



INFORMATION CIRCULAR

(As at August 8, 2024 except as indicated)

Santacruz Silver Mining Ltd. (the "**Company**") is providing this management information circular (the "**Information Circular**") and a form of proxy in connection with management's solicitation of proxies for use at the annual general meeting (the "**Meeting**") of shareholders of the Company (the "**Shareholders**") to be held on September 16, 2024 and at any adjournments thereof. Unless the context otherwise requires, when we refer in this Information Circular to the Company, its subsidiaries are also included. The Company will conduct its solicitation by mail and officers and employees of the Company may, without receiving special compensation, also telephone or make other personal contact. The Company will pay the cost of solicitation. All amounts referred to as \$ or dollars means United States currency, unless otherwise indicated.

APPOINTMENT OF PROXYHOLDER

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

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

VOTING BY PROXY

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

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

The enclosed form of proxy also gives discretionary authority to the person named therein as proxyholder with respect to amendments or variations to matters identified in the Notice of the Meeting and with respect to other matters which may properly come before the Meeting. At the date of this Information Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

COMPLETION AND RETURN OF PROXY

Completed forms of proxy must be deposited at the office of the Company's registrar and transfer agent, Computershare Investor Services Inc., Proxy Dept., 100 University Avenue, 9th Floor, Toronto, Ontario M4J 2Y1, not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

NON-REGISTERED HOLDERS

Only Shareholders whose names appear on the records of the Company as the registered holders of Shares or duly appointed proxyholders are permitted to vote at the Meeting. Most Shareholders of the Company are "non-registered" Shareholders ("**Non-Registered Shareholders**") because the shares they own are not registered in their names but instead registered in the name of a nominee such as a brokerage firm through which they purchased the Shares; bank, trust company, trustee or administrator of self-administered RRSP's, RRIF's, RESP's and similar plans; or clearing agency such as The Canadian Depository for Securities Limited and in the United States, under the name Cede & Co., as nominee for the Depository Trust Company (which acts as a brokerage depository for many U.S. firms and custodial banks) (a "**Nominee**"). If you purchased your Shares through a broker, you are likely a Non-Registered Shareholder.

In accordance with securities regulatory policy, the Company has distributed copies of the Meeting materials, being the Notice of Meeting, this Information Circular and the Proxy, to the Nominees for distribution to non-registered holders.

Nominees are required to forward the Meeting materials to non-registered holders to seek their voting instructions in advance of the Meeting. Shares held by Nominees can only be voted in accordance with the instructions of the non-registered holder. The Nominees often have their own form of voting instruction or proxy, mailing procedures and provide their own return instructions. If you wish to vote by proxy, you should carefully follow the instructions from the Nominee in order to ensure that your Shares are voted at the Meeting.

If you, as a Non-Registered Shareholder, wish to vote at the Meeting in person, you should appoint yourself as proxyholder by writing your name in the space provided on the request for voting instructions or proxy provided by the Nominee and return the form to the Nominee in the envelope provided. Do not complete the voting section of the form as your vote will be taken at the Meeting.

Non-Registered Shareholders who have not objected to their Nominee disclosing certain ownership information about themselves to the Company are referred to as "non-objecting beneficial owners" ("**NOBOs**"). Those Non-Registered Shareholders who have objected to their Nominee disclosing ownership information about themselves to the Company are referred to as "objecting beneficial owners" ("**OBOs**").

In accordance with the requirements of National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") of the Canadian Securities Administrators, the Company has elected to send the Meeting materials directly to NOBOs.

These securityholder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the Company or its agent has sent these materials directly to you (instead of through a Nominee), your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements

from the Nominee holding on your behalf. By choosing to send these materials to you directly, the Company (and not the Nominee holding on your behalf) has assumed responsibility for (i) delivering these materials to you and (ii) executing your proper voting instructions.

The Company will pay for Nominees to deliver the Meeting materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary* to OBOs.

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

REVOCABILITY OF PROXY

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

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue an unlimited number of common shares without par value, of which 355,855,538 Shares are issued and outstanding. Persons who are registered Shareholders at the close of business on August 8, 2024 will be entitled to receive notice of and vote at the Meeting and will be entitled to one vote for each Share held. The Company has only one class of shares.

To the knowledge of the directors and executive officers of the Company, no person beneficially owns, controls or directs, directly or indirectly, shares carrying 10% or more of the voting rights attached to all Shares of the Company.

ELECTION OF DIRECTORS

The directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting or until their successors are appointed. In the absence of instructions to the contrary, the enclosed proxy will be voted for the nominees herein listed.

Shareholder approval will be sought to fix the number of directors of the Company at five (5).

The Company has an Audit Committee, a Compensation Committee, a Corporate Governance and Nominating Committee and a Health, Safety and Environment Committee. Members of these committees are set out below.

Management of the Company proposes to nominate each of the following persons for election as a director. Information concerning such persons, as furnished by the individual nominees, is as follows:

<i>Name, Jurisdiction of Residence and Position</i>	<i>Principal Occupation, Business or Employment and, if not a Previously Elected Director, Occupation, Business or Employment During the Past 5 Years</i>	<i>Previous Service as a Director</i>	<i>Number of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly⁽⁷⁾</i>
<p>Arturo Préstamo Elizondo ⁽³⁾ Monterrey, Nuevo Leon, Mexico Chief Executive Officer, Executive Chairman and a Director</p>	<p>Chief Executive Officer from May 2024 to present; Interim CEO from August 2023 to May 2024; Executive Chairman from May 2020 to present; Interim CFO of the Company from July 2020 to January 2023. President and CEO of the Company from April 2012 to May 2020.</p>	<p>Director since April 12, 2012</p>	<p>15,579,645</p>
<p>Federico Villaseñor ⁽¹⁾⁽²⁾⁽⁴⁾ Guanajuato, Guanajuato, Mexico Director</p>	<p>Director of Business Development for Goldcorp Mexico, a subsidiary of Goldcorp Inc. from February 2007 to February 2014. Following retirement in 2014, Federico has continued to act as a consultant for various mining companies.</p>	<p>Director since April 8, 2014</p>	<p>1,500,000</p>
<p>Roland Löhner ⁽³⁾ Panama, Panama Director</p>	<p>Roland Lohner retired in 2014 from The Boston Consulting Group as a Senior Partner and Managing Director after 20 years with the firm. He was responsible for the Mexican practice for more than a decade before leading the Latin America region for five years.</p> <p>His work spanned many countries and industries, with a special focus on matters relating to strategic direction, organizational alignment and corporate governance. Over the last decade he has build a portfolio of direct investments in alternative asset classes and geographies that include forestry in Argentina , renewable energy in Mexico and manufactured housing communities in USA. In addition to Santacruz Silver, he serves on private boards and dedicates time to community and pro-bono activities. He holds an engineering degree from the Universidad de Buenos Aires and a MBA from INSEAD.</p>	<p>Director since February 24, 2015</p>	<p>4,231,500</p>
<p>Larry Okada ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾ Burnaby, British Columbia, Canada Director</p>	<p>Business consultant. Former Chief Financial Officer of Africo Resources Ltd. from January 2010 to July 2017.</p>	<p>Director since April 28, 2015</p>	<p>2,300,334 ⁽⁵⁾</p>

<i>Name, Jurisdiction of Residence and Position</i>	<i>Principal Occupation, Business or Employment and, if not a Previously Elected Director, Occupation, Business or Employment During the Past 5 Years</i>	<i>Previous Service as a Director</i>	<i>Number of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly⁽⁷⁾</i>
Barry Girling ⁽¹⁾⁽²⁾⁽⁴⁾ Vancouver, British Columbia, Canada Director	President of RJG Capital Corporation, a private company providing administrative, financial and regulatory/shareholder services to junior public companies since 1993.	Director since October 17, 2018	1,283,000 ⁽⁶⁾

(1) Member of the Audit Committee.

(2) Member of the Compensation Committee.

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

(4) Member of the Health, Safety and Environment Committee.

(5) Of these shares, 1,300,334 of these shares are held indirectly in the name of Larry M Okada Inc., a private company wholly-owned by Larry Okada.

(6) Of these shares, 280,000 are held indirectly in the name of RJG Capital Corporation., a private company wholly-owned by Barry Girling.

(7) Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at August 8, 2024, based upon information furnished to the Company by individual directors.

Corporate Cease Trade Orders or Bankruptcies

Except as set forth below, no proposed director:

- (a) is, as at the date of the Information Circular, or has been, within 10 years before the date of the Information Circular, a director, chief executive officer ("CEO") or chief financial officer ("CFO") of any company (including the Company) that:
 - (i) was subject, while the director was acting in the capacity as director, CEO or CFO of such company, 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; or
 - (ii) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director ceased to be a director, CEO or CFO but which resulted from an event that occurred while the director was acting in the capacity as director, CEO or CFO of such company; or
- (b) is, as at the date of this Information Circular, or has been within 10 years before the date of the Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director; or

- (d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (e) has been subject to any 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.

The Company was subject to a cease trade order issued by the British Columbia Securities Commission and Ontario Securities Commission on May 8, 2023 for failure to file annual audited financial statements, annual management’s discussion and analysis and certification of annual filings for the year ended December 31, 2022. The cease trade order was revoked on June 9, 2023 by the British Columbia Securities Commission and Ontario Securities Commission. Arturo Préstamo Elizondo served as Executive Chairman and a director of the Company, and Federico Villaseñor, Roland Löhner, Larry Okada, and Barry Girling served as directors of the Company while the cease trade order was in place.

Mr. Barry Girling was a director of Zinc One Resources Inc. (“**Zinc One**”), a company listed on the TSX Venture Exchange. On September 16, 2020, while Mr. Girling was a director of Zinc One, the British Columbia Securities Commission issued a cease trade order against Zinc One for failure to file its annual audited financial statements and related management discussion and analysis for the year ended February 29, 2020. The annual filings were made and the cease trade order was revoked on December 15, 2020.

The following directors of the Company hold directorships in other reporting issuers as set out below:

<i>Name of Director</i>	<i>Name of Other Reporting Issuer</i>
Larry M. Okada	Forum Energy Metals Corp. ⁽¹⁾ Neo Battery Materials Ltd. ⁽¹⁾
Federico Villaseñor	Starcore International Mines Ltd. ⁽¹⁾
W. Barry Girling	Highcliff Metals Corp. ⁽¹⁾ Silver One Resources Inc. ⁽¹⁾

⁽¹⁾ Listed on the TSX Venture Exchange

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Executive compensation is based upon the need to provide a compensation package that will allow the Company to attract and retain qualified and experienced executives, balanced with a pay-for performance philosophy. This philosophy is linked to the Company’s business strategy which includes increasing stakeholder value. In addition, the compensation programs aim for simplicity and responsiveness to market changes.

The following executive compensation principles guide the Company’s overall compensation:

- Compensation levels should be sufficiently competitive to facilitate recruitment and retention of experienced high-caliber executives in the competitive mining industry, while being fair and reasonable to Shareholders.

- The compensation program should align executives' long-term financial interests with those of the Shareholders by providing equity-based incentives; and
- Compensation should be transparent so that both executives and Shareholders understand the executive compensation program.

Compensation Committee

The Compensation Committee of the board of directors of the Company (the “**Board**”) is responsible for ensuring that the Company has appropriate policies, plans and programs for executive compensation and for reviewing and making recommendations to the Board with respect to the compensation of the Company's executive officers. The Compensation Committee seeks to ensure that total compensation paid to all executive officers is fair and reasonable and is consistent with the Company's compensation philosophy.

