



**Suite 2710-200 Granville Street**

**Vancouver, BC Canada V6C 1S4**

**ANNUAL GENERAL MEETING**

**OF SHAREHOLDERS**

**TO BE HELD DECEMBER 9, 2022, AT 11:00 AM (VANCOUVER TIME)**

**2710-200 GRANVILLE STREET,**

**VANCOUVER, BRITISH COLUMBIA**

**NOTICE OF MEETING AND INFORMATION CIRCULAR**

**Email: [info@blackrocksilver.com](mailto:info@blackrocksilver.com)**



**NOTICE OF  
ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**TO BE HELD DECEMBER 9, 2022**

NOTICE IS HEREBY GIVEN that the Annual General Meeting of shareholders of Blackrock Silver Corp. (the “**Company**”) will be held at 2710 – 200 Granville Street, Vancouver, British Columbia on Friday, December 9, 2022 at 11:00 a.m. (Vancouver time) (the “**Meeting**”) for the following purposes:

1. to receive the audited financial statements of the Company for the year ended October 31, 2021 and the auditor’s report thereon;
2. to fix the number of directors at six and to elect six directors for the ensuing year;
3. to appoint the auditor for the ensuing year and to authorize the directors to fix the auditor’s remuneration;
4. to consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution approving the Company’s Omnibus Equity Incentive Compensation Plan to take effect and replace the Company’s current 10% rolling stock option plan and restricted share unit plan; and
5. to transact such other business as may properly come before the Meeting or any adjournment thereof.

All matters set forth above for consideration at the Meeting are more particularly described in the accompanying management information circular (“**Information Circular**”).

The Company is using the notice-and-access provisions (“**Notice and Access**”) under the Canadian Securities Administrators’ National Instrument 54-101 for the delivery of its Information Circular to its shareholders for the Meeting. Under Notice and Access, instead of receiving paper copies of the Information Circular, shareholders will be receiving a Notice and Access notification with information on how they may obtain a copy of the Information Circular electronically or request a paper copy. Registered shareholders will still receive a Proxy form enabling them to vote at the Meeting. The use of the alternative Notice and Access procedures in connection with the Meeting helps reduce paper use, as well as the Company’s printing and mailing costs. The Company will arrange to mail paper copies of the Information Circular to those registered shareholders who have existing instructions on their account to receive paper copies of the Company’s meeting materials.

The Information Circular and other Meeting materials will be available on the Company’s website at <https://blackrocksilver.com/aggm-2022/> as of November 2, 2022 and will remain on the website for one full year thereafter. Meeting materials are also available upon request, without charge, by email at [info@blackrocksilver.com](mailto:info@blackrocksilver.com) or by calling toll free at 1-800-380-1530 (Canada and U.S.A.) or at +1-604-817-6044, or can be accessed online on SEDAR at [www.sedar.com](http://www.sedar.com), as of November 2, 2022.

Only shareholders of record at the close of business on October 20, 2022 will be entitled to receive notice of, and to vote at, the Meeting or any adjournment thereof. Registered shareholders who are unable to or who do not wish to attend the Meeting in person are requested to date and sign the enclosed Proxy form promptly and return it in the self-addressed envelope enclosed for that purpose or by any of the other methods indicated on the Proxy form. To be used at the Meeting, proxies must be received by Computershare Trust Company of Canada, Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1 no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting, or any adjournment thereof, or received by the chair of the Meeting before the commencement of the Meeting, or any adjournment thereof. If a registered shareholder receives more than one Proxy form because such shareholder owns shares registered in different names or addresses, each Proxy form should be completed and returned.

If you are a non-registered shareholder of the Company and receive these materials through your broker or through another intermediary, you must complete and return your voting instructions in accordance with the procedures provided by your broker or such other intermediary.

A teleconference line will be made available to the Company's shareholders in order to listen in on the Meeting. To do so, shareholders may call one of the following toll-free numbers (callers should dial in 5 to 10 minutes prior to the scheduled start time and simply ask to join the call):

Canada/USA Toll Free: 1-800-319-4610  
International Toll Free: +1-604-638-5340

Dated as of the 28th day of October, 2022.

BY ORDER OF THE BOARD

*"Andrew Pollard"*

ANDREW POLLARD  
President, Chief Executive Officer and Director



**ANNUAL GENERAL MEETING OF SHAREHOLDERS  
INFORMATION CIRCULAR**

**GENERAL INFORMATION**

This information circular (“**Information Circular**”) is furnished to the holders (“**shareholders**”) of common shares (“**Common Shares**”) of Blackrock Silver Corp. (the “**Company**”) by management of the Company in connection with the solicitation of proxies to be voted at the annual general meeting (the “**Meeting**”) of the shareholders to be held at the Company’s head office at **2710-200 Granville Street, Vancouver, British Columbia** at 11:00 a.m. (Vancouver time) on Friday, December 9, 2022 and at any adjournment thereof, for the purposes set forth in the accompanying notice of meeting (“**Notice of Meeting**”).

**PROXIES**

**Solicitation of Proxies**

**The enclosed Proxy is solicited by and on behalf of management of the Company. The persons named in the enclosed Proxy form are management-designated proxyholders. A registered shareholder desiring to appoint some other person (who need not be a shareholder) to represent the shareholder at the Meeting may do so either by inserting such other person’s name in the blank space provided in the Proxy form or by completing another form of proxy.** To be used at the Meeting, proxies must be received by Computershare Trust Company of Canada, Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting, or any adjournment thereof, or received by the chairman of the Meeting before the commencement of the Meeting, or any adjournment thereof. Solicitation will be primarily by mail, but some proxies may be solicited personally or by telephone by regular employees or directors of the Company at a nominal cost. The cost of solicitation by management of the Company will be borne by the Company.

A teleconference line will be made available to the Company’s shareholders in order to listen in on the Meeting. To do so, shareholders may call one of the following toll-free numbers (**callers should dial in 5 to 10 minutes prior to the scheduled start time and simply ask to join the call**):

**Canada/USA Toll Free: 1-800-319-4610  
International Toll Free: +1-604-638-5340**

For attendance and voting to be counted at the Meeting, shareholders listening in on the Meeting by telephone must still deposit a completed proxy as described above. Shareholders with questions about the teleconference and the information contained in this Information Circular or which require assistance in completing the Proxy form may contact Andrew Pollard, Chief Executive Officer of the Company, at [info@blackrocksilver.com](mailto:info@blackrocksilver.com) or at 604-817-6044.

## Notice and Access Process

The Company has decided to take advantage of the notice-and-access provisions (“**Notice and Access**”) under the Canadian Securities Administrators’ National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) for the delivery of the Information Circular to its shareholders for the Meeting. The use of the alternative Notice and Access procedures in connection with the Meeting helps reduce paper use, as well as the Company’s printing and mailing costs.

Under Notice and Access, instead of receiving printed copies of the Information Circular, shareholders receive a notice (“**Notice and Access Notification**”) with information on the Meeting date, location and purpose, as well as information on how they may access the Information Circular electronically or request a paper copy. The Company will arrange to mail paper copies of the Information Circular to those registered and beneficial shareholders who have existing instructions on their account to receive paper copies of the Company’s proxy-related materials.

## Non-Registered Holders

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

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

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

In accordance with the requirements of NI 54-101, the Company has distributed the Notice and Access Notification in connection with this Meeting to Intermediaries and clearing agencies for onward distribution to Non-Registered Holders.

Intermediaries which receive the proxy-related materials (including the Notice and Access Notification) are required to forward the proxy-related materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Intermediaries often use service companies to forward the proxy-related materials to Non-Registered Holders.

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

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

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

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

## Revocability of Proxies

A registered shareholder who has given a Proxy may revoke it by an instrument in writing that is:

- (a) executed by the shareholder or by the shareholder's attorney authorized in writing or, where the shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and
- (b) delivered either to the registered office of the Company (2710-200 Granville Street, Vancouver, British Columbia, V6C 1S4) at any time up to and including the last business day before the day of the Meeting, or any adjournment thereof, or to the chair of the Meeting on the day of the Meeting or any adjournment thereof before any vote in respect of which the Proxy is to be used shall have been taken,

or in any other manner provided by law.

Non-Registered Holders who wish to revoke a voting instruction form or a waiver of the right to receive proxy-related materials should contact their Intermediaries for instructions.

## Voting of Proxies

Common Shares represented by a shareholder's Proxy form will be voted or withheld from voting in accordance with the shareholder's instructions on any ballot that may be called for at the Meeting and, if the shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly. **In the absence of any instructions, the management-designated proxy agent named on the Proxy form will cast the shareholder's votes in favour of the passage of the resolutions set forth herein and in the Notice of Meeting.**

The enclosed Proxy form confers discretionary authority upon the persons named therein with respect to (a) amendments or variations to matters identified in the Notice of Meeting and (b) other matters which may properly come before the Meeting or any adjournment thereof. At the time of printing of this Information Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice of Meeting.

## VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

Only Common Shares carry voting rights at the Meeting with each Common Share carrying the right to one vote. The Board of Directors has fixed October 20, 2022 as the record date ("**Record Date**") for the determination of shareholders entitled to receive notice of and to vote at the Meeting and at any adjournment thereof, and only shareholders of record at the close of business on that date are entitled to such notice and to vote at the Meeting. As of the Record Date, 178,709,229 Common Shares were issued and outstanding as fully paid and non-assessable.

To the knowledge of the directors and executive officers of the Company, as at the Record Date, no person beneficially owned, or controlled or directed, directly or indirectly, shares carrying 10% or more of the voting rights attached to the Company's issued and outstanding Common Shares.

## VOTES NECESSARY TO PASS RESOLUTIONS AT THE MEETING

Under the Company's Articles, the quorum for the transaction of business at a meeting of shareholders is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the meeting. Under the *Business Corporations Act* (British Columbia) (the "**BCBCA**") and the Articles of the Company, a simple majority of the votes cast at the Meeting (in person or by proxy) is required in order to pass the resolutions referred to in the accompanying Notice of Meeting.

## APPOINTMENT OF AUDITOR

The management-designated proxyholders named in the enclosed Proxy form intend to vote for the appointment of BDO Canada LLP, Chartered Professional Accountants (“**BDO**”) as the auditor of the Company to hold office until the next annual general meeting of shareholders and to authorize the Board of Directors of the Company (the “**Board of Directors**” or “**Board**”) to fix the remuneration of the auditor. BDO was appointed as auditor of the Company on June 21, 2021.

## ELECTION OF DIRECTORS

The number of directors of the Company was last fixed at seven. At the Meeting, shareholders will be asked to fix the number of directors at six and to elect six directors. The persons named below are the six nominees of management for election as directors, all of whom are current directors of the Company. Each director elected will hold office until the next annual general meeting or until the director’s successor is elected or appointed unless the director’s office is earlier vacated under any of the relevant provisions of the Articles of the Company or the BCBCA. It is the intention of the persons named as proxyholders in the enclosed Proxy to vote for the election to the Board of Directors of those persons hereinafter designated as nominees for election as directors. The Board of Directors does not contemplate that any of such nominees will be unable to serve as a director; however, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, **proxies in favour of management designees will be voted for another nominee in their discretion unless the shareholder has specified in such shareholder’s Proxy that such shareholder’s Common Shares are to be withheld from voting in the election of directors.**

The following table sets out the name of each of the persons proposed to be nominated for election as a director; all positions and offices in the Company currently held by the nominee; the nominee’s current principal occupation or employment; the period during which the nominee has served as a director; and the number of Common Shares that the nominee has advised are beneficially owned by the nominee, directly or indirectly, or over which control or direction is exercised, as of the Record Date:

<u>Name, place of residence and positions with the Company</u>	<u>Present principal occupation, business or employment</u>	<u>Period served as a director</u>	<u>Common Shares beneficially owned or controlled</u>
WILLIAM (BILL) HOWALD Nevada, U.S.A. <i>Director and Executive Chairman</i>	Executive Chairman of the Company	Since May 21, 2019	1,110,000
ANDREW KAIP <sup>(1)(2)(3)</sup> Ontario, Canada <i>Lead Director</i>	VP Corporate Development at Hy-Tech Drilling Ltd.	Since October 4, 2021	62,500
DAVID LAING <sup>(1)(2)(3)</sup> British Columbia, Canada <i>Director</i>	Mining Engineer; Independent Mining Consultant; Director, Laing Mining (a mining consulting company)	Since April 3, 2020	600,000
ANDREW POLLARD British Columbia, Canada <i>Director, President and Chief Executive Officer</i>	President and Chief Executive Officer of the Company	Since May 14, 2019	4,528,104 <sup>(4)</sup>
DANIEL VICKERMAN <sup>(2)</sup> England, United Kingdom <i>Director and Senior Vice President of Corporate Development</i>	Senior Vice President of Corporate Development of the Company	Since August 6, 2020	103,339

<b>Name, place of residence and positions with the Company</b>	<b>Present principal occupation, business or employment</b>	<b>Period served as a director</b>	<b>Common Shares beneficially owned or controlled</b>
ANTONY (TONY) WOOD <sup>(1)(2)(3)</sup> British Columbia, Canada <i>Director</i>	Consultant	Since May 28, 2019	Nil

(1) Member of the Audit Committee.

(2) Member of the Corporate Governance and Nominating Committee.

(3) Member of the Compensation Committee.

(4) 4,042,754 of these Common Shares are held by a company controlled by Mr. Pollard.

Pursuant to the Advance Notice Policy of the Company adopted by the Board of Directors on September 4, 2019, any additional director nominations for the Meeting must be received by the Company in compliance with the Advance Notice Policy by November 8, 2021. The Company will publish details of any such additional director nominations through a public announcement in accordance with the Advance Notice Policy.

### **Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

None of the proposed directors is, as at the date of this Information Circular, or has been, within the ten years preceding the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that

- (a) 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 (collectively, an “Order”), when such Order was issued while the person was acting in the capacity of a director, chief executive officer or chief financial officer of the relevant company; or
- (b) was subject to an Order that was issued after such person ceased to be a director, chief executive officer or chief financial officer of the relevant company, and which resulted from an event that occurred while the person was acting in the capacity of a director, chief executive officer or chief financial officer of the relevant company.

No proposed director is, as at the date of this Information Circular, or has been, within the ten years preceding the date of this Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, 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.

No proposed director has, within the ten years preceding 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 that person.

No proposed director has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

### **CORPORATE GOVERNANCE DISCLOSURE**

The following description of the corporate governance practices of the Company is provided further to National Instrument 58-101 on “Disclosure of Corporate Governance Practices” (“NI 58-101”) and the disclosure prescribed for “Venture Issuers” such as the Company.

## Board of Directors

The Board of Directors currently consists of six directors, three of whom, Messrs. Kaip, Laing and Wood, are considered independent. William (Bill) Howald, Andrew Pollard and Daniel Vickerman are not considered independent as each is an executive officer of the Company. If the existing directors of the Company are elected as proposed under “Election of Directors”, following the Meeting, the Company will continue to have three independent directors (Messrs. Kaip, Laing and Wood) and three directors who are not considered independent (Messrs. Howald, Pollard and Vickerman). Mr. Seaberg is not standing for re-election at the Meeting.

Management has been delegated the responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Company’s business in the ordinary course, managing cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board facilitates its independent supervision over management by reviewing and approving long-term strategic, business and capital plans, material contracts and business transactions, and all debt and equity financing transactions. Through its audit committee, the Board examines the effectiveness of the Company’s internal control processes and management information systems.

## Directorships

The current directors of the Company who are presently directors of other reporting issuers in Canada or elsewhere are set out below:

Director	Reporting Issuer
William (Bill) Howald	Vanity Capital Inc.
Andrew Kaip	Vox Royalty Corp.
David Laing	Arizona Sonoran Copper Company Inc. Fortuna Silver Mines Inc. Northern Dynasty Minerals Ltd.
Daniel Vickerman	Discovery Silver Corp. (formerly, Discovery Metals Corp.)

## Orientation and Continuing Education

The Company has not yet developed an official orientation or training program for directors. If and when new directors are added, however, they have the opportunity to become familiar with the Company by meeting with other directors and with officers of the Company. As each director has a different skill set and professional background, orientation and training activities are and will continue to be tailored to the particular needs and experience of each director.

## Ethical Business Conduct

The Board conducts itself with high business and ethical standards and endeavours to follow all applicable legal and financial requirements. The Company’s Code of Business Conduct and Ethics Policy (the “Code”) for its directors, officers and employees reflects the Company’s commitment to a culture of honesty, integrity and accountability. The Code outlines the basic principles and policies on the following:

- compliance with laws, rules and regulations;
- conflicts of interest;
- corporate opportunities;
- confidentiality;
- protection and proper use of company assets;
- insider trading;
- fair dealing;
- compliance with environmental laws;
- equal opportunity;
- safety and health;
- financial business disclosure and accuracy of company records and reporting;
- use of email and internet services;

- payment to domestic and foreign officials;
- gifts and entertainment; and
- reporting any illegal or unethical behaviors.

The Code provides that each employee is personally responsible for, and it is their duty to report violations or suspected violations of, the Code and that no employee would be discriminated against for reporting what the employee reasonably believes to be a breach of the Code or any law or regulation. Employees can discuss any breach or suspected breach of the Code with their immediate superior or a member of the Board. The Board annually reviews the Code and any compliance issues under the Code are reviewed as they arise.

To ensure directors of the Company exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest, each director and executive officer is required to fully disclose his or her interest in respect of any transaction or agreement to be entered into by the Company. Once such interest has been disclosed, the Board, as a whole, determines the appropriate level of involvement the director or executive officer should have in respect of the transaction or agreement, which may include convening a Special Committee of independent directors. All directors and executive officers are subject to the requirements of the *Business Corporations Act* (British Columbia) with respect to the disclosure of any conflicts of interests and the voting on transactions giving rise to such conflicts.

### **Nomination of Directors**

Any director is free to nominate individuals for election or appointment to the Board; however, the Corporate Governance and Nominating Committee has the principal responsibility with respect to selection and nomination of director nominees. The Corporate Governance and Nominating Committee is also responsible for (i) developing and recommending to the Board criteria for selecting director nominees; and (ii) establishing procedures for identifying and evaluating director candidates, including candidates recommended by shareholders.

### **Compensation**

The Board is responsible for determining all forms of compensation, including long-term incentives in the form of stock options to be granted to directors, officers, and consultants of the Company. The Board is also responsible for reviewing recommendations from the Compensation Committee for compensation of the Chief Executive Officer and other officers of the Company, to ensure such arrangements reflect the responsibilities and risks associated with each position. When determining the compensation of its officers, the Compensation Committee will consider: (i) recruiting and retaining officers critical to the success of the Company and the enhancement of shareholder value; (ii) providing fair and competitive compensation; (iii) balancing the interests of management and the Company's shareholders; and (iv) rewarding performance, both on an individual basis and with respect to operations in general.

### **Other Board Committees**

The Board has three standing committees; namely, the Audit Committee, the Corporate Governance and Nominating Committee and the Compensation Committee. For details on the Audit Committee please refer to the "Audit Committee Disclosure" section. The Corporate Governance and Nominating Committee and the Compensation Committee are discussed below.

#### Corporate Governance and Nominating Committee

The Corporate Governance and Nominating Committee is currently comprised of Antony Wood (Chair), Daniel Vickerman and Andrew Kaip. The Corporate Governance and Nominating Committee is tasked with the responsibility of, among other things, selecting (or recommending that the Board select) the director nominees for the next annual meeting of shareholders. In carrying out such responsibilities, the Corporate Governance and Nominating Committee has the sole authority to retain and terminate any search firm to be used to identify director candidates and has authority to approve the search firm's fees and other retention terms.

The Corporate Governance and Nominating Committee is tasked with the following responsibilities:

- identifying and recommending qualified individuals for nomination to the Board;
- developing qualification criteria for Board members for recommendation to the Board in accordance with the Company's corporate governance guidelines;

- (c) in conjunction with the Chairman (or, if the Chairman is not an independent director, the lead director), assigning Board members to the various committees of the Board; and
- (d) reviewing annually or more often if appropriate: (i) committee members' qualifications and requirements; (ii) committee structure (including authority to delegate); and (iii) committee performance (including reporting to the Board).

The Corporate Governance and Nominating Committee is also tasked with:

- (a) developing and recommending to the Board corporate governance principles applicable to the Company;
- (b) monitoring the Company's overall approach to corporate governance issues and administering a corporate governance system which is effective in the discharge of the Company's obligations to its shareholders;
- (c) overseeing the evaluation of the Board and of the Company and making recommendations to the Board as appropriate; and
- (d) reviewing and reassessing at least annually the adequacy of the Company's corporate governance guidelines and the Corporate Governance and Nominating Committee's Charter and recommending any proposed changes to the Board for approval. The Corporate Governance and Nominating Committee must also annually review its own performance.

The Corporate Governance and Nominating Committee has the authority to conduct any investigation appropriate to fulfill its responsibilities. It has the ability to retain, at the Company's expense, such compensation consultants or legal assistance it deems necessary in the performance of its duties.

#### Compensation Committee

The Compensation Committee is currently comprised of David Laing (Chair), Antony Wood and Andrew Kaip. The Compensation Committee is tasked with the responsibility of, among other things, recommending to the Board compensation policies and guidelines for the Company and for implementing and overseeing compensation policies approved by the Board. The Compensation Committee reviews annually and makes recommendations to the Board in respect of the compensation paid by the Company to its directors and executive officers. The compensation to executive officers is composed primarily of three elements: namely, base salary or consulting fees, performance bonus payments, and equity participation through the Company's Stock Option Plan (as defined herein) and RSU Plan (as defined herein). The committee's compensation policy objectives are: (i) to attract and retain qualified executive officers; (ii) to align executives' interests with those of the shareholders; and (iii) to reward demonstration of leadership and performance. The committee is responsible for reviewing and considering corporate goals and objectives relevant to compensation for all executive officers, evaluating their performance in light of those corporate goals and objectives, and determining (or making recommendations to the Board with respect to) the level of compensation for the executive officers based on this evaluation.

The Compensation Committee also reviews and recommends to the Board for its approval any severance or similar termination payments proposed to be made to any current or former executive officer. Any compensation paid to a director or executive officer must be approved by the Compensation Committee and by a majority of the independent members of the Board.

