obtains disinterested shareholder approval, the maximum aggregate number of Common Shares issuable pursuant to all Security Based Compensation granted or issued under the Plan to Insider Participants as a group (together with those Common Shares issuable pursuant to any other Share Compensation Arrangement) shall not exceed 10% of the issued and outstanding Common Shares at any point in time.
- (c) Unless the Corporation obtains disinterested shareholder approval, the maximum number of Common Shares issuable pursuant to all Security Based Compensation granted or issued under the Plan in any 12 month period to Insider Participants as a group (together with those Common Shares issuable pursuant to any other Share Compensation Arrangement) shall not exceed 10% of the issued and outstanding Common Shares, calculated as at the date that such Security Based Compensation is granted or issued to any Insider Participant.
- (d) For greater certainty, Investor Relations Service Providers may not receive any Security Based Compensation other than Options.
- (e) Any Security Based Compensation granted or issued to any Participant who is a Director, Officer, Employee, Consultant or Management Company Employee must expire within 12 months following the date the Participant ceases to be an Eligible Person under the Plan.

### 2.4 **Administration of the Plan:** The Plan shall be administered by the Administrators, through the recommendation of the Compensation and Corporate Governance 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 in accordance with section 3 herein;
- (c) determine 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, the vesting period for each grant of Options;

- (d) interpret and construe the provisions of the Plan and any agreement or instrument under the Plan;
- (e) require that any Participant provide certain representations, warranties and certifications to the Corporation to satisfy the requirements of applicable laws, including without limitation, exemptions from the registration requirements of the 1933 Act and applicable state securities 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 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:** The Administrators may, at any time and from time to time, award Restricted Share Units to Eligible Persons (other than Eligible Persons providing Investor Relations Activities). 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 RSU 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 RSU 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, subject to Exchange rules, determine in their sole discretion the vesting criteria applicable to such Restricted Share Units provided that, subject to a Participant who cease to be an Eligible Person due to sections 4.7(c) and 6.2, no Restricted Share Units may vest before the date that is one year following the date of grant or issue.
- (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 (or cash equivalent) 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) Subject to Section 2.3 (e) and 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 formally imposed by the Corporation, 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. Notwithstanding the foregoing, with respect to Restricted Share Units of U.S. Participants, no such extension shall operate to extend the time of settlement/payment with respect to such Restricted Share Units except to the extent permitted under Section 409A of the Code.
- 4.5 **Vesting and Settlement:** As soon as practicable after the relevant date of vesting of any Restricted Share Units awarded under the Plan and with respect to a U.S. Participant, no later than 60 days thereafter, 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 RSU Account multiplied by the Market Price 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 in the Participant's RSU 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) Subject to section 2.3(e), 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 RSU

Account shall be issued as soon as practicable after the Event of Termination to the former Participant in accordance with section 4.5 hereof. With respect to each Restricted Share Unit of a U.S. Participant, such Restricted Share Unit will be settled and shares issued as soon as practicable following the date of vesting of such Restricted Share Unit as set forth in the applicable Restricted Share Unit Agreement, but in all cases within 60 days following such date of vesting.

- (b) If an Event of Termination has occurred in respect of any Participant, any unvested Restricted Share Units in the Participant's RSU Account shall, unless otherwise determined by the Administrators in their discretion or otherwise agreed to by the Corporation in an employment agreement or consulting agreement with an Eligible Person, and subject to the requirements set out in section 4.6 of TSXV Policy 4.4, forthwith and automatically be forfeited by the Participant and cancelled. Subject to section 2.3(e) and section 4.6 of TSXV Policy 4.4, with respect to any unvested Restricted Share Unit of a U.S. Participant, if the Administrators determine, in their discretion, to waive vesting conditions applicable to a Restricted Share Unit that is unvested at the time of an Event of Termination, such Restricted Share Unit shall not be forfeited or cancelled, but instead will be deemed to be vested and settled and shares delivered following the date of vesting of such Restricted Share Unit as set forth in the applicable Restricted Share Unit Agreement.
- (c) If an Event of Termination involving the death of a Participant occurs and such Participant is entitled to any Restricted Share Units in accordance with this section 4.7, the heirs or administrators of such Participant must claim such Security Based Compensation within one year of the Participant's death.
- (d) Subject to section 2.3(e) and the requirements set out in section 4.6 of TSXV Policy 4.4, notwithstanding the foregoing subsection 4.7(b), 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 RSU Account shall not be forfeited by the Participant or cancelled and instead shall be eligible to become vested 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.
- (e) Notwithstanding the foregoing subsection 4.7(b), for greater certainty, if a Participant's employment is terminated for just cause, each unvested Restricted Share Unit in the Participant's RSU Account shall forthwith and automatically be forfeited by the Participant and cancelled.
- (f) 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 "**RSU Account**"). Each RSU 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 RSU 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 RSU Account;
- (c) any and all adjustments made to Restricted Share Units recorded in each Participant's RSU 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:** 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) subject to section 5.4 hereof, 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 of the Option less the applicable discount, and with respect to Options granted to U.S. Participants, the Exercise Price shall not be less than the closing price of the Common Shares on any exchange in Canada where Common Shares are listed on the last trading day prior to the Grant Date. If the Corporation does not issue a news release to announce the grant and the Exercise Price of an Option, the Discounted Market Price is the last closing price of the Common Shares before the Grant Date of the Option less the applicable discount.