The Compensation Committee is also responsible for recommending compensation for the directors and granting awards to the directors, officers, employees and consultants of the Company pursuant to the Company's Omnibus Equity Incentive Plan (the “**Omnibus Incentive Plan**”).

As at December 31, 2023, the Compensation Committee was comprised of Federico Villaseñor, Barry Girling and Larry Okada. Federico Villaseñor, Barry Girling and Larry Okada are all considered independent as that term is defined in National Instrument 52-110 – Audit Committees (“**NI 52-110**”). Each of these members has extensive experience in executive compensation through their current and previous roles as directors and/or officers of companies in the mining industry. The members have the following skills and experience that enabled them to make decisions on the suitability of the Company's compensation policies and practices.

- Federico Villaseñor – Mr. Villaseñor has been involved with publicly traded mining and mineral exploration companies and has gained significant experience in the management of executive compensation and human resources.
- Barry Girling - Barry Girling is currently an independent business consultant. He obtained a Bachelor of Commerce, Finance from the University of British Columbia in 1990. Mr. Girling has provided consulting services to a number of public companies for over 25 years as well as being a director or officer of many client companies. Through his work experience, Mr. Girling has interacted with senior management of multiple companies where he has gained an understanding of appropriate executive compensation in public companies.
- Larry Okada - Mr. Okada is a CA/CPA in Canada and the United States and has 33 years experience in public practice initially as a partner in his own firm and subsequently as a partner with PricewaterhouseCoopers LLP. Currently he is a director of two additional public companies and two charities. He has gained significant knowledge with respect to senior management compensation matters in public companies as a result of this broad range of experience.

The Board is satisfied that the composition of the Compensation Committee ensures an objective process for determining compensation. The Board believes that the Compensation Committee collectively has the knowledge, experience and background required to fulfill its mandate.

Compensation Consultants

The Compensation Committee is authorized to engage external compensation advisors to assist the Compensation Committee in performing its mandated responsibilities. In 2023 Lane Caputo Compensation Inc. (“**Caputo**”) was engaged to provide a report to the Company on compensation for directors and executive officers. Caputo was paid C\$41,000 for the services they provided.

Elements of Executive Compensation

Compensation is comprised of a negotiated salary, with bonuses and awards potentially being paid and issued as incentive for performance.

Salary

The Company's view is that a competitive salary is a necessary element for attracting and retaining qualified executive officers. The Company also believes that attractive salaries can motivate and reward executives for their overall performance. The amount payable to a named executive officer may be based on several factors, including experience, past performance, anticipated future contributions and comparisons to salaries offered by other comparable companies. The Company reviews salaries at least once per year to ensure they remain at appropriate levels.

Amounts paid to an executive officer as base salary, including merit salary increases, are determined by reference to the individual's performance and salaries prevailing in the marketplace for comparable positions. The base salary of each executive officer is reviewed as required. Salary adjustments take into consideration the general level of salaries in the marketplace for comparable positions, the performance of the executive and the Company's performance.

Other Benefits

NEOs (as defined below) are eligible to participate in employee benefit programs and plans that are generally available to all full-time employees (subject to fulfilling certain eligibility requirements). These include extended health and dental plans. In designing these benefits, the Company seeks to provide an overall level and mix of benefits that is competitive to those offered by other comparable companies.

Certain perquisites are also made available to NEOs. These may include payment of professional dues and further health benefits. The Company considers these other benefits a necessary element of a competitive executive compensation package in the industry as these types of perquisites are common among executives in the Company's industry.

Security based Awards

The Compensation Committee recognizes that the Company operates in a competitive environment and that its performance depends on the quality of its employees. The Company's Omnibus Incentive Plan has been and will be used to provide awards which are granted in consideration of the level of responsibility of the executive as well as his or her impact or contribution to the longer-term operating performance of the Company. In determining the number of awards to be granted to the executive officers, the Compensation Committee takes into account the number of awards, if any, previously granted to each executive officer, and the exercise price of any outstanding awards, if applicable, to ensure that such grants are in accordance with the policies of the TSX Venture Exchange, and closely align the interests of the executive officers with the interests of Shareholders.

Risk Considerations

The Compensation Committee considers the implications of the risk associated with the Company's compensation policies and practices when determining rewards for its officers and directors. The Compensation Committee reviews at least once annually the risks, if any, associated with the Company's compensation policies and practices at such time.

Executive compensation is comprised of both short-term compensation in the form of a base salary and an incentive cash bonus plan, and long-term ownership through the grant of awards. This structure ensures that a significant portion of executive compensation (awards) is both long-term and "at risk" and, accordingly, is directly linked to the achievement of business results and the creation of long-term shareholder value.

The Compensation Committee also has the ability to set out vesting periods in each award agreement. As the benefits of such compensation, if any, are not realized by officers and directors until a significant period of time has passed, the ability of officers to take inappropriate or excessive risks that are beneficial to their compensation at the expense of the Company and the Shareholders is extremely limited. Furthermore, all elements of executive compensation are discretionary. As a result, it is unlikely an officer would take inappropriate or excessive risks at the expense of the Company or the Shareholders that would be beneficial to their short-term compensation when their long-term compensation might be put at risk from their actions.

Due to the size of the Company and its current management group, the Compensation Committee is able to closely monitor and consider any risks which may be associated with the Company's compensation policies and practices. Risks, if any, may be identified and mitigated through regular Board meetings during which financial and other information of the Company is reviewed. No risks have been identified arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

Hedging of Economic Risks in the Company's Securities

Under the Company's compensation policies, directors and officers may not take any derivative or speculative positions in the Company's securities. This is to prevent the purchase of financial instruments that are designed to hedge or offset any decrease in the market value of the Company's securities.

Summary Compensation Table

The following information is provided pursuant to National Instrument Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*.

When used in this Information Circular, a "Named Executive Officer" or "NEO" means each of the following individuals:

- (a) the CEO;
- (b) the CFO;
- (c) the most highly compensated executive officer of the Company other than the individuals identified in paragraphs (a) and (b) above, at December 31, 2023, whose total compensation was more than C\$150,000 for that financial year; and

- (d) each individual who would be a named executive officer under paragraph (c) above, but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at December 31, 2023,

(collectively, the “Named Executive Officers” or “NEOs”).

For the financial year ending December 31, 2023, the Company had the following Named Executive Officers: Gregg Orr, CFO and Corporate Secretary; Arturo Préstamo Elizondo, Executive Chairman, Interim CEO, former Interim CFO; Carlos Alberto Silva Ramos, former CEO; Grant Tanaka, who provided CFO services during the year ended December 31, 2023, and Eduardo Torrecillas, Executive President Bolivia.

This Information Circular contains references to United States dollars and Canadian dollars. References in this Information Circular to “\$” are to United States dollars and references to “C\$” or “CAD\$” are to Canadian dollars.

Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table sets forth a summary of all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company or a subsidiary of the Company, to each Named Executive Officer and director of the Company, in any capacity, for services provided and for services to be provided, directly or indirectly, to the Company or a subsidiary of the Company, for the two most recently completed financial years, excluding compensation securities. Compensation securities are disclosed under the heading “*Stock Options and Other Compensation Securities*” below.

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 (\$)
Gregg Orr <i>CFO and Corporate Secretary</i> ⁽¹³⁾⁽¹⁴⁾	2023	\$351,293	N/A	N/A	N/A	N/A	\$351,293
	2022	N/A	N/A	N/A	N/A	N/A	N/A
Arturo Préstamo Elizondo <i>CEO; Executive Chairman; Director; former Interim CFO; and former Interim CEO</i> ⁽²⁾	2023	\$347,691	N/A	N/A	\$29,048 ⁽¹²⁾	N/A	\$376,739
	2022	\$278,650	N/A	N/A	\$24,059 ⁽¹⁰⁾	N/A	\$302,710

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 (\$)
Carlos Alberto Silva Ramos <i>Former CEO and former Director</i> ⁽¹⁾	2023	\$320,384	N/A	N/A	\$80,749 ⁽¹¹⁾	N/A	\$401,133
	2022	\$380,838	N/A	N/A	\$159,393 ⁽⁹⁾	N/A	\$540,231
Grant Tanaka <i>Consultant providing CFO services</i> ^{(7) (14)}	2023	\$24,861	N/A	N/A	N/A	\$152,745	\$177,606
	2022	\$241,240	N/A	N/A	N/A	N/A	\$241,240
Eduardo Torrecillas, <i>Executive President Bolivia</i> ⁽⁸⁾	2023	\$348,140	\$339,992	N/A	\$8,967	N/A	\$697,099
	2022	\$197,166	\$246,984	N/A	\$1,408	N/A	\$445,558
Barry Girling <i>Director</i> ⁽⁶⁾⁽¹⁴⁾	2023	\$26,969	N/A	N/A	N/A	N/A	\$26,969
	2022	\$26,128	N/A	N/A	N/A	N/A	\$26,128
Roland Löhner <i>Director</i> ^{(4) (14)}	2023	\$19,115	N/A	N/A	N/A	N/A	\$19,115
	2022	\$22,285	N/A	N/A	N/A	N/A	\$22,285
Larry Okada <i>Director</i> ^{(5) (14)}	2023	\$28,895	N/A	N/A	N/A	N/A	\$28,895
	2022	\$30,585	N/A	N/A	N/A	N/A	\$30,585
Federico Villaseñor <i>Director</i> ⁽³⁾⁽¹⁴⁾	2023	\$23,857	N/A	N/A	N/A	N/A	\$23,857
	2022	\$25,359	N/A	N/A	N/A	N/A	\$25,359

(1) Mr. Silva Ramos resigned his positions with the Company on August 10, 2023. Mr. Silva Ramos received nil compensation in 2023 for his services as a director of the Company.

(2) Mr. Arturo Préstamo Elizondo was appointed as Executive Chairman on May 11, 2020. Mr. Préstamo Elizondo was appointed as Interim CFO effective July 15, 2020, and resigned as Interim CFO effective January 9, 2023. Mr. Préstamo Elizondo also serves as a director of the Company. Mr. Préstamo Elizondo was appointed as Interim CEO on August 10, 2023, and was appointed as CEO on May 13, 2024. Mr. Préstamo Elizondo received nil compensation in 2023 for his services as a director of the Company.

(3) Mr. Federico Villaseñor was appointed as a director of the Company effective April 8, 2014.

(4) Mr. Roland Löhner was appointed as a director of the Company effective February 24, 2015.

(5) Mr. Larry Okada was appointed as a director of the Company effective April 28, 2015.

(6) Mr. Barry Girling was appointed as a director of the Company effective October 17, 2018.

(7) Mr. Tanaka was hired to perform CFO services on August 15, 2021 and ceased performing CFO services for the Company on January 30, 2023.

(8) Mr. Torrecillas was appointed as Executive President Bolivia on June 1, 2022.

(9) The value of the perquisites paid to Mr. Carlos Alberto Silva Ramos consisted of \$112,653 in personal insurance, and \$46,740 in vehicle related expenses.

(10) The value of perquisites paid to Mr. Arturo Préstamo Elizondo consisted of \$24,059 in vehicle related expenses.

