



# SILVER DOLLAR RESOURCES

## MANAGEMENT INFORMATION CIRCULAR

(As at April 5, 2024, unless otherwise indicated)

Silver Dollar Resources Inc. (the "**Company**") is providing this management information circular (the "**Information Circular**") and a form of proxy in connection with management's solicitation of proxies for use at the annual general meeting (the "**Meeting**") of the shareholders of the Company (the "**Shareholders**") to be held at the Coastal Offices, 132 – 328 Wale Road, Colwood, British Columbia at 11:00 a.m. Pacific time on Wednesday, May 15, 2024 and any adjournments or postponements thereof. The Company will conduct its solicitation by mail and officers and employees of the Company may, without receiving special compensation, also telephone or make other personal contact. The Company will pay the cost of solicitation.

All dollar amounts referenced herein are expressed in Canadian Dollars unless otherwise stated.

### Appointment of Proxyholder

The purpose of a proxy is to designate persons who will vote the proxy on a shareholder's behalf in accordance with the instructions given by the shareholder in the proxy. The persons whose names are printed in the enclosed form of proxy are officers or directors of the Company (the "**Management Proxyholders**").

**A Shareholder has the right to appoint a person other than a Management Proxyholder, to represent the Shareholder at the Meeting by striking out the names of the Management Proxyholders and by inserting the desired person's name in the blank space provided or by executing a proxy in a form similar to the enclosed form. A proxyholder need not be a Shareholder.**

### Voting by Proxy

**Only registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting.** Common shares of the Company ("**Common Shares**") represented by a properly executed proxy will be voted or be withheld from voting on each matter referred to in the Notice of Meeting in accordance with the instructions of the Shareholder on any ballot that may be called for and if the Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly.

**If a Shareholder does not specify a choice and the Shareholder has appointed one of the Management Proxyholders as proxyholder, the Management Proxyholder will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.**

**The enclosed form of proxy also gives discretionary authority to the person named therein as proxyholder with respect to amendments or variations to matters identified in the Notice of the Meeting and with respect to other matters which may properly come before the Meeting. At the date**

of this Information Circular, the management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

## Completion and Return of Proxy

Completed forms of proxy must be deposited at the office of the Company's registrar and transfer agent, TSX Trust Company of 301 – 100 Adelaide Street West, Toronto, Ontario, M5H 4H1, not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting or any adjournment or postponement thereof, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

## Non-Registered Holders

**Only registered Shareholders or persons they appoint as their proxies are permitted to vote at the Meeting.** Registered Shareholders are shareholders of the Company whose names appear on the share register of the Company and are not held in the name of a brokerage firm, bank or trust company through which they purchased Common Shares. Whether or not you are able to attend the Meeting, Shareholders are requested to vote their proxy in accordance with the instructions on the proxy. Most Shareholders are "non-registered" Shareholders ("**Non-Registered Shareholders**") because the Common Shares they own are not registered in their names but instead registered in the name of a nominee (a "**Nominee**") such as a brokerage firm through which they purchased the Common Shares. The Company's Common Shares beneficially owned by a Non-Registered Shareholder are registered either: (i) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Shareholder deals with in respect of their Common Shares of the Company (Intermediaries include, among others, banks, trust companies, securities dealers or brokers, and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as The Canadian Depository for Securities Limited or The Depository Trust & Clearing Corporation) of which the Intermediary is a participant.

There are two kinds of beneficial owners: those who object to their name being made known to the issuers of securities which they own (Objecting Beneficial Owners or "**OBOs**") and those who do not object (Non-Objecting Beneficial Owners or "**NOBOs**").

In accordance with the requirements of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") of the Canadian Securities Administrators, the Company has elected to send the Meeting materials directly to NOBOs. If the Company or its agent has sent these materials directly to you (instead of through a Nominee), your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Nominee holding on your behalf. By choosing to send these materials to you directly, the Company (and not the Nominee holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions.

The Company does not intend to pay for Nominees to deliver the Meeting materials. As a result, OBOs will not receive the Meeting materials unless their Nominee assumes the costs of delivery.

## Notice and Access

The Company is not sending the Meeting materials to Shareholders using "Notice-and-Access," as defined under NI 54-101.

## Revocability of Proxy

In addition to revocation in any other manner permitted by law, a Shareholder, his or her attorney authorized in writing or, if the Shareholder is a corporation, a corporation under its corporate seal or by an officer or attorney thereof duly authorized, may revoke a proxy by instrument in writing, including a proxy bearing a later date. The instrument revoking the proxy must be deposited at the registered office of the Company, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment or any postponement thereof, or with the chair of the Meeting on the day of the Meeting or any adjournment or any postponement thereto.

## Voting Shares and Principal Shareholders

### Record Date

The Board of Directors (the “**Board**”) has fixed April 5, 2024 as the record date, being the date for the determination of the holders of the Company's Common Shares entitled to notice of, and to vote at, the Meeting and any adjournment or postponement thereof.

### Common Shares Outstanding and Principal Holders

As of April 5, 2024, there were a total of 44,102,355 Common Shares issued and outstanding. The holders of the Common Shares are entitled to receive notice of, and to attend, all meetings of shareholders and to have one vote for each Common Share held.

To the knowledge of the directors and executive officers of the Company, no person beneficially owns, controls or directs, directly or indirectly, voting securities of the Company carrying 10% or more of the voting rights attached to any class of voting securities of the Company, except the following:

Name	No. of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly	Percentage of Outstanding Common Shares
Eric Sprott	7,021,241	15.92%
First Majestic Silver Corp.	8,051,519	18.26%

## Interest of Certain Persons in Matters to be Acted Upon

Except as set out herein, no person who has been a director or executive officer of the Company at any time since the beginning of the Company's last financial year, no proposed nominee of management of the Company for election as a director of the Company and no associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the Meeting other than the election of directors or the appointment of auditors.

## Interest of Informed Persons in Material Transactions

Except as set out herein, the Company is unaware of any material interest, direct or indirect, of any informed person or any proposed nominee for election as a director of the Company or any associate or affiliate of such informed person or director nominee in any transaction since the Company's last financial year or any proposed transaction, which has materially affected or would materially affect the Company.

## Particulars of Matters to be Acted Upon at the Meeting

### Appointment of Auditor

Crowe MacKay LLP, Chartered Professional Accountants of 1100 – 1177 West Hastings Street, Vancouver, British Columbia, Canada, V6E 4T5 are the auditors of the Company and management proposes the

reappointment of the auditors for the ensuing year. Crowe MacKay LLP were first appointed as auditors of the Company on October 14, 2020.

**Unless otherwise indicated, the Management Proxyholders will vote the Common Shares represented by the accompanying form of proxy FOR the appointment of Crowe MacKay LLP, Chartered Professional Accountants as the auditors of the Company to hold office for the ensuing year at a remuneration to be fixed by the directors.**

#### **Election of Directors**

The Board currently consists of three directors. Accordingly, the Company is requesting that the Shareholders consider and, if thought advisable, approve an ordinary resolution at the Meeting to fix the number of directors of the Board at three (3) for the ensuing year.

The directors of the Company are elected annually and hold office until the next annual general meeting of the shareholders or until their successors are elected or appointed. Management proposes to nominate the persons listed below for election as directors of the Company to serve until their successors are elected or appointed.

**Unless otherwise indicated, the Management Proxyholders will vote the Common Shares represented by the accompanying form of proxy FOR fixing the number of directors at three (3) and FOR the election of the three director nominees listed below.** Management does not contemplate that any of the nominees will be unable to serve as a director.

The following table sets forth: (i) the province or state and country of residence; (ii) the date appointed a director; (iii) the principal occupation, business or employment presently; and (iv) the number of Common Shares beneficially owned, controlled, or directed, directly or indirectly, in each case by each of the proposed director nominees.

Name and Residence	Principal Occupation	Period as a Director of the Company	Common Shares Beneficially Owned or Controlled <sup>(2)</sup>
<b>Michael Romanik</b> <sup>(1)</sup> Manitoba, Canada <i>Chief Executive Officer, President and Director</i>	Chief Executive Officer, President and director of Silver Dollar Resources Inc. Chief Executive Officer, President and director of GoldON Resources Ltd.	Since November 19, 2018	500,001
<b>Joseph Jerome Smulders</b> British Columbia, Canada <i>Chief Financial Officer, Corporate Secretary and Director</i>	Chief Financial Officer, Corporate Secretary and director of Silver Dollar Resources Inc. Chief Financial Officer and director of GoldON Resources Ltd.	Since November 19, 2018	Nil
<b>Guillermo Lozano-Chavez</b> <sup>(1)</sup> Texas, USA <i>Director</i>	Geological consultant	Since February 25, 2021	Nil

Notes:

(1) Member of the Audit Committee.

(2) Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at the Record Date, based upon information furnished to the Company by individual directors.

No proposed director is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and executive officers of the Company acting solely in such capacity.

To the knowledge of the Company, no proposed director:

- (a) is, as at the date of the Information Circular, or has been, within 10 years before the date of the Information Circular, a director, chief executive officer ("**CEO**") or chief financial officer ("**CFO**") of any company (including the Company) that:
  - (i) was the subject, while the proposed director was acting in the capacity as director, CEO or CFO of such company, of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days; or
  - (ii) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, CEO or CFO but which resulted from an event that occurred while the proposed director was acting in the capacity as director, CEO or CFO of such company; or
- (b) is, as at the date of this Information Circular, or has been within 10 years before the date of the Information 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 Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; or
- (d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (e) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

#### **Approval of the Long-Term Incentive Plan**

The Board has approved the adoption of a new "rolling up to 20%" long-term incentive plan (the "**Long-Term Incentive Plan**") to replace the Company's existing "rolling up to 10%" stock option plan (the "**Current Plan**"). The Current Plan became effective on February 25, 2021. The Company is now seeking shareholder approval to approve the Long-Term Incentive Plan in accordance with Canadian Securities Exchange (the "**Exchange**") Policy 6: *Distributions and Corporate Finance*.

The Company believes it would be prudent to adopt the Long-Term Incentive Plan in order to promote the long-term success of the Company and the creation of shareholder value by: (a) encouraging the attraction and retention of Eligible Persons; (b) encouraging such Eligible Persons to focus on critical long-term objectives; and (c) promoting greater alignment of the interests of such Eligible Persons with the interests of the Company, in each case as applicable to the type of Eligible Person to whom an Award is granted.

#### *Summary of the Long-Term Incentive Plan*

The following is a summary of the key provisions of the Long-Term Incentive Plan. The following summary is qualified in all respects by the full text of the Long-Term Incentive Plan, a copy of which is attached hereto as Schedule A.

All capitalized terms used but not defined in this section have the meaning ascribed thereto in the Long-Term Incentive Plan.

The Long-Term Incentive Plan shall provide for the award of Restricted Share Units ("**RSUs**"), Performance Share Units ("**PSUs**"), Deferred Share Units ("**DSUs**") and options to purchase Shares ("**Options**" and together with RSUs, PSUs, and DSUs, "**Awards**") to Directors, Officers, Employees, Management Company Employees, Consultants (as such terms are defined by the Long-Term Incentive Plan) of the Company or a subsidiary of the Company and Eligible Charitable Organizations (as such term is defined by the Long-Term Incentive Plan and collectively, the "**Eligible Persons**"), as further described in the following summary. The RSUs, PSUs, DSUs and Options issuable to any Participant under the Long-Term Incentive Plan, or in the case of Options, any pre-existing stock option plan of the Company, shall be hereinafter referred to as "**Incentive Securities**".

#### *Plan Administration*

The Long-Term Incentive Plan shall be administered and interpreted by the Board or, if the Board by resolution so decides, by a committee appointed by the Board. All actions taken and all interpretations and determinations made or approved by the Board in good faith shall be final and conclusive and shall be binding on any Participants of the Long-Term Incentive Plan and the Company, subject to any required approval of the Exchange.

#### *Shares Available for Awards*

The maximum aggregate number of Shares issuable in respect of all Incentive Securities granted or issued under the Company's Security Based Compensation Plans, at any point, shall not exceed:

- a) with respect to a grant of Options, ten percent (10%) of the total number of issued and outstanding Shares on a non-diluted basis at such point in time; and
- b) with respect to a grant of DSUs, RSUs and PSUs, ten percent (10%) of the total number of issued and outstanding Shares on a non-diluted basis at such point in time.

For greater certainty, this limitation applies to all Incentive Securities granted or issued under the Company's Security Based Compensation Plans at any point in time, including those held by Related Persons (as a group) at any point in time.

For the purposes of calculating the number of Shares reserved for issuance under the Long-Term Incentive Plan, each Option shall be counted as reserving one Share under the Long-Term Incentive Plan, and notwithstanding that the settlement and/or exercise of any RSU, DSU and PSU may be completed in cash, each RSU, DSU and PSU shall, in each case, be counted as reserving one Share under the Long-Term Incentive Plan.

As the Long-Term Incentive Plan is an evergreen plan, the number of Incentive Securities issuable thereunder will replenish in an amount equal to the number of Shares issued pursuant to the exercise or vesting, as applicable, of such Incentive Securities at any point in time. Any Shares related to Awards which have been settled in cash, cancelled, surrendered, forfeited, expired or otherwise terminated without the issuance of such Shares shall be available again for granting Awards under the Long-Term Incentive Plan.