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(d) 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 applicable 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 formally imposed by the Corporation, 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 sections 5.6, 5.7, 5.8 and 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 C (the “**Option Exercise Notice**”), with respect to the Options, or by any other form or method of exercise acceptable to the Administrators.

5.6 **Regular Exercise; Payment and Issuance:**

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 or other form of acceptable cash payment 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.

5.7 **Cashless Exercise:** Without limiting the foregoing section 5.6, unless otherwise determined by the Administrators or not compliant with any applicable laws or rules of any applicable securities exchange or market, a Participant may elect cashless **exercise** in its Option Exercise Notice. 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) Whereby the Corporation has an arrangement with a brokerage firm pursuant to which the brokerage firm will loan money to a Participant to purchase the Common Shares underlying the Options. The brokerage firm then sells a sufficient number of Common Shares to cover the Exercise Price of the Options in order to repay the loan made to the Participant. The brokerage firm receives an equivalent number of Common Shares from the exercise of the Options and the Participant then receives the balance of Common Shares or the cash proceeds from the balance of such Common Shares.
- (b) Before the relevant trade date, the Participant will deliver the Option 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 value of the Options, net of any brokerage commission or other expenses (the "**In-the-Money Amount**"), in either (i) cash in an amount equal to the In-the-Money-Amount, or (b) such number of Common Shares (rounded down to the nearest whole number) having a fair Market Price equal to the In-the-Money Amount, plus a cash amount equal to the fraction of a Common Share that would otherwise be issuable multiplied by the fair Market Price of a Common Share.

5.8 **Net Exercise:** Subject to prior approval by the Administrators, a Participant, excluding Investor Relations Service Providers, may elect to surrender for cancellation to the Corporation any vested Options being exercised and the Corporation will issue to the Participant, as consideration for the surrender of such Options, that number of Common Shares (rounded down to the nearest whole Common Share) on a net issuance basis in accordance with the following formula below:

$$X = \frac{Y(A - B)}{A}$$

where:

X = The number of Common Shares to be issued to the Participant in consideration for the net exercise of the Options under this section 5.8;

Y = The number of vested Options with respect to the vested portion of the Option to be surrendered for cancellation;

A = The VWAP of the Common Shares; and

B = The Exercise Price for such Options.

The Corporation may elect to forego any deduction in accordance with subsection 110(1.1) of the *Income Tax Act* (Canada) with respect to Options settled on a net exercise basis.

In the event of a cashless exercise or net exercise, the number of Options exercised, surrendered or converted, and not the number of Common Shares actually issued by the Corporation, must be included in calculating the limits set forth in sections 2.2(a), 2.2(b), 2.2(c), 2.2(d), 2.3(b) and 2.3(c).

5.9 **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 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: (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. There can be no acceleration of the vesting requirements applicable to Options granted to an Investor Relations Service Provider without the prior written approval of the Exchange.
- (b) Except as otherwise stated herein or otherwise determined by the Administrators in their discretion or otherwise agreed to by the Corporation in an employment agreement or consulting agreement with an Eligible Person (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).
- (e) If an Event of Termination involving the death of a Participant occurs and such Participant is entitled to any Options in accordance with this section 5.10, the heirs or administrators of such Participant must claim such Security Based Compensation within one year of the Participant's death.