- (11) The value of the perquisites paid to Mr. Carlos Alberto Silva Ramos consisted of \$56,964 in personal insurance, and \$23,785 in vehicle related expenses.
- (12) The value of perquisites paid to Mr. Arturo Préstamo Elizondo consisted of \$29,048 in vehicle related expenses.
- (13) Mr. Orr was appointed as CFO and Corporate Secretary of the Company effective January 9, 2023.
- (14) Compensation was paid to this individual in Canadian dollars, the amount included in this table has been converted into United States dollars based on the 2022 and 2023 average United States dollar exchange rate of 1.3013 and 1.3497, respectively.

Director Compensation

A fee schedule for non-executive directors has been established as follows:

- Each non-executive director shall receive a monthly retainer of C\$1,750;
- Each non-executive director shall receive a fee of C\$800 per board or committee meeting attended, whether via telephone or in person;
- The Chair of the Audit Committee shall receive an additional monthly retainer of C\$500; and
- The Chair of the Compensation Committee shall receive an additional fee of C\$1,000 per meeting of the Compensation Committee attended, whether by telephone or in person.

External Management Companies

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

Stock Options and Other Compensation Securities

The following table provides a summary of all compensation securities granted or issued by the Company or one of its subsidiaries to each NEO and director of the Company in the financial year ended December 31, 2023, for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries.

COMPENSATION SECURITIES							
Name and Position	Type of Compensation Security	Number of Compensation Securities, Number of Underlying Securities (#)	Date of Issue or Grant	Issue, Conversion or Exercise Price (\$)	Closing Price of Securities or Underlying Security on Date of Grant ⁽²⁾ (\$)	Closing Price of Security or Underlying Security at Year End (\$)	Expiry Date
Gregg Orr CFO and Corporate Secretary ⁽¹⁾	Options	1,000,000	January 11, 2023	C\$0.41	C\$0.38	C\$0.25	January 11, 2028

COMPENSATION SECURITIES							
Name and Position	Type of Compensation Security	Number of Compensation Securities, Number of Underlying Securities (#)	Date of Issue or Grant	Issue, Conversion or Exercise Price (\$)	Closing Price of Securities or Underlying Security on Date of Grant ⁽²⁾ (\$)	Closing Price of Security or Underlying Security at Year End (\$)	Expiry Date
Arturo Préstamo Elizondo <i>CEO, Executive Chairman, former Interim CFO, former Interim CEO and a Director⁽²⁾</i>	N/A	NIL	N/A	N/A	N/A	N/A	N/A
Carlos Alberto Silva Ramos <i>Former CEO and former Director⁽⁷⁾</i>	N/A	NIL	N/A	N/A	N/A	N/A	N/A
Grant Tanaka <i>Consultant providing CFO services⁽⁸⁾</i>	N/A	NIL	N/A	N/A	N/A	N/A	N/A
Eduardo Torrecillas, <i>Executive President Bolivia⁽⁹⁾</i>	N/A	NIL	N/A	N/A	N/A	N/A	N/A
Barry Girling <i>Director⁽⁶⁾</i>	N/A	NIL	N/A	N/A	N/A	N/A	N/A
Roland Löhner <i>Director⁽⁴⁾</i>	N/A	NIL	N/A	N/A	N/A	N/A	N/A
Larry Okada <i>Director⁽⁵⁾</i>	N/A	NIL	N/A	N/A	N/A	N/A	N/A
Federico Villaseñor <i>Director⁽³⁾</i>	N/A	NIL	N/A	N/A	N/A	N/A	N/A

- (1) As at December 31, 2023, Mr. Gregg Orr held 1,000,000 stock options to purchase 1,000,000 common shares, 500,000 of which are fully vested.
- (2) As at December 31, 2023, Mr. Arturo Préstamo Elizondo held 2,700,000 stock options to purchase 2,700,000 common shares, all of which are fully vested.
- (3) As at December 31, 2023, Mr. Federico Villaseñor held 2,200,000 stock options to purchase 2,200,000 common shares, all of which are fully vested.
- (4) As at December 31, 2023, Mr. Roland Löhner held 2,958,400 stock options, to purchase 2,958,400 common shares, all of which are fully vested.

- (5) As at December 31, 2023, Mr. Larry Okada held 3,000,000 stock options to purchase 3,000,000 common shares, all of which are fully vested.
- (6) As at December 31, 2023, Mr. Barry Girling held 3,400,000 stock options, to purchase 3,400,000 common shares, all of which are fully vested.
- (7) As at December 31, 2023, Mr. Carlos Alberto Silva Ramos held nil stock options.
- (8) As at December 31, 2023, Mr. Grant Tanaka held nil stock options.
- (9) As at December 31, 2023, Mr. Eduardo Torrecillas held nil stock options.

Exercise of Compensation Securities

Exercise of Compensation Securities by Directors and NEOs							
Name and Position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Grant Tanaka <i>Consultant providing CFO services⁽¹⁾</i>	Options	800,000	C\$0.385	March 17, 2023	C\$0.57	C\$0.185	C\$308,000.00

⁽¹⁾ Mr. Tanaka was hired to perform CFO services on August 15, 2021 and ceased performing CFO services for the Company on January 30, 2023.

Stock Option Plan and Other Incentive Plans

On December 20, 2023, the Company's shareholders approved the adoption of the Omnibus Incentive Plan to replace the existing 10% Rolling Stock Option Plan (the "**Stock Option Plan**"), effective November 13, 2023.

Options granted under the Stock Option Plan prior to November 13, 2023, remain outstanding and are governed by the Omnibus Incentive Plan.

For information about the material terms of the Company's Omnibus Incentive Plan, please refer to the heading "*Particulars of Other Matters to be Acted Upon – Approval of Omnibus Incentive Plan*".

Employment, Consulting and Management Agreements

Other than described below, there are no agreements or arrangements under which compensation was provided during the financial year ended December 31, 2023 or is payable in respect of services provided to the Company or any of its subsidiaries that were performed by a Named Executive Officer or director of the Company or performed by any other party but are services typically provided by a Named Executive Officer or director of the Company.

Other than described below, neither the Company, nor its subsidiaries, has a contract, agreement, plan or arrangement that provides for payments to a Named Executive Officer at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control of the Company or its subsidiaries, or a change in responsibilities of the NEO following a change in control.

On January 9, 2023, the Company entered into an employment agreement (the “**Employment Agreement**”) with Gregg Orr. Pursuant to the Employment Agreement Mr. Orr shall act as Chief Financial Officer and Corporate Secretary of the Company, in exchange Mr. Orr shall receive an annual salary of C\$480,000 and a target bonus equal to 80% of Mr. Orr’s annual salary, dependent on meeting certain goals and objectives. The Company may terminate the Employment Agreement without just cause at any time by notice in writing stating the last day of employment (the “**Termination Date**”), in which case the Company shall be obligated to provide Mr. Orr with the compensation set out below (the “**Severance**”), as well as payment of earned salary, untaken wages, accrued vacation pay, reimbursement of any expenses and any unpaid bonus (the “**Final Wages**”). The Severance shall consist of the following: a) payment of six (6) months’ salary should Mr. Orr be terminated within the first six months of employment or 24 months’ salary should Mr. Orr be terminated after the first six months of employment (the “**Severance Period**”); b) a further payment equal to the then current year target bonus divided by 12, and multiplied by the Severance Period; and c) continuation by the Company at its cost the benefits then in effect for Mr. Orr until the earlier of the end of the Severance Period or Mr. Orr obtaining alternate coverage (of which prompt written notice must be given to the Company). Should the Company undergo a change of control (“**COC**”) which results in the termination of the Employment Agreement then, on the seventh (7th) business day following the earlier of the last day of the specified notice of resignation or termination and the date Mr. Orr actually ceases supplying services to the Company (the “**COC Termination Date**”), the Company shall provide Mr. Orr with the compensation set out below (the “**COC Severance**”). The lump sum portions of the COC Severance shall be payable within seven (7) business days following the COC Termination Date, in addition to Final Wages. The COC Severance shall consist of the following: (a) a lump sum amount equivalent to 24 months’ of Mr. Orr’s annual salary; (b) a further lump sum equal to two times the average annual bonus received by Mr. Orr for the 3 preceding fiscal years but, if 3 such bonuses have not been calculated at the material time, the amount of the current year target bonus shall be used instead of each missing year to arrive at the average annual bonus amount; (c) continuation by the Company at its cost the benefits then in effect for Mr. Orr, until the earlier of the end of the Severance Period or Mr. Orr obtaining alternate coverage (of which prompt written notice must be given to the Company); and (d) notwithstanding any other plan or agreement: (i) all then non-vested options held by Mr. Orr shall vest as of the COC Termination Date; and (ii) Mr. Orr may exercise all such options until the earlier of their expiry date or one year from the COC Termination Date.

On August 15, 2021, the Company entered into an executive consulting agreement (the “**Consulting Agreement**”) with 1295296 B.C. Ltd. (the “**Consultant**”), a company owned and controlled by Grant Tanaka. Pursuant to the Consulting Agreement Mr. Tanaka shall provide financial advisory services to the Company for a period of one year, which will automatically renew for successive year-long periods unless otherwise terminated. In exchange for the services provided, the Consultant receives an annual consulting fee of C\$220,000 + 5% GST annually (the “**Annual Fee**”) payable in monthly arrears. The Consulting Agreement may be terminated by either party, subject to a sixty-day notice period. Should the Company terminate the Consulting Agreement, then at the Company’s option either the Company will pay to the Consultant an amount equal to its then-current Annual Fee payable, which the Consultant will accept as full compensation for the termination, or the Consultant need not perform services during the notice period for the Annual Fee and other consideration then in effect. If the Company gives notice of termination within 12 months of a change of control of the Company, then the amount payable will be equal to its then-current Annual Fee payable multiplied by 1.5.

On June 15, 2022, the Company and the Consultant entered into a term sheet (the “**Term Sheet**”), pursuant to which Mr. Tanaka would provide the Company chief financial officer services, and in exchange for the services provided, the Company would pay the Consultant an increased annual fee (the “**New Annual Fee**”) of \$300,000. Under the Term Sheet upon termination the Consultant would be entitled to receive an amount equal to the New Annual Fee, plus the amount of its annual bonus and the

cash equivalent of any accrued vacation pay, and its then vested stock options would remain in good standing for 12 months. In the event of termination or resignation within 6 months of a change in control, the Consultant would be entitled to receive an amount equal to twice its then New Annual Fee, plus the cash equivalent of accrued vacation pay, the amount of its annual bonus and the cash equivalent of two years' vacation pay, and its outstanding stock options would remain in good standing for 12 months.

Mr. Tanaka ceased performing CFO services for the Company on January 30, 2023.

Pension Plan Benefits

The Company does not have a pension plan that provides for payments or benefits to the Named Executive Officers or directors at, following, or in connection with retirement.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth the Company's compensation plans under which equity securities are authorized for issuance as at December 31, 2023:

<i>Plan Category</i>	<i>Number of securities to be issued upon exercise of outstanding options, warrants and rights</i> <i>(a)</i>	<i>Weighted-average exercise price of outstanding options, warrants and rights</i> <i>(b)</i>	<i>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</i> <i>(c)</i>
Equity compensation plans approved by securityholders	23,714,400	\$0.40	11,384,713
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	23,714,400	\$0.40	11,384,713

⁽¹⁾ Represents the number of Shares remaining available for future issuance under stock options available for grant as of December 31, 2023 under the Plan. The maximum number of Shares which may be issued pursuant to options granted under the Plan is 10% of the issued and outstanding Shares at the time of grant.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date of this Information Circular there was no indebtedness outstanding of any current or former director, executive officer or employee of the Company or its subsidiaries which is owing to the Company or its subsidiaries, or which is owing to another entity which indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or its subsidiaries, entered into in connection with a purchase of securities or otherwise.