#### *Participation Limits*

The Long-Term Incentive Plan provides the following limitations on grants:

- a) The maximum aggregate number of Shares issuable to any one Related Person at any point in time in respect of all Incentive Securities granted or issued under Security Based Compensation Plans shall not exceed five percent (5%) of the issued and outstanding Shares on a non-diluted basis, calculated at the date an Award is granted to the Related Person, unless the Company has obtained the requisite disinterested shareholder approval;
- b) The maximum aggregate number of Shares issuable to all Related Persons at any point in time in respect of all Incentive Securities granted or issued under Security Based Compensation Plans shall not exceed ten percent (10%) of the issued and outstanding Shares on a non-diluted basis,

calculated on the date an Award is granted to a Related Person, unless the Company has obtained the requisite disinterested shareholder approval;

- c) The maximum aggregate number of Shares issuable to any one Related Person and the Associates of the Related Person in respect of all Incentive Securities granted or issued under Security Based Compensation Plans in any twelve (12) month period, shall not exceed five (5%) of the issued and outstanding Shares on a non-diluted basis, calculated on the date an Award is granted to such Related Person, unless the Company has obtained the requisite disinterested shareholder approval;
- d) The maximum aggregate number of Shares issuable to all Related Persons in respect of all Incentive Securities granted or issued under Security Based Compensation Plans in any twelve (12) month period, shall not exceed ten (10%) of the issued and outstanding Shares on a non-diluted basis, calculated on the date an Award is granted to a Related Person, unless the Company has obtained the requisite disinterested shareholder approval; and
- e) The maximum aggregate number of Shares issuable to all Investor Relations Service Providers in respect of all Incentive Securities granted or issued under Security Based Compensation Plans in any twelve (12) month period, shall not exceed two (2%) of the issued and outstanding Shares on a non-diluted basis, calculated on the date an Award is granted to an Investor Relations Service Provider.

#### *Eligibility and Participation*

Subject to the provisions of the Long-Term Incentive Plan (including, without limitation, restrictions on grants to Investor Relations Service Providers) and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant Awards of RSUs, PSUs, DSUs and Options to all categories of Eligible Persons, except that Eligible Charitable Organizations shall only be entitled to receive Options.

#### *Description of RSUs*

A RSU is a right awarded to a Participant to receive payment in Shares in accordance with the Long-Term Incentive Plan. Upon settlement, contingent upon the lapse of any restrictions, each RSU entitles the recipient Participant to receive a number of Shares equal to the number of RSUs credited to a Participant's Account on vesting dates.

RSUs shall be subject to such restrictions as the Board, in its discretion, may establish or determine in the applicable Award Agreement or at the time an Award is granted. Unless otherwise provided for in an Award Agreement, all RSUs will vest and become payable by the issuance of Shares at the end of the restricted period as specified by the Board in the applicable Award Agreement. Unless otherwise determined by the Board, upon the occurrence of a Change of Control, all restrictions upon any RSUs shall lapse immediately and all such RSUs shall become fully vested.

#### *Effect of Termination on RSUs*

Except as otherwise set forth in an applicable Award Agreement and subject to the provisions of the Long-Term Incentive Plan, RSUs shall be subject to the following conditions:

##### **Death**

Upon death of a Participant, any RSUs granted to such Participant which, prior to the Participant's death, had not vested, will be immediately and automatically forfeited and cancelled. Any RSUs granted to such Participant, which prior to the Participant's death, had vested, will accrue to the Participant's estate in accordance with the provisions of the Long-Term Incentive Plan.

##### **Termination of Employment or Service for Cause**

Where a Participant's employment is terminated by the Company or a subsidiary of the Company for cause, or where a Participant's consulting agreement is terminated as a result of the Participant's breach, all RSUs granted to such Participant will immediately terminate without payment and be automatically forfeited and cancelled.

#### Termination of Employment or Service Without Cause, Voluntary Termination, or Retirement

Where a Participant's employment is terminated by the Company or a subsidiary of the Company without cause, by voluntary termination, or due to Retirement, or where a Participant's consulting agreement is terminated for a reason other than the Participant's breach, any RSUs granted to such Participant which, prior to termination, had not vested, will be immediately and automatically forfeited and cancelled. Any RSUs granted to such Participant, which prior to termination, had vested, will accrue to the Participant in accordance with the provisions of the Long-Term Incentive Plan.

#### Disability

Where a Participant becomes afflicted by a Disability, all RSUs granted to the Participant under the Long-Term Incentive Plan will continue to vest in accordance with the terms of such RSUs, provided, however, that no RSUs may be redeemed during a leave of absence. Where a Participant's employment or consulting agreement with the Company or a subsidiary of the Company is terminated due to Disability, unless the applicable Award Agreement provides otherwise and subject to the provisions of the Long-Term Incentive Plan, all RSUs granted to the Participant under the Long-Term Incentive Plan that had not vested will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the date of termination determined by the Board, provided, however, that any RSUs granted to such Participant that, prior to the Participant's termination due to Disability, had vested pursuant to term of the applicable Award Agreement will accrue to the Participant in accordance with the provisions of the Long-Term Incentive Plan.

#### Directorships

Where a Participant ceases to be a Director for any reason, any RSUs granted to such Participant which, prior to cessation, have not vested, will immediately terminate without payment, be forfeited and cancelled. Any RSUs granted to such Participant, which prior to cessation, have vested, will accrue to the Participant in accordance with the provisions of the Long-Term Incentive Plan.

#### *Description of PSUs*

A PSU is an Award that is awarded based on the attainment of performance criteria within a certain period, which criteria and period shall be selected, settled and determined by the Board. An Award Agreement may provide the Board with the right during a Performance Cycle or after it has ended, to revise Performance Criteria and Award amounts if unforeseen events occur.

All PSUs will vest and become payable to the extent that the Performance Criteria set forth in the Award Agreement are satisfied for a Performance Cycle, as determined by the Board. Unless otherwise determined by the Board, upon the occurrence of a Change of Control event, all PSUs shall become fully vested.

#### *Effect of Termination on PSUs*

Except as otherwise set forth in an applicable Award Agreement and subject to the provisions of the Long-Term Incentive Plan, PSUs shall be subject to the following conditions:

#### Death

Upon death of a Participant, any PSUs granted to such Participant which, prior to the Participant's death, had not vested, will be immediately and automatically forfeited and cancelled. However, the Board may determine that certain PSUs have vested based on the extent to which Performance Criteria have been satisfied in that portion of the Performance Cycle that has lapsed. Any PSUs granted to such Participant, which prior to the Participant's death, had vested, will accrue to the Participant's estate in accordance with the provisions of the Long-Term Incentive Plan.

#### Termination of Employment or Service for Cause

Where a Participant's employment is terminated by the Company or a subsidiary of the Company for cause, or where a Participant's consulting agreement is terminated as a result of the Participant's breach, all PSUs granted to such Participant will immediately terminate without payment and be automatically forfeited and cancelled.

#### Termination of Employment or Service Without Cause, Voluntary Termination or Retirement

Where a Participant's employment is terminated by the Company or a subsidiary of the Company without cause, by voluntary termination, or due to Retirement, or where a Participant's consulting agreement is terminated for a reason other than the Participant's breach, any PSUs granted to such Participant which, prior to termination, had not vested, will be immediately and automatically forfeited and cancelled. However, the Board may determine that certain PSUs have vested based on the extent to which Performance Criteria have been satisfied in that portion of the Performance Cycle that has lapsed. Any PSUs granted to such Participant, which prior to termination, had vested, will accrue to the Participant in accordance with the provisions of the Long-Term Incentive Plan.

#### Disability

Where a Participant becomes afflicted by a Disability, all PSUs granted to the Participant under the Long-Term Incentive Plan will continue to vest in accordance with the terms of such PSUs, provided, however, that no PSUs may be redeemed during a leave of absence. Where a Participant's employment or consulting agreement with the Company or a subsidiary of the Company is terminated due to Disability, unless the applicable Award Agreement provides otherwise and subject to the provisions of the Long-Term Incentive Plan, all PSUs granted to the Participant under the Long-Term Incentive Plan that have not vested will immediately and automatically be forfeited and cancelled without further action and without any cost or payment, and the Participant shall have no right, title or interest therein whatsoever as of the date of termination determined by the Board, provided, however, that the Board may determine, in its sole discretion, the number of the Participant's PSUs that will vest based on the extent to which the applicable Performance Criteria set forth in the Award Agreement have been satisfied in that portion of the Performance Cycle that has lapsed. The PSUs that the Board determines to have vested shall become payable in accordance with the Long-Term Incentive Plan.

#### Directorships

Where a Participant ceases to be a Director for any reason, any PSUs granted to such Participant which, prior to cessation, had not vested, will immediately terminate without payment, be forfeited and cancelled. However, the Board may determine that certain PSUs have vested based on the extent to which Performance Criteria have been satisfied in that portion of the Performance Cycle that has lapsed. Any PSUs granted to such Participant, which prior to cessation, had vested, will accrue to the Participant in accordance with the provisions of the Long-Term Incentive Plan.

#### *Description of DSUs*

A DSU is an Award that is payable after the effective date that a Participant ceases to be an Eligible Person under the Long-Term Incentive Plan, subject to certain vesting criteria. Unless otherwise determined by the Board, upon the occurrence of a Change of Control event, all DSUs shall become fully vested.

The payment of DSUs will occur on the date that is designated by the Participant and communicated to the Company by the Participant in writing at least fifteen (15) days prior to the designated day, or such earlier date as the Participant and Company may agree. If no notice is given by the Participant for a designated day, the DSUs shall be payable on the first anniversary of the date on which the Participant ceases to be an Eligible Person for any reason or any earlier period on which the DSUs vested, as the case may be, at the sole discretion of the Participant.

#### *Election by Directors – DSUs*

Under the Long-Term Incentive Plan, Directors may elect to receive directorship fees in the form of DSUs, which election must be made within certain timeframes as specified in the Long-Term Incentive Plan. In case of an election by a Director, the number of DSUs to be credited shall be determined by dividing applicable directorship fees with the Market Price on the Grant Date of the DSUs or if more appropriate, another trading range that best represents the period for which the DSUs were earned (subject to minimum pricing requirements under Exchange policies). No fractional DSUs shall be credited to any Director.

#### *Description of Options*

An Option is an Award that gives a Participant the right to purchase one Share at a specified price in accordance with the terms of the Option and the Long-Term Incentive Plan. The exercise price of the Options shall be determined by the Board at the time the Option is granted but in no event shall such exercise price be lower than the Market Price permitted by the Exchange.

The Board shall determine the vesting, performance and other conditions, if any, that must be satisfied before all or part of an Option may be exercised. Unless otherwise determined by the Board, upon the occurrence of a Change of Control event, all Options shall become fully vested.

Options will be exercised pursuant to their applicable Award Agreement, which exercise shall be contingent upon receipt by the Company of a written notice of exercise set forth in the applicable Award Agreement and of a form of cash payment acceptable to the Company for the full purchase price of the Shares to be issued. In the event that the expiry date of an Option falls during a Blackout Period, the expiry date of such Option shall automatically be extended to a date which is ten (10) Trading Days following the end of such Blackout Period, subject to no cease trade order being in place under applicable securities laws; provided that if an additional Blackout Period is subsequently imposed by the Company during the Extension Period, then such Extension Period shall be deemed to commence following the end of such additional Blackout Period to enable the exercise of such Option within ten (10) Trading Days following the end of the last imposed Blackout Period.

#### *Effect of Termination on Options*

Except as otherwise set forth in an applicable Award Agreement and subject to the provisions of the Long-Term Incentive Plan, Options shall be subject to the following conditions:

##### **Death**

Upon death of a Participant, any Options held by such Participant at the date of death shall be exercisable (by an inheritor or the Participant's estate) for a period of 120 days after the date of death or prior to the expiration of the Option, whichever is sooner, only to the extent the Participant was entitled to exercise the Option at the date of death of such Participant.

##### **Termination of Employment or Service for Cause**

Where a Participant's employment is terminated by the Company or a subsidiary of the Company for cause, or where a Participant's consulting agreement is terminated as a result of the Participant's breach, no Option shall be exercisable from the date of termination as determined by the Board.

##### **Termination of Employment or Service Without Cause, Voluntary Termination or Retirement**

Where a Participant's employment is terminated by the Company or a subsidiary of the Company without cause, by voluntary termination, due to Retirement, or where a Participant's consulting agreement is terminated for a reason other than the Participant's breach, any Options held by such Participant at the date of termination shall be exercisable for a period of 90 days after the date of termination determined by the Board or prior to the expiration of the Option, whichever is sooner, only to the extent the Participant was entitled to exercise the Option at the date of termination.

##### **Disability**

Where a Participant becomes afflicted by a Disability, all Options granted to the Participant under the Long-Term Incentive Plan will continue to vest in accordance with the terms of such Options. Where a Participant's employment or consulting agreement is terminated by the Company or a subsidiary of the Company due to disability, any Options held by such Participant at the date of termination shall be exercisable for a period of 120 days after the date of termination determined by the Board or prior to the expiration of the Option, whichever is sooner, only to the extent the Participant was entitled to exercise the Option at the date of termination.

##### **Directorships**

Where a Participant ceases to be a Director for any reason, any Options held by such Participant on the Cessation Date shall be exercisable for a period of 90 days (120 days in the event the Participant is afflicted

with a Disability) after the Cessation Date or prior to the expiration of the Option, whichever is sooner, only to the extent the Director was entitled to exercise the Option at the Cessation Date.

#### *Eligible Charitable Organizations*

Where, in the case of Eligible Charitable Organizations, a Participant ceases to be an Eligible Person due to no longer being an Eligible Charitable Organization, any Options held by such Participant on the Cessation Date shall be exercisable for a period of 90 days after the Cessation Date or prior to the expiration of the Option, whichever is sooner, only to the extent the Eligible Charitable Organization was entitled to exercise the Option at the Cessation Date.

#### *Non-Transferability of Awards*

No Award and no right under any such Award shall be assignable, alienable, saleable, or transferable by a Participant otherwise than by will or by the laws of descent and distribution. No Award and no right under any such Award, may be pledged, alienated, attached, or otherwise encumbered, and any purported pledge, alienation, attachment, or encumbrance thereof shall be void and unenforceable against the Company.

#### *Shareholder Approval of the Long-Term Incentive Plan*

The Company must obtain shareholder approval of the Long-Term Incentive Plan: (i) within three years after institution; and (ii) within every three years thereafter.