#### **Representation of Women on the Board**

The Company adopted a formal Board Diversity Policy (the "**Diversity Policy**") on October 27, 2022, which outlines the Company's commitment to inclusion and diversity at the Board level. Diversity means all the varied characteristics that make individuals unique from one another and includes, but is not limited to, characteristics such as gender, education, religion, ethnicity, race, nationality, culture, language, aboriginal status, age, disability and other characteristics. The Company ascribes to the view that diversity helps to broaden perspectives by promoting the inclusion of different viewpoints and ideas, mitigates against groupthink and ensures that the Company has the opportunity to benefit from all available talent. The promotion of a diverse Board makes prudent business sense and makes for better corporate governance. The implementation of the Diversity Policy is monitored by the Corporate Governance and Nominating Committee, which is also tasked with reviewing and assessing the effectiveness of the Board appointment and nomination process at achieving the Company's diversity objectives.

Pursuant to the Diversity Policy, the Company aspires to attain by its annual meeting in 2023, and thereafter maintain, a Board composition in which at least one Board member is a woman.

## Assessments

The Corporate Governance and Nominating Committee and the Board, as a whole, both assess the effectiveness of the Board, its committees and individual directors. The Board of Directors has adopted an annual formal assessment process with respect to performance of the Board, its committees and its individual directors.

## AUDIT COMMITTEE DISCLOSURE

Pursuant to the BCBCA and National Instrument 52-110 on “Audit Committees” (“NI 52-110”), the Company is required to have an audit committee.

### Audit Committee Charter

Pursuant to NI 52-110, the Company’s Audit Committee is required to have a charter. A copy of the Company’s Audit Committee Charter is set out in Schedule “B” to this Information Circular.

The Audit Committee assists the Board of Directors in fulfilling its responsibilities relating to the Company’s corporate accounting and reporting practices. The Audit Committee is responsible for ensuring that management has established appropriate processes for monitoring the Company’s systems and procedures for financial reporting and controls, reviewing all financial information in disclosure documents, monitoring the performance and fees and expenses of the Company’s external auditors, and recommending external auditors for appointment by shareholders.

### Composition of the Audit Committee

As at the date of this Information Circular, the following is information on the members of the Company’s Audit Committee:

<u>Name</u>	<u>Independent</u>	<u>Financial Literacy</u>
Antony (Tony) Wood (Chair)	Yes	Yes
David Laing	Yes	Yes
Andrew Kaip	Yes	Yes

### Relevant Education and Experience

The following describes the relevant education and experience of the members of the Audit Committee:

**Antony (Tony) Wood** – Mr. Wood is an honors graduate, Management Sciences (Marketing) B.Sc. from the University of Lancaster, U.K., and a qualified Chartered Accountant in the UK and Canada. Mr. Wood is a qualified chartered accountant having held senior financial positions with public companies for over 20 years.

**David Laing** – Mr. Laing is a mining engineer with 40 years of experience in the industry. He was formerly the Chief Operating Officer (“COO”) of Equinox Gold Corp., operating gold projects in Brazil and California, COO of True Gold Mining Inc. which developed a gold heap leaching operation in Burkina Faso, and COO and Executive Vice-President of Quintana Resources Capital ULC, a base metals streaming company. Mr. Laing was also one of the founding executives of Endeavour Mining Corp., a gold producer operating in West Africa. Prior to these recent roles, he held senior positions in mining investment banking and debt advisory services at Endeavour Financial and Standard Bank in New York, and provided technical consulting services at MRDI in California, the Refugio Project at Bema Gold Corp., and various roles at Billiton with operations in Peru, South Africa, and northern Chile. Mr. Laing currently serves as Independent Director of Fortuna Silver Mines Inc., Northern Dynasty Minerals Ltd. and Arizona Sonoran Copper Company Inc. He also serves as an advisor to Endeavour Financial. Mr. Laing’s extensive experience in senior roles, including serving on several other companies’ audit committees, has provided him with relevant experience in evaluating and analyzing financial statements.

**Andrew Kaip** – Mr Kaip has over 25 years of experience in the mining business as a geologist and equity analyst. He was President and Chief Executive Officer of Karus Gold Corp. and a Director of VOX Royalty Corp. Previously, Mr. Kaip was a Managing Director at BMO Capital Markets where he was co-head of global mining research. While at BMO, he was consistently ranked as a top equity analyst covering the large and small/mid-cap precious metal sector. As a geologist, he has worked throughout the Americas. Mr. Kaip is a Professional Geoscientist who holds a B.Sc. in Geology and Earth Science, from Carlton University and a Master’s in

Geology and Earth Science, from the University of British Columbia. Mr. Kaip has extensive experience as a financial analyst and has relevant experience in evaluating and analyzing financial statements.

### **Audit Committee Oversight**

At no time since November 1, 2020, was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Company’s Board of Directors.

### **Reliance on Certain Exemptions**

At no time since November 1, 2020, has the Company relied on the exemption in section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), subsection 6.1.1(4) of NI 52-110 (*Circumstances Affecting the Business or Operations of the Venture Issuer*), subsection 6.1.1(5) of NI 52-110 (*Events Outside Control of Member*), subsection 6.1.1(6) (*Death, Incapacity or Resignation*) or an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemption*) of NI 52-110 by a securities regulatory authority or regulator.

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

The Audit Committee has not adopted any specific policies and procedures for the engagement of non-audit services.

### **External Auditor Service Fees (By Category)**

The aggregate fees billed by the Company’s external auditor in each of the last two financial years of the Company for services in each of the categories indicated are as follows:

<b>Financial Year Ended</b>	<b>Audit Fees</b>	<b>Audit Related Fees<sup>(1)</sup></b>	<b>Tax Fees<sup>(2)</sup></b>	<b>All Other Fees<sup>(3)</sup></b>
October 31, 2021	\$50,000	\$625	\$1,178	\$4,436
October 31, 2020	\$20,000	Nil	\$750	\$9,500

- (1) Pertains to assurance and related services that are reasonably related to the performance of the audit or review of the Company’s financial statements and that are not reported under “Audit Fees”.
- (2) Pertains to professional services for tax compliance, tax advice and tax planning. The nature of the services comprising the fees disclosed under this category relates to the preparation of Canadian Corporation Income Tax Returns and GST return.
- (3) Pertains to products and services other than services reported under the other categories.

### **Venture Issuers Exemption**

The Company is relying upon the exemption in section 6.1 of NI 52-110 which exempts “venture issuers” from the requirements of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

## **DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION**

The following description of the executive compensation of the Company is provided further to Form 51-102F6V “*Statement of Executive Compensation – Venture Issuers*”.

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

#### **Named Executive Officers**

Set out below are particulars of compensation paid to the following persons (the “**Named Executive Officers**” or “**NEOs**”):

- (a) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer (“**CEO**”);

- (b) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer (“CFO”);
- (c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the CEO and CFO at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with applicable securities rules, for that financial year; and
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

During the year ended October 31, 2021, the Company had three Named Executive Officers, namely Andrew Pollard (CEO), Randip (Randy) Minhas (CFO) and William Howald (Executive Chairman).

#### Table of Compensation Excluding Compensation Securities

The following table sets out compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company or a subsidiary of the Company, to each applicable NEO and director, in any capacity, for each of the Company’s financial years ended October 31, 2021 and 2020.

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
ANDREW POLLARD <sup>(1)</sup> CEO, President and Director	2021	230,000 <sup>(2)</sup>	120,525	Nil	<sup>(8)</sup>	Nil	350,525
	2020	180,000 <sup>(2)</sup>	107,000	Nil	<sup>(8)</sup>	Nil	287,000
RANDIP S. MINHAS CFO	2021	137,745 <sup>(3)</sup>	39,278	Nil	<sup>(9)</sup>	Nil	177,023
	2020	33,000 <sup>(3)</sup>	30,000	Nil	<sup>(9)</sup>	Nil	63,000
WILLIAM (BILL) HOWALD Executive Chairman of the Board and Director	2021	236,902 <sup>(4)</sup>	118,790	Nil	<sup>(9)</sup>	Nil	355,692
	2020	214,107 <sup>(4)</sup>	118,273	Nil	<sup>(9)</sup>	Nil	332,380
DAVID LAING <sup>(5)</sup> Director	2021	Nil	Nil	Nil	<sup>(9)</sup>	Nil	Nil
	2020	Nil	Nil	Nil	<sup>(9)</sup>	Nil	Nil
JOHN SEABERG Former Director	2021	Nil	Nil	Nil	<sup>(9)</sup>	Nil	Nil
	2020	Nil	Nil	Nil	<sup>(9)</sup>	Nil	Nil
DANIEL VICKERMAN <sup>(6)</sup> Senior Vice President of Corporate Development and Director	2021	70,500 <sup>(7)</sup>	37,175	Nil	<sup>(9)</sup>	Nil	107,675
	2020	Nil	Nil	Nil	<sup>(9)</sup>	Nil	Nil
ANTONY WOOD Director	2021	Nil	Nil	Nil	<sup>(9)</sup>	Nil	Nil
	2020	Nil	Nil	Nil	<sup>(9)</sup>	Nil	Nil

(1) Mr. Pollard was not paid any compensation for his role as director of the Company.

(2) Amount paid as a consulting fee to Pollard Mining Recruitment Group Ltd. (“PMR”), a consulting company controlled by Mr. Pollard. See “Employment, Consulting and Management Agreements” for further details.

(3) Amount includes compensation paid directly to Mr. Minhas and fees paid to Minhas Consulting Corp., a consulting company controlled by Mr. Minhas.

(4) Amount paid as a consulting fee to Tanadog Management and Technical Services Inc. (“Tanadog”), a consulting company controlled by Mr. Howald. See “Employment, Consulting and Management Agreements” for further details. All amounts were paid in United States dollars by monthly instalments and, for the purposes hereof, have been converted from United States currency to Canadian currency based on the Bank of Canada closing exchange rate applicable at the time of each monthly payment.

(5) Mr. Laing was appointed a director of the Company on April 3, 2020.

(6) Mr. Vickerman was appointed a director of the Company on August 7, 2020 and was appointed Senior Vice President of Corporate Development of the Company on February 24, 2021.

(7) Amount paid as a consulting fee to Silver Green Resources, SLU (“Silver Green”), a consulting company controlled by Mr. Vickerman. See “Employment, Consulting and Management Agreements” for further details.

(8) Perquisites that are not generally available to all employees did not exceed 10% of the NEO's total salary for the financial year.

(9) Perquisites that are not generally available to all employees did not exceed \$15,000.

### External Management Companies

See "Employment, Consulting and Management Agreements" for a description of the Company's management agreements with Tanadog, a consulting company controlled by William C. Howald, PMR, a consulting company controlled by Andrew Pollard and Silver Green, a consulting company controlled by Daniel Vickerman.

### Stock Options and Other Compensation Securities

The following table discloses all compensation securities granted or issued to each NEO and director by the Company or one of its subsidiaries in the financial year ended October 31, 2021 for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries and the total amount of compensation securities held as at the Company's financial year end of October 31, 2021.

<i>Compensation Securities</i>								
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class <sup>(1)</sup>	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date	Total amount of compensation securities held as at October 31, 2021
ANDREW POLLARD CEO, President and Director	Options <sup>(2)</sup>	375,000	Feb 24, 2021	0.91	0.90	1.01	Feb 24, 2026	Options – 2,100,000
		225,000	Oct 4, 2021	0.79	0.78	1.01	Oct 4, 2026	
	RSUs <sup>(3)(4)</sup>	73,400	Jan 18, 2021	N/A	N/A	1.01	Jan 18, 2024	RSUs – 180,734
		50,000	July 16, 2021	N/A	N/A	1.01	July 16, 2024	
RANDIP S. MINHAS CFO	Options <sup>(2)</sup>	275,000	Feb 24, 2021	0.91	0.90	1.01	Feb 24, 2026	Options – 1,125,000
		175,000	Oct 4, 2021	0.79	0.78	1.01	Oct 4, 2026	
	RSUs <sup>(3)(4)</sup>	40,000	Jan 18, 2021	N/A	N/A	1.01	Jan 18, 2024	RSUs – 86,667
		20,000	July 16, 2021	N/A	N/A	1.01	July 16, 2024	
WILLIAM (BILL) HOWALD Executive Chairman of the Board and Director	Options <sup>(2)</sup>	375,000	Feb 24, 2021	0.91	0.90	1.01	Feb 24, 2026	Options – 1,850,000
		225,000	Oct 4, 2021	0.79	0.78	1.01	Oct 4, 2026	
	RSUs <sup>(3)(4)</sup>	73,400	Jan 18, 2021	N/A	N/A	1.01	Jan 18, 2024	RSUs – 180,734
		50,000	July 16, 2021	N/A	N/A	1.01	July 16, 2024	
DAVID LAING Director	Options <sup>(2)</sup>	225,000	Feb 24, 2021	0.91	0.90	1.01	Feb 24, 2026	Options – 875,000
		150,000	Oct 4, 2021	0.79	0.78	1.01	Oct 4, 2026	
	RSUs <sup>(3)(4)</sup>	60,000	Jan 18, 2021	N/A	N/A	1.01	Jan 18, 2024	RSUs – 136,667
		50,000	July 16, 2021	N/A	N/A	1.01	July 16, 2024	
JOHN SEABERG Former Director	Options <sup>(2)</sup>	225,000	Feb 24, 2021	0.91	0.90	1.01	Feb 24, 2026	Options – 990,000
		150,000	Oct 4, 2021	0.79	0.78	1.01	Oct 4, 2026	

**Compensation Securities**

Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class <sup>(1)</sup>	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date	Total amount of compensation securities held as at October 31, 2021
	RSUs <sup>(3)(4)</sup>	60,000	Jan 18, 2021	N/A	N/A	1.01	Jan 18, 2024	RSUs – 136,667
		50,000	July 16, 2021	N/A	N/A	1.01	July 16, 2024	
ANTONY WOOD Director	Options <sup>(2)</sup>	225,000	Feb 24, 2021	0.91	0.90	1.01	Feb 24, 2026	Options – 1,230,000
		150,000	Oct 4, 2021	0.79	0.78	1.01	Oct 4, 2026	
	RSUs <sup>(3)(4)</sup>	60,000	Jan 18, 2021	N/A	N/A	1.01	Jan 18, 2024	RSUs – 136,667
		50,000	July 16, 2021	N/A	N/A	1.01	July 16, 2024	
ANDREW KAIP Director	Options <sup>(2)</sup>	200,000	Oct 4, 2021	0.79	0.78	1.01	Oct 4, 2026	Options – 200,000
DANIEL VICKERMAN Senior Vice President of Corporate Development and Director	Options <sup>(2)</sup>	400,000	Feb 24, 2021	0.91	0.90	1.01	Feb 24, 2026	Options – 825,000
		175,000	Oct 4, 2021	0.79	0.78	1.01	Oct 4, 2026	
	RSUs <sup>(3)(4)</sup>	60,000	Jan 18, 2021	N/A	N/A	1.01	Jan 18, 2024	RSUs – 110,000
		50,000	July 16, 2021	N/A	N/A	1.01	July 16, 2024	

- (1) The numbers under this column represent the number of options and restricted share units (“RSUs”) and the same number of Common Shares underlying the related options and RSUs.
- (2) All stock options (“Options”) were fully vested on the date of grant.
- (3) RSUs granted on January 18, 2021 vest as to one-third on each of January 18, 2022, January 18, 2023, and January 18, 2024.
- (4) RSUs granted on July 16, 2021 vest as to one-third on each of July 16, 2022, July 16, 2023, and July 16, 2024.

No compensation security had been repriced, cancelled and replaced, had its term extended, or otherwise been materially modified, in the Company’s financial year ended October 31, 2021.

There are no restrictions or conditions for converting, exercising, or exchanging the compensation securities.

Except as set out in the following table, no NEO or director of the Company exercised any compensation security during the financial year ended October 31, 2021.

Name and position	Exercise of Compensation Securities by Directors and NEOs						
	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price of security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
William (Bill) Howald, Executive Chairman of the Board and Director	Options	500,000	0.05	Sept 22, 2021	0.82	0.77	410,000
Andrew Pollard, CEO	Options	100,000	0.05	Nov 27, 2020	0.65	0.60	65,000

## Stock Option Plans and Other Incentive Plans

### *Omnibus Equity Incentive Compensation Plan*

On October 3, 2022 the Board adopted an Omnibus Equity Incentive Compensation Plan (the “**Omnibus Plan**”) to replace both the Company’s current stock option plan (the “**Stock Option Plan**”) which had been adopted by the Board on July 15, 2016 and first approved by the shareholders of the Company on July 15, 2016, and the Company’s restricted share unit plan (the “**RSU Plan**”) which had been adopted by the Board on July 20, 2020 and first approved by the shareholders of the Company on November 20, 2020. The Omnibus Plan is subject to and will take effect upon the approval of the Company’s shareholders at the Meeting. The Omnibus Plan provides flexibility to the Company to grant equity-based incentive awards in the form of Options, RSUs, deferred share units (“**DSUs**”), performance share units (“**PSUs**”) and other share-based awards described in detail below. If the Omnibus Plan is approved by shareholders at the Meeting, all future grants of equity-based awards will be made pursuant to, or as otherwise permitted by, the Omnibus Plan, and no further equity-based awards will be made pursuant to the Company’s current Stock Option Plan or RSU Plan.

The purpose of the Omnibus Plan is to advance the interests of the Company and its subsidiaries by: (a) assisting the Company and its subsidiaries in attracting and retaining individuals with experience and ability; (b) allowing certain directors, executive officers, key employees and consultants of the Company and its subsidiaries to participate in the long term success of the Company; and (iii) promoting a greater alignment of interests between the directors, executive officers, key employees and consultants designated under the Omnibus Plan and the shareholders of the Company.

The following is a summary of the principal terms of the Omnibus Plan, which is qualified in its entirety by reference to the text of the Omnibus Plan, a copy of which is attached as Schedule “A” to this Information Circular. For the purposes of the description of the Omnibus Plan below, unless otherwise defined herein, capitalized terms shall have the meanings ascribed thereto in the Omnibus Plan.

The Omnibus Plan is a “rolling up to 10% and fixed up to 10%” Security Based Compensation Plan, as defined in Policy 4.4 - Security Based Compensation (“**Policy 4.4**”) of the TSX Venture Exchange (“**TSX-V**”). The Omnibus Plan is a: (a) “rolling” plan pursuant to which the number of Common Shares that are issuable pursuant to the exercise of Options granted under the Omnibus Plan, and the Stock Option Plan, shall not exceed ten percent (10%) of the issued and outstanding Common Shares as at the date of any Option grant; and (b) “fixed” plan under which the number of Common Shares that are issuable pursuant to all Awards (as defined herein) other than Options granted under the Omnibus Plan and under any other security based compensation plan of the Company, in aggregate is a maximum of ten percent (10%) of the issued and outstanding Common Shares as at the Record Date (the “**Award Cap**”) (which number is fixed at 17,870,922 Common Shares, subject to adjustment as provided in the Omnibus Plan).

### *Purpose*

The purpose of the Omnibus Plan is to: (a) promote a significant alignment between officers and employees of the Company and its Affiliates and the growth objectives of the Company; (b) to associate a portion of participating employees’ compensation with the performance of the Company over the long term; and (c) to attract, motivate and retain the critical employees to drive the business success of the Company.

### *Types of Awards*

The Omnibus Plan provides for the grant of Options, RSUs, DSUs, PSUs and other share-based awards (each an “**Award**” and collectively, the “**Awards**”). All Awards are granted by an agreement or other instrument or document evidencing the Award granted under the Omnibus Plan (an “**Award Agreement**”).

### *Plan Administration*

The Plan is administered by the Board which may delegate its authority to the Compensation Committee or any other duly authorized committee of the Board appointed by the Board to administer the Omnibus Plan (the “**Committee**”). Subject to the terms of the Omnibus Plan, applicable law and the rules of the TSX-V, the Board (or its delegate) has the power and authority to:

- (a) select Award recipients;
- (b) establish all Award terms and conditions, including grant, exercise price, issue price and vesting terms;
- (c) determine Performance Goals applicable to Awards and whether such Performance Goals have been achieved;

- (d) make adjustments under Section 4.10 of the Omnibus Plan (subject to Article 14 of the Omnibus Plan); and
- (e) adopt modifications and amendments, or sub-plans to the Omnibus Plan or any Award Agreement, including, without limitation, any that are necessary or appropriate to comply with the laws or compensation practices of the jurisdictions in which the Company and its Affiliates operate.

### ***Shares Available for Awards***

Subject to adjustments as provided for under the Omnibus Plan, the maximum number of Common Shares of the Company available for issuance under the Omnibus Plan will not exceed ten percent (10%) of the Company's issued and outstanding Common Shares, less the number of Common Shares reserved for issuance under all other security-based compensation arrangements of the Company, as defined in the Omnibus Plan and provided further that the maximum number of RSUs, DSUs, PSUs and other share-based awards (other than Options) that may be issued under the Omnibus Plan shall be fixed at the Award Cap.

For greater certainty, any RSUs, DSUs, PSUs or other share-based awards that are granted under the Omnibus Plan will reduce the corresponding number of Options available for grant under the Omnibus Plan.

Subject to the Award Cap, the Omnibus Plan is considered to be a "rolling" plan as Common Shares of the Company covered by Options (but not other Awards) which have been exercised or settled, as applicable, will be available for subsequent grant under the Omnibus Plan and the number of Options (but not other Awards) that may be granted under the Plan increases if the total number of issued and outstanding Common Shares of the Company increases.

The number of Common Shares issuable to Insiders, at any time, under all security-based compensation arrangements of the Company may not exceed ten percent (10%) of the Corporation's issued and outstanding Common Shares. The number of Common Shares issued to Insiders within any one-year period, under all security-based compensation arrangements of the Company may not exceed ten percent (10%) of the Company's issued and outstanding Common Shares.

### ***Eligible Persons***

Any Director, Officer, Employee, Management Company Employee or Consultant (as such terms are defined in the Omnibus Plan) of the Company or any of its subsidiaries shall be eligible to be selected to receive an Award under the Omnibus Plan (the "**Eligible Persons**").

### ***Limits for Individuals***

Unless the Company has obtained the requisite disinterested shareholder approval pursuant to Policy 4.4, the maximum aggregate number of Common Shares that are issuable pursuant to all security based compensation granted or issued in any 12 month period to any one person must not exceed 5% of the Issued Shares of the Company, calculated as at the date any security based compensation is granted or issued to the person, except that securities that are expressly permitted and accepted by the TSX-V for filing under Part 6 of Policy 4.4 shall not be included in calculating this 5% limit.