No individual who is, or at any time during the most recently completed financial year was, a director or executive officer of the Company, no proposed nominee for election as a director of the Company and no associate of such persons:

- (i) is, or at any time since the beginning of the most recently completed financial year has been, indebted to the Company or its subsidiaries; or

- (ii) is indebted to another entity, which indebtedness is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or its subsidiaries,

in relation to a securities purchase program or other program.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

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

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as set out herein, no informed person or proposed director of the Company and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which in either such case has materially affected or would materially affect the Company or its subsidiaries.

APPOINTMENT OF AUDITORS

Deloitte LLP, Chartered Professional Accountants, of Vancouver, British Columbia are the auditors of the Company. Deloitte LLP, Chartered Professional Accountants, were first appointed as auditors on November 10, 2022. Unless otherwise instructed, the proxies given pursuant to this solicitation will vote for the re-appointment of Deloitte LLP as the auditors of the Company to hold office for the ensuing year at a remuneration to be fixed by the directors.

MANAGEMENT CONTRACTS

No management functions of the Company or its subsidiaries are performed or, since the start of the company's most recently completed financial year, have been performed to any substantial degree by a person other than the directors or executive officers of the Company or its subsidiaries.

AUDIT COMMITTEE

The Audit Committee's Charter

Purpose

The primary function of the Audit Committee (the "**Committee**") is to assist the Company's board of directors (the "**Board**") in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting and the Company's auditing, accounting, and financial reporting processes. Consistent with this function, the

Committee will encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. The Committee's primary duties and responsibilities are to:

- (a) Serve as an independent and objective party to monitor the Company's financial reporting and internal control systems and review the Company's financial statements.
- (b) Review and appraise the performance of the Company's external auditors.
- (c) Provide an open avenue of communication among the Company's auditors, financial and senior management, and the Board.

Composition of the Audit Committee

The Committee will be comprised of at least three directors as determined by the Board, the majority of whom will not be officers, employees, or control persons of the Company or of an affiliate of the Company.

At least one member of the Committee will have Canadian financial reporting skills and experience with audit engagements for public companies. All members of the Committee will be financially literate. For the purposes of this Audit Committee Charter (the “**Charter**”), the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company's financial statements.

The members of the Committee will be elected by the Board from time to time. Unless a chairperson of the Committee (the “**Chair**”) is elected by the full Board, the members of the Committee may designate a Chair by a majority vote of the full Committee membership. The Chair must have Canadian financial reporting skills and experience with audit engagements for public companies.

Meetings

The Committee will meet at least once per financial quarter, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee will:

Documents/Reports Review

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

External Auditors

- (a) Review annually, the performance of the external auditors who will 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 auditors setting forth all relationships between the external auditors and the Company, in accordance with any applicable regulatory requirements.
- (c) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
- (d) Take, or recommend that the full Board take, appropriate action to oversee the independence of the external auditors.
- (e) Recommend to the Board the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
- (f) At least annually, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements, and discuss any event or matter which suggests the possibility of fraud, illegal acts or deficiencies in internal controls.
- (g) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.
- (h) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- (i) Review 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 auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
 - (i) the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of fees paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;
 - (ii) such services were not recognized by the Company at the time of the engagement to be non-audit services; and
 - (iii) such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval, such authority may be delegated by the Committee to one or more independent members of the Committee.

Financial Reporting Processes

- (a) Review the draft financial statements and management's discussion and analysis with respect to each reporting period and provide a recommendation to the Board with respect to the approval of the financial statements and management's discussion and analysis.
- (b) Prior to approving the annual financial statements, review the results of management's evaluation of the effectiveness of the Company's internal controls over financial reporting and disclosure controls and procedures as at the date of the Company's annual financial statements.
- (c) In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.
- (d) Consider the external auditor's judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
- (e) Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.
- (f) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
- (g) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- (h) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- (i) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- (j) Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
- (k) Review certification process.
- (l) Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Other

Review any related-party transactions.

Composition of the Audit Committee

The following are the members of the Committee:

Larry Okada ⁽¹⁾	Independent ⁽²⁾	Financially literate ⁽²⁾
Federico Villaseñor	Independent ⁽²⁾	Financially literate ⁽²⁾
Barry Girling	Independent ⁽²⁾	Financially literate ⁽²⁾

⁽¹⁾ Chair of the Audit Committee.

⁽²⁾ As defined by NI 52-110.

Relevant Education and Experience

Larry Okada is the Chair of the Audit Committee. Mr. Okada is financially literate and familiar with public company financial statements and the accounting principles used in reading and preparing financial statements. He graduated from the University of British Columbia with a BA after which he articulated to become a CPA, CA in Canada followed by a CPA in the United States.

Barry Girling is currently an independent business consultant. He obtained a Bachelor of Commerce, Finance from the University of British Columbia in 1990. Mr. Girling has provided consulting services to a number of public companies for over 25 years as well as being a director or officer of many client companies. Through his education and work experience, Mr. Girling has an understanding of public company financial statements and related disclosure.

Federico Villaseñor holds a B.Sc in Mining and Metallurgy from the University of Guanajuato, a M.S. of Mineral Economics from Columbia University and a Finance Degree from The Instituto Tecnológico Autónomo de México. His career has spanned 40 years in the mining industry and he is financially literate and familiar with public company financial statements and the accounting principles used in reading and preparing financial statements.

Audit Committee Oversight

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

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), an exemption in subsections 6.1.1.1(4), (5) or (6) of NI 52-110 or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in the Company's Audit Committee Charter under the heading "Duties and Responsibilities".

External Auditors Service Fees (By Category)

The aggregate fees billed by the Company's external auditors during the last two fiscal years for audit fees are as follows:

<i>Financial Year Ending</i>	<i>Audit Fees⁽¹⁾</i>	<i>Audit Related Fees⁽²⁾</i>	<i>Tax Fees⁽³⁾</i>	<i>All Other Fees⁽⁴⁾</i>
December 31, 2023	C\$1,441,105	C\$16,605	Nil	Nil
December 31, 2022	C\$1,550,755	C\$624,645	Nil	Nil

⁽¹⁾ Includes the aggregate fees billed by the issuer's external auditor in each of the last two fiscal years for audit fees.

- (2) Includes the aggregate fees billed in each of the last two fiscal years for assurance and related services by the issuer's external auditor that are reasonably related to the performance of the audit or review of the issuer's financial statements and are not reported under "Audit Fees".
- (3) Includes the aggregate fees billed in each of the last two fiscal years for professional services rendered by the issuer's external auditor for tax compliance, tax advice, and tax planning.
- (4) Includes the aggregate fees billed in each of the last two fiscal years for products and services provided by the issuer's external auditor, other than the services reported under "Audit Fees", "Audit Related Fees" and "Tax Fees".

CORPORATE GOVERNANCE DISCLOSURE

National Policy 58-201 establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company's practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. National Instrument 58-101 mandates disclosure of corporate governance practices which disclosure is set out below.

Independence of Members of Board

The Company's Board consists of five (5) directors, four of whom are independent based upon the tests for independence set forth in NI 52-110. Federico Villaseñor, Roland Löhner, Larry Okada and Barry Girling are independent. Arturo Préstamo Elizondo is not independent as he is the CEO and Executive Chairman of the Company.

Management Supervision by Board

The size of the Company is such that all the Company's operations are conducted by a small management team which is also represented on the Board. The Board considers that management is effectively supervised by the independent directors on an informal basis as the independent directors are actively and regularly involved in reviewing and supervising the operations of the Company and have regular and full access to management. The independent directors are also able to meet at any time without any members of management, including the non-independent directors, being present. Further supervision is performed through the Audit Committee (which is composed entirely of independent directors) who meet with the Company's auditors without management being in attendance.

Participation of Directors in Other Reporting Issuers

The participation of the directors in other reporting issuers is described in the table provided under "*Election of Directors*" in this Information Circular.

Orientation and Continuing Education

While the Company does not have formal orientation and training programs, new Board members are provided with:

- (1) information respecting the functioning of the Board, committees and copies of the Company's corporate governance policies;
- (2) access to recent, publicly filed documents of the Company, technical reports and the Company's internal financial information;

- (3) access to management, technical experts and consultants; and
- (4) a summary of significant corporate and securities responsibilities.

Board members are encouraged to communicate with management, auditors and technical consultants; to keep themselves current with industry trends and developments and changes in legislation with management's assistance; and to attend related industry seminars and visit the Company's operations. Board members have full access to the Company's records.

Ethical Business Conduct

The Board views good corporate governance as an integral component to the success of the Company and to meet responsibilities to Shareholders. The Board has adopted a Code of Business Conduct and Ethics that is posted on its website at www.santacruzsilver.com and has instructed its management and employees to abide by the Code.

Nomination of Directors

The Corporate Governance and Nomination Committee (the "**Nominating Committee**") has responsibility for identifying potential Board candidates. The members of the Nominating Committee are Larry Okada, Roland Löhner, and Arturo Préstamo Elizondo. Larry Okada and Roland Löhner are independent directors of the Company; Arturo Préstamo Elizondo is not an independent director as he is the CEO and Executive Chairman of the Company. The Nominating Committee assesses potential Board candidates to fill perceived needs on the Board for required skill, expertise, independence and other factors. Members of the Board and representatives are consulted for possible candidates. The Board has adopted a written charter that sets forth the responsibilities of the Nominating Committee and gives the Nominating Committee the authority to engage outside experts to assist in identifying potential candidates if considered advisable. A copy of the Nominating Committee's charter is posted on the Company's website at www.santacruzsilver.com.

Compensation of Directors and the CEO

The members of the Compensation Committee are Federico Villaseñor, Barry Girling and Larry Okada. Federico Villaseñor, Barry Girling and Larry Okada are all considered independent. The Compensation Committee has responsibility for determining compensation for the directors and senior management.

To determine compensation payable, the Compensation Committee reviews compensation paid for directors and CEOs of companies of similar size and stage of development in the mineral exploration and mining industries and determines an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and senior management while taking into account the financial and other resources of the Company. In setting compensation the Compensation Committee annually reviews the performance of the Company's CEO and other executive officers in light of the Company's objectives and considers other factors that may have impacted the success of the Company in achieving its objectives. The Board has adopted a written charter that sets forth the responsibilities of the Compensation Committee and gives the Compensation Committee the authority to engage outside experts to assist in identifying potential candidates if considered advisable. A copy of the Compensation Committee's charter is posted on the Company's website at www.santacruzsilver.com. For further information regarding how the Company determines compensation for its directors and executive officers, see "*Executive Compensation— Compensation Discussion and Analysis*".

Board Committees

In addition to the Audit, Compensation and Nominating Committee, the Company has a Health, Safety and Environment Committee. The members of the Health, Safety and Environment Committee are Federico Villaseñor, Barry Girling and Larry Okada.

The Board had adopted a written mandate that sets forth the responsibilities of the Health, Safety and Environment Committee, which includes overseeing the development and implementation of policies and procedures for ensuring a safe, healthy work environment and sustainable development. The mandate of the Health, Safety and Environment Committee is posted on the Company's website at www.santacruzsilver.com.