#### *Amendment and Termination of the Long-Term Incentive Plan*

The Board may at any time or from time to time, in its sole and absolute discretion, amend, suspend, terminate or discontinue the Long-Term Incentive Plan and may amend the terms and conditions of any Awards granted thereunder, subject to (a) any required approval of any applicable regulatory authority or Exchange, and (b) any required approval of shareholders in accordance with the rules and policies of the Exchange or applicable law. Without limitation, shareholder approval shall not be required for the following amendments:

- a) amendments to fix typographical errors;
- b) amendments to clarify existing provisions of the Long-Term Incentive Plan that do not have the effect of altering the scope, nature and intent of such provisions; and
- c) amendments that are necessary to comply with applicable law or the requirements of the Exchange.

If the Long-Term Incentive Plan is terminated, Awards granted or issued prior to the date of termination shall remain outstanding and in effect in accordance with their applicable terms and conditions.

#### *Amendments and Cancellation of Awards*

In accordance with the policies of the Exchange, the terms of an Award may not be amended once issued, unless otherwise approved by the Exchange and subject to compliance with applicable laws. In the event Exchange approval is received for the amendment of an Award, no amendment shall be made which would impair the rights of any Participant, without such Participant's consent, provided that no such consent shall be required if the amendment is: (a) either required or advisable in respect of compliance with any law, regulation or requirement of any accounting standard; or (b) not reasonably likely to significantly diminish the benefits provided under such Award. In accordance with the policies of the Exchange, if an Award is cancelled prior to its expiry date, the Company shall not grant new Awards to the same Participant until 30 days have elapsed from the date of cancellation.

#### *Long-Term Incentive Plan Resolution*

At the Meeting, the following resolution (the "**Long-Term Incentive Plan Resolution**"), with or without variation, will be placed before the shareholders.

BE IT RESOLVED, as an ordinary resolution of the Company's shareholders, that:

- a) the “rolling up to 20%” long-term incentive plan of the Company (the “**Long-Term Incentive Plan**”), substantially in the form attached to this Information Circular as Schedule A is hereby approved and confirmed as the long-term incentive plan of the Company;
- b) in accordance with the policies of the Canadian Securities Exchange, the Company will seek shareholder approval of the Long-Term Incentive Plan within three years from the date this resolution is approved;
- c) the Board or any director or officer is authorized to make amendments to the Long-Term Incentive Plan from time to time as required or deemed necessary by the Exchange or as the Board, or director or officer may, in its sole discretion, deem to be necessary, advisable or desirable, provided that such amendments are in compliance with the policies of the Exchange and applicable laws and will be subject to the approval of all applicable regulatory authorities; and
- d) any director or officer of the Company is hereby authorized and directed, acting for, in the name of and on behalf of the Company, to execute or cause to be executed, and to deliver or cause to be delivered, all such other deeds, documents, instruments and assurances and to do or cause to be done all such other acts as in the opinion of such director or officer of the Company may be necessary, advisable or desirable to carry out the terms of the foregoing resolutions.

Management recommends that shareholders vote in favour of the Long-Term Incentive Plan Resolution. **Unless otherwise indicated, the Management Proxyholders will vote the Common Shares represented by the accompanying form of proxy FOR the Long-Term Incentive Plan Resolution.**

## Executive Compensation

In accordance with the requirements of applicable securities legislation in Canada, the following executive compensation disclosure is provided in respect of each person who served as the Company’s CEO or CFO during the financial year ended August 31, 2023 and each of the three (3) other most highly compensated executive officers of the Company for the financial year ended August 31, 2023, whose annual aggregate compensation exceeded \$150,000 (each, a “**Named Executive Officer**”). During the year ended August 31, 2023, the Company had two individuals who were Named Executive Officers, namely Michael Romanik, Chief Executive Officer and President and Joseph Jerome Smulders, Chief Financial Officer and Corporate Secretary of the Company.

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

In assessing the compensation of its Named Executive Officers, the Company does not have in place any formal objectives, criteria or analysis and compensation payable is currently determined by the Board.

As of the date of this Information Circular, the Board has not established any benchmark or performance goals to be achieved or met by Named Executive Officers; however, such Named Executive Officers are expected to carry out their duties in an effective and efficient manner so as to advance the business objectives of the Company. The satisfactory discharge of such duties is subject to ongoing monitoring by the Company’s directors.

The Company’s Named Executive Officer compensation during the most recently completed financial year ended August 31, 2023 was determined and administered by the Board. The Board was solely responsible for assessing the compensation to be paid to the Company’s Named Executive Officers and for evaluating their performance.

As of the date hereof, base salary is the principal component of Named Executive Officer compensation. The base salary for each Named Executive Officer is based on the position held, the related responsibilities and functions performed by the executive and salary ranges for similar positions in comparable junior

mining companies. Individual and corporate performance will also be taken into account in determining base salary levels.

Another component of Named Executive Officer compensation is the grant of stock options pursuant to the Company's Amended and Restated Stock Option Plan. The objective of this compensation component is to attract, retain and motivate certain persons of training, experience and leadership as key service providers to the Company, including its directors, Named Executive Officers and employees, and to advance the interests of the Company by providing such persons with additional compensation and the opportunity to participate in the success of the Company.

In addition to, or in lieu of, the compensation components described above, payments may be made from time to time to individuals, including Named Executive Officers or directors of the Company, or companies they control for the provision of management or consulting services. Such services are paid for by the Company at competitive industry rates for work of a similar nature by reputable arm's length services providers.

There were no significant changes to the Company's compensation policies that were made during or after the most recently completed financial year that could or will have an effect on director or named executive officer compensation.

Except in their capacity as Named Executive Officers, currently no director of the Company receives any salary, and no other compensation has been awarded to directors of the Company in the year ended August 31, 2023.

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

The following table sets forth a summary of all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company to each Named Executive Officer and director of the Company, for services provided and for services to be provided, directly or indirectly in any capacity, to the Company by such persons, for the two most recently completed financial years, excluding compensation securities:

<b>Compensation Excluding Compensation Securities</b>							
Name and Position	Year	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of all Other Compensation (\$)	Total Compensation (\$)
Michael Romanik	2023	60,000 <sup>(1)</sup>	Nil	Nil	Nil	Nil	60,000
<i>Chief Executive Officer, President and Director</i>	2022	60,000 <sup>(1)</sup>	Nil	Nil	Nil	Nil	60,000
Joseph Jerome Smulders	2023	Nil	Nil	Nil	Nil	Nil	Nil
<i>Chief Financial Officer, Corporate Secretary and Director</i>	2022	Nil	Nil	Nil	Nil	Nil	Nil
Guillermo Lozano-Chavez	2023	Nil	Nil	Nil	Nil	Nil	Nil
<i>Director</i>	2022	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

(1) Includes amounts paid to Anacott Capital Corporation, a private corporation controlled by Michael Romanik.

#### Stock Options and Other Compensation Securities

No compensation securities were granted or issued to, and no compensation securities were exercised by, Named Executive Officers or directors during the most recently completed financial year.

The following table sets out all option-based awards and share-based awards outstanding as at August 31, 2023:

**Option-Based Awards and Share-Based Awards Outstanding**

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Michael Romanik	150,000	0.15	October 23, 2024	19,500	Nil	Nil
	300,000	1.75	December 14, 2025	Nil		
Joseph Jerome Smulders	50,000	0.15	October 23, 2024	6,500	Nil	Nil
	300,000	1.75	December 14, 2025	Nil		
Guillermo Lozano-Chavez	300,000	1.75	March 9, 2026	Nil	Nil	Nil

Notes:

(1) The value of unexercised in-the-money options is calculated by multiplying the difference between the closing price of the common shares on the Canadian Securities Exchange on August 31, 2023, which was \$0.28, and the option exercise price, by the number of outstanding options. Where the difference is negative, the options are not in-the-money and no value is reported. These stock options have not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the common shares on the date of exercise.

**Incentive Plan Awards – Vested Value or Earned During the Year**

During the financial year ended August 31, 2023, no incentive plan awards vested or were earned for the Named Executive Officers.

**Stock Option Plans and Other Incentive Plans**

The Amended and Restated Stock Option Plan (the “**Current Plan**”) was approved by the Shareholders on February 25, 2021. The material terms of the Current Plan are set out below:

*Participation Limit*

The Current Plan provides that a maximum of 10% of the Company’s issued and outstanding shares are issuable to insiders of the Company under the Current Plan and under any other security-based compensation arrangements of the Company at any time. There is no limit on the number of options that may be granted to bona fide consultants (except those performing investor relations activities, which are limited to 1% of the issued and outstanding shares at the time of grant).

*Eligible Persons*

“Eligible Persons” are eligible to receive grants of options under the Current Plan. “Eligible Persons” are directors, senior officers, employees and consultants of the Company.

*Exercise Price*

The exercise price shall be determined by the Board but shall not be less than the market price, where “market price” shall mean the greater of the prior trading day closing price and the closing price on the date of grant. In the event the Common Shares are not listed on any exchange and do not trade on any dealing network, the market price will be determined by the Board.

*Vesting*

Vesting of options granted under the Current Plan will be at the discretion of the Board.

*Change of Control*

On a change of control or takeover bid, the options granted under the Current Plan will fully vest. For the purposes of the Current Plan, a change of control occurs on the following events: (i) any transaction at any time and by whatever means pursuant to which any person or any group of two or more persons acting jointly or in concert directly or indirectly acquires the right to exercise control or direction over, voting securities of the Company representing 50% or more of the then-issued and outstanding voting securities of the Company; or (ii) any sale, lease, exchange, or other disposition of all or substantially all of the assets of the Company other than in the ordinary course of business.

#### *Termination of Exercise Right*

If an optionee ceases to be an Eligible Person of the Company for any reason other than as a result of having been dismissed for cause or as a result of the optionee's death or disability, such optionee shall have the right for a period of 120 days (or until the normal expiry date of the option rights of such optionee, if earlier) from the date of ceasing to be an Eligible Person to exercise the option under the Current Plan.

In the event of the death or disability of an optionee during the currency of the optionee's option, the option shall vest and be exercisable within, but only within, one year after the optionee's death or until the normal expiry date of the option, if earlier.

If an optionee ceases to be an Eligible Person as a result of having been dismissed for cause, all unexercised option rights of that optionee under the Current Plan shall immediately become terminated and shall lapse.

The Current Plan grants the Board the power to extend the time for exercise of an outstanding option upon an optionee ceasing to be an Eligible Person for any reason other than as a result of having been dismissed for cause or as a result of the optionee's death or disability, beyond the prescribed 120-day period.

#### *Term of Options*

Options granted under the Current Plan will have a maximum term of 10 years from the date of grant.

#### *Assignment*

Except as noted below, an option granted under the Current Plan shall be non-assignable and non-transferable by an optionee otherwise than by will or by the laws of descent and distribution, and such option shall be exercisable, during an optionee's lifetime, only by the optionee. The Current Plan also provides that options may be assigned to certain permitted assigns (a "**Permitted Assign**"). A Permitted Assign is an entity controlled by the optionee or an RRSP, RRIF or TFSA of such optionee.

#### *Administration*

The Current Plan shall be administered by the Board or a committee established by the Board for that purpose. The Board shall have authority to construe and interpret the Current Plan and all option agreements entered into thereunder, to define the terms used in the Current Plan and in all option agreements entered into thereunder, to prescribe, amend and rescind rules and regulations relating to the Current Plan and to make all other determinations necessary or advisable for the administration of the Current Plan. All determinations and interpretations made by the Board shall be binding and conclusive on all participants in the Current Plan and on their legal personal representatives and beneficiaries.

At the Meeting, Shareholders will be asked to consider, and if deemed advisable, pass an ordinary resolution to approve a Long-Term Incentive Plan which will replace the Current Plan. For more details, see "Particulars of Matters to be Acted Upon – Approval of the Long-Term Incentive Plan".

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

The Company has not provided compensation to any of its directors or Named Executive Officers during the most recently completed financial year for services performed by a director or Named Executive Officer pursuant to any written agreement. All compensation paid to its directors and Named Executive Officers (which is disclosed above) is paid pursuant to unwritten arrangements that do not provide for any other payments, other than base salary.

The Company does not have any arrangements or agreements with any director or Named Executive Officer nor provisions with respect to termination (whether voluntary, involuntary or constructive), resignation, retirement, severance, a change in control of the Company or a change in a Named Executive Officer's responsibilities.

## Audit Committee

National Instrument 52-110 *Audit Committees* ("NI 52-110") requires the Company to disclose annually in its management information circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth below.

### The Audit Committee's Charter

The Company's audit committee charter is attached hereto as Schedule B.

### Composition of the Audit Committee

The members of the Audit Committee are set out below:

Name	Independent <sup>(1)</sup>	Financially Literate <sup>(2)</sup>
Michael Romanik	No	Yes
Guillermo Lozano-Chavez	Yes	Yes

Notes:

- (1) A member of an audit committee is independent if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.
- (2) An individual is financially literate if they have 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 issues that can reasonably be expected to be raised by the Company's financial statements.

### Relevant Education and Experience

Each member of the Company's Audit Committee has adequate education and experience that is relevant to their performance as an Audit Committee member and, in particular, the requisite education and experience that have provided the member with:

- (a) an understanding of the accounting principles used by the Company to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (b) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions;
- (c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements or experience actively supervising individuals engaged in such activities; and
- (d) an understanding of internal controls and procedures for financial reporting.

#### *Michael Romanik*

Mr. Romanik has served as a director and Chief Executive Officer of numerous Canadian public companies since 2008. Mr. Romanik was also a member of the audit committee of First Lithium Resources Inc. Given his previous capital market experience, Mr. Romanik is familiar with the financial reporting requirements applicable to public companies in Canada.