### ***Limits for Consultants***

The maximum aggregate number of Common Shares that are issuable pursuant to all security based compensation granted or issued in any 12 month period to any one Consultant must not exceed 2% of the Issued Shares of the Company, calculated as at the date any security based compensation is granted or issued to the Consultant, except that securities that are expressly permitted and accepted for filing under Part 6 of Policy 4.4 shall not be included in calculating this 2% limit.

### ***Limits for Investor Relations Service Providers***

- (a) The maximum aggregate number of Common Shares that are issuable pursuant to all Options granted in any 12 month period to all Investor Relations Service Providers in aggregate shall not exceed 2% of the Issued Shares of the Company, calculated as at the date any Option is granted to any such Investor Relations Service Provider.
- (b) Options granted to any Investor Relations Service Provider shall vest in stages over a period of not less than 12 months such that:
  - (i) no more than 1/4 of the Options vest no sooner than three months after the Options were granted;

- (ii) no more than another 1/4 of the Options vest no sooner than six months after the Options were granted;
- (iii) no more than another 1/4 of the Options vest no sooner than nine months after the Options were granted; and
- (iv) the remainder of the Options vest no sooner than 12 months after the Options were granted.

### ***Blackout Period***

In the event that the expiry date of any Award would otherwise occur in a Blackout Period or within ten days of the end of the Blackout Period, the expiry date shall be extended to the tenth business day following the last day of a Blackout Period. A “Blackout Period” is defined as a period during which a Participant cannot sell Common Shares, due to applicable law or policies of the Company in respect of insider trading.

### ***Vesting***

All Awards, other than an Option, may not vest before one year from the date of grant of the Award.

### ***Description of Awards and Effect of Termination on Awards***

#### Options

Subject to the provisions of the Omnibus Plan, the Board or the Committee, will be permitted to grant options under the Omnibus Plan. An Option entitles a holder to purchase a Common Share of the Company at an exercise price set at the time of the grant. Options vest over a period of time as established by the Board from time to time. The term of each Option will be fixed by the Board or the Committee, but may not exceed 10 years from the date of grant. Under no circumstances will the Company issue options at less than the TSXV Market Price. “TSXV Market Price” is defined as the closing price of the Common Shares on the TSX-V on the last Trading Day preceding the date on which the grant of Options is approved by the Board.

Options granted pursuant to the Omnibus Plan shall be exercisable at such times and on the occurrence of such events, and be subject to such restrictions and conditions, as the Committee shall in each instance approve, which need not be the same for each grant or for each Participant. Without limiting the foregoing, the Committee may, in its sole discretion, permit the exercise of an Option through either:

- (a) a cashless exercise (a “**Cashless Exercise**”) mechanism, whereby:
  - (i) a sufficient number of the Common Shares issued upon exercise of the Options will be sold by a designated broker on behalf of and for the benefit of the Participant to satisfy the Option Price of the Options; and
  - (ii) the Option Price of the Options will be delivered to the Company and the Participant will receive only the remaining unsold Common Shares from the exercise of the Options and the net proceeds of the sale after deducting (A) the Option Price of the Options, (B) applicable taxes and (C) any applicable fees and commissions, all as determined by the Committee from time to time; or
- (b) a net exercise (a “**Net Exercise**”) mechanism, whereby Options, excluding Options held by any Investor Relations Service Provider, are exercised without the Participant making any cash payment so the Company does not receive any cash from the exercise of the subject Options, and instead the Participant receives only the number of underlying Common Shares that is the equal to the quotient obtained by dividing:
  - (i) the product of the number of underlying Common Shares subject to the Options being exercised multiplied by the difference between the VWAP of the underlying Common Shares and the exercise price of the subject Options; by
  - (ii) the VWAP of the underlying Common Shares.

If a Participant dies while an Employee, Director of, or Consultant to, the Company or an Affiliate: (a) the executor or administrator of the Participant’s estate may exercise Options of the Participant equal to the number of Options that were exercisable at the Termination Date (as defined herein); (b) the right to exercise such Options terminates on the earlier of: (i) the date that is 12 months after the Termination Date; and (ii) the date on which the exercise period of the particular Option expires. Any Options held by the

Participant that are not yet vested at the Termination Date immediately expire and are cancelled and forfeited to the Corporation on the Termination Date; and (c) such Participant's eligibility to receive further grants of Options under the Plan ceases as of the Termination Date.

If a Participant ceases to be eligible to be a Participant under the Omnibus Plan as a result of their termination for Cause, then all Options held by the Participant, whether vested or not, as at the Termination Date shall automatically and immediately expire and are cancelled and forfeited to the Corporation on the Termination Date.

Except as may otherwise be set out in a Participant's employment agreement, where a Participant's employment or term of office or engagement terminates (for any reason other than death or for Cause, then: (a) any Options held by the Participant that are exercisable at the Termination Date continue to be exercisable by the Participant until the earlier of: (i) the date that is three months after the Termination Date; and (ii) the date on which the exercise period of the particular Option expires,, or such date as is otherwise determined by the Board; (b) any Options held by the Participant that are not yet vested at the Termination Date immediately expire and are cancelled and forfeited to the Company on the Termination Date; and (c) the eligibility of a Participant to receive further grants under the Omnibus Plan ceases as of the date that the Company or an Affiliate, as the case may be, provides the Participant with written notification that the Participant's employment or term of office or engagement, is terminated, notwithstanding that such date may be prior to the Termination Date.

For the purposes of the foregoing section, the term "Termination Date" means, in the case of a Participant whose employment or term of office or engagement with the Company or an Affiliate terminates: (a) by reason of the Participant's death, the date of death; (b) by reason of termination for Cause or resignation by the Participant, the Participant's last day actively at work for or actively engaged by the Company or an Affiliate; (c) for any reason whatsoever other than death or termination for Cause, the later of (i) the date of the Participant's last day actively at work for or actively engaged by the Company or the Affiliate, as the case may be, and (ii) the last date of the Notice Period; and (d) the resignation of a Director and the expiry of a Director's term on the Board without re-election (or nomination for election) shall each be considered to be a termination of their term of office.

#### Restricted Share Units

Subject to the provisions of the Omnibus Plan, the Board or the Committee will be permitted to grant RSUs under the Omnibus Plan. An RSU is an award denominated in units that does not vest until after a specified period of time, or satisfaction of other vesting conditions as determined by the Board, or the Committee, and which may be forfeited if conditions to vesting are not met, and provides the holder thereof with a right to receive Common Shares upon settlement of the Award, subject to any such restrictions that the Board or the Committee may impose.

The Board, in its discretion, may award dividend equivalents with respect to Awards of RSUs. Such dividend equivalent entitlements if any, will be credited to the Participant in additional RSUs and shall be subject to the same terms and conditions (including vesting and Period(s) of Restriction) as the RSUs in respect of which such additional RSUs are credited. Any additional RSUs credited to the Participant as dividend equivalents will vest in proportion to and will be paid under the Omnibus Plan in the same manner as the RSUs to which they relate. In the event that the Participant's RSUs do not vest or are cancelled or otherwise expire, all RSUs credited as dividend equivalents in respect thereof, if any, will be immediately cancelled and forfeited to the Company without payment.

When and if RSUs (including RSUs credited as dividend equivalents) become vested, such RSUs ("**Vested RSUs**") shall be settled as soon as reasonably practicable following the Vesting Date. Unless the Award Agreement specifies otherwise, the Company shall settle each Vested RSU then being settled by means of: (a) a cash payment equal to the FMV on the Vesting Date of a Share; (b) the issuance of a Common Share from treasury; or (c) if more than one Vested RSU is being settled, a combination of cash and Common Shares under (a) and (b), as determined by the Committee at its sole discretion and subject to any tax withholding obligations in accordance with the Omnibus Plan.

If a Participant dies while an Employee, Director of, or Consultant to, the Company or an Affiliate: (a) any RSUs held by the Participant that have not vested as at the Termination Date (as defined herein) shall be deemed to have vested immediately prior to the Termination Date; (b) any RSUs held by the Participant that have vested (including RSUs vested in accordance with subsection (a) herein) as at the Termination Date, shall be paid to the Participant's estate in accordance with the terms of the Omnibus Plan and Award Agreement; and (c) such Participant's eligibility to receive further grants of RSUs under the Omnibus Plan ceases as of the Termination Date.

If a Participant ceases to be eligible to be a Participant under the Omnibus Plan as a result of their termination for Cause, then all RSUs held by the Participant, whether vested or not, as at the Termination Date shall automatically and immediately expire and are cancelled and forfeited to the Company on the Termination Date.

Unless determined otherwise by the Committee, or as may otherwise be set out in a Participant's employment agreement, where a Participant's employment or term of office or engagement terminates for any reason other than death or for Cause, then: (a) any RSUs held by the Participant that have vested before the Termination Date shall be paid to the Participant; (b) any RSUs held by the Participant that are not yet vested at the Termination Date will be immediately cancelled and forfeited to the Corporation on the Termination Date; (c) the eligibility of a Participant to receive further grants under the Omnibus Plan ceases as of the date that the Company or an Affiliate provides the Participant with written notification that the Participant's employment or term of office or engagement, is terminated, notwithstanding that such date may be prior to the Termination Date; and (d) any settlement or redemption of any RSUs shall occur within one year following the Termination Date.

For the purposes of the foregoing section, the term "Termination Date" means, in the case of a Participant whose employment or term of office or engagement with the Company or an Affiliate terminates: (a) by reason of the Participant's death, the date of death; (b) by reason of termination for Cause or resignation by the Participant, the Participant's last day actively at work for or actively engaged by the Company or an Affiliate; (c) for any reason whatsoever other than death or termination for Cause, the later of (i) the date of the Participant's last day actively at work for or actively engaged by the Company or the Affiliate, and (ii) the last date of the Notice Period; and; (d) the resignation of a Director and the expiry of a Director's term on the Board without re-election (or nomination for election) shall each be considered to be a termination of their term of office.

#### Deferred Share Units

Subject to the provisions of the Omnibus Plan, the Board or the Committee will be permitted to grant DSUs to Participants under the Omnibus Plan. A DSU is an award denominated in units that provides the holder thereof with a right to receive Common Shares upon settlement of the Award, subject to any such restrictions that the Board or its delegate may impose.

The Board, in its discretion, may award dividend equivalents with respect to Awards of DSUs. Such dividend equivalent entitlements if any, will be credited to the Participant in additional DSUs and shall be subject to the same terms and conditions (including vesting) as the DSUs in respect of which such additional DSUs are credited. Any additional DSUs credited to the Participant as dividend equivalents will vest in proportion to and will be paid under the Omnibus Plan in the same manner as the DSUs to which they relate. In the event that the Participant's DSUs do not vest or are cancelled or otherwise expire, all DSUs credited as dividend equivalents in respect thereof, if any, will be immediately cancelled and forfeited to the Company without payment.

No amount may be received in respect of a DSU until after the Termination Date (as defined herein) of the Participant. If the Termination Date of a Participant occurs as a result of a termination of a Participant for Cause, all outstanding DSUs credited to such Participant (whether or not vested) shall be forfeited and cancelled immediately, and the Participant shall have no entitlement to receive any payment in respect of such forfeited DSUs. If the Termination Date of a Participant occurs as a result of the death of a Participant, all DSUs credited to such Participant at such time that have not yet vested pursuant to the terms of the Omnibus Plan shall be deemed to vest in the moment immediately prior to the Participant's death. As soon as reasonably practicable after the Termination Date of a Participant for a reason other than Cause, or as the Participant may elect (as described below), and in any event, no later than December 15 of the first calendar year commencing after the Termination Date, the Company shall redeem and fully settle each DSU in respect of which all vesting and other conditions to redemption and settlement have been met, deemed to have been met or waived by the Committee on or before the Termination Date (such settlement date being a "**Redemption Date**").

If the Termination Date of a Participant occurs for a reason other than Cause, except as otherwise provided in the Omnibus Plan, after the Termination Date, the Participant (or their estate) may elect up to three separate Redemption Dates as of which either a portion or all of the value of the Participant's DSUs shall be redeemed and settled.

For the purposes of the foregoing section, the term "Termination Date" means the earliest of the following dates: (a) the date of the Participant's death; and (b) the date on which a Participant ceases to hold any position as a Director, Officer or Employee with the Company or any related entity, and, for greater certainty, shall not be before the time of the Participant's retirement from, or loss of, such office or employment with the Company or any related entity under applicable law.

#### Performance Share Units

Subject to the provisions of the Omnibus Plan, the Board or the Committee may grant performance-based Awards in the form of PSUs under the Omnibus Plan that are subject to specified performance criteria (each a "**Performance Goal**"). The Performance Goals may be based upon the achievement of corporate, divisional or individual goals, and may be applied relative to performance relative to an index or comparator group, or on any other basis determined by the Committee. The Committee may modify the Performance Goals as necessary to align them with the Company's corporate objectives, subject to any limitations set forth in an Award Agreement or an

employment or other agreement with a Participant. A PSU is an Award denominated in units that does not vest until the performance criteria it is subject to are met, the value of which at the time it is payable is determined as a function of the extent to which corresponding performance criteria have been achieved and provides the holder thereof with a right to receive Common Shares upon settlement of the Award, subject to any such restrictions that the Board or its delegate may impose. The Performance Goals may include a threshold level of performance below which no payment will be made (or no vesting will occur), levels of performance at which specified payments will be made (or specified vesting will occur), and a maximum level of performance above which no additional payment will be made (or at which full vesting will occur), all as set forth in the applicable Award Agreement.

The Board, in its discretion, may award dividend equivalents with respect to Awards of PSUs. Such dividend equivalent entitlements if any, will be credited to the Participant in additional PSUs and shall be subject to the same terms and conditions (including vesting, Performance Goals and Performance Period) as the PSUs in respect of which such additional PSUs are credited. Any additional PSUs credited to the Participant as dividend equivalents will vest in proportion to and will be paid under the Omnibus Plan in the same manner as the PSUs to which they relate. In the event that the Participant's PSUs do not vest or are cancelled or otherwise expire, all RSUs credited as dividend equivalents in respect thereof, if any, will be immediately cancelled and forfeited to the Company without payment.

If PSUs (including PSUs credited as a dividend equivalents) become vested and the applicable Performance Goals have been met on or before the end of the Performance Period, such PSUs ("**Vested PSUs**") shall be settled as soon as reasonably practicable following the end of the applicable Performance. Unless the Award Agreement specifies otherwise, the Company shall settle each Vested PSU then being settled by means of: (a) a cash payment equal to the FMV on the Vesting Date of a Common Share; (b) the issuance of a Share from treasury; or (c) if more than one Vested PSU is being settled, a combination of cash under (a) and Shares under (b), as determined by the Committee at its sole discretion and subject to any tax withholding obligations in accordance with Omnibus Plan.

If a Participant dies while an Employee, Director of, or Consultant to, the Company or an Affiliate: (a) the number of PSUs held by the Participant that have not vested shall be adjusted as set out in the applicable Award Agreement (collectively referred to as "**Deemed Awards**"); (b) any Deemed Awards shall be deemed to vest in the moment immediately prior to the death of the Participant; (c) the Performance Period in respect of any PSUs held by the Participant that have vested at the time of death (including Deemed Awards vested in accordance with subsection (b) herein) shall be deemed to end immediately upon the death of the Participant and shall be paid to the Participant's estate in accordance with the terms of the Plan and Award Agreement; (c) any settlement or redemption of any PSUs shall occur within one year following the Termination Date; and (d) such Participant's eligibility to receive further grants of PSUs under the Omnibus Plan ceases as of the Termination Date (as defined herein).

If a Participant ceases to be eligible to be a Participant under the Omnibus Plan as a result of their termination for Cause, then all PSUs held by the Participant, whether vested or not, as at the Termination Date shall automatically and immediately expire and are cancelled and forfeited to the Company on the Termination Date.

Unless determined otherwise by the Committee, or as may otherwise be set out in a Participant's employment agreement, where a Participant's employment or term of office or engagement terminates for any reason other than death or for Cause, then: (a) the Performance Period in respect of any PSUs held by the Participant that have vested before the Termination Date shall be deemed to end immediately upon the Termination Date of the Participant and shall be paid to the Participant in accordance with the terms of the Omnibus Plan and Award Agreement, and any PSUs held by the Participant that are not yet vested at the Termination Date will be immediately cancelled and forfeited to the Company on the Termination Date; (b) the eligibility of a Participant to receive further grants under the Omnibus Plan ceases as of the date that the Company or an Affiliate provides the Participant with written notification that the Participant's employment or term of office or engagement, is terminated, notwithstanding that such date may be prior to the Termination Date; and (c) any settlement or redemption of any PSUs shall occur within one year following the Termination Date.

For the purposes of the foregoing section, the term "Termination Date" means, in the case of a Participant whose employment or term of office or engagement with the Company or an Affiliate terminates: (a) by reason of the Participant's death, the date of death; (b) by reason of termination for Cause or resignation by the Participant, the Participant's last day actively at work for or actively engaged by the Company or an Affiliate; (c) for any reason whatsoever other than death or termination for Cause, the later of (i) the date of the Participant's last day actively at work for or actively engaged by the Company or the Affiliate, and (ii) the last date of the Notice Period; and; (d) the resignation of a Director and the expiry of a Director's term on the Board without re-election (or nomination for election) shall each be considered to be a termination of their term of office.

### ***Change of Control***

In the event of a Change of Control (as described in the Omnibus Plan), unless otherwise provided in an Award Agreement, the Board or the Committee shall have the discretion to unilaterally accelerate the vesting of or the Performance Period applicable to, and waive

Performance Goals or other conditions applicable to outstanding Awards in order to assist Participants to tender into a takeover bid or participate in any other transaction causing a Change of Control. For greater certainty, in the event of a takeover-bid or any other transaction leading to a Change of Control, the Committee shall have the power, in its sole discretion to:

- (a) provide that any or all Awards shall terminate upon the occurrence of the Change of Control;
- (b) permit Participants to conditionally exercise or redeem vested Awards at such time or times as is necessary to allow Participants to tender into or participate in the Change of Control;
- (c) deem any exercise or redemption that was conditional on the consummation of the Change of Control to be null, void and of no effect; and
- (d) reinstate the original terms of any applicable Awards that were subject to conditional exercise or redemption in the event that the consummation of the Change of Control does not occur.

If the Company completes a transaction constituting a Change of Control and within twelve (12) months following the Change of Control a Participant who was also an Officer or Employee of the Corporation prior to the Change of Control has their employment agreement terminated, then:

- (a) all unvested Options granted to such Participant shall immediately vest and become exercisable, and remain open for exercise until the earlier of (i) the expiry date as set out in the applicable Award Agreement, and (ii) the date that is 90 days after such termination or dismissal; and
- (b) all unvested RSUs, PSUs or other share-based Awards of the Participant shall become vested, and the date immediately prior to such Participant's termination date shall be deemed to be the Vesting Date and the end of the applicable Performance Period.

#### ***Term of the Omnibus Plan***

The Omnibus Plan will commence as of the Effective Date and shall remain in effect until terminated by the Board in accordance with the terms of the Omnibus Plan.

#### ***Assignability***

Except as may be permitted by the Board or the Committee or as specifically provided in an Award Agreement, no Award or other benefit payable under the Omnibus Plan shall, except as otherwise specifically provided by law or permitted by the Board or its delegate, be transferred, sold, assigned, pledged or otherwise disposed in any manner other than by will or the law of descent.

#### ***Amendment***

The Committee may from time to time, without notice and without approval of the holders of voting shares of the Company, amend, modify, change, suspend or terminate the Omnibus Plan or any Awards granted pursuant to the Plan as it, in its discretion determines appropriate, provided, however, that no such amendment, modification, change, suspension or termination of the Omnibus Plan or any Awards granted thereunder may materially impair any rights of a Participant or materially increase any obligations of a Participant under the Omnibus Plan without the consent of the Participant, unless the Committee determines such adjustment is required or desirable in order to comply with any applicable securities laws or TSX-V requirements. Without limiting the generality of the foregoing, may, without shareholder approval, at any time or from time to time, amend the Plan for the purposes of:

- (a) making any amendments to add covenants of the Company for the protection of Participants, as the case may be, provided that the Committee shall be of the good faith opinion that such additions will not be prejudicial to the rights or interests of the Participants, as the case may be;
- (b) making any amendments not inconsistent with the Omnibus Plan as may be necessary or desirable with respect to matters or questions which, in the good faith opinion of the Board, it may be expedient to make, including amendments that are desirable as a result of changes in law, as a "housekeeping" matter or in order to conform the Omnibus Plan with applicable law; or

- (c) making such changes or corrections which, on the advice of counsel to the Company, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error, provided that the Committee shall be of the opinion that such changes or corrections will not be prejudicial to the rights and interests of the Participants.

Subject to any rules of the TSX-V, shareholder approval shall be required for any amendment, modification or change to the Omnibus Plan that:

- (a) increases the percentage of Common Shares reserved for issuance under the Plan, except pursuant to certain provisions of the Omnibus Plan which permit the Committee to make certain adjustments in the event of transactions affecting the Company or its capital;
- (b) amends an amending provision within the Omnibus Plan;
- (c) reduces the Option Price of an Option (for this purpose, a cancellation or termination of an Option of a Participant prior to its expiry date for the purpose of reissuing an Option to the same Participant with a lower Option Price shall be treated as an amendment to reduce the Option Price of an Option) except pursuant to the provisions in the Omnibus Plan which permit the Committee to make certain adjustments in the event of transactions affecting the Company or its capital;
- (d) extends the term of an Option beyond the original expiry date (except where an expiry date falls within a Blackout Period);
- (e) amends an entitlement to an individual Award;
- (f) permits an Option to be exercisable beyond 10 years from its date of grant (except where an expiry date would have fallen within a Blackout Period);
- (g) changes the eligible Participants of the Plan;
- (h) proposes to amend any material term of this Plan, such proposed amendment having first received the approval of the majority of the Board; or
- (i) deletes or reduces the range of amendments which require shareholder approval under the amendments provision of the Omnibus Plan.