Assessments

Each year, the Board conducts annual self-assessments to determine whether it, the directors, and the committees are performing effectively. The Corporate Governance and Nominating Committee is responsible for seeking comments from all directors and reporting to the Board the collective assessment of the Board's performance as well as the performance of the committees and individual directors. Assessments of the Board and its committees consider the mandate and committee charter, as the case may be. Assessments of individual directors consider the position description and skills and competencies applicable to that individual. The Board discusses the assessment reports to determine what, if any, action should be taken to improve performance.

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

Approval of Omnibus Incentive Plan:

On December 20, 2023, the Company's shareholders approved the adoption of the Omnibus Incentive Plan to replace the Stock Option Plan, effective November 13, 2023.

Subject to the approval of the applicable securities exchange and the Shareholders, it is intended that the Company will reapprove an omnibus equity incentive plan in substantially the form attached as Schedule "A" to this Information Circular. The Omnibus Incentive Plan is being placed before Shareholders at the Meeting for reapproval.

The following is a summary of the key provisions of the Omnibus Incentive Plan and is qualified in all respects by the full text of the Omnibus Incentive Plan. Capitalized terms used in this section and not otherwise defined, have the meanings ascribed thereto in the Omnibus Incentive Plan.

Summary of Omnibus Incentive Plan

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

The Omnibus Incentive Plan shall provide for the award of Restricted Share Units ("**RSUs**"), Performance Share Units ("**PSUs**"), Deferred Share Units ("**DSUs**") and options to purchase Common Shares ("**Options**" and together with RSUs, PSUs and DSUs, "**Awards**") to Directors, Officers, Employees, Management Company Employees and Consultants (as such terms are defined by TSXV

Policy 4.4) of the Company or a subsidiary of the Company (collectively, “**Eligible Persons**”), as further described in the following summary. The RSUs, PSUs, DSUs, and Options issuable to any participant under the Omnibus Incentive Plan (a “**Participant**”), or in the case of Options, any pre-existing stock option plan of the Company, shall be hereinafter referred to as “**Incentive Securities**”.

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

Plan Administration

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

Common Shares Available for Awards

The maximum aggregate number of Common Shares issuable in respect of all Options granted or issued under the Omnibus Incentive Plan and all of the Company’s other previously established or proposed Security Based Compensation plans to which these limitations apply under Exchange policies (collectively, “**Security Based Compensation Plans**”), at any point in time, shall not exceed ten percent (10%) of the total number of issued and outstanding Common Shares on a non-diluted basis at such point in time. The maximum aggregate number of Common Shares issuable in respect of all Incentive Securities, other than Options, granted or issued under the Omnibus Incentive Plan and all of the Company’s other previously established or proposed Security Based Compensation Plans shall not exceed 35,099,113 Common Shares.

Participation Limits

The Omnibus Incentive Plan provides the following limitations on grants:

- (a) The aggregate number of Common Shares issuable to any one Consultant in any twelve (12) month period in respect of Incentive Securities shall not exceed two percent (2%) of the issued and outstanding Common Shares on a non-diluted basis, calculated at the date an Award is granted to the Consultant.
- (b) The aggregate number of Common Shares issuable to any one person in any twelve (12) month period in respect of Incentive Securities shall not exceed five percent (5%) of the issued and outstanding Common Shares on a non-diluted basis, calculated on the date an Award is granted to the person, unless the Company has obtained the requisite disinterested shareholder approval.
- (c) The aggregate number of Common Shares issuable to all Insiders (as a group) in any twelve (12) month period in respect of Incentive Securities, shall not exceed ten (10%) of the issued and outstanding Common Shares on a non-diluted basis, calculated on the date an Award is granted to a particular Insider, unless the Company has obtained the requisite disinterested shareholder approval.
- (d) Eligible Persons who are Investor Relations Service Providers may only receive Options as Awards under the Omnibus Incentive Plan (if the Common Shares are listed on the TSXV) and the aggregate number of Common Shares issuable to all Investor Relations Service Providers in respect of Incentive Securities in any twelve (12) month period shall not exceed two percent (2%)

of the issued and outstanding Common Shares on a non-diluted basis, calculated on the date an Award is granted to the Investor Relations Service Provider.

Eligibility and Participation

Subject to the provisions of the Omnibus Incentive Plan (including, without limitation, restrictions on grants to Investor Relations Service Providers) and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant Awards of RSUs, PSUs, DSUs and Options to all categories of Eligible Persons.

General Vesting Requirement

No Award granted or issued under the Omnibus Incentive Plan, other than Options, may vest before the date that is one year following the date it is granted or issued. Notwithstanding this provision, subject to the approval of the TSXV with respect to Awards held by Investor Relations Service Providers, vesting may be accelerated by the Board in its sole discretion for Awards held by a Participant who dies or who ceases to be an Eligible Person under the Omnibus Incentive Plan in connection with a change of control, take-over bid, reverse takeover or other similar transaction as permitted by section 4.6 of the TSXV Policy. All Options granted to Investor Relations Service Providers must vest and become exercisable in stages over a period of not less than twelve (12) months, with no more than one-quarter (1/4) of such Options vesting no sooner than three (3) months after the Options were granted and no more than another one-quarter (1/4) of the Options becoming exercisable in any following three (3) month period.

Description of RSUs

A RSU is an Award that is a bonus for services rendered in the year of grant that, upon settlement, entitles the recipient Participant to receive a number of Common Shares equal to the number of RSUs credited to a Participant on certain vesting dates.

RSUs shall be subject to such restrictions as the Board, in its discretion, may establish or determine in the applicable Award Agreement or at the time an Award is granted. Unless otherwise provided for in an Award Agreement, all RSUs will vest and become payable by the issuance of Common Shares at the end of the restricted period as specified by the Board in the applicable Award Agreement. Unless otherwise determined by the Board, upon the occurrence of a Change of Control, all restrictions upon any RSUs shall lapse immediately and all such RSUs shall become fully vested; provided that no acceleration of vesting of RSUs upon a Change of Control can occur prior to the date that is one year from the date of grant of such RSUs unless the Participant ceases to be an Eligible Person in connection with such Change of Control.

Effect of Termination on RSUs

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

- (a) **Death:** Upon death of a Participant, any RSUs granted to such Participant which, prior to the Participant's death, had not vested, shall vest immediately. Any RSUs granted to such Participant, which prior to the Participant's death, had vested, will accrue to the Participant's estate in accordance with the provisions of the Omnibus Incentive Plan.
- (b) **Termination of Employment or Service for Cause:** Where a Participant's employment is terminated by the Company or a subsidiary of the Company for cause, or where a Participant's

consulting agreement is terminated as a result of the Participant's breach, all RSUs granted to such Participant will be immediately and automatically forfeited and cancelled.

- (c) Termination of Employment or Service without Cause, Voluntary Termination, Retirement or Disability: Where a Participant's employment is terminated by the Company or a subsidiary of the Company without cause, by voluntary termination, due to retirement or due to disability, or where a Participant's consulting agreement is terminated for a reason other than the Participant's breach or due to disability, any RSUs granted to such Participant which, prior to termination, had not vested, will be immediately and automatically forfeited and cancelled. Any RSUs granted to such Participant, which prior to termination, had vested, will accrue to the Participant in accordance with the provisions of the Omnibus Incentive Plan.
- (d) Directorships: Where a Participant ceases to be a Director for any reason, any RSUs granted to such Participant which, prior to cessation, have not vested, will be immediately and automatically forfeited and cancelled. Any RSUs granted to such Participant, which prior to cessation, have vested, will accrue to the Participant in accordance with the provisions of the Omnibus Incentive Plan.

Description of PSUs

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

All PSUs will vest and become payable to the extent that the Performance Goals set forth in the Award Agreement are satisfied for a Performance Period, as determined by the Board. Unless otherwise determined by the Board, upon the occurrence of a Change of Control, all PSUs shall become fully vested; provided that no acceleration of vesting of PSUs upon a Change of Control can occur prior to the date that is one year from the date of grant of such PSUs unless the Participant ceases to be an Eligible Person in connection with such Change of Control.

Effect of Termination on PSUs

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

- (a) Death: Upon death of a Participant, any PSUs granted to such Participant which, prior to the Participant's death, had not vested, will be immediately and automatically forfeited and cancelled. However, the Board may determine that certain PSUs have vested based on the extent which Performance Goals have been satisfied in that portion of the Performance Period that has lapsed. Any PSUs granted to such Participant, which prior to the Participant's death, had vested, will accrue to the Participant's estate in accordance with the provisions of the Omnibus Incentive Plan.
- (b) Termination of Employment or Service for Cause: Where a Participant's employment is terminated by the Company or a subsidiary of the Company for cause, or where a Participant's consulting agreement is terminated as a result of the Participant's breach, all PSUs granted to such Participant will be immediately and automatically forfeited and cancelled.
- (c) Termination of Employment or Service without Cause, Voluntary Termination, Retirement or Disability: Where a Participant's employment is terminated by the Company or a subsidiary of the Company without cause, by voluntary termination, due to retirement or due to disability, or where

a Participant's consulting agreement is terminated for a reason other than the Participant's breach or due to disability, any PSUs granted to such Participant which, prior to termination, had not vested, will be immediately and automatically forfeited and cancelled. However, the Board may determine that certain PSUs have vested based on the extent which Performance Goals have been satisfied in that portion of the Performance Period that has lapsed. Any PSUs granted to such Participant, which prior to termination, had vested, will accrue to the Participant in accordance with the provisions of the Omnibus Incentive Plan.

- (d) Directorships: Where a Participant ceases to be a Director for any reason, any PSUs granted to such Participant which, prior to cessation, had not vested, will be immediately and automatically forfeited and cancelled. However, the Board may determine that certain PSUs have vested based on the extent which Performance Goals have been satisfied in that portion of the Performance Period that has lapsed. Any PSUs granted to such Participant, which prior to cessation, had vested, will accrue to the Participant in accordance with the provisions of the Omnibus Incentive Plan.

Description of DSUs

A DSU is an Award that is payable after the effective date that a Participant ceases to be an Eligible Person under the Omnibus Incentive Plan, subject to certain vesting criteria. Unless otherwise determined by the Board, upon the occurrence of a Change of Control, all DSUs shall become fully vested; provided that no acceleration of vesting of DSUs upon a Change of Control can occur prior to the date that is one year from the date of grant of such DSUs unless the Participant ceases to be an Eligible Person in connection with such Change of Control.

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

Election by Directors - DSUs

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

Description of Options

An Option is an Award that gives a Participant the right to purchase one Share at a specified price in accordance with the terms of the Option and the Omnibus Incentive Plan. The exercise price of the Options shall be determined by the Board at the time the Option is granted but in no event shall such exercise price be lower than the discounted Market Price permitted by the TSXV (provided that no such discount will be permitted with respect to Options awarded to U.S. Participants).

The maximum term of any Option shall not exceed ten (10) years and the Board shall determine the vesting, performance and other conditions, if any, that must be satisfied before all or part of an Option

may be exercised, subject to any vesting restrictions set out in TSXV Policy 4.4. Unless otherwise determined by the Board, upon the occurrence of a Change of Control, all Options shall become fully vested except for Options held by Investor Relations Service Providers which acceleration is subject to acceptance of the TSXV.

Options will be exercised pursuant to their applicable Award Agreement which exercise shall be contingent upon receipt by the Company of a written notice of exercise set forth in the applicable Award Agreement and of a form of cash payment acceptable to the Company for the full purchase price of the Common Shares to be issued.