#### *Guillermo Lozano-Chavez*

Mr. Lozano holds Bachelor of Science, Master of Science and Master of Business Administration (Finance) degrees from institutions in Mexico and United States. He is an independent businessman and has held senior positions with public companies, including Vice President of Exploration for First Majestic Silver Corp. of Vancouver, British Columbia.

### Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, the Audit Committee has not made any recommendations to the Board to nominate or compensate any auditor that was not adopted by the Board.

### Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial period has the Company relied on the exemptions in Section 2.4 of NI 52-110 (De Minimis Non-audit Services) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-101. The Company is relying on the exemption in section 6.1 of NI 52-110 which exempts venture issuers from the requirements of Part 3 of NI 52-110 (Composition of the Audit Committee) and Part 5 (Reporting Obligations).

### Pre-Approval Policies and Procedures

The Audit Committee is authorized by the Board to review the performance of the Company's external auditors and approve in advance the provision of services other than auditing and to consider the independence of the external auditors, including a review of the range of services provided in the context of all consulting services engaged by the Company. The Audit Committee is authorized to approve in writing any non-audit services or additional work which the Chairman of the Audit Committee deems is necessary and the Chairman will notify the other members of the Audit Committee of such non-audit or additional work and the reasons for such non-audit work for the Audit Committee's consideration and, if thought fit, approval in writing.

### External Auditor Service Fees

The following table sets out the aggregate fees billed by the Company's external auditors in each of the last two fiscal years of the category of fees described:

Financial Year Ended	Audit Fees <sup>(1)</sup>	Audit-Related Fees <sup>(2)</sup>	Tax Fees <sup>(3)</sup>	All Other Fees <sup>(4)</sup>
August 31, 2023	\$68,334	Nil	\$13,046	Nil
August 31, 2022	\$43,761	Nil	\$3,700	Nil

Notes:

- (1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "Audit-Related Fees" include fees for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and not reported under "Audit Fees".
- (3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice.
- (4) "All Other Fees" include all other services not included in Audit Fees, Audit-Related Fees or Tax Fees.

## Corporate Governance

National Policy 58-201 - *Corporate Governance Guidelines* ("**NP 58-201**") provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("**NI 58-101**") prescribes certain disclosure by the Company of its corporate governance practices. This disclosure is presented below.

### Board of Directors

NP 58-201 suggests that the board of directors of every listed company should be constituted with a majority of individuals who qualify as "independent" directors within the meaning of NI 52-110.

The Board currently comprises three directors, of whom Guillermo Lozano-Chavez is independent for the purposes of NI 52-110. Michael Romanik and Joseph Jerome Smulders are not independent. Mr. Romanik serves as Chief Executive Officer and President of the Company and Mr. Smulders serves as Chief Financial Officer and Corporate Secretary of the Company.

Because the Board does not consist of a majority of independent directors, in order to facilitate its exercise of independent supervision over the Company's management, the Board carefully examines the issues before it, consults with outside counsel and other advisors as necessary.

### Directorships

Certain of the Company's directors are also currently directors of other reporting issuers as follows:

Name	Reporting Issuer (Exchange/Market: Trading Symbol)
Michael Romanik	GoldON Resources Ltd. (TSXV: GLD), Metalsource Mining Inc. (formerly Silverfish Resources Inc.) (CSE: MSM) and Ramp Metals Inc. (formerly Anacott Acquisition Corporation (TSXV: RAMP)
Joseph Jerome Smulders	GoldON Resources Ltd. (TSXV: GLD)
Guillermo Lozano-Chavez	Austin Gold Corp (NYSE: AUST)

### Board Mandate

The Board has not adopted a written mandate or code delineating the Board's roles and responsibilities, since it believes it is adequately governed by the requirements of applicable corporate and securities law which provide that the Board has responsibility for the stewardship of the Company and codifies the directors' fiduciary duties. That stewardship includes responsibility for strategic planning, identification of the principal risks of the Company's business and implementation of appropriate systems to manage these risks, succession planning (including appointing, training and monitoring senior management), communications with investors and the financial community, and the integrity of the Company's internal control and management information systems.

### Orientation and Continuing Education

When new directors are appointed, they receive orientation, commensurate with their previous experience, on the Company's business, assets and industry and on the responsibilities of directors. Meetings of the Board are typically held by teleconference and, from time to time, are combined with presentations by the Company's management to give the directors additional insight into the Company's business. In addition, management of the Company makes itself available for discussion with all members of the Board.

### Ethical Business Conduct

The Board does not currently have a written code of ethics. To date, given the Company's limited operations, the Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the obligations contained in corporate legislation regarding conflicts of interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

The Company has adopted a Confidentiality and Insider Trading Policy. The policy provides guidance for directors, officers, employees and consultants who possess confidential and material undisclosed information. Among other things, the policy prohibits: (a) trading in the securities of the Company or entities with whom the Company has a special relationship by a person who possesses material undisclosed information, (b) speculation in securities of the Company, and (c) short selling.

### Nomination of Directors

The Board considers 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 view and experience.

The Board does not have a nominating committee and these functions are currently performed by the Board as a whole; however, if there is a change in the number of directors required by the Company, this policy will be reviewed.

### Compensation

The Board is responsible for determining compensation for the directors of the Company to ensure it reflects the responsibilities and risks of being a director of a public company.

### Other Board Committees

The Board has no committees other than the Audit Committee.

### Assessments

Due to the minimal size of the Board of Directors, no formal policy has been established to monitor the effectiveness of the directors, the Board and its committees.

## Securities Authorized for Issuance Under Equity Compensation Plans

The following table sets out information as of the end of the Company's most recently completed financial year, being August 31, 2023, with respect to compensation plans under which equity securities of the Company are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights (\$)	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders <sup>(1)</sup>	2,750,000	1.47	1,660,235 <sup>(2)</sup>
Equity compensation plans not approved by security holders	Nil	Nil	Nil
<b>Total</b>	<b>2,750,000</b>	<b>1.47</b>	<b>1,660,235 <sup>(2)</sup></b>

Notes:

(1) Stock options granted under the Current Plan.

(2) The Current Plan provides that a maximum of 10% of the Company's issued and outstanding shares are issuable to insiders of the Company under the Current Plan and under any other security-based compensation arrangements of the Company at any time. There is no limit on the number of options that may be granted to bona fide consultants (except those performing investor relations activities, which are limited to 1% of the issued and outstanding shares at the time of grant). For a description of the material terms of the Current Plan, please refer to "Stock Option Plans and Other Incentive Plans" above.

As of the date hereof, there are 2,750,000 options outstanding. If all such options were exercised for common shares, the Common Shares which would be issued upon such exercise would total approximately 6.2% of the issued and outstanding Common Shares at the date hereof on a non-diluted basis.

## Indebtedness of Directors and Executive Officers

Other than routine indebtedness for travel and other expense advances, no executive officer, director, employee or former executive officer, director or employee of the Company or any of its subsidiaries is indebted to the Company, or any of its subsidiaries or to any other entity if the indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries. No person who is or who was at any time during the most recently completed financial year a director or executive officer of the Company, any proposed nominee for election as a director of the Company, or any associate of any such director, executive officer, or proposed nominee is or was at any time since the beginning of the most recently completed financial year indebted to the Corporation or any of its subsidiaries or to any other entity if the indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

## **Additional Information**

Additional information relating to the Company is available on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com) and on the Company's website at <https://silverdollarresources.com>. Shareholders may also contact the Company by mail at 179 – 2945 Jacklin Road, Suite 416, Victoria, British Columbia, V9B 6J9 to request copies of its comparative annual financial statements and Management's Discussion and Analysis, which contain financial information for the Company's most recently completed financial year.

Our Board has approved the contents of this Information Circular and authorized us to send it to you.

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

*"Michael Romanik "*

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Michael Romanik  
President and CEO

## SCHEDULE A

# SILVER DOLLAR RESOURCES INC. (the "Company")

## Long-Term Incentive Plan

### SECTION 1. ESTABLISHMENT AND PURPOSE OF THE PLAN

The Company wishes to establish this long-term incentive plan ("**Plan**"). The purpose of this Plan is to promote the long-term success of the Company and the creation of shareholder value by: (a) encouraging the attraction and retention of Eligible Persons (as such term is defined below); (b) encouraging such Eligible Persons to focus on critical long-term objectives; and (c) promoting greater alignment of the interests of such Eligible Persons with the interests of the Company, in each case as applicable to the type of Eligible Person to whom an Award is granted.

This Plan provides for the grant of Restricted Share Units, Performance Share Units, Deferred Share Units and Options to Eligible Persons, as further described herein.

This Plan is a "**rolling up to 20%**" security based compensation plan, permitting outstanding Incentive Securities in a maximum aggregate amount that is equal to twenty percent (20%) of the issued and outstanding Shares at the date of any Award, pursuant to which (i) the aggregate number of Shares that are issuable pursuant to the exercise of Options granted under this Plan or pursuant to any other Security Based Compensation Plan (as such term is defined below) shall not exceed ten percent (10%) of the issued and outstanding Shares as at the date of any Option grant; and (ii) the aggregate number of Shares that are issuable pursuant to the settlement of RSUs, PSUs and DSUs granted under this Plan or pursuant to any other Security Based Compensation Plan shall not exceed ten percent (10%) of the issued and outstanding Shares as at the date of any grant of RSUs, PSUs or DSUs.

### SECTION 2. DEFINITIONS

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

- (a) "**Award**" means any award of RSUs, PSUs, DSUs or Options granted under this Plan or, in the case of Options, any pre-existing stock option plan of the Company;
- (b) "**Award Agreement**" means any written agreement, contract, or other instrument or document, including an electronic communication, as may from time to time be designated by the Company as evidencing any Award granted under this Plan;
- (c) "**Board**" means the board of directors of the Company;
- (d) "**Blackout Period**" means an interval of time during which the Company has determined that one or more Participants may not trade any securities of the Company because they may be in possession of publicly undisclosed confidential information pertaining to the Company;
- (e) "**Cessation Date**" means the effective date on which a Participant ceases to be an Eligible Person for any reason;
- (f) "**Change of Control**" means the occurrence of any one or more of the following events:
  - (i) a reorganization, amalgamation, merger, acquisition or other business combination (or a plan of arrangement in connection with any of the foregoing), other than solely involving the Company and any one or more of its affiliates, with respect to which all or substantially all of the persons who were the beneficial owners of the Shares and other securities of the Company immediately prior to such reorganization, amalgamation, merger, acquisition, business combination or plan of arrangement do not, following the completion of such reorganization, amalgamation, merger, acquisition, business combination or plan of arrangement, beneficially own, directly or indirectly, more than 50% of the resulting voting rights (on a fully-diluted basis) of the Company or its successor;
  - (ii) the sale, exchange or other disposition to a person other than an affiliate of the Company of all, or substantially all of the Company's assets;

- (iii) a resolution is adopted to wind-up, dissolve or liquidate the Company;
- (iv) a change in the composition of the Board, which occurs at a single meeting of the shareholders of the Company or upon the execution of a shareholders' resolution, such that individuals who are members of the Board immediately prior to such meeting or resolution cease to constitute a majority of the Board, without the Board, as constituted immediately prior to such meeting or resolution, having approved of such change; or
- (v) any person, entity or group of persons or entities acting jointly or in concert (an "**Acquiror**") acquires or acquires control (including, without limitation, the right to vote or direct the voting) of Voting Securities of the Company which, when added to the Voting Securities owned of record or beneficially by the Acquiror or which the Acquiror has the right to vote or in respect of which the Acquiror has the right to direct the voting, would entitle the Acquiror and/or associates and/or affiliates of the Acquiror to cast or to direct the casting of 20% or more of the votes attached to all of the Company's outstanding Voting Securities which may be cast to elect directors of the Company or the successor Company (regardless of whether a meeting has been called to elect directors);

For the purposes of the foregoing, "**Voting Securities**" means Shares and any other shares entitled to vote for the election of directors and shall include any security, whether or not issued by the Company, which are not shares entitled to vote for the election of directors but are convertible into or exchangeable for shares which are entitled to vote for the election of directors including any options or rights to purchase such shares or securities;

- (g) "**Charitable Organization**" means "charitable organization" as defined in the Tax Act;
- (h) "**Committee**" means such committee of the Board performing functions in respect of compensation as may be determined by the Board from time to time;
- (i) "**Company**" means Silver Dollar Resources Inc., a company incorporated under the *Business Corporations Act* (British Columbia), and any of its successors;
- (j) "**Consultant**" means, in relation to the Company, an individual (other than a Director, Officer or Employee of the Company or of any subsidiary of the Company) or entity that:
  - (i) is engaged to provide services to the Company or any subsidiary of the Company, other than services provided in relation to a distribution (as such term defined in the Securities Act);
  - (ii) provides the services under a written contract with the Company or any subsidiary of the Company; and
  - (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or of any subsidiary of the Company;
- (k) "**Deferred Share Unit**" or "**DSU**" means a right to receive on a deferred basis a payment in Shares as provided in Section 5.3 hereof and subject to the terms and conditions of this Plan and the applicable Award Agreement;
- (l) "**Determination Date**" means a date determined by the Board in its sole discretion but not later than 90 days after the expiry of a Performance Cycle;
- (m) "**Director**" means a director of the Company or a subsidiary of the Company, or an individual performing a similar function or occupying a similar position for the Company or a subsidiary of the Company;
- (n) "**Disability**" means any disability with respect to a Participant which the Board, in its sole and unfettered discretion, considers likely to prevent permanently the Participant from:

- (i) being employed or engaged by the Company, its subsidiaries or another employer, in a position the same as or similar to that in which he was last employed or engaged by the Company or its subsidiaries; or
- (ii) acting as a Director or Officer;
- (o) "**DSU Payment Date**" has the meaning set out in Subsection 5.3.5;
- (p) "**Effective Date**" has the meaning set out in Section 8;
- (q) "**Election Form**" means the form to be completed by a Director specifying the amount of Fees he or she wishes to receive in DSUs under this Plan;
- (r) "**Eligible Charitable Organization**" means:
  - (i) any Charitable Organization or Public Foundation which is a Registered Charity, but is not a Private Foundation; or
  - (ii) a Registered National Arts Service Organization;
- (s) "**Eligible Person**" means a Director, Officer, Employee, Management Company Employee, Consultant of the Company or a subsidiary of the Company or Eligible Charitable Organization;
- (t) "**Employee**" means:
  - (i) an individual who is considered an employee of the Company or a subsidiary of the Company under the Tax Act and for whom income tax, employment insurance and Canada Pension Plan deductions must be made at source;
  - (ii) an individual who works full-time for the Company or a subsidiary of the Company providing services normally provided by an employee and who is subject to the same control and direction by the Company or a subsidiary of the Company over the details and methods of work as an employee of the Company or of the subsidiary, as the case may be, but for whom income tax deductions are not made at source; or
  - (iii) an individual who works for the Company or a subsidiary of the Company on a continuing and regular basis, providing services normally provided by an employee and who is subject to the same control and direction by the Company or a subsidiary of the Company over the details and methods of work as an employee of the Company or the subsidiary, as the case may be, but for whom income tax deductions are not made at source.
- (u) "**Exchange**" means the Canadian Securities Exchange, and, if applicable, any other stock exchange on which the Shares are listed;
- (v) "**Extension Period**" has the meaning set out in Section 5.4.5;
- (w) "**Fees**" means the annual board retainer, chair fees, meeting attendance fees or any other fees payable to a Director by the Company;
- (x) "**Grant Date**" means, for any Award, the date specified in an Award Agreement as the date on which an Award is granted;
- (y) "**Incentive Securities**" means the Options, DSUs, RSUs and PSUs issuable to any Participant under this Plan or, in the case of Options, any pre-existing stock option plan of the Company;
- (z) "**Initial Shareholder Approval**" has the meaning set out in Section 8;
- (aa) "**Investor Relations Activities**" means "Investor Relations Activities" as defined in Policy 1 of the Canadian Securities Exchange;
- (bb) "**Investor Relations Service Provider**" means 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;

- (cc) "**Management Company Employee**" means an individual employed by a company providing management services to the Company, which services are required for the ongoing successful operation of the business enterprise of the Company;
- (dd) "**Market Price**" means the market price per Share as determined by the Board, provided that if the Company is listed on an Exchange, such price shall not be less than the minimum price permitted by such Exchange and, while the Company is listed on the Canadian Securities Exchange such price shall not be less than the greater of: (i) \$0.05; (ii) the closing market price per Share on the Trading Day prior to the Grant Date; and (iii) the closing market price per Share on the Grant Date, with respect to the pricing of Options.
- (ee) "**Officer**" means:
  - (i) the chair or vice chair of the board of directors, or the chief executive officer, chief operating officer, chief financial officer, president, vice president, secretary, assistant secretary, treasurer, assistant treasurer or general manager of the Company or a subsidiary of the Company;
  - (ii) an individual who is designated as an officer under a bylaw or similar authority of the Company or a subsidiary of the Company, or
  - (iii) an individual who performs functions similar to those normally performed by an individual referred to in paragraphs (i) or (ii) directly above;
- (ff) "**Option**" means an option to purchase Shares granted pursuant to, or governed by, this Plan and any pre-existing stock option plan of the Company;
- (gg) "**Option Plan**" means the Company's Stock Option Plan adopted by the Board on February 25, 2021, as may be amended or restated from time to time;
- (hh) "**Participant**" means any Eligible Person to whom Awards are granted;
- (ii) "**Participant's Account**" means a notional account maintained for each Participant's participation in this Plan which will show any Incentive Securities credited to a Participant from time to time;
- (jj) "**Performance Criteria**" means criteria established by the Board which, without limitation, may include criteria based on the Participant's personal performance and/or financial performance of the Company and its Subsidiaries, and that are to be used to determine the vesting of the PSUs;
- (kk) "**Performance Cycle**" means the applicable performance cycle of the PSUs as may be specified by the Board in the applicable Award Agreement;
- (ll) "**Performance Share Unit**" or "**PSU**" means a right awarded to a Participant to receive a payment in Shares as provided in Section 5.2 hereof and subject to the terms and conditions of this Plan and the applicable Award Agreement;
- (mm) "**Person**" means any individual, corporation, partnership, association, joint-stock company, trust, unincorporated organization, or governmental authority or body;
- (nn) "**Private Foundation**" means "private foundation" as defined in the Tax Act;
- (oo) "**Public Foundation**" means "public foundation" as defined in the Tax Act;
- (pp) "**Registered Charity**" means "registered charity" as defined in the Tax Act;
- (qq) "**Registered National Arts Service Organization**" means "registered national arts service organization" as defined in the Tax Act;
- (rr) "**Related Person**" means a person or an entity who, with respect to the Company, qualifies as a "related person" (as such term is defined under Section 2.22 of National Instrument 45-106 – *Prospectus Exemptions*);

- (ss) "**Restriction Period**" means the time period between the Grant Date and the Vesting Date of an Award of RSUs specified by the Board in the applicable Award Agreement, which is subject to the requirements of this Plan with respect to vesting;
- (tt) "**Restricted Share Unit**" or "**RSU**" means a right awarded to a Participant to receive a payment in Shares as provided in Section 5.1 hereof and subject to the terms and conditions of this Plan and the applicable Award Agreement;
- (uu) "**Retirement**" means retirement from active employment with the Company or a subsidiary of the Company with the consent of an Officer;
- (vv) "**Security Based Compensation Plans**" has the meaning set out in Subsection 4.1.1;
- (ww) "**Securities Act**" means the *Securities Act* (British Columbia), as amended from time to time;
- (xx) "**Shares**" means the common shares of the Company;
- (yy) "**Tax Act**" means the *Income Tax Act* (Canada), as amended from time to time;
- (zz) "**Trading Day**" means any date on which the Canadian Securities Exchange (or other Exchange if the Shares are not listed on the Canadian Securities Exchange) is open for trading; and
- (aaa) "**Vesting Date**" means, for any Award, the date when the Award is fully vested in accordance with the provisions of this Plan and the applicable Award Agreement.

### SECTION 3. ADMINISTRATION

- 3.1 BOARD TO ADMINISTER PLAN. Except as otherwise provided herein, this Plan shall be administered by the Board and the Board shall have full authority to administer this Plan, including the authority to interpret and construe any provision of this Plan and to adopt, amend and rescind such rules and regulations for administering this Plan as the Board may deem necessary in order to comply with the requirements of this Plan.
- 3.2 DELEGATION TO COMMITTEE. All of the powers exercisable hereunder by the Board may, to the extent permitted by applicable law and as determined by resolution of the Board, be delegated to and exercised by the Committee or such other committee as the Board may determine.
- 3.3 INTERPRETATION. All actions taken and all interpretations and determinations made or approved by the Board in good faith shall be final and conclusive and shall be binding on the Participants and the Company, subject to any required approval of the Exchange.
- 3.4 NO LIABILITY. No Director shall be personally liable for any action taken or determination or interpretation made or approved in good faith in connection with this Plan and the Directors shall, in addition to their rights as Directors, be fully protected, indemnified and held harmless by the Company with respect to any such action taken or determination or interpretation made. The appropriate officers of the Company are hereby authorized and empowered to do all things and execute and deliver all instruments, undertakings and applications and writings as they, in their absolute discretion, consider necessary for the implementation of this Plan and of the rules and regulations established for administering this Plan. All costs incurred in connection with this Plan shall be for the account of the Company.

### SECTION 4. SHARES AVAILABLE FOR AWARDS

- 4.1 LIMITATIONS ON SHARES AVAILABLE FOR ISSUANCE.
  - 4.1.1 The maximum aggregate number of Shares issuable in respect of all Incentive Securities granted or issued under this Plan and all of the Company's other previously established or proposed security based compensation plans (collectively, "**Security Based Compensation Plans**"), at any point in time, shall not exceed:

- (a) with respect to a grant of Options, ten percent (10%) of the total number of issued and outstanding Shares on a non-diluted basis at such point in time; and
  - (b) with respect to a grant of DSUs, RSUs and PSUs, ten percent (10%) of the total number of issued and outstanding Shares on a non-diluted basis at such point in time.
- 4.1.2 The maximum aggregate number of Shares issuable to any one Related Person at any point in time, in respect of all Incentive Securities granted or issued under Security Based Compensation Plans shall not exceed five percent (5%) of the issued and outstanding Shares on a non-diluted basis on the Grant Date, unless the Company has obtained the requisite disinterested shareholder approval.
- 4.1.3 The maximum aggregate number of Shares issuable to all Related Persons at any point in time, in respect of all Incentive Securities granted or issued under Security Based Compensation Plans shall not exceed ten percent (10%) of the issued and outstanding Shares on a non-diluted basis on the Grant Date, unless the Company has obtained the requisite disinterested shareholder approval.
- 4.1.4 The maximum aggregate number of Shares issuable to any one Related Person and the Associates of the Related Person, in respect of all Incentive Securities granted or issued under Security Based Compensation Plans in any twelve (12) month period, shall not exceed five percent (5%) of the issued and outstanding Shares on a non-diluted basis on the Grant Date, unless the Company has obtained the requisite disinterested shareholder approval.
- 4.1.5 The maximum aggregate number of Shares issuable to all Related Persons in respect of all Incentive Securities granted or issued under Security Based Compensation Plans in any twelve (12) month period, shall not exceed ten percent (10%) of the issued and outstanding Shares on a non-diluted basis on the Grant Date, unless the Company has obtained the requisite disinterested shareholder approval.
- 4.1.6 The maximum aggregate number of Shares issuable to all Investor Relations Service Providers in respect of all Incentive Securities granted or issued under Security Based Compensation Plans in any twelve (12) month period, shall not exceed two percent (2%) of the issued and outstanding Shares on a non-diluted basis on the Grant Date.
- 4.2 ACCOUNTING FOR AWARDS.
- 4.2.1 The number of Shares underlying an Award, or to which such Award relates, shall be counted on the Grant Date of such Award against the aggregate number of Shares available for granting or issuing Awards under this Plan. For the purposes of calculating the number of Shares reserved for issuance under this Plan, each Option shall be counted as reserving one Share under the Plan, and notwithstanding that the settlement and/or exercise of any RSU, DSU and PSU may be completed in cash, each RSU, DSU and PSU shall, in each case, be counted as reserving one Share under this Plan.
- 4.2.2 As this Plan is an evergreen plan, the number of Incentive Securities issuable under this Plan will replenish in an amount equal to the number of Shares issued pursuant to the exercise or vesting, as applicable, of such Incentive Securities at any point in time. Notwithstanding anything herein to the contrary, any Shares related to Awards which have been settled in cash, cancelled, surrendered, forfeited, expired or otherwise terminated without the issuance of such Shares shall be available again for granting Awards under this Plan.
- 4.3 ADJUSTMENTS. If the number of outstanding Shares is increased or decreased as a result of a Share split or consolidation, or any adjustment is required to an Award granted or issued under this Plan pursuant to an amalgamation, merger, arrangement, reorganization, recapitalization, spin-off, dividend or other distribution, the Board may make appropriate adjustments, in accordance with the terms of this Plan, the policies of the Exchange, and applicable laws, to the number and price (or other basis upon which an Award is measured) of Incentive Securities credited to a Participant. Any determinations by the Board as to the required adjustments shall be made in its sole discretion and all such adjustments shall be conclusive and binding for all purposes under this Plan.
- 4.4 OPTION PLAN. As of the Effective Date, Options which are outstanding under the Option Plan shall

continue to be exercisable and shall be deemed to be governed by and be subject to the terms and conditions of this Plan except to the extent that the terms of this Plan are more restrictive than the terms of the Option Plan under which such Options were originally granted, in which case the Option Plan shall govern.

- 4.5 **RESALE RESTRICTIONS.** All Incentive Securities shall be subject to any applicable resale restrictions pursuant to applicable securities laws. In addition, Incentive Securities and Shares underlying Incentive Securities must be subject to a hold period of four (4) months commencing on the date of distribution of the applicable Incentive Security unless written approval to issue the Incentive Security without the hold period is obtained from the Exchange, and the Award Agreement shall contain any applicable resale restriction or hold period.
- 4.6 **BONA FIDE PARTICIPANTS.** In respect of Awards granted to Employees, Consultants or Management Company Employees, the Company and the Participant is representing herein and in the applicable Award Agreement that the Participant is a bona fide Employee, Consultant, Consultant Company or Management Company Employee, as the case may be, of the Company or a subsidiary of the Company. The execution of an Award Agreement shall constitute conclusive evidence that it has been completed in compliance with this Plan.