The Company is required to obtain shareholder approval on a “disinterested” basis in compliance with the applicable policies of the TSX-V in the following circumstances:

- (a) reduction of the exercise price or purchase price of an Award benefiting an Insider;
- (b) extension of the term of an Award benefiting an Insider;
- (c) any amendment to the Omnibus Plan that could result in any of the limits set forth in Sections 4.8(c), 4.8(d) and 4.8(e) of the Omnibus Plan to be exceeded; and
- (d) any individual grant or issue of an Award that would result in any of the limits set forth in Sections 4.8(c), 4.8(d) and 4.8(e) of the Omnibus Plan to be exceeded.

### ***Approval***

The Omnibus Plan is considered a “rolling up to 10% and fixed up to 10%” Omnibus Plan as defined in Policy 4.4. In accordance with TSX-V policies, the implementation of the Omnibus Plan will require shareholder approval. In addition, the TSX-V requires the Company to obtain the approval of its shareholders with respect to the “rolling” portion of the Omnibus Plan on an annual basis; however, shareholder approval of the fixed portion of the Omnibus Plan is only required if there is a proposed amendment in the number of allowable Common Shares to be granted under the fixed portion of the Omnibus Plan.

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

### ***William C. Howald, Executive Chairman and Director***

The Company entered into a professional services agreement dated May 21, 2019, which was subsequently replaced by a consulting agreement dated October 1, 2019 (the “**Tanadog Agreement**”), with Tanadog pursuant to which Tanadog provides the Company with Mr. Howald’s services as Executive Chairman and a director of the Company. In consideration for its services, the Company agreed to pay consulting fees to Tanadog (a company controlled by Mr. Howald) at an annual base rate, payable in equal monthly instalments, and subject to increases as the Board in its discretion may determine from time to time. Tanadog is also entitled to receive an annual bonus, in the Board’s discretion, and Mr. Howald is entitled to participate in the Company’s Option Plan. Pursuant to an amendment to the Tanadog Agreement effective August 1, 2020, for 2020, the annual base fee payable to Tanadog is US\$186,000 per annum and the Company paid Tanadog US\$186,000/Cdn.\$236,902 and a bonus of US\$93,847/Cdn.\$118,790 (applying the Bank of Canada closing exchange rate applicable at the time of each monthly payment and applicable at the time of the bonus payment).

The Tanadog Agreement is automatically renewable for consecutive one-year terms, subject to the right of Tanadog to terminate the Tanadog Agreement by giving three months’ written notice to the Company, and the right of the Company to terminate the Tanadog Agreement with Tanadog immediately upon notice (provided that, if such termination was for any reason other than for cause, breach of fiduciary duty, Mr. Howald’s death or incapacity, or material breach of Tanadog’s obligations thereunder, the Company shall pay to Tanadog a termination payment equal to 1 times of the then applicable base rate per annum payable to Tanadog by the Company in respect of the Company’s most recently completed financial year). If such termination were to occur as of October 31, 2021, pursuant to this provision, the Company would have paid Tanadog US\$186,000/Cdn\$230,342 (applying the Bank of Canada’s exchange rate as at October 30, 2021 of U.S.\$1.00=Cdn.\$1.2384).

The Tanadog Agreement also provides that in the event that there is a change of control of the Company and, within six months after such event, the Company delivers written notice to Tanadog terminating the Tanadog Agreement, the Company shall, upon the effective date of termination, pay to Tanadog an amount equal to two times of both the then applicable base rate per annum payable to Tanadog and any bonus paid or payable to Tanadog in respect of the Company’s most recently completed financial year. If such termination were to occur as of October 31, 2021, pursuant to this provision, the Company would have paid Tanadog US\$559,694/Cdn\$693,125 (applying the Bank of Canada’s exchange rate as at October 30, 2021 of U.S.\$1.00=Cdn.\$1.2384).

Further to the Tanadog Agreement, the Company also entered into a separate confidentiality agreement with Mr. Howald.

### ***Andrew Pollard, Chief Executive Officer and Director***

The Company entered into a consulting agreement dated May 14, 2019, which was subsequently replaced by a consulting agreement dated October 1, 2019 (the “**Pollard Agreement**”), as amended on January 1, 2021, with PMR pursuant to which PMR provides the Company with Mr. Pollard’s services as Chief Executive Officer, President and a director of the Company. In consideration for its services, the Company agreed to pay consulting fees to PMR (a company controlled by Mr. Pollard) at an annual base rate, payable in equal monthly instalments, and subject to increases as the Board in its discretion may determine from time to time. PMR is also entitled to receive an annual bonus, in the Board’s discretion, and Mr. Pollard is entitled to participate in the Company’s Option Plan. For 2021, the annual base fee payable to PMR is Cdn.\$240,000 per annum and the Company paid PMR Cdn\$230,000 and a bonus of Cdn.\$120,525.

The Pollard Agreement is automatically renewable for consecutive one-year terms, subject to the right of PMR to terminate the Pollard Agreement by giving three months’ written notice to the Company, and the right of the Company to terminate the Pollard Agreement with PMR immediately upon notice (provided that, if such termination was for any reason other than for cause, breach of fiduciary duty, Mr. Pollard’s death or incapacity, or material breach of PMR’s obligations thereunder, the Company shall pay to PMR a termination payment equal to 1 times of the then applicable base rate per annum payable to PMR by the Company in respect of the Company’s most recently completed financial year). If such termination were to occur as of October 31, 2021, pursuant to this provision, the Company would have paid PMR Cdn.\$240,000.

The Pollard Agreement also provides that in the event that there is a change of control of the Company and, within six months after such event, the Company delivers written notice to PMR terminating the Pollard Agreement, the Company shall, upon the effective date of termination, pay to PMR an amount equal to two times of both the then applicable base rate per annum payable to PMR and

any bonus paid or payable to PMR in respect of the Company's most recently completed financial year. If such termination were to occur as of October 31, 2021, pursuant to this provision, the Company would have paid PMR Cdn.\$721,050.

Further to the Pollard Agreement, the Company also entered into a separate confidentiality agreement with Mr. Pollard.

***Daniel Vickerman, Senior Vice President of Corporate Development and Director***

The Company entered into a consulting agreement dated February 14, 2021, as amended on October 1, 2021 with JasperSkye Ltd., which was subsequently replaced by a consulting agreement dated November 1, 2021 (the "**Vickerman Agreement**"), with Silver Green pursuant to which Silver Green provides the Company with Mr. Vickerman's services as Senior Vice-President, Corporate Development of the Company. In consideration for its services, the Company agreed to pay consulting fees to Silver Green (a company controlled by Mr. Vickerman) at an annual base rate, payable in equal monthly instalments, and subject to increases as the CEO, in his, or the Board in its, discretion may determine from time to time. Silver Green is also entitled to receive an annual bonus, in the Board's discretion, and Mr. Vickerman is entitled to participate in the Company's Option Plan. For 2021, the annual base fee payable to Silver Green is Cdn.\$198,000 per annum and the Company paid Silver Green Cdn.\$70,500 and a bonus of Cdn.\$37,175.

The Vickerman Agreement is automatically renewable for consecutive one-year terms, subject to the right of Silver Green to terminate the Vickerman Agreement by giving three months' written notice to the Company, and the right of the Company to terminate the Vickerman Agreement immediately upon notice (provided that, if such termination was for any reason other than for cause, breach of fiduciary duty, Mr. Vickerman's death or incapacity, or material breach of Silver Green's obligations thereunder, the Company shall pay to Silver Green a termination payment equal to 3 times of the then applicable base rate per annum payable to Silver Green by the Company in respect of the Company's most recently completed financial year). If such termination were to occur as of October 31, 2021, pursuant to this provision, the Company would have paid Silver Green Cdn.\$594,000.

The Vickerman Agreement also provides that in the event that there is a change of control of the Company and, within six months after such event, the Company delivers written notice to Silver Green terminating the Vickerman Agreement, the Company shall, upon the effective date of termination, pay to Silver Green an amount equal to 1 times of both the then applicable base rate per annum payable to Silver Green and any bonus paid or payable to Silver Green in respect of the Company's most recently completed financial year. If such termination were to occur as of October 31, 2021, pursuant to this provision, the Company would have paid Silver Green Cdn.\$235,175.

Further to the Vickerman Agreement, the Company also entered into a separate confidentiality agreement with Mr. Vickerman.

***Randip S. Minhas, Chief Financial Officer***

The Company entered into an employment agreement with Randip Minhas dated January 1, 2021 (the "**Minhas Agreement**"). Pursuant to the Minhas Agreement, the Company agreed to employ Mr. Minhas as CFO of the Company, and agreed to pay Mr. Minhas an annual base salary, subject to annual review by the Compensation Committee. Under the Minhas Agreement, Mr. Minhas is also entitled to receive an annual bonus, as determined by the Compensation Committee, and Mr. Minhas is entitled to participate in the Company's Option Plan or any other equity compensation plan of the Company. For 2021, the annual base salary payable to Mr. Minhas is Cdn.\$160,000 and the Company paid Mr. Minhas Cdn.\$137,745 and a bonus of Cdn.\$39,278.

Pursuant to the Minhas Agreement, Mr. Minhas has the right to terminate his employment under the Minhas Agreement by giving three months' notice to the Company and assisting the Company in finding a replacement CFO acceptable to the Board of Directors prior to Mr. Minhas' departure. If the Company terminates the Minhas Agreement without cause, or if Mr. Minhas leaves the Company within 6 months of a change of city from which the Company carries on business, Mr. Minhas will be entitled to 3 months of annual base salary at the time of termination, plus the pro rata amount of the previous year's annual bonus. If such termination were to occur as of October 31, 2021, pursuant to this provision, the Company would have paid Mr. Minhas Cdn.\$49,820.

The Minhas Agreement also provides that in the event that there is a change of control of the Company and, within six months after such event, the Company terminates Mr. Minhas' employment under the Minhas Agreement, then Mr. Minhas would be entitled to severance pay equal to 12 months of annual base salary, plus the pro rata amount of the previous year's annual bonus. If such termination were to occur as of October 31, 2021, pursuant to this provision, the Company would have paid Mr. Minhas Cdn.\$199,278.

The Minhas Agreement contains confidentiality and non-competition covenants in favour of the Company, which apply to the term of the employment and will continue for a specified period of time after termination.

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

The Company relies solely on recommendations made by the Compensation Committee after its review to determine compensation paid to executives and directors, without any formal objectives, criteria or analysis.

The Company uses salaries/consulting fees to compensate its executives and the compensation rate is based on what the Compensation Committee's assessment of the position's value and what similar roles would command in the market. Subsequent to the fiscal year ended October 31, 2020, the Compensation Committee hired an external consulting firm to provide the Compensation Committee with a full report of compensation within the industry. This report was the basis for determining compensation for the fiscal year ended October 31, 2021 and any compensation changes moving forward.

Overall, the Company takes a short-term, mid-term and long-term view when developing its compensation program for its employees, officers and directors. On this basis, the Company uses salaries/consulting fees as a means of providing compensation on a short-term basis, but also awards bonuses for the short-term performance of the Company.

As the Company is still in the developmental stage as a junior mining company, the Company's compensation program will rely heavily on the granting of Options, RSUs DSUs and PSUs..

The Company's mid-term and long-term incentive program is intended to align the interests of the NEOs, directors, consultants and employees with those of the Company's shareholders over the longer term and to provide a retention incentive for each NEO. This component of the compensation package consists of grants of Options to purchase Common Shares and the grant of RSUs, vesting over a three year period. If the Omnibus Plan is approved by shareholders at the meeting, the Company intends to include the grant of DSUs and PSUs to its incentive program. Numerous factors are taken into consideration by the Board in determining grants of Options, RSUs, DSUs and PSUs, including: a review of the previous grants (including value both at the current share prices and potential future prices), the remaining time to expiry, overall corporate performance, share price performance, the business environment and the role and performance of the individual in question.

See "Employment, Consulting and Management Agreements" for compensation arrangements for the Company's NEOs.

The Company has not used any peer group to determine compensation for its directors and NEOs.

There have been no significant changes to the Company's compensation policies that were made during or after the financial year ended October 31, 2021 that could or will have an effect on director or NEO compensation.

## **Pension Disclosure**

The Company does not provide a pension to any director or NEO.

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

The following table sets out information on the Company’s equity compensation plans under which Common Shares are authorized for issuance as at October 31, 2021.

**EQUITY COMPENSATION PLAN INFORMATION**

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</b>	<b>Weighted average exercise price of outstanding options, warrants and rights (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)</b>
Equity compensation plans approved by securityholders (Stock Option Plan)	11,205,000	\$0.72	2,131,246 <sup>(1)</sup>
Equity compensation plans approved by securityholders (RSU Plan)	1,043,136	N/A	
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
<b>Total</b>	12,248,136		2,131,246

(1) Based on the total number of Common Shares to be reserved and authorized for issuance pursuant to Options granted under the Stock Option Plan being 10% of the issued and outstanding Common Shares from time to time (being 14,379,382 Common Shares as at October 31, 2021) less the total number of Common Shares that may be reserved and authorized for issuance pursuant to any RSUs granted under the RSU Plan (being 2,846,400 as of October 31, 2021).

**INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

As at the date hereof, no director or executive officer of the Company, no proposed nominee for election as a director of the Company, no associate of any such director, executive officer or proposed nominee (including companies controlled by them), no employee of the Company or any of its subsidiaries, and no former executive officer, director or employee of the Company or any of its subsidiaries, is indebted to the Company or any of its subsidiaries (other than for “routine indebtedness” as defined under applicable securities legislation) or is indebted to another entity where such 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.

**INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Except as described below, no informed person (i.e. insider) of the Company, no proposed director of the Company, and no associate or affiliate of any informed person or proposed director has had any material interest, direct or indirect, in any transaction since November 1, 2020 or in any proposed transaction which has materially affected or would materially affect the Company.

On June 8, 2021, the Company completed a bought deal private placement of 13,333,334 units at \$0.75 per unit to raise proceeds of \$10,000,000.50. Each unit consisted of one Common Share and one-half of one warrant, with each whole warrant being exercisable to purchase one Common Share at \$1.15 for a period of 24 months from date of issuance. Certain insiders of the Company purchased a total of 253,339 units under this private placement as further set out in the table below:

<b>Insider Placee</b>	<b>Number of Units Purchased</b>	<b>Aggregate Purchase Price</b>
David Laing	200,000	\$150,000
Daniel Vickerman	53,339	\$40,004

On November 3, 2021, the Company completed a non-brokered private placement of 8,750,000 units at \$0.80 per unit to raise proceeds of \$7,000,000. Each unit consisted of one Common Share and one-half of one warrant, with each whole warrant being exercisable to purchase one Common Share at \$1.20 for a period of 24 months from date of issuance. Certain insiders of the Company purchased a total of 112,500 units under this private placement as further set out in the table below:

<b>Insider Placee</b>	<b>Number of Units Purchased</b>	<b>Aggregate Purchase Price</b>
Andrew Kaip	62,500	\$50,000
David Laing	50,000	\$40,000

On August 30, 2022, the Company completed a brokered private placement of 12,566,000 units at \$0.50 per unit to raise proceeds of \$6,283,000. Each unit consisted of one Common Share and one-half of one warrant, with each whole warrant being exercisable to purchase one Common Share at \$0.75 for a period of 36 months from date of issuance. An insider of the Company (an entity controlled by Mr. Pollard) purchased a total of 112,500 units under this private placement as further set out in the table below:

<b>Insider Placee</b>	<b>Number of Units Purchased</b>	<b>Aggregate Purchase Price</b>
MRG Presidents Fund	200,000	\$100,000

The insider placees participated in the above-mentioned private placements in order to assist the Company in raising the required funds to pursue its business objectives and for investment purposes. The participation of insider placees in each of the private placements received applicable disinterested directors' approval.

#### **MANAGEMENT CONTRACTS**

No management functions of the Company are to any substantial degree performed by a person other than the directors or executive officers of the Company.

#### **OMNIBUS EQUITY INCENTIVE COMPENSATION PLAN**

On November 24, 2021, the TSX-V updated their Policy 4.4 to allow for other forms of security based compensation. As a result, the Board determined it to be in the best interest of the Company to proceed with the approval of the new Omnibus Plan to replace the current Stock Option Plan and RSU Plan. A copy of the Omnibus Plan is attached as Schedule "A" to this Information Circular. See "Director and Named Executive Officer Compensation — Stock Option Plans and Other Incentive Plans — Omnibus Equity Incentive Compensation Plan" for a summary of the terms of the Omnibus Plan. Pursuant to Policy 4.4, shareholders of the Company will be asked to consider and, if deemed advisable, pass, with or without variation, an ordinary resolution, subject to regulator approval, approving the Omnibus Plan at the Meeting.

As at October 28, 2022, the Company had 10,785,000 Options outstanding under the Stock Option Plan and 943,538 RSUs outstanding under the RSU Plan. If the Omnibus Plan is approved, the outstanding Options and RSUs shall automatically convert to awards granted under the Omnibus Plan, provided however that all such outstanding Options and RSUs shall remain in force in accordance with their existing terms. If the Omnibus Plan is not approved by shareholders at the Meeting, the Stock Option Plan and RSU Plan will remain in place and the Company will seek confirmation of the Stock Option Plan in accordance with the policies of the TSX-V.

A copy of the Omnibus Plan may be obtained by sending a written request to the Corporate Secretary of the Company at the Company's head office located at 2710-200 Granville Street, Vancouver, British Columbia, V6C 1S4 or by email at [info@blackrocksilver.com](mailto:info@blackrocksilver.com).

The text of the proposed resolution to authorize, approve and adopt the Omnibus Plan (the “**Omnibus Plan Resolution**”) is as follows:

**“BE IT RESOLVED THAT:**

1. The omnibus equity incentive compensation plan (the “**Plan**”) of Blackrock Silver Corp. (the “**Company**”), the full text of which is attached as Schedule “A” to the Information Circular of the Company dated October 28, 2022 is hereby authorized, approved and adopted.
2. The number of common shares (“**Common Shares**”) of the Company reserved for issuance under the Plan, and all other security-based compensation arrangements of the Company, will be a rolling number of options issuable under the Plan for up to ten percent (10%) of the issued and outstanding Common Shares of the Company from time to time. A fixed number of other Awards (as defined in the Plan), other than options, will be issuable under the Plan for up to a maximum of 17,870,922 Common Shares, being ten percent (10%) of the issued and outstanding Common Shares of the Company as of October 20, 2022.
3. The Company is hereby authorized and directed to issue such Common Shares pursuant to the Plan as fully paid and non-assessable Common Shares.
4. The Board of Directors of the Company be authorized to make any changes to the Plan as may be required by the TSX Venture Exchange.
5. Any one director or officer of the Company is hereby authorized and directed for and on behalf of the Company to execute or cause to be executed, under the corporate seal of the Company or otherwise, and to deliver or cause to be delivered, all such other documents and instruments and to perform or cause to be performed all such other acts and things as in such person's opinion may be necessary or desirable to give full effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.”

A simple majority of the votes cast at the Meeting (in person or by proxy) is required in order to pass the Omnibus Plan Resolution.

**The Board of Directors recommends a vote “FOR” the approval of the Omnibus Plan Resolution. In the absence of a contrary instruction, the persons designated by management of the Company in the enclosed form of proxy intend to vote FOR the approval of the Omnibus Plan Resolution.**

**OTHER MATTERS**

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

## ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com).

Financial information relating to the Company is provided in the Company's comparative consolidated financial statements and management's discussion and analysis for its financial year ended October 31, 2021, which are available on SEDAR at [www.sedar.com](http://www.sedar.com) and may also be obtained by sending a written request to the Chief Executive Officer of the Company at the Company's head office located at 2710-200 Granville Street, Vancouver, British Columbia, V6C 1S4.

DATED as of the 28th day of October, 2022.

BY ORDER OF THE BOARD

*"Andrew Pollard"*

ANDREW POLLARD  
President, Chief Executive Officer and Director

**Schedule “A”**

**BLACKROCK SILVER CORP.**

**OMNIBUS EQUITY INCENTIVE COMPENSATION PLAN**

**DECEMBER 9, 2022**

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**ARTICLE 1**  
**ESTABLISHMENT, PURPOSE AND DURATION**

1.1 Establishment of the Plan.

Blackrock Silver Corp., a corporation incorporated under the laws of British Columbia (the “**Corporation**”), previously established a stock option plan which was first adopted by the directors of the Corporation on July 15, 2016 (the “**Prior Option Plan**”) and a restricted share unit plan which was first adopted by the directors of the Corporation on July 20, 2020 (the “**Prior RSU Plan**”). In order to advance the interests of the Corporation and its securityholders, the Corporation hereby establishes an incentive compensation plan to be known as the Omnibus Equity Incentive Compensation Plan (the “**Plan**”). The Plan permits the grant of Options, Restricted Share Units, Deferred Share Units, Performance Units and Other Share-Based Awards. The Plan shall be adopted and become effective on the date approved by the Board and the shareholders of the Corporation (the “**Effective Date**”), subject to the approval of the Plan by the TSX Venture Exchange (the “**TSXV**”). The Plan replaces the Prior Option Plan and the Prior RSU Plan, and all outstanding stock options and restricted share units previously granted under the Prior Option Plan and the Prior RSU Plan, as applicable, shall continue to be outstanding as awards granted under this Plan, provided however that all such outstanding stock options and restricted share units granted under the Prior Option Plan and the Prior RSU Plan shall remain in force in accordance with their existing terms.

1.2 Purpose of the Plan.

The purposes of the Plan are: (i) to promote a significant alignment between Directors, Officers and employees of the Corporation and its Affiliates and the growth objectives of the Corporation; (ii) to associate a portion of participating employees’ compensation with the performance of the Corporation over the long term; and (iii) to attract, motivate and retain the critical employees to drive the business success of the Corporation.

1.3 Duration of the Plan.

The Plan shall commence as of the Effective Date, as described in Section 1.1 herein, and shall remain in effect until terminated by the Board pursuant to ARTICLE 14 hereof.

**ARTICLE 2**  
**DEFINITIONS**

Whenever used in the Plan, the following terms shall have the respective meanings set forth below, unless the context clearly requires otherwise, and when such meaning is intended, such term shall be capitalized.