Effect of Termination on Options

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

- (a) **Death:** Upon death of a Participant, any Options held by such Participant at the date of death shall be exercisable (by an inheritor or the Participant's estate) for a period of 120 days after the date of death or prior to the expiration of the Option, whichever is sooner, only to the extent the Participant was entitled to exercise the Option at the date of death of such Participant.
- (b) **Termination of Employment or Service for Cause:** Where a Participant's employment is terminated by the Company or a subsidiary of the Company for cause, or where a Participant's consulting agreement is terminated as a result of the Participant's breach, no Option shall be exercisable from the date of termination as determined by the Board.
- (c) **Termination of Employment or Service without Cause, Voluntary Termination or Retirement:** Where a Participant's employment is terminated by the Company or a subsidiary of the Company without cause, by voluntary termination, due to retirement, or where a Participant's consulting agreement is terminated for a reason other than the Participant's breach, any Options held by such Participant at the date of termination shall be exercisable for a period of 90 days after the date of termination determined by the Board or prior to the expiration of the Option, whichever is sooner, only to the extent the Participant was entitled to exercise the Option at the date of termination.
- (d) **Disability:** Where a Participant's employment or consulting agreement is terminated by the Company or a subsidiary of the Company due to disability, any Options held by such Participant at the date of termination shall be exercisable for a period of 120 days after the date of termination determined by the Board or prior to the expiration of the Option, whichever is sooner, only to the extent the Participant was entitled to exercise the Option at the date of termination.
- (e) **Directorships:** Where a Participant ceases to be a Director for any reason, any Options held by such Participant on the Cessation Date shall be exercisable for a period of 90 days (120 days in case of termination due to disability) after the Cessation Date or prior to the expiration of the Option, whichever is sooner, only to the extent the Director was entitled to exercise the Option at the Cessation Date.

Non-Transferability of Awards

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

Amendment and Termination of the Omnibus Incentive Plan

The Board may at any time or from time to time, in its sole and absolute discretion, amend, suspend, terminate or discontinue the Omnibus Incentive Plan and may amend the terms and conditions of any Awards granted thereunder, subject to (a) any required approval of any applicable regulatory authority or TSXV, and (b) any required approval of Shareholders in accordance with the TSXV Policy 4.4 or applicable law. Without limitation, Shareholder approval shall not be required for the following amendments:

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

Amendments to Awards

Subject to compliance with applicable laws and TSXV policies, the Board may make amendments or alterations to Awards, provided that no amendment or alteration shall be made which would impair the rights of any Participant, without such Participant's consent, provided that no such consent shall be required if the amendment or alteration is: (a) either required or advisable in respect of compliance with any law, regulation or requirement of any accounting standard; or (b) not reasonably likely to significantly diminish the benefits provided under such Award.

The Company will be required to obtain disinterested Shareholder approval in accordance with TSXV Policy 4.4 in respect of any extension or reduction in the exercise price of Options granted to any Participant if the Participant is an Insider at the time of the proposed reduction or extension.

Omnibus Incentive Plan Resolution

The complete text of the resolution, with or without variation, to be placed before the Meeting authorizing the adoption of the Omnibus Incentive Plan (the “**Omnibus Incentive Plan Resolution**”) will be substantively as follows:

“**BE IT HEREBY RESOLVED** as an ordinary resolution of the Company that:

1. the omnibus equity incentive plan (the “**Omnibus Incentive Plan**”), substantially in the form attached as Schedule “A” to the management information circular of the Company dated August 8, 2024, is hereby authorized, approved, ratified and confirm, subject to regulatory approval;
2. the number of Common Shares of the Company made available for issuance pursuant to stock options, in accordance with the terms of the Omnibus Incentive Plan, be and is hereby set not to exceed 10% of the total issued and outstanding Common Shares from time to time;
3. the maximum aggregate number of Common Shares capable of being issued pursuant to restricted share units, performance share units and deferred share units under the Omnibus Incentive Plan shall not exceed 35,099,113;

Schedule "A"

Omnibus Incentive Plan

SANTACRUZ SILVER MINING LTD.
OMNIBUS EQUITY INCENTIVE PLAN
November 17, 2023

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ARTICLE 1
ESTABLISHMENT, PURPOSE AND DURATION

1.1 Establishment of the Plan.

Santacruz Silver Mining Ltd., a company incorporated under the laws of British Columbia (the “**Company**”), hereby establishes an incentive compensation plan to be known as the Omnibus Equity Incentive Plan (the “**Plan**”). The Plan permits the grant of Options, Restricted Share Units, Deferred Share Units and Performance Share Units. The Plan shall be adopted and become effective on the date approved by the Board, subject to the prior approval of the Plan by the TSXV (the “**Effective Date**”).

1.2 Purpose of the Plan.

The purposes of the Plan are: (i) to promote a significant alignment between Directors, Officers, Employees, Management Company Employees and Consultants (as defined below) and the growth objectives of the Company; (ii) to associate a portion of the compensation of Participants (as defined below) with the performance of the Company over the long term; and (iii) to attract, motivate and retain the critical Directors, Officers, Employees, Management Company Employees and Consultants to drive the business success of the Company.

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 (as defined below) pursuant to Article 13 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 (i) in which the Company, directly or indirectly, has majority ownership interest or (ii) which the Company controls. For the purposes of this definition, the Company is deemed to “control” such corporation, partnership or other entity if the Company 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, Restricted Share Units, Deferred Share Units or Performance Share Units, in each case subject to the terms of this Plan.

“**Award Agreement**” means either (i) a written agreement entered into by the Company or an Affiliate of the Company and a Participant setting forth the terms and provisions applicable to Awards granted under this Plan; or (ii) a written statement issued by the Company or an Affiliate of the Company 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 Company prohibits Participants from exercising, redeeming or settling their Awards, due to applicable law or policies of the Company.

“Board” or **“Board of Directors”** means the board of directors of the Company.

“Cause” means any of:

- (a) dishonesty of the Participant as it relates to the performance of the Participant’s duties in the course of employment by, or as an Officer or Director of, the Company or an Affiliate;
- (b) fraud committed by the Participant;
- (c) willful disclosure of confidential or private information regarding the Company or an Affiliate by the Participant;
- (d) the Participant aiding a competitor of the Company or an Affiliate;
- (e) misappropriation of a business opportunity of the Company or an Affiliate by the Participant;
- (f) willful misconduct or gross negligence in the performance of the Participant’s duties under the Participant’s employment agreement;
- (g) a breach by the Participant of a material provision of the Participant’s employment agreement or any code of business conduct and ethics or similar policies adopted by the Company from time to time;
- (h) the willful and continued failure on the part of the Participant to substantially perform duties in the course of the Participant’s employment by, or as an Officer of, the Company 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 Company 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 Company 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 Company;
- (iii) the receipt or exercise of rights issued by the Company 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 Company and not from any other person;
- (iv) a distribution by the Company 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 Company ("**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 (1) acquisitions or redemptions of Voting Securities by the Company, (2) Exempt Acquisitions, (3) Pro-Rata Acquisitions, or (4) Convertible Security Acquisitions and, after such share acquisitions or redemptions by the Company 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 Company become the property of any other person (the "**Successor Entity**") (other than a subsidiary of the Company), 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 securities of the Company in the same proportion prior to such transaction.

“Change of Control Price” means, unless otherwise determined by the Board, 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, solely with respect to a Participant who is not a U.S. Participant, 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 by the Board, any duly authorized committee of the Board appointed by the Board to administer the Plan.

“Company” means Santacruz Silver Mining Ltd., a company incorporated under the laws of British Columbia, and any successor thereto as provided in Article 15 herein.

“Consultant” means an individual (other than a Director, Officer or Employee of the Company 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 Company or to any of its subsidiaries, other than services provided in relation to a Distribution (as defined in Policy 1.1);
- (b) provides the services under a written contract between the Company or any of its subsidiaries and the individual or the company, as the case may be; and
- (c) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or of any of its subsidiaries.

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

“Deferred Share Unit” means an Award denominated in units that provides the holder thereof with a right to receive, in the Committee’s discretion, Shares or cash equal to the value of the vested 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 Company or of any of its subsidiaries.

“Discounted Market Price” shall have the meaning ascribed thereto in Policy 1.1.

“Dividend Equivalent” means a right with respect to an Award to receive cash, Shares or other property equal in value and form 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.

“Employee” means:

- (a) an individual who is considered an employee of the Company or of its subsidiary under the ITA and for whom income tax, employment insurance and Canada Pension Plan deductions must be made at source;
- (b) an individual who works full-time for the Company or its subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Company or its subsidiary over the details and methods of work as an employee of the Company or of the subsidiary, as the case may be, but for whom income tax deductions are not made at source; or
- (c) an individual who works for the Company or its subsidiary on a continuing and regular basis for a minimum amount of time per week (the number of hours should be disclosed in the submission) providing services normally provided by an employee and who is subject to the same control and direction by the Company or its subsidiary over the details and methods of work as an employee of the Company or of the subsidiary, as the case may be, but for whom income tax deductions are not made at source.

“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.

“Fiscal Year” means the Company’s fiscal year commencing on January 1 and ending on December 31 or such other fiscal year as approved by the Board.

“FMV” means, unless otherwise required by any applicable provision of the Code or any regulations thereunder or by any applicable accounting standard for the Company’s desired accounting for Awards or by the rules of the Exchange, a price that is determined by the Committee, provided that, unless otherwise determined by the Board, such price, on any given measurement date, cannot be less than the greater of (i) the volume weighted average trading price of the Shares on the Exchange for the five trading days immediately prior to such measurement date, (ii) the closing price of the Shares on the Exchange on the trading day immediately prior to such measurement date, (iii) the closing price of the Shares on the Exchange on the measurement date or (iv) \$0.05. Notwithstanding the foregoing, solely with respect to U.S. Participants, FMV shall be determined without consideration of subclause (i) in the preceding sentence.

“Incentive Stock Option” means any Option awarded under the Section 6.7 of the Plan to a U.S. Participant that is intended to meet the requirements of Section 422 of the Code or any successor provision.

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

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

“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 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 Company, other than Security Based Compensation, warrants and convertible debt, that are convertible into Shares.

“ITA” means the *Income Tax Act* (Canada) and the regulations adopted thereunder, as amended from time to time.

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

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

“New Exercise” has the meaning given to it in Section 0.

“Non-Qualified Stock Option” shall mean an Option granted under Section 6 of the Plan that is not intended to be an Incentive Stock Option.

“Officer” means an officer (as defined under Securities Laws) of the Company 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. Options shall include both Incentive Stock Options and Non-Qualified Stock Options.

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

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

“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, as set out in the applicable Award Agreement.

“Performance Share 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, as set out in the applicable Award Agreement.

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

“**Policy 1.1**” means Policy 1.1 – *Interpretation* of the TSXV.

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

“**Restricted Share Unit**” means an Award denominated in units subject to a Period of Restriction, with a right to receive, in the Committee’s discretion, Shares or cash equal to the FMV of the vested Shares upon settlement of the Award, granted under Article 7 herein and subject to the terms of this Plan.

“**Section 409A**” means section 409A of the Code and the regulations and guidance promulgated thereunder.

“**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 Company.

“**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.

“**Separation from Service**” means, with respect to a U.S. Participant, any event that may qualify as a separation from service under U.S. Treasury Regulation Section 1.409A-1(h).

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

“**Specified Employee**” has the meaning set forth in U.S. Treasury Regulation Section 1.409A-1(i).