- 5.11 **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:** The Plan shall be effective as of the Effective Date.

6.2 **Change of Control:**

- (a) 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, any or all unvested Restricted Share Units and any or all Options (whether or not currently exercisable) shall automatically vest or become exercisable, as applicable, 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 any necessary Exchange approvals. For clarity, Restricted Share Units of a Participant will only be accelerated as contemplated in this subsection 6.2(a) if such Participant ceases to be an Eligible Person in connection with the Change of Control. Notwithstanding the foregoing, with respect to Options of U.S. Participants, any exchange, substitution or amendment of such Options will occur only to the extent and in a manner that will not result in the imposition of taxes under Section 409A of the Code, and with respect to Restricted Share Units, of U.S. Participants, any surrender or other modification of Restricted Share Units will occur only to the extent such surrender or other modification will not result in the imposition of taxes under Section 409A of the Code. Notwithstanding the foregoing, there can be no acceleration of the vesting requirements applicable to Options granted to an Investor Relations Service Provider without the prior written approval of the Exchange.

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), or any 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 any necessary Exchange approvals, 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 and Restricted Share Unit immediately after such an adjustment, as determined by the Administrators, shall not exceed the value of such Option and Restricted Share Unit prior thereto, as determined by the Administrators.
- (b) Notwithstanding the foregoing, with respect to Options and Restricted Share Units of U.S. Participants, such changes or adjustments will be made in a manner so as to not result in the

imposition of taxes under Section 409A of the Code and will comply with the requirements in subsection 4.3(d).

- (c) 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.
- (d) The Administrators may from time to time, subject to any necessary Exchange approvals, 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, and, with respect to Restricted Share Units and Options of U.S. Participants, such amendment will not result in the imposition of taxes under Section 409A of the Code;
- (b) be subject to any regulatory approvals including, where required, the approval of the Exchange; and
- (c) be subject to shareholder approval, where required by the requirements of the Exchange, provided that shareholder approval shall not be required for the following amendments:
  - (i) amendments of a “housekeeping nature”, including any amendment to the Plan or a Restricted Share Unit or Option that is necessary to comply with applicable laws, tax or accounting provisions or the requirements of any regulatory authority or stock exchange and any amendment to the Plan or a Restricted Share Unit or Option to correct or rectify any ambiguity, defective provision, error or omission therein, including any amendment to any definitions therein; and
  - (ii) amendments that are necessary or desirable for Restricted Share Units or Options to qualify for favourable treatment under any applicable tax law; and
- (d) be subject to disinterested shareholder approval in the event of any reduction in the Exercise Price, or the extension of the term, of any Option granted under the Plan to an Insider Participant.

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

- (a) change from a fixed maximum percentage of issued and outstanding Common Shares to a fixed maximum number of Common Shares;
- (b) increase the limits in section 2.2;
- (c) 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);
- (d) extend the term of any Option beyond the original term (except if such period is being extended by virtue of section 5.4 hereof); or