“**Affiliate**” means any corporation, partnership or other entity (a) in which the Corporation, directly or indirectly, has majority ownership interest or (b) which the Corporation controls. For the purposes of this definition, the Corporation is deemed to “control” such corporation, partnership or other entity if the Corporation possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such corporation, partnership or other entity, whether through the ownership of voting securities, by contract or otherwise, and includes a corporation

which is considered to be a subsidiary for purposes of consolidation under International Financial Reporting Standards.

**“Award”** means, individually or collectively, a grant under this Plan of Options, Deferred Share Units, Restricted Share Units, Performance Units or Other Share-Based Awards, in each case subject to the terms of this Plan.

**“Award Agreement”** means either (a) a written agreement entered into by the Corporation or an Affiliate of the Corporation and a Participant setting forth the terms and provisions applicable to Awards granted under this Plan; or (b) a written statement issued by the Corporation or an Affiliate of the Corporation to a Participant describing the terms and provisions of such Award. All Award Agreements shall be deemed to incorporate the provisions of the Plan. An Award Agreement need not be identical to other Award Agreements either in form or substance.

**“Blackout Period”** means a period of time during which the Participant cannot sell Shares, due to applicable law or policies of the Corporation in respect of insider trading.

**“Board”** or **“Board of Directors”** means the Board of Directors of the Corporation.

**“Cashless Exercise”** has the meaning given to it in Section 6.6(a).

**“Cause”** means any of:

- (a) dishonesty of the Participant as it relates to the performance of their duties in the course of their employment by, or as an Officer or Director of, the Corporation or an Affiliate;
- (b) fraud committed by the Participant;
- (c) willful disclosure of confidential or private information regarding the Corporation or an Affiliate by the Participant;
- (d) the Participant aiding a competitor of the Corporation or an Affiliate;
- (e) misappropriation of a business opportunity of the Corporation or an Affiliate by the Participant;
- (f) willful misconduct or gross negligence in the performance of the Participant’s duties under their employment agreement;
- (g) a breach by the Participant of a material provision of their employment agreement or the Code of Business Conduct and Ethics adopted by the Corporation from time to time;
- (h) the willful and continued failure on the part of the Participant to substantially perform duties in the course of their employment by, or as an Officer of, the Corporation or an Affiliate, unless such failure results from an incapacity due to mental or physical illness;

- (i) willfully engaging in conduct that is demonstrably and materially injurious to the Corporation or an Affiliate, monetarily or otherwise; or
- (j) any other act or omission by the Participant which would amount to just cause for termination at common law.

“**Change of Control**” shall occur if any of the following events occur:

- (a) the acquisition, directly or indirectly and by any means whatsoever, by any person, or by a group of persons acting jointly or in concert, of beneficial ownership or control or direction over that number of Voting Securities which is greater than 50% of the total issued and outstanding Voting Securities immediately after such acquisition, unless such acquisition arose as a result of or pursuant to:
  - (i) an acquisition or redemption by the Corporation of Voting Securities which, by reducing the number of Voting Securities outstanding, increases the proportionate number of Voting Securities beneficially owned by such person to 50% or more of the Voting Securities then outstanding;
  - (ii) acquisitions of Voting Securities which were made pursuant to a dividend reinvestment plan of the Corporation;
  - (iii) the receipt or exercise of rights issued by the Corporation to all the holders of Voting Securities to subscribe for or purchase Voting Securities or securities convertible into Voting Securities, provided that such rights are acquired directly from the Corporation and not from any other person;
  - (iv) a distribution by the Corporation of Voting Securities or securities convertible into Voting Securities for cash consideration made pursuant to a public offering or by way of a private placement by the Corporation (“**Exempt Acquisitions**”);
  - (v) a stock-dividend, a stock split or other event pursuant to which such person receives or acquires Voting Securities or securities convertible into Voting Securities on the same pro rata basis as all other holders of securities of the same class (“**Pro-Rata Acquisitions**”); or
  - (vi) the exercise of securities convertible into Voting Securities received by such person pursuant to an Exempt Acquisition or a Pro-Rata Acquisition (“**Convertible Security Acquisitions**”);

provided, however, that if a person shall acquire 50% or more of the total issued and outstanding Voting Securities by reason of any one or a combination of (A) acquisitions or redemptions of Voting Securities by the Corporation, (B) Exempt Acquisitions, (C) Pro-Rata Acquisitions, or (D) Convertible Security Acquisitions and, after such share acquisitions or redemptions by the Corporation or Exempt Acquisitions or Pro-Rata Acquisitions or Convertible Security Acquisitions, acquires additional Voting Securities exceeding one per cent of the Voting Securities outstanding at the date of such

acquisition other than pursuant to any one or a combination of Exempt Acquisitions, Convertible Security Acquisitions or Pro-Rata Acquisitions, then as of the date of such acquisitions such acquisition shall be deemed to be a “Change of Control”;

- (b) the replacement by way of election or appointment at any time of one-half or more of the total number of the then incumbent members of the Board of Directors, unless such election or appointment is approved by 50% or more of the Board of Directors in office immediately preceding such election or appointment in circumstances where such election or appointment is to be made other than as a result of a dissident public proxy solicitation, whether actual or threatened; and
- (c) any transaction or series of transactions, whether by way of reorganization, consolidation, amalgamation, arrangement, merger, transfer, sale or otherwise, whereby all or substantially all of the shares or assets of the Corporation become the property of any other person (the “**Successor Entity**”), (other than a subsidiary of the Corporation) unless:
  - (i) individuals who were holders of Voting Securities immediately prior to such transaction hold, as a result of such transaction, in the aggregate, more than 50% of the voting securities of the Successor Entity;
  - (ii) a majority of the members of the board of directors of the Successor Entity is comprised of individuals who were members of the Board of Directors immediately prior to such transaction; and
  - (iii) after such transaction, no person or group of persons acting jointly or in concert, holds more than 50% of the voting securities of the Successor Entity unless such person or group of persons held a sufficient number of securities of the Corporation giving them control over the Corporation immediately prior to such transaction.

“**Change of Control Price**” means (a) the highest price per Share offered in conjunction with any transaction resulting in a Change of Control (as determined in good faith by the Committee if any part of the offered price is payable other than in cash), or (b) in the case of a Change of Control occurring solely by reason of a change in the composition of the Board, the highest Fair Market Value of the Shares on any of the thirty (30) trading days immediately preceding the date on which a Change of Control occurs, except if the relevant participant is subject to taxation under the ITA such Change of Control price shall be deemed to be a price determined by the Committee based on the closing price of a Share on the Exchange on the trading day preceding the Change of Control date or based on the volume weighted average trading price of the Shares on the Exchange for the five trading days immediately preceding the Change of Control date.

“**Code**” means the U.S. Internal Revenue Code of 1986, as amended from time to time, or any successor thereto.

“**Committee**” means the Board of Directors or if so delegated in whole or in part by the Board, or any duly authorized committee of the Board appointed by the Board to administer the Plan.

**“Company”** unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.

**“Consultant”** means, in relation to the Corporation, an individual (other than a Director, Officer or Employee of the Corporation or of any of its subsidiaries) or Company that:

- (a) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Corporation or to any of its subsidiaries, other than services provided in relation to a Distribution (as such term is defined in the policies of the TSXV);
- (b) provides the services under a written contract between the Corporation or any of its subsidiaries and the individual or the Corporation, as the case may be; and
- (c) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or of any of its subsidiaries.

**“Consultant Company”** means a Consultant that is a Company.

**“Conversion Date”** means the date used to determine the Fair Market Value of a Deferred Share Unit for purposes of determining the number of Deferred Share Units to be credited to a designated Participant under ARTICLE 8, which date shall, subject to variation as determined by the Committee, generally be the last day of each Quarter and, in any event, shall not be earlier than the first business day of the year in respect of which the Deferred Share Units are being provided.

**“Corporation”** means Blackrock Silver Corp., a corporation incorporated under the laws of British Columbia, and any successor thereto as provided in ARTICLE 16 herein.

**“Deferred Share Unit”** means an Award denominated in units that provides the holder thereof with a right to receive Shares upon settlement of the Award, granted under ARTICLE 8 herein and subject to the terms of this Plan.

**“Director”** means any individual who is a director (as defined under Securities Laws) of the Corporation or of any of its subsidiaries.

**“Dividend Equivalent”** means a right with respect to an Award to receive additional Awards equivalent in value to dividends declared by the Board and paid with respect to outstanding Shares. Dividend Equivalents shall not apply to an Award unless specifically provided for in the Award Agreement, and if specifically provided for in the Award Agreement shall be subject to the Plan and such other terms and conditions set forth in the Award Agreement as the Committee shall determine.

**“DSU Account”** means a notional account maintained, or caused to be maintained, by the Corporation or an Affiliate of the Corporation for each Participant employed by that entity, recording at all times the number of Deferred Share Units (including Dividend Equivalents) standing to the credit of a particular Participant.

**“DSU Agreement”** has the meaning given to it in Section 8.1(d).

**“Employee”** means an individual who is an employee of the Corporation or of a subsidiary of the Corporation for purposes of the ITA.

**“Exchange”** means the TSXV or, if at any time the Shares are not listed and posted for trading on the TSXV, shall be deemed to mean such other stock exchange or trading platform upon which the Shares trade and which has been designated by the Committee.

**“Fair Market Value”** or **“FMV”** means, in respect of a relevant date, unless otherwise required by any applicable provision of the Code or any regulations thereunder or by any applicable accounting standard for the Corporation’s desired accounting for Awards or by the rules of the Exchange, a price that is determined by the Committee, provided that such price cannot be less than the greater of (a) the volume weighted average trading price of the Shares on the Exchange for the five trading days immediately prior to the relevant date, (b) the closing price of the Shares on the Exchange on the trading day immediately prior to the relevant date or (c) the closing price of the Shares on the Exchange on the relevant date. In the event that the Shares are not listed and posted for trading on any Exchange, the Fair Market Value shall be the fair market value of such Shares as determined by the Board in its sole discretion.

**“Fiscal Year”** means the Corporation’s fiscal year commencing on November 1 and ending on October 31 or such other fiscal year as approved by the Board.

**“Insider”** shall have the meaning ascribed thereto in Policy 1.1 of the TSXV.

**“Investor Relations Activities”** shall have the meaning ascribed thereto in Policy 1.1 of the TSXV.

**“Investor Relations Service Provider”** includes any Consultant that performs Investor Relations Activities and any Director, Officer, Employee or Management Company Employee whose role and duties primarily consist of Investor Relations Activities.

**“Issued Shares”** means, at any time, the number of Shares of the Corporation that are then issued and outstanding on a non-diluted basis and, in the discretion of the Exchange, may include a number of securities of the Corporation, other than Security Based Compensation, warrants and convertible debt, that are convertible into Shares of the Corporation.

**“ITA”** means the *Income Tax Act* (Canada).

**“Material Information”** means a Material Fact and/or Material Change as such terms are defined by applicable Securities Laws and TSXV policies.

**“Management Company Employee”** means an individual employed by a Company providing management services to the Corporation, which services are required for the ongoing successful operation of the business enterprise of the Corporation.

**“Net Exercise”** has the meaning given to it in Section 6.6(b).

**“Notice Period”** means any period of contractual notice or reasonable notice that the Corporation or the Affiliate may be required at law, by contract or otherwise agrees to provide to a Participant upon termination of employment, whether or not the Corporation or Affiliate elects to pay severance in lieu of providing notice to the Participant, provided that where a Participant’s employment contract provides for an increased severance or termination payment in the event of termination following a Change of Control, the Notice Period for the purposes of the Plan shall be the Notice Period under such contract applicable to a termination which does not follow a Change of Control.

**“Officer”** means an officer (as defined under Securities Laws) of the Corporation or of any of its subsidiaries.

**“Option”** means the conditional right to purchase Shares at a stated Option Price for a specified period of time subject to the terms of this Plan.

**“Option Price”** means the price at which a Share may be purchased by a Participant pursuant to an Option, as determined by the Committee.

**“Other Share-Based Award”** means any rights granted under ARTICLE 10.

**“Participant”** means a Director, Officer, Employee, Management Company Employee or Consultant that is the recipient of an Award granted or issued by the Corporation.

**“Performance Goal”** means a performance criterion selected by the Committee for a given Award.

**“Performance Period”** means the period of time during which the assigned performance criteria must be met in order to determine the degree of payout and/or vesting with respect to an Award.

**“Performance Unit”** means an Award granted under ARTICLE 9 herein and subject to the terms of this Plan, denominated in units, the value of which at the time it is payable is determined as a function of the extent to which corresponding performance criteria have been achieved.

**“Period of Restriction”** means the period when an Award of Restricted Share Units is subject to forfeiture based on the passage of time, the achievement of performance criteria, and/or upon the occurrence of other events as determined by the Committee, in its discretion.

**“Person”** shall have the meaning ascribed to such term in Section 1(1) of the Securities Act.

**“Policy 4.4”** means Policy 4.4 - *Security Based Compensation* of the TSXV.

**“Quarter”** means a fiscal quarter of the Corporation, which, until changed by the Corporation, shall be the three month period ending January 31, April 30, July 31 and October 31 in any year and **“Quarterly”** means each “Quarter”.

**“Restricted Share Unit”** means an Award denominated in units subject to a Period of Restriction, with a right to receive Shares upon settlement of the Award, granted under ARTICLE 7 herein and subject to the terms of this Plan.

“**Securities Act**” means the *Securities Act* (British Columbia), as may be amended from time to time.

“**Securities Laws**” means securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that are applicable to the Corporation.

“**Security Based Compensation**” has the meaning ascribed thereto in Policy 4.4.

“**Security Based Compensation Plan**” has the meaning ascribed thereto in Policy 4.4.

“**Shares**” means common shares in the capital of the Corporation.

“**Successor Entity**” has the meaning ascribed thereto under subsection (c) of the definition of Change of Control.

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

“**TSXV**” means the TSX Venture Exchange.

“**TSXV Market Price**” means the closing price of the Shares on the Exchange on the last Trading Day preceding the date on which the grant of Options is approved by the Board, or if the Shares are not listed and posted for trading on any stock exchange, the value as determined by the Board in its sole discretion.

“**U.S.**” means the United States of America, its territories and possessions, any State of the United States, and the District of Columbia;

“**U.S. Taxpayer**” shall mean a Participant who, with respect to an Award, is subject to taxation under applicable U.S. tax laws.

“**Vesting Date**” means, in respect of a Performance Share Unit or a Restricted Share Unit (including any Performance Share Unit or Restricted Share Unit credited to a Participant as a Dividend Equivalent), the date on which the applicable vesting criteria, Performance Goals (if any) and any other applicable conditions to vesting under a relevant Award Agreement have been met, deemed to have been met or are waived as contemplated under the terms of the Plan.

“**Voting Securities**” shall mean any securities of the Corporation ordinarily carrying the right to vote at elections of Directors and any securities immediately convertible into or exchangeable for such securities.

“**VWAP**” means the volume weighted average trading price of the Corporation’s Shares on the Exchange calculated by dividing the total value by the total volume of such securities traded for the five Trading Days immediately preceding the exercise of the subject Stock Option, provided that where appropriate, the Exchange may exclude internal crosses and certain other special terms trades from the calculation.

### **ARTICLE 3 ADMINISTRATION**

#### 3.1 General.

The Committee shall be responsible for administering the Plan. The Committee may employ attorneys, consultants, accountants, agents and other individuals, any of whom may be an Employee, and the Committee, the Corporation, and its Officers and Directors shall be entitled to rely upon the advice, opinions or valuations of any such persons. All actions taken and all interpretations and determinations made by the Committee shall be final, conclusive and binding upon the Participants, the Corporation, and all other interested parties. Notwithstanding the foregoing, the grant of any Other Share-Based Awards that are not Options, Deferred Share Units, Restricted Share Units or Performance Share Units will be subject to Exchange and shareholder approval, as applicable.

#### 3.2 Authority of the Committee.

The Committee shall have full and exclusive discretionary power to interpret the terms and the intent of the Plan and any Award Agreement or other agreement ancillary to or in connection with the Plan, to determine eligibility for Awards, and to adopt such rules, regulations and guidelines for administering the Plan as the Committee may deem necessary or proper. Such authority shall include, but not be limited to, selecting Award recipients, establishing all Award terms and conditions, including grant, exercise price, issue price and vesting terms, determining Performance Goals applicable to Awards and whether such Performance Goals have been achieved, making adjustments under Section 4.10 and, subject to ARTICLE 14, adopting modifications and amendments, or subplans to the Plan or any Award Agreement, including, without limitation, any that are necessary or appropriate to comply with the laws or compensation practices of the jurisdictions in which the Corporation and Affiliates operate.

#### 3.3 Delegation.

The Committee may delegate to one or more of its members any of the Committee's administrative duties or powers as it may deem advisable; provided, however, that any such delegation must be permitted under applicable corporate law.

### **ARTICLE 4 SHARES SUBJECT TO THE PLAN AND MAXIMUM AWARDS**

#### 4.1 Number of Shares Available for Awards.

The Plan is a “rolling up to 10% and fixed up to 10%” Security Based Compensation Plan, as defined in Policy 4.4 - *Security Based Compensation* of the TSXV. The Plan is a: (a) “rolling” plan pursuant to which the number of Shares that are issuable pursuant to the exercise of Options granted hereunder shall not exceed 10% of the Issued Shares of the Corporation as at the date of any Option grant, and (b) “fixed” plan under which the number of Shares of the Corporation that are issuable pursuant to all Awards other than Options granted hereunder and under any other Security Based Compensation Plan of the Corporation, in aggregate is a maximum of 17,870,922 Shares, in each case, subject to adjustment as provided in Section 4.10 herein. Any Restricted Share Units,

Deferred Share Units, Performance Units or Other Share-Based Awards granted under the Plan will reduce the corresponding number of Options available for grant under the Plan.

#### 4.2 Specific Allocations

The Corporation cannot grant or issue an Award hereunder unless and until the Award has been allocated to a particular Participant.

#### 4.3 Limits for Individuals

Unless the Corporation has obtained the requisite disinterested shareholder approval pursuant to Policy 4.4, the maximum aggregate number of Shares of the Corporation that are issuable pursuant to all Security Based Compensation granted or issued in any 12 month period to any one Person must not exceed 5% of the Issued Shares of the Corporation, calculated as at the date any Security Based Compensation is granted or issued to the Person, except that securities that are expressly permitted and accepted by the Exchange for filing under Part 6 of Policy 4.4 shall not be included in calculating this 5% limit.

#### 4.4 Limits for Consultants

The maximum aggregate number of Shares of the Corporation that are issuable pursuant to all Security Based Compensation granted or issued in any 12 month period to any one Consultant must not exceed 2% of the Issued Shares of the Corporation, calculated as at the date any Security Based Compensation is granted or issued to the Consultant, except that securities that are expressly permitted and accepted for filing under Part 6 of Policy 4.4 shall not be included in calculating this 2% limit.

#### 4.5 Limits for Investor Relations Service Providers

- (a) Investor Relations Service Providers may not receive any Award other than Options.
- (b) The maximum aggregate number of Shares of the Corporation that are issuable pursuant to all Options granted in any 12 month period to all Investor Relations Service Providers in aggregate shall not exceed 2% of the Issued Shares of the Corporation, calculated as at the date any Option is granted to any such Investor Relations Service Provider.
- (c) Options granted to any Investor Relations Service Provider shall vest in stages over a period of not less than 12 months such that:
  - (i) no more than 1/4 of the Options vest no sooner than three months after the Options were granted;
  - (ii) no more than another 1/4 of the Options vest no sooner than six months after the Options were granted;
  - (iii) no more than another 1/4 of the Options vest no sooner than nine months after the Options were granted; and

- (iv) the remainder of the Options vest no sooner than 12 months after the Options were granted.

#### 4.6 Minimum Price for Security Based Compensation other than Options

The minimum exercise price of an Option is set out in Section 6.4 and the same principles apply to other Awards where the value of the Award is initially tied to market price.

#### 4.7 Hold Period and Escrow

All Awards and Shares issuable thereunder are subject to any applicable resale restrictions under Securities Laws and the Exchange Hold Period (as defined in the policies of the TSXV), and shall have affixed thereto any legends required under Securities Laws and the policies of the Exchange.

#### 4.8 Other Restrictions

The Plan is subject to the following provisions:

- (a) Awards shall not entitle a Participant to any shareholder rights (including, without limitation, voting rights, dividend entitlement or rights on liquidation) until such time as underlying Shares are issued to such Participant; provided, other than an accrual of Dividend Equivalents accepted by the Exchange;
- (b) all Awards are non-assignable and non-transferable;
- (c) the maximum aggregate number of Shares that are issuable pursuant to all Awards granted or issued to Insiders (as a group) shall not exceed 10% of the Issued Shares of the Corporation at any point in time (unless the Corporation has obtained the requisite disinterested Shareholder approval pursuant to Section 5.3 of Policy 4.4);
- (d) the maximum aggregate number of Shares that are issuable pursuant to all Awards granted or issued in any 12 month period to Insiders (as a group) shall not exceed 10% of the Issued Shares of the Corporation, calculated as at the date any Award is granted or issued to any Insider (unless the Corporation has obtained the requisite disinterested Shareholder approval pursuant to Section 5.3 of Policy 4.4);
- (e) the maximum aggregate number of Shares that are issuable pursuant to all Awards granted or issued in any 12 month period to any one Person (and where permitted under Policy 4.4, any Companies that are wholly owned by that Person) shall not exceed 5% of the Issued Shares of the Corporation, calculated as at the date any Award is granted or issued to the Person (unless the Corporation has obtained the requisite disinterested Shareholder approval pursuant to Section 5.3 of Policy 4.4);
- (f) the maximum aggregate number of Shares that are issuable pursuant to all Awards granted or issued in any 12 month period to any one Consultant shall not exceed 2% of the Issued Shares of the Corporation, calculated as at the date any Award is granted or issued to the Consultant;

- (g) if a Participant's heirs or administrators are entitled to any portion of an outstanding Award, the period in which they can make such claim shall not exceed one year from the Participant's death;
- (h) for Awards granted or issued to Employees, Consultants or Management Company Employees, the Corporation and the Participant are responsible for ensuring and confirming that the Participant is a bona fide Employee, Consultant or Management Company Employee, as the case may be; and
- (i) any Award granted or issued to any Participant who is a Director, Officer, Employee, Consultant or Management Company Employee shall expire in accordance with the provisions of the Plan, but in any event, within a reasonable period, not exceeding 12 months, following the date the Participant ceases to be an eligible Participant under the Plan.