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

“**Termination Date**” means, unless otherwise determined by the Committee, in the case of a Participant whose employment or term of office or engagement with the Company or an Affiliate terminates (i) by reason of the Participant’s death, the date of death; or (ii) for any reason whatsoever other than death, including but not limited to disability and termination with or without cause, 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 for greater certainty “Termination Date” in any such case specifically does not mean the date on which any period of contractual notice or reasonable notice that the Company or the Affiliate, as the case may be, may be required at law to provide to a Participant would expire.

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

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

“U.S. Participant” means any Participant who is a citizen or resident of the United States, or who is otherwise subject to taxation under the Code.

“U.S. Award Holder” shall mean any holder of an Award who is a “U.S. person” (as defined in Rule 902(k) of Regulation S under the U.S. Securities Act) or who is holding or exercising Awards in the United States.

“U.S. Securities Act” shall mean the U.S. Securities Act of 1933, as amended.

“Voting Securities” shall mean any securities of the Company 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 Company’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 Company, 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 Company, and all other interested parties.

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 13, 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 Company 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. 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 as at the date of any Option grant, and (b) “fixed” plan under which the number of Shares that are issuable pursuant to all Awards other than Options granted hereunder and under any other Security Based Compensation Plan of the Company, in aggregate is a maximum of 35,099,113 Shares, in each case, subject to adjustment as provided in Section 4.10 herein.

4.2 Specific Allocations.

The Company 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 Company has obtained the requisite disinterested shareholder approval pursuant to Policy 4.4, the maximum aggregate number of 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, 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 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, 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 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, 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.

Where the value of an Award other than Options is initially tied to market price, the applicable market price shall be determined by the Committee and shall be specified in the Award Agreement, and shall not be less than the FMV. A minimum price cannot be established unless the Awards are allocated to particular Persons.

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 dividends 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 Security Based Compensation granted or issued to Insiders (as a group) shall not exceed 10% of the Issued Shares at any point in time (unless the Company 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 Security Based Compensation granted or issued in any 12 month period to Insiders (as a group) shall not exceed 10% of the Issued Shares, calculated as at the date any Security Based Compensation is granted or issued to any Insider (unless the Company has obtained the requisite disinterested shareholder approval pursuant to Section 5.3 of Policy 4.4);
- (e) 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;
- (f) for Awards granted or issued to Employees, Consultants or Management Company Employees, the Company 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

- (g) 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 must be formally imposed by the Company 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 is not to be permitted where the Participant or the Company is subject to a cease trade order (or similar order under Securities Laws) in respect of the Company's securities; and
- (c) the automatic extension is available to all eligible Participants under the Plan under the same terms and conditions.

Notwithstanding the foregoing in this Section 4.10, the expiry date, redemption date, or settlement date of any Award granted to a U.S. Participant shall not be extended if such extension would violate Section 409A.

4.10 Adjustments in Authorized Shares.

Subject to the approval of the Exchange, where applicable, in the event of any corporate event or transaction (collectively, a "**Corporate Reorganization**") (including, but not limited to, a change in the Shares or the capitalization of the Company) such as a merger, arrangement or amalgamation that does not constitute a Change of Control under Article 12, or a consolidation, reorganization, recapitalization, reclassification, separation, stock dividend, extraordinary dividend, stock split, reverse stock split, split up, spin-off or other distribution of stock or property of the Company, 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 Company, or any similar corporate event or transaction, the Committee shall make or provide for such adjustments or substitutions, as applicable, in the number and kind of Shares that may be issued under the Plan, the number and kind of Shares subject to outstanding Awards, the Option Price or FMV applicable to outstanding Awards, the number of Shares eligible to be issued hereunder, 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, unless otherwise determined by the Board. In connection with a Corporate Reorganization, the Committee shall have the discretion to permit a holder of Options to purchase (at the times, for the consideration, and subject to the terms and conditions set out in this Plan) and the holder will then accept on the exercise of such Option, in lieu of the Shares that such holder would otherwise have been entitled to purchase, the kind and amount of shares or other

securities or property that such holder would have been entitled to receive as a result of the Corporate Reorganization if, on the effective date thereof, that holder had owned all Shares that were subject to the Option. Such adjustments shall be made automatically, without the necessity of Committee action, on the customary arithmetical basis in the case of any stock split, including a stock split effected by means of a stock dividend, and in the case of any other dividend paid in Shares.

The Committee may also, in its sole discretion, 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 conclusive and binding on Participants under the Plan, provided that any such adjustments shall comply with Section 409A with respect to any U.S. Participants and the rules of any stock exchange, including but not limited to the Exchange, or market upon which such Shares are listed or traded.

Subject to prior approval of the Exchange, the provisions of Article 11 and any applicable law or regulatory 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 Company 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 Company 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; and
- (b) disinterested shareholder approval pursuant to Policy 4.4 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 Company at the time of the proposed amendment.

Notwithstanding the foregoing, an Option held by a U.S. Participant shall not have its exercise price reduced or have its term extended beyond the earlier of (a) the latest date on which the Option would have expired by its original terms or (b) the 10th anniversary of the original date of grant of the Option; *provided* that the foregoing shall not apply unless the FMV of such Option on the date of such action to reduce its price or extend its term is equal to or greater than the Option's exercise price.

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 Discounted Market Price. Notwithstanding the foregoing, solely with respect to U.S. Participants, the minimum exercise price of an Option, subject to Section 6.7(f) below, shall be equal to the greater of (i) the FMV as of the date of grant of such Option and (ii) the Discounted 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 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 Shares that is the equal to the quotient obtained by dividing:

- (i) the product of the number of Options being exercised multiplied by the difference between the VWAP of the underlying Shares and the exercise price of the subject Options; by
- (ii) the VWAP of the underlying Shares.

Solely with respect to a U.S. Participant, Section 6.6(i) and (ii) shall be read by replacing “VWAP” with “lesser of the VWAP and the FMV.” For greater certainty, if the VWAP of the underlying Shares exceeds the FMV of the underlying Shares, then FMV will be the calculation method utilized for U.S. Participants.

In the event of Net Exercise, the number of Awards exercised, surrendered or converted, and not the number of Shares actually issued by the Company, must be included in calculating the limits set forth in sections 4.1, 4.5 and 4.8.

6.7 Incentive Stock Options.

- (a) No Incentive Stock Option shall be granted under this Plan on or after the tenth (10th) anniversary of the earlier of the date on which this Plan was adopted by the Board or the date this Plan was approved by the shareholders of the Company.
- (b) Incentive Stock Options may be granted only to Employees.
- (c) The aggregate number of Shares that may be issued under all Incentive Stock Options granted under the Plan will not exceed 10% of the Issued Shares as at the date of any Incentive Stock Option grant.
- (d) To the extent that the aggregate FMV (determined at the time of grant) of the Shares with respect to which Incentive Stock Options are exercisable for the first time by any Participant during any calendar year (under all plans of the Company and any Affiliates) exceeds \$100,000 (or such other limit established in the Code) or otherwise does not comply with the rules governing Incentive Stock Options, the Options or portions thereof that exceed such limit (according to the order in which they were granted) or otherwise do not comply with such rules will be treated as Non-Qualified Stock Options, notwithstanding any contrary provision of the applicable Award Agreement(s).
- (e) Unless sooner exercised, all Incentive Stock Options shall expire and no longer be exercisable no later than 10 years after the date of grant; provided, however, that in the case of a grant of an Incentive Stock Option to a Participant who, at the time such Option is granted, owns (within the meaning of Section 422 of the Code) stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or of its Affiliates, such Incentive Stock Option shall expire and no longer be exercisable no later than five years from the date of grant.

- (f) The exercise price for an Incentive Stock Option shall be not less than 100% of the FMV of a Share on the date of grant of the Incentive Stock Option; *provided*, however, that, in the case of the grant of an Incentive Stock Option to a Participant who, at the time such Option is granted, owns (within the meaning of Section 422 of the Code) stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or of its Affiliates, the exercise price for an Incentive Stock Option shall be not less than 110% of the FMV of a Share on the date of grant of the Incentive Stock Option.
- (g) Any Incentive Stock Option authorized under the Plan shall contain such other provisions as the Committee shall deem advisable, but shall in all events be consistent with and contain all provisions required under Policy 4.4 and in order to qualify the Option as an Incentive Stock Option.
- (h) This Section 6.7 shall be subject to approval by the shareholders of the Company within twelve months of adoption by the Board, and this Section 6.7 shall be effective as of the date of such shareholder approval.

6.8 Payment.

Options granted under this Article 6 shall be exercised by the delivery of a notice of exercise to the Company or an agent designated by the Company 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 Section 6.6, the Option Price upon exercise of any Option shall be payable to the Company 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 6.9 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 Company. As of the business day the Company 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 Company 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 Company 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.

6.9 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. For greater certainty, Shares acquired pursuant to the exercise of an Award granted under this Plan are subject to any applicable resale restrictions under Securities Laws and may be subject to 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, which may impair the transferability of such Shares.

6.10 Death and Termination of Employment.

- (a) Death: Unless otherwise determined by the Committee, if a Participant dies while an Employee, Director of, or Consultant to, the Company 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: (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 Company 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 of Employment: Except as may otherwise be set out in a Participant's employment agreement (which shall have paramountcy over this clause) or as otherwise determined by the Committee, where a Participant's employment or term of office or engagement terminates for any reason other than death (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) including disability, then:
 - (i) other than where the Participant is terminated for Cause, 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 which is 90 days (30 days if the Participant was engaged in Investor Relations Activities) 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) where the Participant is terminated for Cause, any Options held by the Participant that are exercisable at the Termination Date shall be immediately cancelled and forfeited to the Company on the Termination Date for no consideration;
 - (iii) 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;

- (iv) the eligibility of a Participant to receive further grants under the 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; and
- (v) notwithstanding 6.10(b)(i) and 6.10(b)(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 Company or an Affiliate for so long as the Participant continues to be an employee of the Company or an Affiliate.

6.11 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, and any such other provisions as the Committee shall determine, provided that, no Restricted Share Unit shall vest (i) earlier than one year, or (ii) 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 0 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 end of the applicable Period of Restriction specified in the Award Agreement and 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, a requirement that Participants pay a stipulated purchase price for each Restricted Share Unit, 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 Company upon vesting of such Restricted Share Units.

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

7.5 Voting Rights.

A Participant shall have no voting rights with respect to any Restricted Share Units granted hereunder.

7.6 Dividends and Other Distributions.

During the Period of Restriction, Participants holding Restricted Share Units granted hereunder may, if the Committee so determines, be credited with dividends paid with respect to the underlying Shares or Dividend Equivalents while they are so held in accordance with the Plan and otherwise in such a manner determined by the Committee in its sole discretion. Dividend Equivalents shall not apply to an Award unless specifically provided for in the Award Agreement. The Committee may apply any restrictions to the dividends or Dividend Equivalents that the Committee deems appropriate. The Committee, in its sole discretion, may determine the form of payment of dividends or Dividend Equivalents, including cash, Shares and Awards, provided that any Dividend Equivalents paid in the form of additional Awards shall reduce the applicable pool of Shares available for issuance of Awards and will be subject to the limits set forth in sections 4.1, 4.5 and 4.8. In the event that the issuance of additional Awards would cause the Company to exceed the limits set forth in sections 4.1, 4.5 or 4.8, the Company shall pay such dividend or Dividend Equivalent in cash. Further, any additional Awards credited to the Participant's account in satisfaction of payment of dividends or Dividend Equivalents will vest in proportion to and will be paid under the Plan in the same manner as the Awards to which they relate.