- (e) amend this section 6.4.
- 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' RSU Accounts and the Options then outstanding shall continue in full force and effect in accordance with the provisions of this Plan. Any termination of this Plan shall occur in a manner that will not result in the imposition of taxes on a U.S. Participant under Section 409A of the Code.
- 6.6 **Transferability:** 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:**
  - (a) Subject to section 6.8(b), whenever cash or other dividends are paid on Common Shares, additional Restricted Share Units, as applicable, will be automatically granted to each Participant who holds Restricted Share Units, as applicable, on the record date for such dividends. The number of such Restricted Share Units (rounded to the nearest whole Restricted Share Unit) 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 Price 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 pursuant to this section 6.8 shall be subject to the same vesting conditions (time and performance (as applicable)) as the Restricted Share Units to which they relate.
  - (b) In the event that the number of Restricted Share Units to be granted in accordance with section 6.8(a) would result in the number of Common Shares issuable pursuant to all Security Based Compensation granted or awarded hereunder to exceed the limits set out in sections 2.2(a), 2.2(b), 2.2(c), 2.2(d), 2.3(b) and 2.3(c), such Restricted Share Units shall not be granted and the Administrators may determine, in their sole discretion, to make a cash payment to the Participant in lieu thereof equal to the aggregate value determined pursuant to section 6.8(a).
- 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. Notwithstanding the foregoing, the Corporation shall have no obligation to register any securities provided for in this Plan under the 1933 Act.
- (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. In addition, unless the Restricted Share Units, the Options, and the Common Shares issuable pursuant to the Restricted Share Units and Options, as applicable, have been registered under the 1933 Act and any applicable U.S. state securities laws, all rights of a Participant under this Plan shall be subject to and conditioned upon the availability of exemptions or exclusions from the registration requirements of the 1933 Act and any applicable U.S. state securities, as determined by the Corporation in its sole discretion. Any Restricted Share Units or Options granted or issued to a person in the United States or a U.S. Person, as well as the issue of Common Shares pursuant thereto, will result in any certificate representing such securities bearing a United States restrictive legend restricting transfer of such securities under United States federal and state securities laws.
- (c) If the Common Shares are listed on the TSXV and 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 or other insider of the Corporation, or granted at any discount to the Market Price, and 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, then the Restricted Share Unit Agreement or the Option Agreement will bear an Exchange Hold Period, 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 British Columbia 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.
- 6.14 **Special Terms and Conditions Applicable to U.S. Participants:** Options issued to U.S. Participants are intended to be exempt from Section 409A of the Code pursuant to Treas. Reg. Section 1.409A-1(b)(5)(i)(A)

and the Plan and such Options will be construed and administered accordingly. Options may be issued to U.S. Participants under the Plan only if the shares with respect to the Options qualify as “service recipient stock” as defined in Treas. Reg. Section 1.409A-1(b)(5)(E)(iii). Restricted Share Units awarded to U.S. Participants are intended to be compliant with Section 409A of the Code and such Restricted Share Units will be construed and administered accordingly. Any waiver or acceleration of vesting under the Plan or any Restricted Share Unit Agreement for a U.S. Participant may occur only to the extent that such acceleration or waiver will not result in the imposition of taxes under Section 409A of the Code. Any payments made under this Plan or any Restricted Share Unit Agreement to a U.S. Participant as a result of a termination of employment that are deemed to be subject to Section 409A of the Code shall occur only if such termination constitutes a “separation from service” as defined in Treas. Reg. 1.409A-1(h). Additionally, any payments resulting from a separation from service made to a U.S. Participant who is a “specified employee” as defined in Treas. Reg. 1.409A-1(i) shall be subject to the six month delay in payments required by Treas. Reg. 1.409A-1(3)(v) if such payments are deemed to be subject to Section 409A of the Code. Although the Corporation intends Options and Restricted Share Units granted to U.S. Participants to be exempt from or compliant with Section 409A of the Code, the Corporation makes no representation or guaranty as to the tax treatment of such Options and Restricted Share Units. Each U.S. Participant (and any beneficiary or the estate of the Participant, as applicable) is solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on or for the account of such U.S. Participant in connection with this Plan. Neither the Corporation nor any affiliate, nor any employee or director of the Corporation or an Affiliate, shall have any obligation to indemnify or otherwise hold such U.S. Participant, beneficiary or estate harmless from any or all such taxes or penalties.

**ADOPTED with effect the 30th day of September, 2021.**

## EXHIBIT A

THE RESTRICTED SHARE UNITS AND THE UNDERLYING COMMON SHARES HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT") OR ANY U.S. STATE SECURITIES LAWS, AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OR TO U.S. PERSONS UNLESS SUCH SECURITIES ARE REGISTERED UNDER THE 1933 ACT AND ALL APPLICABLE U.S. STATE SECURITIES LAWS, OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE 1933 ACT AND ALL APPLICABLE U.S. STATE SECURITIES LAWS ARE AVAILABLE. THE TERMS "UNITED STATES" AND "U.S. PERSON" ARE AS DEFINED IN REGULATIONS UNDER THE 1933 ACT.