#### 4.9 Blackout Periods

Notwithstanding the expiry date, redemption date or settlement date of any Award, such expiry date, redemption date or settlement date, as applicable, of the Award shall be extended to the tenth business day following the last day of a Blackout Period if the expiry date would otherwise occur in a Blackout Period. The following requirements are applicable to any such automatic extension provision:

- (a) the Blackout Period shall be formally imposed by the Corporation pursuant to its internal trading policies as a result of the bona fide existence of undisclosed Material Information;
- (b) the automatic extension of the expiry date, redemption date or settlement date, as applicable, of a Participant's Award shall not to be permitted where the Participant or the Corporation is subject to a cease trade order (or similar order under Securities Laws) in respect of the Corporation's securities; and
- (c) the automatic extension shall be available to all eligible Participants under the Plan under the same terms and conditions.

#### 4.10 Adjustments in Authorized Shares.

Subject to the approval of the Exchange, where applicable, in the event of any corporate event or transaction (each, a "**Corporate Reorganization**") (including, but not limited to, a change in the Shares of the Corporation or the capitalization of the Corporation) such as a merger, arrangement or amalgamation that does not constitute a Change of Control under ARTICLE 13, or a consolidation, reorganization, recapitalization, separation, stock dividend, extraordinary dividend, stock split, reverse stock split, split up, spin-off or other distribution of stock or property of the Corporation, combination of securities, exchange of securities, dividend in kind, or other like change in capital structure or distribution (other than normal cash dividends) to shareholders of the Corporation, or any similar corporate event or transaction, the Committee shall make or provide for such adjustments or substitutions, as applicable, in the number or kind of shares that may be issued under the Plan, the number or kind of shares subject to outstanding Awards, the

Option Price or Grant Price applicable to outstanding Awards, the number of Shares eligible to be issued hereunder, the limit on issuing Awards other than Options granted with a Grant Price equal to at least the FMV of a Share on the date of grant, and any other value determinations applicable to outstanding Awards or to this Plan, as are equitably necessary to prevent dilution or enlargement of Participants' rights under the Plan that otherwise would result from such Corporate Reorganization.

Subject to the approval of the Exchange, where applicable, the Committee shall also make appropriate adjustments in the terms of any Awards under the Plan as are equitably necessary to reflect such Corporate Reorganization and may modify any other terms of outstanding Awards, including modifications of performance criteria and changes in the length of Performance Periods. The determination of the Committee as to the foregoing adjustments, if any, shall be at the sole discretion of the Committee and shall be conclusive and binding on Participants under the Plan, provided that any such adjustments shall comply with Section 409A of the Code with respect to any U.S. Participants and the rules of any stock exchange or market upon which such Shares are listed or traded.

Subject to the provisions of ARTICLE 12 and any applicable law, regulatory or stock exchange requirement, without affecting the number of Shares reserved or available hereunder, the Committee may authorize the issuance, assumption, substitution or conversion of Awards under this Plan in connection with any such corporate event or transaction, upon such terms and conditions as it may deem appropriate. Additionally, the Committee may amend the Plan, or adopt supplements to the Plan, in such manner as it deems appropriate to provide for such issuance, assumption, substitution or conversion as provided in the previous sentence.

## **ARTICLE 5 ELIGIBILITY AND PARTICIPATION**

### **5.1 Eligibility.**

Only a Director, Officer, Employee, Management Company Employee or Consultant of the Corporation or of any of its subsidiaries is eligible to participate in the Plan. Except in relation to Consultant Companies, Awards may be granted only to an individual or to a Company that is wholly owned by individuals eligible to receive Awards. If the Participant is a Company, excluding Participants that are Consultant Companies, it must provide the Exchange with a completed Certification and Undertaking Required from a Company Granted Security Based Compensation in the form of Schedule "A" to Form 4G - *Summary Form - Security Based Compensation*, as provided for in Policy 4.4. Any Company to be granted an Award, other than a Consultant Company, must agree not to effect or permit any transfer of ownership or option of securities of the Company or to issue further shares of any class in the Company to any other individual or entity as long as the Security Based Compensation remains outstanding, except with the prior written consent of the TSXV.

### **5.2 Actual Participation.**

Subject to the provisions of the Plan, the Committee may, from time to time, in its sole discretion select from among eligible Directors, Officers, Employees, Management Company Employees and Consultants of the Corporation or of any of its subsidiaries, those to whom Awards shall be granted

under the Plan, and shall determine in its discretion the nature, terms, conditions and amount of each Award in accordance with the Plan.

## **ARTICLE 6 STOCK OPTIONS**

### 6.1 Grant of Options.

Subject to the terms and provisions of the Plan, Options may be granted to Participants in such number, and upon such terms, and at any time and from time to time as shall be determined by the Committee in its discretion, and subject to the terms of the Plan.

### 6.2 Additional Terms for Options

The following provisions apply to all Option Awards:

- (a) Options can be exercisable for a maximum of 10 years from the date of grant, subject to extension where the expiry date falls within a Blackout Period, as provided for in Section 4.9;
- (b) the maximum aggregate number of Shares of the Corporation that are issuable pursuant to all Options granted in any 12 month period to all Investor Relations Service Providers in aggregate shall not exceed 2% of the Issued Shares of the Corporation, calculated as at the date any Option is granted to any such Investor Relations Service Provider; and
- (c) disinterested Shareholder approval shall be obtained for any reduction in the exercise price of an Option, or the extension of the term of an Option, if the Participant is an Insider of the Corporation at the time of the proposed amendment.

### 6.3 Award Agreement.

Each Option grant shall be evidenced by an Award Agreement that shall specify the Option Price, the duration of the Option, the number of Shares to which the Option pertains, the conditions upon which an Option shall become vested and exercisable, and any such other provisions as the Committee shall determine.

### 6.4 Option Price.

The Option Price for each grant of an Option under this Plan shall be determined by the Committee and shall be specified in the Award Agreement. The minimum exercise price of an Option shall be equal to the TSXV Market Price. A minimum exercise price cannot be established unless the Options are allocated to particular Persons.

### 6.5 Duration of Options.

Subject to Section 4.9 and Section 6.2(a), each Option granted to a Participant shall expire at such time as the Committee shall determine at the time of grant.

## 6.6 Exercise of Options.

Options granted under this ARTICLE 6 shall be exercisable at such times and on the occurrence of such events, and be subject to such restrictions and conditions, as the Committee shall in each instance approve, which need not be the same for each grant or for each Participant. Without limiting the foregoing, the Committee may, in its sole discretion, permit the exercise of an Option through either:

- (a) a cashless exercise (a “**Cashless Exercise**”) mechanism, whereby:
  - (i) a sufficient number of the Shares issued upon exercise of the Options will be sold by a designated broker on behalf of and for the benefit of the Participant to satisfy the Option Price of the Options; and
  - (ii) the Option Price of the Options will be delivered to the Corporation and the Participant will receive only the remaining unsold Shares from the exercise of the Options and the net proceeds of the sale after deducting (A) the Option Price of the Options, (B) applicable taxes and (C) any applicable fees and commissions, all as determined by the Committee from time to time; or
- (b) a net exercise (a “**Net Exercise**”) mechanism, whereby Options, excluding Options held by any Investor Relations Service Provider, are exercised without the Participant making any cash payment so the Corporation does not receive any cash from the exercise of the subject Options, and instead the Participant receives only the number of underlying Shares that is the equal to the quotient obtained by dividing:
  - (i) the product of the number of underlying Shares subject to the Options being exercised multiplied by the difference between the VWAP of the underlying Shares and the exercise price of the subject Options; by
  - (ii) the VWAP of the underlying Shares.

## 6.7 Payment.

Options granted under this ARTICLE 6 shall be exercised by the delivery of a notice of exercise to the Corporation or an agent designated by the Corporation in a form specified or accepted by the Committee, or by complying with any alternative procedures which may be authorized by the Committee, setting forth the number of Shares with respect to which the Option is to be exercised, accompanied by full payment for the Shares. Subject to Sections 6.6(a) and 6.6(b), the Option Price upon exercise of any Option shall be payable to the Corporation in full either: (a) by certified cheque or wire transfer; or (b) by any other method approved or accepted by the Committee in its sole discretion subject to the rules of the Exchange and such rules and regulations as the Committee may establish. Subject to Section 6.8 and any governing rules or regulations, as soon as practicable after receipt of a notification of exercise and full payment for the Shares, the Shares in respect of which the Option has been exercised shall be issued as fully-paid and non-assessable shares of the Corporation. As of the business day the Corporation receives such notice and such payment, the Participant (or the person claiming through him, as the case may be) shall be entitled to be entered on the share register of the Corporation as the holder of the number of Shares in respect of which

the Option was exercised and to receive as promptly as possible thereafter a certificate or evidence of book entry representing the said number of Shares. The Corporation shall cause to be delivered to or to the direction of the Participant Share certificates or evidence of book entry Shares in an appropriate amount based upon the number of Shares purchased under the Option(s) as soon as reasonably practicable following the issuance of such Shares.

#### 6.8 Restrictions on Share Transferability.

The Committee may impose such restrictions on any Shares acquired pursuant to the exercise of an Option granted pursuant to this Plan as it may deem advisable, including, without limitation, requiring the Participant to hold the Shares acquired pursuant to exercise for a specified period of time, or restrictions under applicable laws or under the requirements of any stock exchange or market upon which such Shares are listed and/or traded.

#### 6.9 Death and Termination of Employment.

- (a) **Death:** If a Participant dies while an Employee, Director of, or Consultant to, the Corporation or an Affiliate:
  - (i) the executor or administrator of the Participant's estate may exercise Options of the Participant equal to the number of Options that were exercisable at the Termination Date;
  - (ii) the right to exercise such Options terminates on the earlier of: (A) the date that is 12 months after the Termination Date; and (B) the date on which the exercise period of the particular Option expires. Any Options held by the Participant that are not yet vested at the Termination Date immediately expire and are cancelled and forfeited to the Corporation on the Termination Date; and
  - (iii) such Participant's eligibility to receive further grants of Options under the Plan ceases as of the Termination Date.
- (b) **Termination for Cause:** If a Participant ceases to be eligible to be a Participant under the Plan as a result of their termination for Cause, then all Options held by the Participant, whether vested or not, as at the Termination Date shall automatically and immediately expire and are cancelled and forfeited to the Corporation on the Termination Date.
- (c) **Termination without Cause or Voluntary Resignation:** Except as may otherwise be set out in a Participant's employment agreement (which shall have paramountcy over this clause), where a Participant's employment or term of office or engagement terminates for any reason other than death or for Cause (whether such termination occurs with or without any or adequate notice or reasonable notice, or with or without any or adequate compensation in lieu of such notice), then:
  - (i) any Options held by the Participant that are exercisable at the Termination Date continue to be exercisable by the Participant until the earlier of:

- (A) the date that is three months after the Termination Date; and
  - (B) the date on which the exercise period of the particular Option expires,
- except as otherwise provided in the Participant's employment contract or such date as is otherwise determined by the Board. Notwithstanding the foregoing or any term of an employment contract, in no event shall such right extend beyond the Option Period or one year from the Termination Date.
- (ii) any Options held by the Participant that are not yet vested at the Termination Date immediately expire and are cancelled and forfeited to the Corporation on the Termination Date,
  - (iii) the eligibility of a Participant to receive further grants under the Plan ceases as of the date that the Corporation or an Affiliate, as the case may be, provides the Participant with written notification that the Participant's employment or term of office or engagement, is terminated, notwithstanding that such date may be prior to the Termination Date, and
  - (iv) notwithstanding 6.9(c)(i) and 6.9(c)(ii) above, unless the Committee, in its sole discretion, otherwise determines, at any time and from time to time, Options are not affected by a change of employment arrangement within or among the Corporation or an Affiliate for so long as the Participant continues to be an employee of the Corporation or an Affiliate.
- (d) For purposes of Section 6.9, the term, "Termination Date" means, in the case of a Participant whose employment or term of office or engagement with the Corporation or an Affiliate terminates:
- (i) by reason of the Participant's death, the date of death;
  - (ii) by reason of termination for Cause or resignation by the Participant, the Participant's last day actively at work for or actively engaged by the Corporation or an Affiliate;
  - (iii) for any reason whatsoever other than death, termination for Cause or resignation by the Participant, the later of (A) the date of the Participant's last day actively at work for or actively engaged by the Corporation or the Affiliate, as the case may be, and (B) the last date of the Notice Period; and
  - (iv) the resignation of a Director and the expiry of a Director's term on the Board without re-election (or nomination for election) shall each be considered to be a termination of their term of office.

#### 6.10 Non-transferability of Options.

An Option granted under this ARTICLE 6 may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution.

## **ARTICLE 7 RESTRICTED SHARE UNITS**

### 7.1 Grant of Restricted Share Units.

Subject to the terms and conditions of the Plan, the Committee, at any time and from time to time, may grant Restricted Share Units to Participants in such amounts and upon such terms as the Committee shall determine.

### 7.2 Restricted Share Unit Agreement.

Each Restricted Share Unit grant shall be evidenced by an Award Agreement that shall specify the Period(s) of Restriction, the number of Restricted Share Units granted, the settlement date for Restricted Share Units, whether and to what extent Dividend Equivalents will be credited to the Participant and any such other provisions as the Committee shall determine, provided that, no Restricted Share Unit shall vest (a) earlier than one year, or (b) later than three years after the date of grant, except that the Committee may in its sole discretion accelerate the vesting required by this Section 7.2 for a Participant who dies or who ceases to be an eligible Participant under the Plan in connection with a Change of Control.

### 7.3 Non-transferability of Restricted Share Units.

The Restricted Shares Units granted herein may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated or disposed of by the Participant, whether voluntarily or by operation of law, otherwise than by testate succession of the laws of descent and distribution, until the date of settlement through delivery or other payment, and any attempt to do so will cause such Restricted Share Units to be null and void. A vested Restricted Share Unit shall be redeemable only by the Participant and, upon the death of a Participant, the person to whom the rights shall have passed by testate succession or by the laws of decent and distribution may redeem any vested Restricted Share Units in accordance with the provisions of Section 7.7.

### 7.4 Other Restrictions.

The Committee shall impose, in the Award Agreement at the time of grant or anytime thereafter, such other conditions and/or restrictions on any Restricted Share Units granted pursuant to this Plan as it may deem advisable, including, without limitation, restrictions based upon the achievement of specific performance criteria, time-based restrictions on vesting following the attainment of the performance criteria, time-based restrictions, restrictions under applicable laws or under the requirements of any stock exchange or market upon which such Shares are listed or traded, or holding requirements or sale restrictions placed on the Shares by the Corporation upon vesting of such Restricted Share Units.

To the extent deemed appropriate by the Committee, the Corporation may retain the certificates representing Shares delivered in settlement of Restricted Share Units, in the Corporation's possession until such time as all conditions and/or restrictions applicable to such Shares have been satisfied or lapse.

## 7.5 Shareholder Rights.

Restricted Share Units are not Shares and a grant of Restricted Share Units will not entitle a Participant to any shareholder rights, including, without limitation, voting rights, dividend entitlement or rights on liquidation.

## 7.6 Dividends and Other Distributions.

Dividend Equivalents may, as determined by the Committee in its sole discretion, be awarded in respect of a Participant's unvested Restricted Share Units on the same basis as cash dividends declared and paid on Shares as if the Participant was a shareholder of record of Shares on the relevant record date. Dividend Equivalents, if any, will be credited to the Participant in additional Restricted Share Units, the number of which shall be equal to the quotient obtained by dividing:

- (a) the product of (i) the number of unvested Restricted Share Units held by the Participant on the date that dividends are paid, multiplied by (ii) the dividend paid per Share, by;
- (b) the VWAP of one Share calculated as of the date that the relevant dividend is paid.

Any additional Restricted Share Units credited to a Participant as a Dividend Equivalent shall be subject to the same terms and conditions (including vesting and Period(s) of Restriction) as the Restricted Share Units in respect of which such additional Restricted Share Units are credited and shall be deemed to have been awarded on the same date and subject to the same settlement date as the Restricted Share Units in respect of which such additional Restricted Share Units are credited.

Notwithstanding the foregoing, if there is an insufficient number of Shares available for issuance of Restricted Share Units or if the grant of such Dividend Equivalent in the form of Restricted Share Units would exceed any of the limits set out in Article 4 of this Plan, then the Committee shall not pay Dividend Equivalents in the form of additional Restricted Share Units but may, in the discretion of the Committee, pay such Dividend Equivalents in the form of cash. Further, any additional Restricted Share Units credited to the Participant as Dividend Equivalents will vest in proportion to and will be paid under the Plan in the same manner as the Restricted Share Units to which they relate. In the event that the Participant's Restricted Share Units do not vest or are cancelled or otherwise expire, all Restricted Share Units credited as Dividend Equivalents in respect thereof, if any, will be immediately cancelled and forfeited to the Corporation without payment.

## 7.7 Death and other Termination of Employment.

- (a) **Death:** If a Participant dies while an Employee, Director of, or Consultant to, the Corporation or an Affiliate:
  - (i) any Restricted Share Units held by the Participant that have not vested as at the Termination Date shall be deemed to have vested immediately prior to the Termination Date;
  - (ii) any Restricted Share Units held by the Participant that have vested (including Restricted Share Units vested in accordance with Section 7.7(a)(i)) as at the

Termination Date, shall be paid to the Participant's estate in accordance with the terms of the Plan and Award Agreement; and

- (iii) such Participant's eligibility to receive further grants of Restricted Share Units under the Plan ceases as of the Termination Date.
- (b) **Termination for Cause:** If a Participant ceases to be eligible to be a Participant under the Plan as a result of their termination for Cause, then all Restricted Share Units held by the Participant, whether vested or not, as at the Termination Date shall automatically and immediately expire and are cancelled and forfeited to the Corporation on the Termination Date.
- (c) **Termination without Cause or Voluntary Resignation:** Unless determined otherwise by the Committee, or as may otherwise be set out in a Participant's employment agreement (which shall have paramountcy over this clause), where a Participant's employment or term of office or engagement terminates for any reason other than death or for Cause (whether such termination occurs with or without any or adequate notice or reasonable notice, or with or without any or adequate compensation in lieu of such notice), then:
  - (i) any Restricted Share Units held by the Participant that have vested before the Termination Date shall be paid to the Participant. Any Restricted Share Units held by the Participant that are not yet vested at the Termination Date will be immediately cancelled and forfeited to the Corporation on the Termination Date;
  - (ii) the eligibility of a Participant to receive further grants under the Plan ceases as of the date that the Corporation or an Affiliate provides the Participant with written notification that the Participant's employment or term of office or engagement, is terminated, notwithstanding that such date may be prior to the Termination Date; and
  - (iii) notwithstanding Section 7.7(c)(i), unless the Committee, in its sole discretion, otherwise determines, at any time and from time to time, Restricted Share Units are not affected by a change of employment arrangement within or among the Corporation or an Affiliate for so long as the Participant continues to be an employee of the Corporation or an Affiliate.
  - (iv) Any settlement or redemption of any Restricted Share Units shall occur within one year following the Termination Date.
- (d) For purposes of the Plan, the term, "Termination Date" means, in the case of a Participant whose employment or term of office or engagement with the Corporation or an Affiliate terminates:
  - (i) by reason of the Participant's death, the date of death;

- (ii) by reason of termination for Cause or resignation by the Participant, the Participant's last day actively at work for or actively engaged by the Corporation or an Affiliate;
- (iii) for any reason whatsoever other than death, termination for Cause or resignation by the Participant, the later of (A) the date of the Participant's last day actively at work for or actively engaged by the Corporation or the Affiliate, and (B) the last date of the Notice Period; and
- (iv) the resignation of a Director and the expiry of a Director's term on the Board without re-election (or nomination for election) shall each be considered to be a termination of their term of office.

#### 7.8 Payment in Settlement of Restricted Share Units.

When and if Restricted Share Units (including Restricted Share Units credited as Dividend Equivalents) become vested, such Restricted Share Units ("**Vested RSUs**") shall be settled as soon as reasonably practicable following the Vesting Date. Notwithstanding any other provision of this Plan, no payment, whether in cash or Shares, shall be made in respect of the settlement of any Vested RSU on a date that is later than December 31 of the calendar year which is three years following the calendar year (or the earliest of the years) in which the Participant performed the services to which the Award Agreement relates. Unless the Award Agreement specifies otherwise, the Corporation shall settle each Vested RSU then being settled by means of:

- (a) a cash payment equal to the FMV on the Vesting Date of a Share;
- (b) the issuance of a Share from treasury; or
- (c) if more than one Vested RSU is being settled, a combination of cash and Shares under (a) and (b),

as determined by the Committee at its sole discretion and subject to any tax withholding obligations in accordance with ARTICLE 15.

### **ARTICLE 8 DEFERRED SHARE UNITS**

#### 8.1 Grant of Deferred Share Units.

- (a) Subject to the terms and conditions of the Plan, the Committee, at any time and from time to time, may (i) designate Participants who may receive Deferred Share Units under the Plan, (ii) fix the number of Deferred Share Units, if any, which may be granted to a particular Participant, and (iii) determine any other terms and conditions applicable to the grant of Deferred Share Units, provided that, no Deferred Share Unit shall vest earlier than one year after the date of grant, except that the Committee may in its sole discretion accelerate the vesting required by this Section 8.1 for a Participant who dies or who ceases to be an eligible Participant under the Plan in connection with a Change of Control.

- (b) The Committee shall only designate Participants for purposes of this Section 8.1 who are Directors, Officers or Employees of the Corporation or a corporation related to the Corporation for purposes of the ITA.
- (c) As soon as reasonably practicable after designating a Participant as eligible to receive Deferred Share Units, the Committee shall provide such designated Participant notice in writing of the designation.
- (d) At least ten (10) days prior to the commencement of a particular year, a designated Participant may enter into an agreement (a “**DSU Agreement**”) with the Corporation (or corporation related to the Corporation that employs the designated Participant) in respect of such upcoming year to cause the Participant to receive a portion of their cash remuneration payable for services to be provided during the particular year in the form of Deferred Share Units.
- (e) A DSU Agreement made with the Corporation in respect to a particular year is irrevocable, except if a designated Participant has entered into a prior DSU Agreement in respect of an upcoming year (which has not yet commenced) and the designated Participant and the Corporation enter into a subsequent DSU Agreement in respect of the upcoming year in the form, manner and time prescribed under this Section 8.1, in which case the prior DSU Agreement shall be rescinded in respect of the upcoming year (or years) only and such upcoming year (or years) shall instead be subject to the subsequent DSU Agreement.