## **SECTION 5. AWARDS**

### **5.1 RESTRICTED SHARE UNITS**

- 5.1.1 **ELIGIBILITY AND PARTICIPATION.** Subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant Awards of RSUs to Eligible Persons who are not Eligible Charitable Organizations. RSUs granted to a Participant shall be credited, as of the Grant Date, to the Participant's Account. The number of RSUs to be credited to each Participant shall be determined by the Board in its sole discretion in accordance with this Plan. Each RSU shall, contingent upon the lapse of any restrictions, represent one (1) Share, unless otherwise specified in the applicable Award Agreement. The number of RSUs granted pursuant to an Award and the Restriction Period in respect of such RSUs shall be specified in the applicable Award Agreement.
- 5.1.2 **RESTRICTIONS.** RSUs shall be subject to such restrictions as the Board, in its sole discretion, may establish in the applicable Award Agreement, which restrictions may lapse separately or in combination at such time or times and on such terms, conditions and satisfaction of objectives as the Board may, in its discretion, determine at the time an Award is granted.
- 5.1.3 **VESTING.** All RSUs will vest and become payable by the issuance of Shares at the end of the Restriction Period if all applicable restrictions have lapsed, as such restrictions may be specified in the Award Agreement.
- 5.1.4 **CHANGE OF CONTROL.** Unless otherwise determined by the Board, in the event of a Change of Control, all restrictions upon any RSUs shall lapse immediately and all such RSUs shall become fully vested in the Participant and will accrue to the Participant in accordance with Subsection 5.1.9.
- 5.1.5 **DEATH.** Other than as may be set forth in the applicable Award Agreement, upon the death of a Participant, any RSUs granted to such Participant which, prior to the Participant's death, have not vested, will be immediately and automatically forfeited and cancelled without further action and without any cost or payment, and the Participant or his or her estate, as the case may be, shall have no right, title or interest therein whatsoever. Any RSUs granted to such Participant which, prior to the Participant's death, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant's estate in accordance with Subsection 5.1.9 hereof.
- 5.1.6 **TERMINATION OF EMPLOYMENT OR SERVICE.**
- (a) Where a Participant's employment is terminated by the Company or a subsidiary of the Company for cause, or where a Participant's consulting agreement is terminated as a result of the Participant's breach, all RSUs granted to the Participant under this Plan will

immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the date of termination determined by the Board.

- (b) Where a Participant's employment is terminated by the Company or a subsidiary of the Company without cause, by voluntary termination or due to Retirement by the Participant, or where a Participant's consulting agreement is terminated for a reason other than the Participant's breach, unless the applicable Award Agreement provides otherwise and subject to the provisions below, all RSUs granted to the Participant under this Plan that have not vested will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the date of termination determined by the Board, provided, however, that any RSUs granted to such Participant which, prior to the Participant's termination without cause, voluntary termination, Retirement or termination of agreement, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant in accordance with Subsection 5.1.9 hereof.

5.1.7 **DISABILITY.** Where a Participant becomes afflicted by a Disability, all RSUs granted to the Participant under this Plan will continue to vest in accordance with the terms of such RSUs, provided, however, that no RSUs may be redeemed during a leave of absence. Where a Participant's employment or consulting agreement with the Company or a subsidiary of the Company is terminated due to Disability, unless the applicable Award Agreement provides otherwise and subject to the provisions below, all RSUs granted to the Participant under this Plan that have not vested will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the date of termination determined by the Board, provided, however, that any RSUs granted to such Participant that, prior to the Participant's termination due to Disability, had vested pursuant to term of the applicable Award Agreement will accrue to the Participant in accordance with Subsection 5.1.9 hereof.

5.1.8 **CESSATION OF DIRECTORSHIP.** Where, in the case of Directors, a Participant ceases to be a Director for any reason, any RSUs granted to the Participant under this Plan that have not yet vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Cessation Date, provided, however, that any RSUs granted to such Participant which, prior to the Cessation Date for any reason, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant in accordance with Subsection 5.1.9 hereof.

5.1.9 **PAYMENT OF AWARD.** As soon as practicable after each Vesting Date of an Award of RSUs, and subject to the applicable Award Agreement, the Company shall issue from treasury to the Participant, or if Subsection 5.1.5 applies, to the Participant's estate, a number of Shares equal to the number of RSUs credited to the Participant's Account that become payable on the Vesting Date. As of the Vesting Date, the RSUs in respect of which such Shares are issued shall be cancelled and no further payments shall be made to the Participant under this Plan in relation to such RSUs. Such payments shall be made entirely in Shares, unless otherwise provided for in the applicable Award Agreement.

## 5.2 PERFORMANCE SHARE UNITS

5.2.1 **ELIGIBILITY AND PARTICIPATION.** Subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant Awards of PSUs to Eligible Persons who are not Eligible Charitable Organizations. PSUs granted to a Participant shall be credited, as of the Grant Date, to the Participant's Account. The number of PSUs to be credited to each Participant shall be determined by the Board, in its sole discretion, in accordance with this Plan. Each PSU shall, contingent upon the attainment of the Performance Criteria within the Performance Cycle, represent one (1) Share, unless otherwise specified in the applicable Award Agreement. The number of PSUs granted pursuant to an Award, the Performance Criteria that must be satisfied in order for the PSUs to vest and the Performance Cycle in respect of such PSUs shall be specified in the applicable Award Agreement.

5.2.2 **PERFORMANCE CRITERIA.** The Board will select, settle and determine the Performance Criteria (including without limitation the attainment thereof), for purposes of the vesting of the PSUs, in its sole discretion. An Award Agreement may provide the Board with the right, during a Performance

Cycle or after it has ended, to revise the Performance Criteria and the Award amounts if unforeseen events (including, without limitation, changes in capitalization, an equity restructuring, an acquisition or a divestiture) occur which have a substantial effect on the financial results and which in the sole judgment of the Board make the application of the original Performance Criteria unfair or inappropriate unless a revision is made. Notices will be provided by the Company to the Exchange, if required, with respect to the foregoing.

- 5.2.3 VESTING. All PSUs will vest and become payable to the extent that the Performance Criteria set forth in the Award Agreement are satisfied for the Performance Cycle, the determination of which shall be made by the Board on the Determination Date.
- 5.2.4 CHANGE OF CONTROL. Unless otherwise determined by the Board, in the event of a Change of Control, all PSUs granted to a Participant shall become fully vested in such Participant (without regard to the attainment of any Performance Criteria) and shall become payable to the Participant in accordance with Subsection 5.2.9 hereof.
- 5.2.5 DEATH. Other than as may be set forth in the applicable Award Agreement and below, upon the death of a Participant, all PSUs granted to the Participant which, prior to the Participant's death, have not vested, will immediately and automatically be forfeited and cancelled without further action and without any cost or payment, and the Participant or his or her estate, as the case may be, shall have no right, title or interest therein whatsoever, provided, however, the Board may determine, in its sole discretion, the number of the Participant's PSUs that will vest based on the extent to which the applicable Performance Criteria set forth in the Award Agreement have been satisfied in that portion of the Performance Cycle that has lapsed. The PSUs that the Board determines to have vested shall become payable in accordance with Subsection 5.2.9 hereof.
- 5.2.6 TERMINATION OF EMPLOYMENT OR SERVICE.
- (a) Where a Participant's employment is terminated by the Company or a subsidiary of the Company for cause, or where a Participant's consulting agreement is terminated as a result of the Participant's breach, all PSUs granted to the Participant under this Plan will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the date of termination determined by the Board.
- (b) Where a Participant's employment is terminated by the Company or a subsidiary of the Company without cause, by voluntary termination or due to Retirement by the Participant, or where a Participant's consulting agreement is terminated for a reason other than the Participant's breach, unless the applicable Award Agreement provides otherwise and subject to the provisions below, all PSUs granted to the Participant which, prior to the Participant's termination, have not vested, will immediately and automatically be forfeited and cancelled without further action and without any cost or payment, and the Participant shall have no right, title or interest therein whatsoever as of the date of termination determined by the Board, provided, however, the Board may determine, in its sole discretion, the number of the Participant's PSUs that will vest based on the extent to which the applicable Performance Criteria set forth in the Award Agreement have been satisfied in that portion of the Performance Cycle that has lapsed. The PSUs that the Board determines to have vested shall become payable in accordance with Subsection 5.2.9 hereof.
- 5.2.7 DISABILITY. Where a Participant becomes afflicted by a Disability, all PSUs granted to the Participant under this Plan will continue to vest in accordance with the terms of such PSUs, provided, however, that no PSUs may be redeemed during a leave of absence. Where a Participant's employment or consulting agreement with the Company or a subsidiary of the Company is terminated due to Disability, unless the applicable Award Agreement provides otherwise and subject to the provisions below, all PSUs granted to the Participant under this Plan that have not vested will immediately and automatically be forfeited and cancelled without further action and without any cost or payment, and the Participant shall have no right, title or interest therein whatsoever as of the date of termination determined by the Board, provided, however, that the Board may determine, in its sole discretion, the number of the Participant's PSUs that will vest based on the extent to which the applicable Performance Criteria set forth in the Award Agreement have been satisfied in that portion of the Performance Cycle that has lapsed. The PSUs that the Board determines to have vested shall become payable in accordance with Subsection 5.2.9

hereof.

- 5.2.8 **CESSATION OF DIRECTORSHIP.** Where, in the case of Directors, a Participant ceases to be a Director for any reason, any PSUs granted to the Participant under this Plan that have not yet vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Cessation Date, provided, however, that the Board may determine, in its sole discretion, the number of the Participant's PSUs that will vest based on the extent to which the applicable Performance Criteria set forth in the Award Agreement have been satisfied in that portion of the Performance Cycle that has lapsed. The PSUs that the Board determines to have vested shall become payable in accordance with Subsection 5.2.9 hereof.
- 5.2.9 **PAYMENT OF AWARD.** Subject to the applicable Award Agreement, payment to Participants in respect of vested PSUs shall be made after the Determination Date for the applicable Award and in any case within ninety (90) days after the last day of the Performance Cycle to which such Award relates. Such payments shall be made entirely in Shares, unless otherwise provided for in the applicable Award Agreement. The Company shall issue from treasury to the Participant, or if Subsection 5.2.5 applies, to the Participant's estate, a number of Shares equal to the number of PSUs that have vested. As of the Vesting Date, the PSUs in respect of which such Shares are issued shall be cancelled and no further payments shall be made to the Participant under this Plan in relation to such PSUs.
- 5.2.10 **PERFORMANCE EVALUATION; ADJUSTMENT OF GOALS.** At the time that a PSU is first issued, the Board, in the Award Agreement or in another written document, may specify whether performance will be evaluated including or excluding the effect of any of the following events that occur during the Performance Cycle or Restriction Period, as the case may be: (A) judgments entered or settlements reached in litigation; (B) the write down of assets; (C) the impact of any reorganization or restructuring; (D) the impact of changes in tax laws, accounting principles, regulatory actions or other laws affecting reported results; (E) extraordinary non-recurring items as may be described in the Company's management's discussion and analysis of financial condition and results of operations for the applicable financial year; (F) the impact of any mergers, acquisitions, spin-offs or other divestitures; (G) foreign exchange gains and losses; and (H) other extraordinary events having a similar impact on a Participant's ability to satisfy Performance Criteria, as determined in the discretion of the Board.
- 5.2.11 **ADJUSTMENT OF PERFORMANCE SHARE UNITS.** The Board shall have the sole discretion to adjust the determination of the degree of attainment of the pre-established Performance Criteria or restrictions, as the case may be, as may be set out in the applicable Award Agreement governing the relevant PSU. Notwithstanding any provision herein to the contrary, the Board may not make any adjustment or take any other action with respect to any PSU that will increase the amount payable under any such PSU. The Board shall retain the sole discretion to adjust PSUs downward or to otherwise reduce the amount payable with respect to any Award of PSUs.
- 5.3 **DEFERRED SHARE UNITS**
- 5.3.1 **ELIGIBILITY AND PARTICIPATION.** Subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant Awards of DSUs to Eligible Persons who are not Eligible Charitable Organizations. DSUs granted to a Participant shall be credited, as of the Grant Date, to the Participant's Account. The number of DSUs to be credited to each Participant shall be determined by the Board in its sole discretion in accordance with this Plan. Each DSU shall, contingent upon the occurrence of the applicable vesting criteria, represent one (1) Share. The number of DSUs granted pursuant to an Award and the vesting criteria in respect of such DSUs shall be specified in the applicable Award Agreement.
- 5.3.2 **ELECTION BY DIRECTORS.** Each Director may elect to receive any part or all of his or her Fees in DSUs under this Plan. Elections by Participants regarding the amount of their Fees that they wish to receive in DSUs shall be made no later than 90 days after this Plan is adopted by the Board, and thereafter no later than December 31 of any given year with respect to Fees for the following year. Any Director who becomes a Participant during a fiscal year and wishes to receive an amount of his or her Fees for the remainder of that year in DSUs must make his or her election within 60 days of becoming a Director.

- 5.3.3 **CALCULATION.** In the case of an election by a Director, the number of DSUs to be credited to the Participant's Account shall be calculated by dividing the amount of Fees selected by a Director in the applicable Election Form by the Market Price on the Grant Date, or if more appropriate, another trading range that best represents the period for which the award was earned (subject to minimum pricing requirements of the Exchange). If, as a result of the foregoing calculation, a Participant shall become entitled to a fractional DSU, the Participant shall only be credited with a full number of DSUs (rounded down) and no payment or other adjustment will be made with respect to the fractional DSU.
- 5.3.4 **CHANGE OF CONTROL.** Unless otherwise determined by the Board, in the event of a Change of Control, all DSUs granted to a Participant shall become fully vested in such Participant and shall become payable to the Participant in accordance with Subsection 5.3.5 hereof.
- 5.3.5 **PAYMENT OF AWARD.** After the effective date that the Participant ceases to be an Eligible Person for any reason or any earlier vesting period(s) as may be set forth in the applicable Award Agreement, each Participant shall be entitled to receive on the DSU Payment Date that number of Shares equal to the number of DSUs credited to the Participant's Account, such Shares to be issued from treasury of the Company. The aforementioned payment will occur on the date (the "**DSU Payment Date**") that is one of two (2) dates designated by the Participant and communicated to the Company by the Participant in writing at least fifteen (15) days prior to the designated day (or such earlier date as the Participant and the Company may agree, which dates shall be no earlier than then ninetieth (90) day following the year of the Cessation Date and no later than the end of the calendar year following the year of the Cessation Date, or any earlier period in which the DSUs vested, as the case may be) and if no such notice is given, then on the first anniversary of the Cessation Date or any earlier period on which the DSUs vested, as the case may be, at the sole discretion of the Participant.
- 5.3.6 **DEATH.** Upon death of a Participant, the Participant's estate shall be entitled to receive, within 120 days after the Participant's death and at the sole discretion of the Board, such Shares that would have otherwise been payable in accordance with Subsection 5.3.5 hereof to the Participant upon such Participant ceasing to be an Eligible Person.