[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**") Silver47 Exploration 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) **[Note: Insert vesting conditions]** (each a "**Vesting Date**").
- (d) As soon as reasonably practicable and no later than 60 days following the Vesting Date, or, if the Participant is not a U.S. Participant (as defined in the Plan), such later date mutually agreed to by the Corporation and the Participant, 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**");

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 Price of a Common Share on the Payout Date;

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

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 (i) 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, and (ii) either (A) the Participant is not in the United States or a U.S. Person, nor is the Participant acquiring the Restricted Share Units for the benefit of a person in the United States or a U.S. Person, or (B) an exemption from the registration requirements of the 1933 Act and all applicable state securities laws is available and the Participant has provided evidence satisfactory to the Corporation to such effect. The Corporation may condition awards and elections under the Plan upon receiving from the undersigned such representations and warranties and such evidence of registration or exemption under the 1933 Act and all applicable U.S. state securities laws 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.

**SILVER47 EXPLORATION CORP.**

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

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

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

## EXHIBIT B

THE OPTIONS AND THE OPTIONED SHARES HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT") OR ANY U.S. STATE SECURITIES LAWS, AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OR TO U.S. PERSONS UNLESS SUCH SECURITIES ARE REGISTERED UNDER THE 1933 ACT AND ALL APPLICABLE U.S. STATE SECURITIES LAWS, OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE 1933 ACT AND ALL APPLICABLE U.S. STATE SECURITIES LAWS ARE AVAILABLE. THE TERMS "UNITED STATES" AND "U.S. PERSON" ARE AS DEFINED IN REGULATIONS UNDER THE 1933 ACT.

[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") Silver47 Exploration 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 (i) 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, and (ii) either (A) the Participant is not in the United States or a U.S. Person, nor is the Participant acquiring the Options or any Optioned Shares for the benefit of a person in the United States or a U.S. Person, or (B) an exemption from the registration requirements of the 1933 Act and all applicable state securities laws is available and the Participant has provided evidence satisfactory to the Corporation to such effect. The Participant understands that the Options may not be exercised in the United States or by or on behalf of a U.S. Person unless the Options and the Option Shares have been registered under the 1933 Act or are exempt from registration thereunder. The Corporation may condition the exercise of the Options upon receiving from the Participant such representations and warranties and such evidence of registration or exemption under the 1933 Act and all applicable state securities laws 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.

**SILVER47 EXPLORATION CORP.**



---

Authorized Signatory

---

Signature of Participant

---

Name of Participant

**EXHIBIT C**

**NOTICE OF OPTION EXERCISE**

TO: **SILVER47 EXPLORATION 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 exercise or net exercise): |  | \$ _____        |

- A.  The undersigned (i) at the time of exercise of these Options is not in the “United States” or a “U.S. Person” (as such terms are defined in Regulation S under the United States Securities Act of 1933, as amended (the “1933 Act”)) and is not exercising these Options on behalf of a person in the United States or U.S. Person and (ii) did not execute or deliver this Notice of Option Exercise in the United States.
- B.  If required by the Corporation, the undersigned has delivered an opinion of counsel of recognized standing or other evidence in form and substance satisfactory to the Corporation to the effect that an exemption from the registration requirements of the 1933 Act, and applicable state securities laws is available for the issuance of the Optioned Shares.

Note: The undersigned understands that unless Box A is checked, the certificates representing the Optioned Shares will bear a legend restricting transfer without registration under the 1933 Act and applicable state securities laws unless an exemption from registration is available.

Note: Certificates representing Optioned Shares will not be registered or delivered to an address in the United States unless Box B above is checked.

Note: If Box B is checked, any opinion or other evidence tendered must be in form and substance satisfactory to the Corporation. Holders planning to deliver an opinion of counsel or other evidence in connection with the exercise of Options should contact the Corporation in advance to determine whether any opinions to be tendered or other evidence will be acceptable to the Corporation.

I hereby:

- (a) unless this is a cashless or net exercise, enclose a cheque payable to “Silver47 Exploration Corp.” 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 and/or net exercise basis, in compliance with the procedures established from time to time by the Administrators for cashless and/or 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 cashless and/or exercise of the above Options. I agree to comply with the procedures established by the Corporation for cashless and/or exercises and all terms and conditions of the Plan:
  - \_\_\_\_\_ Options for cashless exercise
  - \_\_\_\_\_ Options for net exercise

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 \_\_\_\_.