## 8.2 DSU Agreement.

Each DSU Agreement shall contain additional terms or conditions applicable to the granted Deferred Share Units, including any terms that the Committee considers necessary in order for the Deferred Share Units not to be considered a “salary deferral arrangement”, as defined in the ITA, by reason of the exception to the “salary deferral arrangement” definition described in paragraph 6801(d) of the regulations to the ITA.

## 8.3 Value of Deferred Share Units.

Deferred Share Units elected to be received by a designated Participant pursuant to Section 8.1 shall be credited to the designated Participant’s DSU Account as of the applicable Conversion Date. The number of Deferred Share Units (including fractional Deferred Share Units) to be credited to an designated Participant’s DSU Account as of a particular Conversion Date pursuant to this Section 8.3 shall be determined by dividing the relevant portion of that designated Participant’s cash remuneration for the applicable period to be satisfied by Deferred Share Units by the Fair Market Value of a Share on the particular Conversion Date.

Deferred Share Units credited to a designated Participant under Section 8.1(a), together with any additional Deferred Share Units granted in respect thereof under Section 8.8, may be subject to vesting criteria as described in the relevant DSU Agreement.

#### 8.4 Redemption of Deferred Share Units.

- (a) No amount may be received in respect of a Deferred Share Unit until after the Termination Date of the Participant. For the purposes of this ARTICLE 8, “Termination Date” means the earliest to occur of the following dates (each a “**Termination Event**”):
- (i) the date of the Participant’s death; and
  - (ii) the date on which a Participant ceases to hold any position as a Director, Officer or Employee with the Corporation or any related entity, and, for greater certainty, shall not be before the time of the Participant's retirement from, or loss of, such office or employment with the Corporation or any related entity under applicable law.
- (b) **Termination for Cause:** If the Termination Date of a Participant occurs as a result of a termination of a Participant for Cause, all outstanding Deferred Share Units credited to such DSU Account (whether or not vested) shall be forfeited and cancelled immediately, and the Participant shall have no entitlement to receive any payment in respect of such forfeited Deferred Share Units, by way of damages, pay in lieu of notice or otherwise.
- (c) **Termination Event otherwise than for Cause:** If the Termination Date of a Participant occurs as a result of the death of a Participant, all Deferred Share Units credited to such Participant’s DSU Account at such time that have not yet vested pursuant to the terms of this Plan shall be deemed to vest in the moment immediately prior to the Participant’s death. As soon as reasonably practicable after the Termination Date of a Participant for a reason other than Cause, or as the Participant may elect under Section 8.4(d), and in any event, no later than December 15 of the first calendar year commencing after the Termination Date the Corporation shall redeem and fully settle each Deferred Share Unit in respect of which all vesting and other conditions to redemption and settlement have been met, deemed to have been met or waived by the Committee on or before the Termination Date (such settlement date being a “**Redemption Date**”).
- (d) If the Termination Date of a Participant occurs for a reason other than Cause, except as otherwise provided in the Plan, after the Termination Date, the Participant (or their estate) may elect up to three separate Redemption Dates as of which either a portion (specified in whole percentages) or all of the value of the Participant's Deferred Share Units shall be redeemed and settled, by filing with the Corporation, following such Participant’s Termination Date, in the form and manner specified by the Committee up to three irrevocable written elections, provided that the elected Redemption Dates are no later than December 15 of the first calendar year commencing after the Participant's Termination Date.

- (e) Notwithstanding the foregoing, the Corporation shall have the ability to require the Participant to hold any Shares received pursuant to such redeemed Deferred Share Units for a specified period of time.

#### 8.5 Non-transferability of Deferred Share Units.

The Deferred Share Units granted herein may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated.

#### 8.6 Designated Participant's DSU Account.

The Corporation shall keep or cause to be kept a DSU Account which records, at all times, the number of Deferred Share Units standing to the credit of the Participant including any vesting conditions associated therewith. Absent manifest error, such DSU Account shall be considered conclusively determinative of all information contained therein. Deferred Share Units that fail to vest in a Participant or that are redeemed and paid out in accordance with this Plan shall be cancelled and shall cease to be recorded in the Participant's DSU Account as of the date on which such Deferred Share Units are forfeited or cancelled under the Plan or are redeemed and paid out, as the case may be.

#### 8.7 Adjustments and Reorganizations.

Notwithstanding any other provision of the Plan, in the event of any change in the Shares by reason of any stock dividend, split, recapitalization, reclassification, amalgamation, arrangement, merger, consolidation, combination or exchange of Shares or distribution of rights to holders of Shares or any other form of corporate reorganization whatsoever, subject to the approval of the Exchange, where applicable, an equitable adjustment permitted under applicable law shall be made to any Deferred Share Units then outstanding. Such adjustment shall be made at the sole discretion of the Committee, subject to applicable law and the approval of the Exchange, where applicable, with the intent that (a) any adjustment shall not cause the Deferred Share Units to become a "salary deferral arrangement", as defined in the ITA, and (b) any adjustment shall cause the aggregate dollar value of the Deferred Shares Units immediately before the relevant corporate event to be equal to the aggregate dollar value immediately after the relevant corporate event.

#### 8.8 Dividend Equivalents.

Prior to a Participant's Termination Date, Dividend Equivalents may, as determined by the Committee in its sole discretion, be awarded in respect of a Participant's Deferred Share Units on the same basis as cash dividends declared and paid on Shares as if the Participant was a shareholder of record of Shares on the relevant record date. Dividend Equivalents, if any, will be credited to the Participant in additional Deferred Share Units, the number of which shall be equal to the quotient obtained by dividing:

- (a) the product of (i) the number of Deferred Share Units held by the Participant on the date that dividends are paid, multiplied by (ii) the dividend paid per Share, by;
- (b) the VWAP of one Share calculated as of the date that the relevant dividend is paid.

Any additional Deferred Share Units credited to a Participant as a Dividend Equivalent shall be subject to the same terms and conditions (including vesting) as the Deferred Share Units in respect of which such additional Deferred Share Units are credited.

Notwithstanding the foregoing, if there is an insufficient number of Shares available for issuance of Deferred Share Units or if the grant of such Dividend Equivalent in the form of Deferred Share Units would exceed any of the limits set out in Article 4 of this Plan, then the Committee shall not pay Dividend Equivalents in the form of additional Deferred Share Units but may, in the discretion of the Committee, pay such Dividend Equivalents in the form of cash. Further, any additional Deferred Share Units credited to the Participant as Dividend Equivalents will vest in proportion to and will be paid under the Plan in the same manner as the Deferred Share Units to which they relate. In the event that the Participant's applicable Deferred Share Units do not vest or are cancelled or otherwise expire, all Deferred Share Units credited as Dividend Equivalents, if any, associated with such Deferred Share Units will be immediately cancelled and forfeited to the Corporation without payment.

#### 8.9 Shareholder Rights.

Deferred Share Units are not Shares and a grant of Deferred Share Units will not entitle a Participant to any shareholder rights, including, without limitation, voting rights, dividend entitlement or rights on liquidation.

### **ARTICLE 9 PERFORMANCE UNITS**

#### 9.1 Grant of Performance Units.

Subject to the terms and conditions of the Plan, the Committee, at any time and from time to time, may grant Performance Units to Participants in such amounts and upon such terms as the Committee shall determine, provided that, no Performance Units shall vest earlier than one year after the date of grant or later than three years after the date of the grant, except that the Committee may in its sole discretion accelerate the vesting required by this Section 9.1 for a Participant who dies or who ceases to be an eligible Participant under the Plan in connection with a Change of Control.

#### 9.2 Value of Performance Units.

Each Performance Unit shall give the Participant the right to receive a Share or a cash payment in an amount equal to the FMV of a Share at the end of the applicable Performance Period, subject to the terms, vesting criteria and Performance Goals of the relevant Performance Unit as established by the Committee and set forth in the Award Agreement. The Committee shall have the sole discretion to decide whether Performance Units are settled in cash, Shares or a combination thereof.

#### 9.3 Performance Goals.

The Committee shall have sole discretion to determine the extent to which the Performance Goals in respect of a particular Performance Unit have been achieved. The Performance Goals may be based upon the achievement of corporate, divisional or individual goals, and may be applied relative to performance relative to an index or comparator group, or on any other basis determined

by the Committee. The Committee may modify the Performance Goals as necessary to align them with the Corporation's corporate objectives, subject to any limitations set forth in an Award Agreement or an employment or other agreement with a Participant. The Performance Goals may include a threshold level of performance below which no payment will be made (or no vesting will occur), levels of performance at which specified payments will be made (or specified vesting will occur), and a maximum level of performance above which no additional payment will be made (or at which full vesting will occur), all as set forth in the applicable Award Agreement.

#### 9.4 Form and Timing of Payment of Performance Units.

If Performance Units (including Performance Units credited as a Dividend Equivalents) become vested and the applicable Performance Goals have been met on or before the end of the Performance Period, such Performance Units ("**Vested PSUs**") shall be settled as soon as reasonably practicable following the end of the applicable Performance Period and, in any event, notwithstanding any other provision of this Plan, no payment, whether in cash or Shares, shall be made in respect of the settlement of any Vested PSU on a date that is later than December 31 of the calendar year which is three years following the end of the year (or earliest of the years) in which the Participant performed the services to which the Award Agreement relates. Unless the Award Agreement specifies otherwise, the Corporation shall settle each Vested PSU then being settled by means of:

- (a) a cash payment equal to the FMV on the Vesting Date of a Share;
- (b) the issuance of a Share from treasury; or
- (c) if more than one Vested PSU is being settled, a combination of cash under (a) and Shares under (b),

as determined by the Committee at its sole discretion and subject to any tax withholding obligations in accordance with ARTICLE 15. Notwithstanding the foregoing, the Corporation shall have the ability to require the Participant to hold any Shares received pursuant to such Award for a specified period of time.

#### 9.5 Dividends and Other Distributions.

Dividend Equivalents may, as determined by the Committee in its sole discretion, be awarded in respect of a Participant's Performance Units on the same basis as cash dividends declared and paid on Shares as if the Participant was a shareholder of record of Shares on the relevant record date. Dividend Equivalents, if any, will be credited to the Participant in additional Performance Units, the number of which shall be equal to the quotient obtained by dividing:

- (a) the product of (i) the number of Performance Units held by the Participant on the date that dividends are paid, multiplied by (ii) the dividend paid per Share, by;
- (b) the VWAP of one Share calculated as of the date that the relevant dividend is paid.

Any additional Performance Units credited to a Participant as a Dividend Equivalent shall be subject to the same terms and conditions (including vesting, Performance Goals and Performance Period) as

the Performance Units in respect of which such additional Performance Units are credited and shall be deemed to have been awarded on the same date and subject to the same expiry date as the Performance Units in respect of which such additional Performance Units are credited.

Notwithstanding the foregoing, if there is an insufficient number of Shares available for issuance of Performance Units or if the grant of such Dividend Equivalent in the form of Performance Units would exceed any of the limits set out in Article 4 of this Plan, then the Committee shall not pay Dividend Equivalents in the form of additional Performance Units but may, in the discretion of the Committee, pay such Dividend Equivalents in the form of cash. Further, any additional Performance Units credited to the Participant as Dividend Equivalents will vest in proportion to and will be paid under the Plan in the same manner as the Performance Units to which they relate. In the event that the Participant's applicable Performance Units do not vest or are cancelled or otherwise expire, all Performance Units credited as Dividend Equivalents, if any, associated with such Performance Units will be immediately cancelled and forfeited to the Corporation without payment.

#### 9.6 Death and Termination of Employment.

- (a) **Death:** If a Participant dies while an Employee, Director of, or Consultant to, the Corporation or an Affiliate:
  - (i) the number of Performance Units held by the Participant that have not vested on or before the Termination Date shall be prorated to reflect the actual period between the commencement of the Performance Period and the Termination Date, based on the Performance Goals for the applicable Performance Period up to the Termination Date as further set out in the applicable Award Agreement (collectively referred to in this Section 9.6 as “**Deemed Awards**”);
  - (ii) any Deemed Awards shall be deemed to vest in the moment immediately prior to the death of the Participant;
  - (iii) the Performance Period in respect of any Performance Units held by the Participant that have vested at the time of death (including Deemed Awards vested in accordance with Section 9.6(a)(ii)) shall be deemed to end immediately upon the death of the Participant and shall be paid to the Participant’s estate in accordance with the terms of the Plan and Award Agreement;
  - (iv) any settlement or redemption of any Performance Units shall occur within one year following the Termination Date; and
  - (v) such Participant’s eligibility to receive further grants of Performance Units under the Plan ceases as of the Termination Date (as defined at Section 9.6(d) below).
- (b) **Termination for Cause:** If a Participant ceases to be eligible to be a Participant under the Plan as a result of their termination for Cause, then all Performance Units held by the Participant, whether vested or not, as at the Termination Date shall automatically

and immediately expire and are cancelled and forfeited to the Corporation on the Termination Date.

- (c) **Termination without Cause or Voluntary Resignation:** Unless determined otherwise by the Committee, or as may otherwise be set out in a Participant's employment agreement (which shall have paramountcy over this clause), where a Participant's employment or term of office or engagement terminates for any reason other than death or for Cause (whether such termination occurs with or without any or adequate notice or reasonable notice, or with or without any or adequate compensation in lieu of such notice), then:
- (i) the Performance Period in respect of any Performance Units held by the Participant that have vested before the Termination Date shall be deemed to end immediately upon the Termination Date of the Participant and shall be paid to the Participant in accordance with the terms of the Plan and Award Agreement, and any Performance Units held by the Participant that are not yet vested at the Termination Date will be immediately cancelled and forfeited to the Corporation on the Termination Date;
  - (ii) the eligibility of a Participant to receive further grants under the Plan ceases as of the date that the Corporation or an Affiliate provides the Participant with written notification that the Participant's employment or term of office or engagement, is terminated, notwithstanding that such date may be prior to the Termination Date;
  - (iii) any settlement or redemption of any Performance Units shall occur within one year following the Termination Date; and
  - (iv) unless the Committee, in its sole discretion, otherwise determines, at any time and from time to time, Performance Units are not affected by a change of employment arrangement within or among the Corporation or an Affiliate for so long as the Participant continues to be an Employee of the Corporation or an Affiliate.
- (d) For purposes of this Section 9.6, the term, "Termination Date" has the meaning set out in Section 7.7(d).

#### 9.7 Non-transferability of Performance Units.

Performance Units may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution. Further, a Participant's rights under the Plan shall inure during such Participant's lifetime only to such Participant.

#### 9.8 Shareholder Rights.

Performance Units are not Shares and a grant of Performance Units will not entitle a Participant to any shareholder rights, including, without limitation, voting rights, dividend entitlement or rights on liquidation.

**ARTICLE 10  
OTHER SHARE-BASED AWARDS**

Subject to prior acceptance of the Exchange, the Committee may, from time to time, subject to the provisions of the Plan and such other terms and conditions as the Committee may prescribe, grant Other Share Based-Awards to any Participant. The terms and conditions of each Other Share-Based Award grant shall be evidenced by an Award Agreement. Each Other Share-Based Award shall consist of a right (a) which is other than an Award or right described in ARTICLE 6, ARTICLE 7, ARTICLE 8 and ARTICLE 9 above, and (b) which is denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, Shares (including, without limitation, securities convertible into Shares) as are deemed by the Committee to be consistent with the purposes of the Plan; provided, however, that such right will comply with applicable law. Subject to prior acceptance of the Exchange, the terms of the Plan, and any applicable Award Agreement, the Committee will determine the terms and conditions of Other Share-Based Awards. Shares or other securities delivered pursuant to a purchase right granted under this ARTICLE 8 will be purchased for such consideration, which may be paid by such method or methods and in such form or forms, including, without limitation, cash, Shares, other securities, other Awards, other property, or any combination thereof, as the Committee shall determine in its discretion.

**ARTICLE 11  
BENEFICIARY DESIGNATION**

11.1 Beneficiary.

A Participant's "beneficiary" is the person or persons entitled to receive payments or other benefits or exercise rights that are available under the Plan in the event of the Participant's death. A Participant may designate a beneficiary or change a previous beneficiary designation at such times as prescribed by the Committee and by using such forms and following such procedures approved or accepted by the Committee for that purpose. If no beneficiary designated by the Participant is eligible to receive payments or other benefits or exercise rights that are available under the Plan at the Participant's death, the beneficiary shall be the Participant's estate.

11.2 Discretion of the Committee.

Notwithstanding the provisions above, the Committee may, in its discretion, after notifying the affected Participants, modify the foregoing requirements, institute additional requirements for beneficiary designations, or suspend the existing beneficiary designations of living Participants or the process of determining beneficiaries under this ARTICLE 11, or both, in favor of another method of determining beneficiaries.

**ARTICLE 12  
RIGHTS OF PERSONS ELIGIBLE TO PARTICIPATE**

12.1 Employment.

Nothing in the Plan or an Award Agreement shall interfere with or limit in any way the right of the Corporation or an Affiliate to terminate any Participant's employment, consulting or other service relationship with the Corporation or an Affiliate at any time, nor confer upon any Participant any

right to continue in the capacity in which he or she is employed or otherwise serves the Corporation or an Affiliate.

Neither an Award nor any benefits arising under this Plan shall constitute part of an employment or service contract with the Corporation or an Affiliate, and, accordingly, subject to the terms of this Plan, this Plan may be terminated or modified at any time in the sole and exclusive discretion of the Committee or the Board without giving rise to liability on the part of the Corporation or an Affiliate for severance payments or otherwise, except as provided in this Plan.

For purposes of the Plan, unless otherwise provided by the Committee, a transfer of employment of a Participant between the Corporation and an Affiliate or among Affiliates, shall not be deemed a termination of employment. The Committee may provide in a Participant's Award Agreement or otherwise the conditions under which a transfer of employment to an entity that is spun off from the Corporation or an Affiliate shall not be deemed a termination of employment for purposes of an Award.

#### 12.2 Participation.

No Employee or other Person eligible to participate in the Plan shall have the right to be selected to receive an Award. No person selected to receive an Award shall have the right to be selected to receive a future Award, or, if selected to receive a future Award, the right to receive such future Award on terms and conditions identical or in proportion in any way to any prior Award.

#### 12.3 Rights as a Shareholder.

A Participant shall have none of the rights of a shareholder with respect to Shares covered by any Award until the Participant becomes the record holder of such Shares, including, without limitation, voting rights, dividend entitlement or rights on liquidation.

### **ARTICLE 13 CHANGE OF CONTROL**

#### 13.1 Accelerated Vesting and Payment.

- (a) Subject to the terms of the Plan or the Award Agreement, in the event of a proposed Change of Control, the Committee shall have the discretion to unilaterally accelerate the vesting of or the Performance Period applicable to, and waive Performance Goals or other conditions applicable to outstanding Restricted Share Units, Performance Share Units, Options or Other Share-Based Awards in order to assist Participants to tender into a takeover bid or participate in any other transaction causing a Change of Control. For greater certainty, in the event of a takeover-bid or any other transaction leading to a Change of Control, the Committee shall have the power, in its sole discretion to:
  - (i) provide that any or all Restricted Share Units, Performance Share Units, Deferred Share Units, Options or Other Share-Based Awards shall terminate upon the occurrence of the Change of Control;

- (ii) permit Participants to conditionally exercise or redeem vested Restricted Share Units, Performance Share Units, Options or Other Share-Based Awards at such time or times as is necessary to allow Participants to tender into or participate in the Change of Control;
  - (iii) deem any exercise or redemption that was conditional on the consummation of the Change of Control to be null, void and of no effect; and
  - (iv) reinstate the original terms of any applicable Restricted Share Units, Performance Share Units, Options or Other Share-Based Awards that were subject to conditional exercise or redemption in the event that the consummation of the Change of Control does not occur.
- (b) If the Corporation completes a transaction constituting a Change of Control and within twelve (12) months following the Change of Control a Participant who was also an Officer or Employee of the Corporation prior to the Change of Control has their employment agreement terminated, then:
- (i) all unvested Options granted to such Participant shall immediately vest and become exercisable, and remain open for exercise until the earlier of (A) the expiry date as set out in the applicable Award Agreement, and (B) the date that is 90 days after such termination or dismissal; and
  - (ii) all unvested Restricted Share Units, Performance Share Units or Other Share-Based Awards of the Participant shall become vested, and the date immediately prior to such Participant's Termination Date shall be deemed to be the Vesting Date and the end of the applicable Performance Period.

**ARTICLE 14**  
**AMENDMENT, MODIFICATION, SUSPENSION AND TERMINATION**

14.1 Amendment, Modification, Suspension and Termination.

The Committee may from time to time, without notice and without approval of the holders of voting shares of the Corporation, amend, modify, change, suspend or terminate the Plan or any Awards granted pursuant to the Plan as it, in its discretion determines appropriate, provided, however, that:

- (a) no such amendment, modification, change, suspension or termination of the Plan or any Awards granted hereunder may materially impair any rights of a Participant or materially increase any obligations of a Participant under the Plan without the consent of the Participant, unless the Committee determines such adjustment is required or desirable in order to comply with any applicable Securities Laws or Exchange requirements; and
- (b) any amendment that would cause an Award held by a U.S. Taxpayer to be subject to income inclusion under Section 409A of the Code shall be null and void *ab initio* with respect to the U.S. Taxpayer unless the consent of the U.S. Taxpayer is obtained.