#### 5.4 OPTIONS

- 5.4.1 **ELIGIBILITY AND PARTICIPATION.** Subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant Awards of Options to Eligible Persons. Options granted to a Participant shall be credited, as of the Grant Date, to the Participant's Account. The number of Options to be credited to each Participant shall be determined by the Board in its sole discretion in accordance with this Plan. Each vested Option shall represent the right to purchase one (1) Share in accordance with its terms and the terms of this Plan. The number of Options granted pursuant to an Award shall be specified in the applicable Award Agreement.
- 5.4.2 **EXERCISE PRICE.** The exercise price of the Options shall be determined by the Board at the time the Option is granted. In no event shall such exercise price be lower than the Market Price permitted by the Exchange. The Board shall not reprice any Options granted under this Plan, or cancel and later grant new Options under this Plan, except in accordance with the rules and policies of the Exchange.
- 5.4.3 **TIME AND CONDITIONS OF EXERCISE.** The Board shall determine the time or times at which an Option may be exercised in whole or in part. The Board shall also determine the vesting, performance and/or other conditions, if any, that must be satisfied before all or part of an Option may be exercised.
- 5.4.4 **EVIDENCE OF GRANT.** All Options shall be evidenced by a written Award Agreement. The Award Agreement shall reflect the Board's determinations regarding the exercise price, time and conditions of exercise (including vesting provisions) and such additional provisions as may be specified by the Board.
- 5.4.5 **EXERCISE.** The exercise of any Option will be contingent upon receipt by the Company of a written notice of exercise in the manner and in the form set forth in the applicable Award

Agreement, which written notice shall specify the number of Shares with respect to which the Option is being exercised, and which shall be accompanied by a cheque, bank draft or other method of cash payment as is acceptable to the Company for the full purchase price of such Shares with respect to which the Option is exercised. Certificates for such Shares shall be issued and delivered to the Participant within a reasonable time following the receipt of such notice and payment. Neither the Participants nor their legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any Shares unless and until the certificates for the Shares issuable pursuant to Options under this Plan are issued to such Participants under the terms of this Plan. In the event that the expiry date of an Option falls during a Blackout Period, the expiry date of such Option shall automatically be extended to a date which is ten (10) Trading Days following the end of such Blackout Period (the "**Extension Period**"), subject to no cease trade order being in place under applicable securities laws; provided that if an additional Blackout Period is subsequently imposed by the Company during the Extension Period, then such Extension Period shall be deemed to commence following the end of such additional Blackout Period to enable the exercise of such Option within ten (10) Trading Days following the end of the last imposed Blackout Period.

- 5.4.6 CHANGE OF CONTROL. In the event of a Change of Control, each outstanding Option, to the extent that it has not otherwise become vested and exercisable, and subject to the applicable Award Agreement, shall automatically become fully and immediately vested and exercisable, without regard to any other applicable vesting requirement.
- 5.4.7 DEATH. Where a Participant shall die, any Option held by such Participant at the date of death shall be exercisable in whole or in part only by the person or persons to whom the rights of the Participant under the Option shall pass by the will of the Participant or the laws of descent and distribution for a period of 120 days after the date of death of the Participant or prior to the expiration of the Option, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the Option at the date of death of such Participant.
- 5.4.8 TERMINATION OF EMPLOYMENT OR SERVICE.
- (a) Where a Participant's employment is terminated by the Company or a subsidiary of the Company for cause, or where a Participant's consulting agreement is terminated as a result of the Participant's breach, no Option held by such Participant shall be exercisable from the date of termination determined by the Board.
- (b) Where a Participant's employment is terminated by the Company or a subsidiary of the Company without cause, by voluntary termination or due to Retirement by the Participant, or where a Participant's consulting agreement is terminated for a reason other than the Participant's breach, any Option held by such Participant at such time shall remain exercisable in full at any time, and in part from time to time, for a period of 90 days after the date of termination determined by the Board (subject to any longer period set out in the applicable Award Agreement or as determined by the Board) or prior to the expiration of the Option, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the Option at the date of termination determined by the Board.
- (c) Where a Participant becomes afflicted by a Disability, all Options granted to the Participant under this Plan will continue to vest in accordance with the terms of such Options. Where a Participant's employment or consulting agreement with the Company or a subsidiary of the Company is terminated due to Disability, unless the applicable Award Agreement provides otherwise and subject to the provisions below, any Option held by such Participant shall remain exercisable for a period of 120 days after the date of termination determined by the Board (subject to any longer period set out in the applicable Award Agreement or as determined by the Board) or prior to the expiration of the Option, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the Option at the date of termination determined by the Board.
- 5.4.9 CESSATION OF DIRECTORSHIP. Where, in the case of Directors, a Participant ceases to be a Director for any reason, any Option held by such Participant at such time shall, subject to the applicable Award Agreement and the provisions below, remain exercisable in full at any time, and in part from time to time, for a period of 90 days after the Cessation Date (subject to any longer period set out in the applicable Award Agreement or as determined by the Board) or prior to the

expiration of the Option, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the Option as of the Cessation Date. Where, in the case of Directors, a Participant becomes afflicted by a Disability, all Options granted to the Participant under this Plan will continue to vest in accordance with the terms of such Options, provided that if a Participant ceases to be a Director due to Disability, subject to the applicable Award Agreement, any Option held by such Participant shall remain exercisable for a period of 120 days after the Cessation Date (subject to any longer period set out in the applicable Award Agreement or as determined by the Board) or prior to the expiration of the Option, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the Option as of the Cessation Date.

5.4.10 ELIGIBLE CHARITABLE ORGANIZATIONS. Where, in the case of Eligible Charitable Organizations, a Participant ceases to be an Eligible Person due to no longer being an Eligible Charitable Organization, any Option held by such Participant at such time shall, subject to the applicable Award Agreement and the provisions below, remain exercisable in full at any time, and in part from time to time, for a period of 90 days after the Cessation Date (subject to any longer period set out in the applicable Award Agreement or as determined by the Board) or prior to the expiration of the Option, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the Option as of the Cessation Date.

## 5.5 GENERAL TERMS APPLICABLE TO AWARDS

5.5.1 FORFEITURE EVENTS. The Board will specify in an Award Agreement at the time of the Award that the Participant's rights, payments and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture or recoupment upon the occurrence of certain specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Such events shall include, but shall not be limited to, termination of employment for cause, violation of material Company policies, fraud, breach of noncompetition, confidentiality or other restrictive covenants that may apply to the Participant or other conduct by the Participant that is detrimental to the business or reputation of the Company.

5.5.2 AWARDS MAY BE GRANTED SEPARATELY OR TOGETHER. Without limiting Subsection 5.5, Awards may, in the discretion of the Board, be granted either alone or in addition to, in tandem with, or in substitution for any other Award. Awards granted in addition to or in tandem with other Awards, may be granted either at the same time as or at a different time from the grant of such other Awards or awards.

5.5.3 NON-TRANSFERABILITY OF AWARDS. No Award and no right under any such Award, shall be assignable, alienable, saleable, or transferable by a Participant otherwise than by will or by the laws of descent and distribution. No Award and no right under any such Award, may be pledged, alienated, attached, or otherwise encumbered, and any purported pledge, alienation, attachment, or encumbrance thereof shall be void and unenforceable against the Company. The Company does not intend to make Awards assignable or transferable, except where required by law or in certain estate proceedings described herein.

5.5.4 CONDITIONS AND RESTRICTIONS UPON SECURITIES SUBJECT TO AWARDS. The Board may provide that the Shares issued under an Award shall be subject to such further agreements, restrictions, conditions or limitations as the Board in its sole discretion may specify, including without limitation, conditions on vesting or transferability and forfeiture or repurchase provisions or provisions on payment of taxes arising in connection with an Award. Without limiting the foregoing, such restrictions may address the timing and manner of any resales by the Participant or other subsequent transfers by the Participant of any Shares issued under an Award, including without limitation: (A) restrictions under an insider trading policy or pursuant to applicable law; (B) restrictions designed to delay and/or coordinate the timing and manner of sales by Participant; (C) restrictions as to the use of a specified brokerage firm for such resales or other transfers; and (D) provisions requiring Shares to be sold on the open market or to the Company in order to satisfy tax withholding or other obligations.

5.5.5 SHARE CERTIFICATES. All Shares delivered under this Plan pursuant to any Award shall be subject to such stop transfer orders and other restrictions as the Board may deem advisable under this Plan or the rules, regulations, and other requirements of any securities commission, the Exchange, and any applicable securities legislation, regulations, rules, policies or orders, and the

Board may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

- 5.5.6 CONFORMITY TO PLAN. In the event that an Award is granted which does not conform in all particulars with the provisions of this Plan, or purports to grant an Award on terms different from those set out in this Plan, the Award shall not be in any way void or invalidated, but the Award shall be adjusted by the Board to become, in all respects, in conformity with this Plan.

## **SECTION 6. AMENDMENT AND TERMINATION**

- 6.1 SHAREHOLDER APPROVAL OF PLAN. The Company must obtain shareholder approval of the Plan: (i) within three years after institution; and (ii) within every three years thereafter. The shareholder approval requirements and related matters are set out in section 8.1 of this Plan.
- 6.2 AMENDMENTS AND TERMINATION OF THIS PLAN. The Board may at any time or from time to time, in its sole and absolute discretion, amend, suspend, terminate or discontinue this Plan and may amend the terms and conditions of any Awards granted hereunder, subject to (a) any required approval of any applicable regulatory authority or the Exchange, and (b) any required approval of shareholders of the Company in accordance with the rules and policies of the Exchange or applicable law. Without limitation, shareholder approval shall not be required for the following amendments:
- 6.2.1 amendments to fix typographical errors;
- 6.2.2 amendments to clarify existing provisions of the Plan that do not have the effect of altering the scope, nature and intent of such provisions; and
- 6.2.3 amendments that are necessary to comply with applicable law or the requirements of the Exchange.

If this Plan is terminated, Awards granted or issued prior to the date of termination shall remain outstanding and in effect in accordance with their applicable terms and conditions.

- 6.3 AMENDMENTS TO AWARDS. In accordance with the policies of the Exchange, the terms of an Award may not be amended once issued, unless otherwise approved by the Exchange and subject to compliance with applicable laws. In the event Exchange approval is received for the amendment of an Award, no amendment shall be made which would impair the rights of any Participant, without such Participant's consent, provided that no such consent shall be required if the amendment is: (a) either required or advisable in respect of compliance with any law, regulation or requirement of any accounting standard; or (b) not reasonably likely to significantly diminish the benefits provided under such Award.
- 6.4 CANCELLATION OF AWARDS. In accordance with the policies of the Exchange, if an Award is cancelled prior to its expiry date, the Company shall not grant new Awards to the same Participant until 30 days have elapsed from the date of cancellation.

## **SECTION 7. GENERAL PROVISIONS**

- 7.1 NO RIGHTS TO AWARDS. No Eligible Person shall have any claim to be granted any Award under this Plan, or, having been selected to receive an Award under this Plan, to be selected to receive a future Award, and further there is no obligation for uniformity of treatment of Eligible Persons under this Plan. The terms and conditions of Awards need not be the same with respect to each recipient, subject to compliance with the terms of this Plan.
- 7.2 WITHHOLDING. The Company shall be authorized to withhold from any Award granted or any payment due or transfer made under any Award or under this Plan the amount (in cash, Shares, other securities, or other Awards) of withholding taxes due in respect of an Award, its exercise, or any payment or transfer under such Award or under this Plan and to take such other action as may be necessary in the opinion of the Company to satisfy statutory withholding obligations for the payment of such taxes. Without in any way limiting the generality of the foregoing, whenever cash is to be paid on the redemption, exercise or vesting of an Award, the Company shall have the right to deduct from all cash payments made to a Participant any taxes required by law to be withheld with respect to such payments. Whenever Shares are to be delivered

on the redemption, exercise or vesting of an Award, the Company shall have the right to deduct from any other amounts payable to the Participant any taxes required by law to be withheld with respect to such delivery of Shares, or if any payment due to the Participant is not sufficient to satisfy the withholding obligation, to require the Participant to remit to the Company in cash an amount sufficient to satisfy any taxes required by law to be withheld. At the sole discretion of the Board, a Participant may be permitted to satisfy the foregoing requirement by:

- 7.2.1 electing to have the Company withhold from delivery Shares having a value equal to the amount of tax required to be withheld, or
  - 7.2.2 delivering (on a form prescribed by the Company) an irrevocable direction to a securities broker approved by the Company to sell all or a portion of the Shares and to deliver to the Company from the sales proceeds an amount sufficient to pay the required withholding taxes.
- 7.3 NO LIMIT ON OTHER SECURITY-BASED COMPENSATION ARRANGEMENTS. Nothing contained in this Plan shall prevent the Company or a subsidiary of the Company from adopting or continuing in effect other security-based compensation arrangements, and such arrangements may be either generally applicable or applicable only in specific cases.
- 7.4 NO RIGHT TO EMPLOYMENT. The grant of an Award shall not constitute an employment contract nor be construed as giving a Participant the right to be retained in the employ of the Company. Further, the Company may at any time dismiss a Participant from employment, free from any liability, or any claim under this Plan, unless otherwise expressly provided in this Plan or in any Award Agreement.
- 7.5 NO RIGHT AS SHAREHOLDER. Neither the Participant nor any representatives of a Participant's estate shall have any rights whatsoever as shareholders in respect of any Shares covered by such Participant's Award, until the date of issuance of a share certificate to such Participant or representatives of a Participant's estate for such Shares.
- 7.6 CURRENCY. Unless expressly stated otherwise, all dollars amounts in this Plan are in Canadian dollars.
- 7.7 GOVERNING LAW. This Plan and all of the rights and obligations arising herefrom shall be interpreted and applied in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.
- 7.8 SEVERABILITY. If any provision of this Plan or any Award is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction, or as to any Person or Award, or would disqualify this Plan or any Award under any law deemed applicable by the Board, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Board, materially altering the intent of this Plan or the Award, such provision shall be stricken as to such jurisdiction, Person, or Award, and the remainder of this Plan and any such Award shall remain in full force and effect.
- 7.9 NO TRUST OR FUND CREATED. Neither this Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company and a Participant or any other Person. To the extent that any Person acquires a right to receive payments from the Company pursuant to an Award, such right shall be no greater than the right of any unsecured creditor of the Company.
- 7.10 NO FRACTIONAL SHARES. No fractional Shares shall be issued or delivered pursuant to this Plan or any Award, and the Board shall determine whether cash, or other securities shall be paid or transferred in lieu of any fractional Shares, or whether such fractional Shares or any rights thereto shall be cancelled, terminated, or otherwise eliminated.
- 7.11 HEADINGS. Headings are given to the Sections and Subsections of this Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Plan or any provision thereof.
- 7.12 NO REPRESENTATION OR WARRANTY. The Company makes no representation or warranty as to the value of any Award granted pursuant to this Plan or as to the future value of any Shares issued pursuant to any Award.