**SILVER47 EXPLORATION CORP.**

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

**SCHEDULE “B”  
SILVER47 EXPLORATION CORP.**

**AUDIT COMMITTEE CHARTER**

**1.0 PURPOSE**

**1.1** The Audit Committee (the “**Committee**”) is a standing committee of the board of directors (the “**Board**”) of Silver47 Exploration Corp. (the “**Company**”) charged with assisting the Board in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company’s systems of internal controls regarding finance and accounting and the Company’s auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company’s policies, procedures and practices at all levels. The Committee’s primary duties and responsibilities are to:

- (a) serve as an independent and objective party to monitor the Company’s financial reporting and internal control system and review the Company’s financial statements;
- (b) review and appraise the performance of the Company’s external auditors; and
- (c) provide an open avenue of communication among the Company’s auditors, financial and senior management and the Board.

**2.0 COMMITTEE MEMBERSHIP**

**2.1** The Board shall annually elect a minimum of three (3) directors to the Committee, a majority of whom shall be financially literate, independent of management and free from any material relationship with the Company, that in the opinion of the Board, would interfere with the director’s exercise of independent judgment as a member of the Committee. Unless a chair of the Committee (“**Chair**”) is elected by the full Board, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

**2.2** If the Company ceases to be a “venture issuer” (as that term is defined in National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”)), then all of the members of the Committee shall be independent (as that term is defined in NI 52-110).

**2.3** If the Company ceases to be a “venture issuer” (as that term is defined in NI 52-110), then all members of the Committee shall be financially literate. 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 of the Audit Committee (the “**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.

**3.0 MEETINGS**

**3.1** The Committee shall meet a least four (4) times annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the external auditors.

**3.2** A quorum for the transaction of business at any meeting of the Committee shall be two (2) members.

#### **4.0 RESPONSIBILITIES AND DUTIES**

To fulfill its responsibilities and duties, the Committee shall:

##### **4.1 Documents/Reports Review**

- (a) review this Charter annually and recommend any changes to the Board; and
- (b) review the Company's financial statements, management discussion and analysis and any annual and interim earnings press releases before the Company publicly discloses this information, and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

##### **4.2 External Auditors**

- (a) annually review the performance of the external auditors who shall be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Company;
- (b) annually obtain a formal written statement of external auditors setting forth all relationships between the external auditors and the Company, consistent with Independence Standards Board Standard No. 1 – *Independence Discussions with Audit Committees*;
- (c) review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors;
- (d) take appropriate action to oversee the independence of the external auditors, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- (e) recommend to the Board the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval;
- (f) recommend to the Board the compensation to be paid to the external auditors;
- (g) at least once per year, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements;
- (h) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company;
- (i) review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements; and
- (j) review and pre-approve all audit and audit-related services and the fees and other compensation related thereto;
- (k) review and pre-approve any non-audit services provided by the Company's external 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 forth in Section 2.4 of NI 52-110) are met:
    - (A) 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;

- (B) such services were not recognized by the Company (or the subsidiary entity) at the time of the engagement to be non-audit services;
  - (C) 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.

#### **4.3 *Financial Reporting Processes***

- (a) in consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external;
- (b) consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting;
- (c) consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management;
- (d) review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to the appropriateness of such judgments;
- (e) following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;
- (f) review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements;
- (g) review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented;
- (h) review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters;
- (i) establish a procedure for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
- (j) establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

#### **4.4 *Internal Control***

- (a) consider the effectiveness of the Company's internal control system;
- (b) understand the scope of external auditors' review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses;
- (c) review external auditors' management letters and management's responses to such letters;

- (d) as requested by the Board, discuss with management and the external auditors the Company's major risk exposures (whether financial, operational or otherwise), the adequacy and effectiveness of the accounting and financial controls, and the steps management has taken to monitor and control such exposures;
- (e) annually review the Company's disclosure controls and procedures, including any significant deficiencies in, or material non-compliance with, such controls and procedures; and
- (f) discuss with the Chief Financial Officer and, as is in the Committee's opinion appropriate, the President and Chief Executive Officer, all elements of the certification required pursuant to National Instrument 52-109 - *Certification of Disclosure in Issuers' Annual and Interim Filings*.

**4.5 Other**

- (a) review any related-party transactions;
- (b) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (c) set and pay compensation for any independent counsel and other advisors employed by the Committee; and communicate directly with the internal and external auditors.