## 14.2 Shareholder Approval

- (a) The Corporation shall seek annual Exchange and shareholder approval for this hybrid fixed and rolling Plan in conformity with TSXV Policy 4.4. In addition, where shareholder approval is required on a “disinterested” basis, the initial and annual shareholder approval must be disinterested shareholder approval.
- (b) In addition to Section 14.2(a) and notwithstanding Section 14.1 and subject to any rules of the Exchange, shareholder approval shall be required for any amendment, modification or change that:
  - (i) increases the percentage of Shares reserved for issuance under the Plan, except pursuant to the provisions under Section 4.10 which permit the Committee to make certain adjustments in the event of transactions affecting the Corporation or its capital;
  - (ii) amends an amending provision within the Plan;
  - (iii) reduces the Option Price of an Option (for this purpose, a cancellation or termination of an Option of a Participant prior to its expiry date for the purpose of reissuing an Option to the same Participant with a lower Option Price shall be treated as an amendment to reduce the Option Price of an Option) except pursuant to the provisions in the Plan which permit the Committee to make certain adjustments in the event of transactions affecting the Corporation or its capital;
  - (iv) extends the term of an Option beyond the original expiry date (except where an expiry date falls within a Blackout Period, as provided for in Section 4.9);
  - (v) amends an entitlement to an individual Award;
  - (vi) permits an Option to be exercisable beyond 10 years from its date of grant (except where an expiry date would have fallen within a Blackout Period);
  - (vii) changes the eligible Participants of the Plan;
  - (viii) proposes to amend any material term of this Plan, such proposed amendment having first received the approval of the majority of the Board; or
  - (ix) deletes or reduces the range of amendments which require shareholder approval under this Section 14.2.
- (c) The Corporation is required to obtain shareholder approval on a “disinterested” basis in compliance with the applicable policies of the Exchange in the following circumstances:
  - (i) reduction of the exercise price or purchase price of an Award benefiting an Insider;

- (ii) extension of the term of an Award benefitting an Insider;
- (iii) any amendment to the Plan that could result in any of the limits set forth in Sections 4.8(c) and 4.8(d) and 4.8(e) to be exceeded; and
- (iv) any individual grant or issue of an Award that would result in any of the limits set forth in Sections 4.8(c) and 4.8(d) and 4.8(e) to be exceeded.

Notwithstanding the foregoing, amendments to the terms of the Plan or to grants or issuances of Awards hereunder will be subject to the approval of the TSXV and to shareholder approval, as required by Policy 4.4 and other applicable policies of the TSXV.

#### 14.3 Permitted Amendments.

Without limiting the generality of Section 14.1, but subject to Section 14.2, the Committee may, without shareholder approval, at any time or from time to time, amend the Plan for the purposes of:

- (a) making any amendments to add covenants of the Corporation for the protection of Participants, as the case may be, provided that the Committee shall be of the good faith opinion that such additions will not be prejudicial to the rights or interests of the Participants, as the case may be;
- (b) making any amendments not inconsistent with the Plan as may be necessary or desirable with respect to matters or questions which, in the good faith opinion of the Board, it may be expedient to make, including amendments that are desirable as a result of changes in law, as a “housekeeping” matter or in order to conform the Plan with applicable law (including the application of Section 409A of Code in respect of an Award); or
- (c) making such changes or corrections which, on the advice of counsel to the Corporation, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error, provided that the Committee shall be of the opinion that such changes or corrections will not be prejudicial to the rights and interests of the Participants.

#### 14.4 Awards Previously Granted.

Notwithstanding any other provision of the Plan to the contrary, no termination, amendment, suspension or modification of the Plan shall adversely affect in any material way any Award previously granted under the Plan, without the written consent of the Participant holding such Award.

## **ARTICLE 15 WITHHOLDING**

### 15.1 Withholding.

Notwithstanding any other provision of this Plan, but subject to Policy 4.4, any Award Agreement hereunder or the terms of any employment or service contract of a Participant, the Corporation or any Affiliate shall be authorized to deduct or withhold from any amount payable by the Corporation or any Affiliate to a Participant (under the Plan or otherwise) such amount as the Corporation or any Affiliate may be required to deduct or withhold under applicable law (“**Withholding Tax**”). The Committee may grant the option to a Participant to satisfy Withholding Tax requirements on such terms and conditions as the Committee may determine in its sole discretion by: (i) having the Corporation withhold and sell, for and on behalf of the Participant, Shares issued hereunder; or (ii) requiring the Participant to, as a condition of exercise or redemption of an Award, make such other arrangements, including the delivery of cash or the sale of Shares, as the Committee specifies.

### 15.2 Acknowledgement.

Participant acknowledges and agrees that the ultimate liability for all taxes payable by Participant is and remains Participant’s responsibility and may exceed the amount actually withheld by the Corporation. Participant further acknowledges that the Corporation: (a) makes no representations or undertakings regarding the treatment of any taxes in connection with any aspect of this Plan; and (b) does not commit to and is under no obligation to structure the terms of this Plan to reduce or eliminate Participant’s liability for taxes or achieve any particular tax result. Further, if Participant has become subject to tax in more than one jurisdiction, Participant acknowledges that the Corporation may be required to withhold or account for taxes in more than one jurisdiction.

The Participant acknowledges and agrees that the Corporation makes no representation or warranty as to the future market value of any Award and, for greater certainty, no amount will be paid to, or in respect of, a Participant under the Plan or pursuant to any other arrangement, and no other Award will be granted to such Participant to compensate for a downward fluctuation in the price of a Share, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose.

## **ARTICLE 16 SUCESSORS**

Rights and obligations under the Plan may be assigned by the Corporation (without the consent of Participants) to a successor in the business of the Corporation, any company resulting from any amalgamation, reorganization, combination, merger or arrangement of the Corporation, or any company acquiring all or substantially all of the assets or business of the Corporation. Any obligations of the Corporation or an Affiliate under the Plan with respect to Awards granted hereunder shall be binding on any successor to the Corporation or Affiliate, respectively, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation or otherwise, of all or substantially all of the businesses and/or assets of the Corporation or Affiliate, as applicable.

**ARTICLE 17**  
**GENERAL PROVISIONS**

17.1 Legends.

The certificates for Shares may include any legend that the Committee deems appropriate to reflect any restrictions on transfer of such Shares.

17.2 Delivery of Title.

The Corporation shall have no obligation to issue or deliver evidence of title for Shares issued under the Plan prior to:

- (a) Obtaining any approvals from governmental agencies that the Corporation determines are necessary or advisable; and
- (b) Completion of any registration or other qualification of the Shares under any applicable law or ruling of any governmental body that the Corporation determines to be necessary or advisable.

17.3 Investment Representations.

The Committee may require each Participant receiving Shares pursuant to an Award under this Plan to represent and warrant in writing that the Participant is acquiring the Shares for investment and without any present intention to sell or distribute such Shares.

17.4 Uncertificated Shares.

To the extent that the Plan provides for issuance of certificates to reflect the transfer of Shares, the transfer of such Shares may be effected on a non-certificated basis to the extent not prohibited by applicable law or the rules of any applicable stock exchange.

17.5 Unfunded Plan.

Participants shall have no right, title or interest whatsoever in or to any investments that the Corporation or an Affiliate may make to aid it in meeting its obligations under the Plan. Nothing contained in the Plan, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind, or a fiduciary relationship between the Corporation or an Affiliate and any Participant, beneficiary, legal representative or any other person. Awards shall be general unsecured obligations of the Corporation, except that if an Affiliate executes an Award Agreement instead of the Corporation the Award shall be a general unsecured obligation of the Affiliate and not any obligation of the Corporation. To the extent that any individual acquires a right to receive payments from the Corporation or an Affiliate, such right shall be no greater than the right of an unsecured general creditor of the Corporation or Affiliate, as applicable. All payments to be made hereunder shall be paid from the general funds of the Corporation or Affiliate, as applicable, and no special or separate fund shall be established and no segregation of assets shall be made to assure payment of such amounts except as expressly set forth in the Plan.

17.6 No Fractional Shares.

No fractional Shares shall be issued or delivered pursuant to the Plan or any Award Agreement. In such an instance, unless the Committee determines otherwise, fractional Shares and any rights thereto shall be forfeited or otherwise eliminated.

17.7 Other Compensation and Benefit Plans.

Nothing in this Plan shall be construed to limit the right of the Corporation or an Affiliate to establish other compensation or benefit plans, programs, policies or arrangements. Except as may be otherwise specifically stated in any other benefit plan, policy, program or arrangement, no Award shall be treated as compensation for purposes of calculating a Participant's rights under any such other plan, policy, program or arrangement.

17.8 No Constraint on Corporate Action.

Nothing in this Plan shall be construed (i) to limit, impair or otherwise affect the Corporation's or an Affiliate's right or power to make adjustments, reclassifications, reorganizations or changes in its capital or business structure, or to merge or consolidate, or dissolve, liquidate, sell or transfer all or any part of its business or assets, or (ii) to limit the right or power of the Corporation or an Affiliate to take any action which such entity deems to be necessary or appropriate.

17.9 Compliance with Canadian Securities Laws.

All Awards and the issuance of Shares underlying such Awards issued pursuant to the Plan will be issued pursuant to an exemption from the prospectus requirements of Canadian securities laws where applicable.

**ARTICLE 18  
LEGAL CONSTRUCTION**

18.1 Gender and Number.

Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine, the plural shall include the singular, and the singular shall include the plural.

18.2 Severability.

In the event any provision of this Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

18.3 Requirements of Law.

The granting of Awards and the issuance of Shares under the Plan shall be subject to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or securities exchanges as may be required. The Corporation or an Affiliate shall receive the consideration required by law for the issuance of Awards under the Plan. The inability of the Corporation or an

Affiliate to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Corporation or an Affiliate to be necessary for the lawful issuance and sale of any Shares hereunder, shall relieve the Corporation or Affiliate 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.

#### 18.4 Governing Law.

The Plan and each Award Agreement shall be governed by and interpreted in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of the Plan to the substantive law of another jurisdiction. Any actions, proceedings or claims in any way pertaining to the Plan shall be commenced in the courts of the Province of British Columbia.

#### 18.5 Compliance with Section 409A of the Code.

- (a) To the extent the Plan is applicable to a particular Participant subject to the Code, it is intended that this Plan and any Awards made hereunder shall not provide for the payment of “deferred compensation” within the meaning of Section 409A of the Code or shall be structured in a manner and have such terms and conditions that would not cause such a Participant to be subject to taxes and interest pursuant to Section 409A of the Code. This Plan and any Awards made hereunder shall be administered and interpreted in a manner consistent with this intent.
- (b) To the extent that any amount or benefit in favour of a Participant who is subject to the Code would constitute “deferred compensation” for purposes of Section 409A of the Code would otherwise be payable or distributable under this Plan or any Award Agreement by reason of the occurrence of a Change of Control or the Participant’s disability or separation from service, such amount or benefit will not be payable or distributable to the Participant by reason of such circumstance unless: (i) the circumstances giving rise to such Change of Control, disability or separation from service meet the description or definition of “change in control event,” “disability,” or “separation from service,” as the case may be, in Section 409A of the Code and applicable proposed or final treasury regulations thereunder, and (ii) the payment or distribution of such amount or benefit would otherwise comply with Section 409A of the Code and not subject the Participant to taxes and interest pursuant to Section 409A of the Code. This provision does not prohibit the vesting of any Award or the vesting of any right to eventual payment or distribution of any amount or benefit under this Plan or any Award Agreement.
- (c) The Committee shall use its reasonable discretion to determine the extent to which the provisions of this Section 18.5 will apply to a Participant who is subject to taxation under the ITA.

## SCCHEDULE “B”

### AUDIT COMMITTEE CHARTER

#### PURPOSE

The primary function of the audit committee (the “**Committee**”) is to assist the Board of Directors (the “**Board**”) of Blackrock Silver Corp. (the “**Company**”) in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company’s systems of internal controls regarding finance and accounting and the Company’s auditing, accounting and financial reporting processes.

The Committee’s primary duties and responsibilities are to:

- serve as an independent and objective party to oversee the Company’s accounting and financial reporting processes and internal control system, and compliance with ethical standards adopted by the Company;
- oversee the quality and integrity of the Company’s financial statements;
- oversee, review and appraise the qualifications, performance and independence of the Company’s external auditor; and
- oversee the Company’s compliance with legal and regulatory requirements.

Consistent with its function, the Committee should encourage continuous improvement of, and should foster adherence to, the Company’s policies, procedures and practices at all levels. The Committee should also provide for an open avenue of communication among the Company’s external auditor, financial and senior management, and the Board.

#### COMPOSITION

1. The Committee shall be comprised of at least three directors as determined by the Board, the majority of whom shall be “independent” directors in accordance with the securities laws, rules, regulations and guidelines of all applicable securities regulatory authorities, including without limitation the securities commissions in each of the provinces and territories of Canada and the stock exchange(s) on which the Company’s securities are listed (collectively, “**Securities Laws**”), subject to any exemptions provided thereunder.
2. Each member of the Committee shall satisfy the financial literacy and experience requirements of Securities Laws as determined by the Board, except as permitted by applicable securities regulatory guidelines. Each member of the Committee shall be able to read and understand fundamental financial statements, including the Company’s statement of financial position, statement of profit and loss and other comprehensive income, statement of cash flows and statement of changes in equity.
3. The determination as to whether a particular director satisfies the requirements for membership on the Committee shall be made by the full Board.
4. The members of the Committee shall be elected by the Board at its first meeting following the annual shareholders’ meeting and shall serve until the next annual shareholders’ meeting or until earlier resignation or death. The Board may remove any member from the Committee at any time with or without cause. Unless a Chair is elected by the Board, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

#### MEETINGS

1. Except as expressly provided in this Charter, the Articles of the Company or applicable Securities Laws, the Committee shall fix its own rules of procedure.

2. In order to discharge its responsibilities, the Committee shall establish a schedule of meetings on an annual basis (with meetings at least quarterly, or more frequently as circumstances dictate or as may be prescribed by securities regulatory requirements) and shall otherwise meet at such times as the Chair of the Committee shall designate.
3. As part of its job to foster open communication, the Committee will meet at least quarterly with the Chief Financial Officer and the external auditor in separate sessions.
4. At all meetings of the Committee, the presence of a majority of the members will constitute a quorum for the transaction of the business and the vote of a majority of the members present shall be the act of the Committee. In the event of an equality of votes, the Chair of the Committee shall not have a second casting vote.
5. Members of the Committee may participate in a meeting of the Committee by conference telephone or similar communications equipment by means of which all people participating in the meeting can hear each other and participation in such a meeting will constitute presence in person at such a meeting.
6. Any action required or permitted to be taken at any meeting of the Committee may be taken without a meeting if all of its members consent in writing to the action and such writing is filed with the records of proceedings of the Committee.
7. Directors not on the Committee may attend meetings at their discretion. At the invitation of the Chair of the Committee, members of management and outside consultants shall attend Committee meetings.
8. The Chair shall develop and set the Committee's agenda in consultation with other members of the Committee and Company management, as necessary. The agenda and any supporting material shall be communicated to members in advance to the extent practical to permit meaningful review.
9. The Committee shall maintain minutes of meetings and report to the Board on significant matters arising at Committee meetings at the next scheduled meeting of the Board.

## **AUTHORITY**

1. The Committee has the authority to conduct investigations into any matters within its scope of responsibility and obtain advice and assistance from outside legal, accounting, or other advisers, as necessary, to perform its duties and responsibilities.
2. In carrying out its duties and responsibilities, the Committee shall have full and free access to officers and employees of the Company and its books and records. Any meetings or contacts that the Committee wishes to initiate may be arranged through the Chief Executive Officer or the Corporate Secretary or directly by the Chair or other members of the Committee. The Committee will use its judgment to ensure that any such contact is not disruptive to the business operations of the Company.
3. The Company will provide appropriate funding, as determined by the Committee, for payment of: (i) compensation to any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company; (ii) compensation to any advisors employed by the Committee, and (iii) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

## **RESPONSIBILITIES AND DUTIES**

To fulfill its responsibilities and duties, the Committee shall:

1. **Financial Reporting**
  - (a) In collaboration with management and the independent auditor, review and approve (or recommend to

the Board for approval) the Company's annual financial statements and interim financial reports, management's discussion and analysis, any annual and interim earnings press releases and any reports or other financial information to be submitted to any governmental and/or regulatory body, or the public, including any certification, report, opinion, or review rendered by the external auditor for the purpose of recommending their approval to the Board prior to their filing, issue or publication. The Chair of the Committee may represent the entire Committee for purposes of this review in circumstances where time does not allow the full Committee to be available;

- (b) review analyses prepared by management and/or the external auditor setting forth significant financial reporting issues and judgements made in connection with the preparation of the financial statements, including analyses of the effects of alternative Generally Accepted Accounting Principles or International Financial Reporting Standards methods on the financial statements;
- (c) review the effect of regulatory and accounting initiatives, as well as off balance sheet structures, on the financial statements of the Company;
- (d) ensure 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, as well as review any financial information and earnings guidance provided to analysts and rating agencies, and periodically assess the adequacy of those procedures; and
- (e) review and approve (or recommend to the Board for approval), prior to public release, such other public disclosures with respect to financial information including guidance, prospectus, annual information form, annual report, management information circular and material change report, as the Committee considers appropriate.

## 2. **External Auditor**

"External auditor" as used here shall mean any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company. Each such external auditor shall report directly to the Committee. With respect to the external auditor, the Committee shall:

- (a) review annually, the performance of the external auditor who shall be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Company;
- (b) obtain annually, a formal written statement of external auditor setting forth all relationships between the external auditor and the Company consistent with The Public Company Accounting Oversight Board Rule 3526;
- (c) review and discuss with the external auditor any disclosed relationships or services that may have an impact on the objectivity and independence of the external auditor;
- (d) take appropriate action to oversee the independence of the external auditor, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- (e) appoint, retain and replace the external auditor to be nominated annually for shareholder approval;
- (f) determine the compensation to be paid to the external auditor;
- (g) oversee the work of the external auditor, including the resolution of disagreements between management and the external auditor regarding financial reporting;

- (h) at each meeting, where desired, consult with the external auditor, without the presence of management, about the quality of the Company's accounting policies, internal controls and the completeness and accuracy of the Company's financial statements;
- (i) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company;
- (j) review with the external auditor the audit plan for the annual financial statements; and
- (k) deal directly with the external auditor and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditor. The authority to pre-approve non-audit services may be delegated by the Committee to one or more independent members of the Committee, provided that such pre-approval must be presented to the Committee's first scheduled meeting following such pre-approval. Pre-approval of non-audit services is satisfied if:
  - (i) the aggregate amount of all the non-audit services that were not pre-approved is reasonably expected to constitute no more than 5% of the total amount of fees paid by the Company and subsidiaries to the Company's external auditor during the fiscal year in which the services are provided;
  - (ii) the Company or a subsidiary did not recognize the services as non-audit services at the time of the engagement; and
  - (iii) the services are promptly brought to the attention of the Committee and approved, prior to completion of the audit, by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee.

3. **Financial Reporting Processes, Accounting Policies and Internal Control Structure**

- (a) in consultation with the external auditor, review with management the integrity of the Company's financial reporting process, both internal and external;
- (b) periodically review the adequacy and effectiveness of the Company's disclosure controls and procedures and the Company's internal control over financial reporting, including any significant deficiencies and significant changes in internal controls;
- (c) consider the external auditor's judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting;
- (d) consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditor and management;
- (e) review significant judgments made by management in the preparation of the financial statements and the view of the external auditor as to appropriateness of such judgments;
- (f) following completion of the annual audit, review separately with management and the external auditor any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;

- (g) review any significant disagreement among management and the external auditor in connection with the preparation of the financial statements;
- (h) review with the external auditor and management the extent to which changes and improvements in financial or accounting practices have been implemented;
- (i) review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters;
- (j) receive and review any disclosure from the Company's Chief Executive Officer and Chief Financial Officer made in connection with the certification of the Company's interim financial reports and annual financial statements, regarding:
  - (i) significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial data; and
  - (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls;
- (k) establish a procedure for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters;
- (l) establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;
- (m) review the effect of regulatory and accounting initiatives, as well as off-balance-sheet structures, on the financial statements of the Company; and
- (n) review and report to the Board with respect to all related-party transactions, unless a special committee has been established by the Board to consider a particular matter.

4. **Ethical Compliance, Legal Compliance and Risk Management**

- (a) periodically review and recommend changes to the Board of the Company's Code of Business Conduct and Ethics (the "**Code**"), monitor compliance with the Code, investigate any alleged breach or violation of the Code and enforce the provisions of the Code. The Committee shall consider any requests for waivers from the Code, provided that a waiver from the Code for any directors or executive officers must be approved by the Board.
- (b) review, with the Company's legal counsel, legal compliance and legal matters that could have a significant impact on the Company's financial statements;
- (c) review with the Company's external auditors, and if necessary, legal counsel or other advisors, any litigation, claim or contingency, including tax assessments, that could have a material effect upon the financial position of the Company and the manner in which these matters are being disclosed in the financial statements;
- (d) assist the Board in fulfilling its risk oversight responsibilities by, among other things:
  - (i) ensuring that processes are in place to enable management to identify significant financial risks;
  - (ii) ensure that management establishes appropriate action plans to mitigate against such risks; and

- (iii) monitoring management's implementation of such action plans;
- (e) review the Company's insurance program on an annual basis, including the directors' and officers' (D&O) insurance and indemnities, and consider the adequacy of such coverage; and
- (f) carry out a review of the Company's Whistleblower Policy in order to ensure that it effectively permits stakeholders to express any concerns regarding accounting, internal controls, auditing matters or financial matters to an appropriately independent individual.

5. **Other Responsibilities**

- (a) review policies and procedures with respect to directors' and officers' expense accounts and management perquisites and benefits, including their use of corporate assets and expenditures related to executive travel and entertainment, and review the results of the procedures performed in these areas by the external auditor, based on the terms of reference agreed upon by the external auditor and the Committee;
- (b) review expenses of the Board Chair, President, Chief Executive Officer and Chief Financial Officer quarterly;
- (c) set compensation for: (i) an external auditor engaged for the purpose of preparing an audit report or performing other audit review or attest services for the Company; (ii) any advisors employed by the Committee; and (iii) ordinary administrative expenses of the Committee; and
- (d) annually review and update, if applicable or necessary, this Audit Committee Charter.

**LIMITATION OF RESPONSIBILITY**

While the Committee has the responsibilities and powers provided by this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with International Financial Reporting Standards. This is the responsibility of management (with respect to whom the Committee performs an oversight function) and the external auditors.

**GOVERNING LAW**

This Charter shall be interpreted and enforced in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable in that province.

**EFFECTIVE DATE**

This Charter supersedes and replaces all prior charters and other terms of reference pertaining to the Committee. This Charter was approved and adopted by the Board on October 27, 2022 and is and shall be effective and in full force and effect in accordance with its terms and conditions from and after such date.