- 7.13 NO REPRESENTATIONS OR COVENANTS WITH RESPECT TO TAX QUALIFICATION. Although the Company may, in its discretion, endeavor to (i) qualify an Award for favourable Canadian tax treatment or (ii) avoid adverse tax treatment, the Company makes no representation to that effect and expressly disavows any covenant to maintain favorable or avoid unfavorable tax treatment. The Company shall be unconstrained in its corporate activities without regard to the potential negative tax impact on holders of Awards under this Plan.
- 7.14 CONFLICT WITH AWARD AGREEMENT. In the event of any inconsistency or conflict between the provisions of this Plan and an Award Agreement, the provisions of this Plan shall govern for all purposes.
- 7.15 COMPLIANCE WITH LAWS. The granting of Awards and the issuance of Shares under this Plan shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or stock exchanges on which the Company is listed as may be required. The Company shall have no obligation to issue or deliver evidence of title for Shares issued under this Plan prior to:
- 7.15.1 obtaining any approvals from governmental agencies that the Company determines are necessary or advisable; and
  - 7.15.2 completion of any registration or other qualification of the Shares under any applicable national or foreign law or ruling of any governmental body that the Company determines to be necessary or advisable or at a time when any such registration or qualification is not current, has been suspended or otherwise has ceased to be effective.

The inability or impracticability of the Company to obtain or maintain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

#### **SECTION 8. EFFECTIVE DATE OF THIS PLAN AND SHAREHOLDER APPROVAL**

- 8.1 EFFECTIVE DATE AND SHAREHOLDER APPROVAL. This Plan shall become effective upon the date (the "**Effective Date**") of approval by the Board and will remain subject to initial shareholder approval ("**Initial Shareholder Approval**"), provided that, if the Company grants or issues Awards under this Plan that it would not otherwise be permitted to grant under its existing Option Plan prior to Initial Shareholder Approval having been obtained, the Company must also obtain specific (and separate) shareholder approval for such grants or issuances. If Initial Shareholder Approval is obtained after the Effective Date, no right under any Award (other than an Option, which was or could have been granted under the existing Option Plan) that is granted or issued under this Plan prior to such shareholder approval may vest or be exercised, as applicable, before the date on which Initial Shareholder Approval and shareholder approval for such grants or issuances (as applicable) are obtained. Shareholder approval of this Plan must be obtained within three years after the date on which Initial Shareholder Approval is obtained and within every three years thereafter. If requisite shareholder approvals following Initial Shareholder Approval are not obtained, all unallocated Awards must be cancelled and the Company must not be permitted to grant further Awards.

**Approved by the Board of Directors of the Company effective April 5, 2024.**

**Approved by the shareholders of the Company on \_\_\_\_\_, 2024.**

## SCHEDULE B

# Silver Dollar Resources Inc. Audit Committee Charter

### 1. Mandate and Purpose of the Committee

The Audit Committee (the "Committee") of the board of directors (the "Board") of Silver Dollar Resources Inc. (the "Company") is a standing committee of the Board whose primary function is to assist the Board in fulfilling its oversight responsibilities relating to:

- (a) the integrity of the Company's financial statements;
- (b) the Company's compliance with legal and regulatory requirements, as they relate to the Company's financial statements;
- (c) the qualifications, independence and performance of the Company's auditor;
- (d) internal controls and disclosure controls;
- (e) the performance of the Company's internal audit function;
- (f) consideration and approval of certain related party transactions; and
- (g) performing the additional duties set out in this Charter or otherwise delegated to the Committee by the Board.

### 2. Authority

The Committee has the authority to:

- (a) engage and compensate independent counsel and other advisors as it determines necessary or advisable to carry out its duties; and
- (b) communicate directly with the Company's auditor.

The Committee has the authority to delegate to individual members or subcommittees of the Committee.

### 3. Composition and Expertise

The Committee shall be composed of a minimum of three members, each of whom is a director of the Company. The majority of the Committee's members must not be officers or employees of the Company or an affiliate of the Company, unless otherwise permitted by National Instrument 52-110 – *Audit Committees*.

Committee members shall be appointed annually by the Board at the first meeting of the Board following each annual meeting of shareholders. Committee members hold office until the next annual meeting of shareholders or until they resign or are removed by the Board or cease to be directors of the Company.

The Board shall appoint one member of the Committee to act as Chairman of the Committee. If the Chairman of the Committee is absent from any meeting, the Committee shall select one of the other members of the Committee to preside at that meeting.

### 4. Meetings

Any member of the Committee or the auditor may call a meeting of the Committee. The Committee shall meet at least four times per year and as many additional times as the Committee deems necessary to carry out its duties. The Chairman shall develop and set the Committee's agenda, in consultation with other members of the Committee, the Board and senior management.

Notice of the time and place of every meeting shall be given in writing to each member of the Committee, at least 72 hours (excluding holidays) prior to the time fixed for such meeting. The Company's auditor shall be given notice of every meeting of the Committee and, at the expense of the Company, shall be entitled to attend and be heard thereat. If requested by a member of the Committee, the Company's auditor shall attend every meeting of the Committee held during the term of office of the Company's auditor.

A majority of the Committee who are not officers or employees of the Company or an affiliate of the Company shall constitute a quorum. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present in person or by means of such telephonic, electronic or other communications facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously. Business may also be transacted by the unanimous written consent resolutions of the members of the Committee, which when so approved shall be deemed to be resolutions passed at a duly called and constituted meeting of the Committee.

The Committee may invite such directors, officers and employees of the Company and advisors as it sees fit from time to time to attend meetings of the Committee.

The Committee shall meet without management present whenever the Committee deems it appropriate. The Committee shall appoint a Secretary who need not be a director or officer of the Company. Minutes of the meetings of the Committee shall be recorded and maintained by the Secretary and shall be subsequently presented to the Committee for review and approval.

#### **5. Committee and Charter Review**

The Committee shall conduct an annual review and assessment of its performance, effectiveness and contribution, including a review of its compliance with this Charter. The Committee shall conduct such review and assessment in such manner as it deems appropriate and report the results thereof to the Board.

The Committee shall also review and assess the adequacy of this Charter on an annual basis, taking into account all legislative and regulatory requirements applicable to the Committee, as well as any guidelines recommended by regulators or the Canadian Securities Exchange and shall recommend changes to the Board thereon.

#### **6. Reporting to the Board**

The Committee shall report to the Board in a timely manner with respect to each of its meetings held. This report may take the form of circulating copies of the minutes of each meeting held.

#### **7. Duties and Responsibilities**

##### **(a) Financial Reporting**

The Committee is responsible for reviewing and recommending approval to the Board of the Company's annual and interim financial statements, any auditor's report thereon, Management's Discussion and Analysis ("MD&A") and related news releases, before they are published.

The Committee is also responsible for:

- (i) being satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, other than the public disclosure referred to in the preceding paragraph, and for periodically assessing the adequacy of those procedures;
- (ii) engaging the Company's auditor to perform a review of the interim financial statements and receiving from the Company's auditor a formal report on the auditor's review of such interim financial statements;
- (iii) discussing with management and the Company's auditor the quality of applicable accounting principles and financial reporting standards, not just the acceptability of thereof;
- (iv) discussing with management any significant variances between comparative reporting periods; and
- (v) in the course of discussion with management and the Company's auditor, identifying problems or areas of concern and ensuring such matters are satisfactorily resolved.

##### **(b) Auditor**

The Committee is responsible for recommending to the Board:

- (i) the auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company; and
- (ii) the compensation of the Company's auditor.

The Company's auditor reports directly to the Committee. The Committee is directly responsible for overseeing the work of the Company's auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the Company's auditor regarding financial reporting.

##### **(c) Relationship with the Auditor**

The Committee is responsible for reviewing the proposed audit plan and proposed audit fees. The Committee is also responsible for:

- (i) establishing effective communication processes with management and the Company's auditor so that it can objectively monitor the quality and effectiveness of the auditor's relationship with management and the Committee;
- (ii) receiving and reviewing regular feedback from the auditor on the progress against the approved audit plan, important findings, recommendations for improvements and the auditor's final report;
- (iii) reviewing, at least annually, a report from the auditor on all relationships and engagements for non-audit services that may be reasonably thought to bear on the independence of the auditor; and
- (iv) meeting in camera with the auditor whenever the Committee deems it appropriate.

(d) **Accounting Policies**

The Committee is responsible for:

- (i) reviewing the Company's accounting policy note to ensure completeness and acceptability with applicable accounting principles and financial reporting standards as part of the approval of the financial statements;
- (ii) discussing and reviewing the impact of proposed changes in accounting standards or securities policies or regulations;
- (iii) reviewing with management and the auditor any proposed changes in major accounting policies and key estimates and judgments that may be material to financial reporting;
- (iv) discussing with management and the auditor the acceptability, degree of aggressiveness/conservatism and quality of underlying accounting policies and key estimates and judgments; and
- (v) discussing with management and the auditor the clarity and completeness of the Company's financial disclosures.

(e) **Risk and Uncertainty**

The Committee is responsible for reviewing, as part of its approval of the financial statements:

- (i) uncertainty notes and disclosures; and
- (ii) MD&A disclosures.

The Committee, in consultation with management, will identify the principal business risks and decide on the Company's "appetite" for risk. The Committee is responsible for reviewing related risk management policies and recommending such policies for approval by the Board. The Committee is then responsible for communicating and assigning to the applicable Board committee such policies for implementation and ongoing monitoring.

The Committee is responsible for requesting the auditor's opinion of management's assessment of significant risks facing the Company and how effectively they are managed or controlled.

(f) **Controls and Control Deviations**

The Committee is responsible for reviewing:

- (i) the plan and scope of the annual audit with respect to planned reliance and testing of controls; and
- (ii) major points contained in the auditor's management letter resulting from control evaluation and testing.

The Committee is also responsible for receiving reports from management when significant control deviations occur.

(g) **Compliance with Laws and Regulations**

The Committee is responsible for reviewing regular reports from management and others (e.g. auditors) concerning the Company's compliance with financial related laws and regulations, such as:

- (i) tax and financial reporting laws and regulations;
- (ii) legal withholdings requirements;

- (iii) environmental protection laws; and
- (iv) other matters for which directors face liability exposure.

(h) **Related Party Transactions**

All transactions between the Company and a related party (each a "related party transaction"), other than transactions entered into in the ordinary course of business, shall be presented to the Committee for consideration.

The term "related party" includes (i) all directors, officers, employees, consultants and their associates (as that term is defined in the *Securities Act* (British Columbia), as well as all entities with common directors, officers, employees and consultants (each "general related parties"), and (ii) all other individuals and entities having beneficial ownership of, or control or direction over, directly or indirectly securities of the Company carrying more than 10% of the voting rights attached to all of the Company's outstanding voting securities (each "10% shareholders").

Related party transactions involving general related parties which are not material to the Company require review and approval by the Committee. Related party transactions that are material to the Company or that involve 10% shareholders require approval by the Board, following review thereof by the Committee and the Committee providing its recommendation thereon to the Board.

**8. Non-Audit Services**

All non-audit services to be provided to the Company or its subsidiary entities by the Company's auditor must be pre-approved by the Committee.

**9. Submission Systems and Treatment of Complaints**

The Committee is responsible for establishing procedures for:

- (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
- (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

The Committee is responsible for reviewing complaints and concerns that are brought to the attention of the Chairman of the Audit Committee and for ensuring that any such complaints and concerns are appropriately addressed. The Committee shall report quarterly to the Board on the status of any complaints or concerns received by the Committee.

**10. Procedure For Reporting Of Fraud Or Control Weaknesses**

Each employee is expected to report situations in which he or she suspects fraud or is aware of any internal control weaknesses. An employee should treat suspected fraud seriously, and ensure that the situation is brought to the attention of the Committee. In addition, weaknesses in the internal control procedures of the Company that may result in errors or omissions in financial information, or that create a risk of potential fraud or loss of the Company's assets, should be brought to the attention of both management and the Committee.

To facilitate the reporting of suspected fraud, it is the policy of Company that the employee (the "whistleblower") has anonymous and direct access to the Chairman of the Audit Committee. Should a new Chairman be appointed prior to the updating of this document, the current Chairman will ensure that the whistleblower is able to reach the new Chairman in a timely manner. In the event that the Chairman of the Audit Committee cannot be reached, the whistleblower should contact the Chairman of the Board.

In addition, it is the policy of the Company that employees concerned about reporting internal control weaknesses directly to management are able to report such weaknesses to the Committee anonymously. In this case, the employee should follow the same procedure detailed above for reporting suspected fraud.

**11. Hiring Policies**

The Committee is responsible for reviewing and approving the Company's hiring policies regarding partners, employees and former partners and employees of the present and former auditor of the Company.