7.7 Death and other Termination of Employment.

- (a) Death: Unless otherwise determined by the Committee, if a Participant dies while an Employee, Director of, or Consultant to, the Company or an Affiliate:
 - (i) any Restricted Share Units held by the Participant that have not vested as at the Termination Date shall vest immediately;
 - (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;

- (iii) any settlement or redemption of any vested Restricted Share Units shall occur within 12 months following the Termination Date; and
 - (iv) such Participant's eligibility to receive further grants of Restricted Share Units under the Plan ceases as of the Termination Date.
- (b) Termination other than Death: Unless otherwise determined 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 (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) including disability, then:
 - (i) any Restricted Share Units held by the Participant that have vested before the Termination Date shall be paid to the Participant, and 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 Company on the Termination Date;
 - (ii) the eligibility of a Participant to receive further grants under the 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;
 - (iii) notwithstanding Section 7.7(b)(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 Company or an Affiliate for so long as the Participant continues to be an employee of the Company or an Affiliate;
 - (iv) other than where the Participant is terminated for Cause, any settlement or redemption of any Restricted Share Units shall occur within three months following the Termination Date; provided that, solely with respect to U.S. Participants and subject to Section 17.5(b) and Section 17.5(c), if such Termination Date occurs after December 15 of a given year, any settlement or redemption of any Restricted Share Units shall in all events occur by the 15th day of the third month following such termination, provided that the U.S. Participant shall not be permitted, directly or indirectly, to designate the taxable year of the payment; and
 - (v) where the Participant is terminated for Cause, any Restricted Share Units held by the Participant shall be immediately cancelled and forfeited to the Company on the Termination Date for no consideration.

7.8 Payment in Settlement of Restricted Share Units.

When and if Restricted Share Units become payable, the Participant issued such units shall be entitled to receive payment from the Company in settlement of such units of, in the Committee's discretion, cash or

Shares (issued from treasury) of equivalent value (based on the FMV, as defined in the Award Agreement at the time of grant or thereafter by the Committee).

ARTICLE 8 DEFERRED SHARES UNITS

8.1 Grant of Deferred Share Units.

Subject to the terms and conditions of the Plan, the Committee, at any time and from time to time, may grant Deferred Share Units to Participants in such amounts and upon such terms as the Committee shall determine, provided that, (i) 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, (ii) any settlement or redemption of any vested Deferred Share Units shall only occur after the Termination Date, and (iii) solely with respect to U.S. Participants, Deferred Share Units shall only be granted to non-Employee Directors.

8.2 Deferred Share Unit Agreement.

Each Deferred Share Unit grant shall be evidenced by an Award Agreement that shall specify the number of Deferred Share Units granted, the settlement date for Deferred Share Units, and any other provisions as the Committee shall determine, including, but not limited to a requirement that Participants pay a stipulated purchase price for each Deferred Share Unit, restrictions based upon the achievement of specific performance criteria, time-based restrictions, restrictions under applicable laws or under the requirements of any stock exchange or market upon which the Shares are listed or traded, or holding requirements or sale restrictions placed on any Shares by the Company upon vesting of such Deferred Share Units.

8.3 Non-transferability of Deferred Share Units.

The Deferred Share Units granted herein may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated. All rights with respect to the Deferred Share Units granted to a Participant under the Plan shall be available during such Participant's lifetime only to such Participant.

8.4 Termination of Employment, Consultancy or Directorship.

Each applicable Award Agreement shall set forth the extent to which the Participant shall have the right to retain Deferred Share Units following termination of the Participant's employment or other relationship with the Company or Affiliates. Such provisions shall be determined in the sole discretion of the Committee, need not be uniform among all Deferred Share Units issued pursuant to the Plan, and may reflect distinctions based on the reasons for termination. Any settlement or redemption of any vested Deferred Share Units shall occur within one year following the Termination Date; provided, that, solely with respect to U.S. Participants, any settlement or redemption of any vested Deferred Share Units, subject to Section 17.5(b) and Section 17.5(c), shall occur no later than December 31 of the year in which the termination occurs or, if such termination occurs within 2½ months before the end of the Participant's taxable year, no later than the 15th day of the third month following such termination, provided that the U.S. Participant shall not be permitted, directly or indirectly, to designate the taxable year of the payment. Notwithstanding the foregoing, in the event the Participant is terminated for Cause, all vested and unvested Deferred Share Units shall be immediately cancelled and forfeited to the Company on the

Termination Date for no consideration, unless otherwise determined by the Committee on or before the Termination Date.

8.5 Dividends and Other Distributions.

Participants holding outstanding Deferred Share Units granted hereunder may, if the Committee so determines, be credited with dividends paid with respect to the underlying Shares or Dividend Equivalents while they are so held in accordance with the Plan and otherwise in such a manner determined by the Committee in its sole discretion. Dividend Equivalents shall not apply to an Award unless specifically provided for in the Award Agreement. The Committee may apply any restrictions to the dividends or Dividend Equivalents that the Committee deems appropriate. The Committee, in its sole discretion, may determine the form of payment of dividends or Dividend Equivalents, including cash, Shares and Awards, provided that any Dividend Equivalents paid in the form of additional Awards shall reduce the applicable pool of Shares available for issuance of Awards and will be subject to the limits set forth in sections 4.1, 4.5 and 4.8. In the event that the issuance of additional Awards would cause the Company to exceed the limits set forth in sections 4.1, 4.5 or 4.8, the Company shall pay such dividend or Dividend Equivalent in cash. Further, any additional Awards credited to the Participant's account in satisfaction of payment of dividends or Dividend Equivalents will vest in proportion to and will be paid under the Plan in the same manner as the Awards to which they relate.

ARTICLE 9 PERFORMANCE SHARE UNITS

9.1 Grant of Performance Share Units.

Subject to the terms and conditions of the Plan, the Committee, at any time and from time to time, may grant Performance Share Units to Participants in such amounts and upon such terms as the Committee shall determine, provided that, no Performance Share Units 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 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 Share Units.

Each Performance Share Unit shall have an initial value equal to the FMV of a Share on the date of grant. The Committee shall set performance criteria for a Performance Period in its discretion, which, depending on the extent to which they are met, will determine, in the manner determined by the Committee and set forth in the Award Agreement, the value and/or number of each Performance Share Unit that will be paid to the Participant.

9.3 Earning of Performance Share Units.

Subject to the terms of this Plan and the applicable Award Agreement, after the applicable Performance Period has ended, the holder of Performance Share Units shall be entitled to receive payout on the value and number of Performance Share Units, determined as a function of the extent to which the corresponding performance criteria have been achieved. Notwithstanding the foregoing, the Company shall have the ability to require the Participant to hold any Shares received pursuant to such Award for a specified period of time.

9.4 Form and Timing of Payment of Performance Share Units.

Payment of vested Performance Share Units shall be as determined by the Committee and as set forth in the Award Agreement. Subject to the terms of the Plan, and in the Committee's discretion, the Company will pay vested Performance Share Units in the form of cash or Shares issued from treasury equal to the value of the vested Performance Share Units at the end of the applicable Performance Period. Any Shares may be issued subject to any restrictions deemed appropriate by the Committee.

9.5 Dividends and Other Distributions.

During the Period of Restriction, Participants holding Performance Share Units granted hereunder may, if the Committee so determines, be credited with dividends paid with respect to the underlying Shares or Dividend Equivalents while they are so held in accordance with the Plan and otherwise in such a manner determined by the Committee in its sole discretion. Dividend Equivalents shall not apply to an Award unless specifically provided for in the Award Agreement. The Committee may apply any restrictions to the dividends or Dividend Equivalents that the Committee deems appropriate. The Committee, in its sole discretion, may determine the form of payment of dividends or Dividend Equivalents, including cash, Shares and Awards, provided that any Dividend Equivalents paid in the form of additional Awards shall reduce the applicable pool of Shares available for issuance of Awards and will be subject to the limits set forth in sections 4.1, 4.5 and 4.8. In the event that the issuance of additional Awards would cause the Company to exceed the limits set forth in sections 4.1, 4.5 or 4.8, the Company shall pay such dividend or Dividend Equivalent in cash. Further, any additional Awards credited to the Participant's account in satisfaction of payment of dividends or Dividend Equivalents will vest in proportion to and will be paid under the Plan in the same manner as the Awards to which they relate.

9.6 Death and other Termination of Employment.

- (a) Death: Unless otherwise determined by the Committee, if a Participant dies while an Employee, Director of, or Consultant to, the Company or an Affiliate:
 - (i) the number of Performance Share Units held by the Participant that have not vested shall be adjusted as set out in the applicable Award Agreement (collectively referred to in this Section 9.6 as "**Deemed Awards**");
 - (ii) any Deemed Awards shall vest immediately;
 - (iii) any Performance Share Units held by the Participant that have vested (including Deemed Awards vested in accordance with Section 9.6(a)(ii)) 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 Share Units shall occur within 12 months following the Termination Date, or, with respect to a U.S. Participant, no later than December 31 of the year in which the Termination Date occurs or, if such Termination Date occurs within 2½ months before the end of the Participant's taxable year, no later than the 15th day of the third month following such Termination Date; and

- (v) such Participant's eligibility to receive further grants of Performance Share Units under the Plan ceases as of the Termination Date.
- (b) Termination other than Death: Unless otherwise determined 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 (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) including disability, then:
 - (i) any Performance Share Units held by the Participant that have vested before the Termination Date shall be paid to the Participant in accordance with the terms of the Plan and Award Agreement, and any Performance Share Units 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;
 - (ii) the eligibility of a Participant to receive further grants under the 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;
 - (iii) notwithstanding Section 9.6(b)(i), unless the Committee, in its sole discretion, otherwise determines, at any time and from time to time, Performance Share Units are not affected by a change of employment arrangement within or among the Company or an Affiliate for so long as the Participant continues to be an employee of the Company or an Affiliate;
 - (iv) other than where the Participant is terminated for Cause, any settlement or redemption of any Performance Share Units shall occur within three months following the Termination Date, provided that, solely with respect to U.S. Participants and subject to Section 17.5(b) and Section 17.5(c), if such Termination Date occurs after December 15 of a given year, any settlement or redemption of any Restricted Share Units shall in all events occur by the 15th day of the third month following such termination, provided that the U.S. Participant shall not be permitted, directly or indirectly, to designate the taxable year of the payment; and
 - (v) where the Participant is terminated for Cause, any Performance Share Units held by the Participant shall be immediately cancelled and forfeited to the Company on the Termination Date for no consideration.

9.7 Non-transferability of Performance Share Units.

Performance Share 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.

**ARTICLE 10
BENEFICIARY DESIGNATION**

10.1 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.

10.2 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 10, or both, in favor of another method of determining beneficiaries.

**ARTICLE 11
RIGHTS OF PERSONS ELIGIBLE TO PARTICIPATE**

11.1 Employment.

Nothing in the Plan or an Award Agreement shall interfere with or limit in any way the right of the Company or an Affiliate to terminate any Participant's employment, consulting or other service relationship with the Company 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 Company or an Affiliate.

Neither an Award nor any benefits arising under this Plan shall constitute part of an employment or service contract with the Company 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 Company 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 Company 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 Company or an Affiliate shall not be deemed a termination of employment for purposes of an Award.

11.2 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.

11.3 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.

ARTICLE 12 CHANGE OF CONTROL

12.1 Accelerated Vesting and Payment.

Subject to the provisions of Section 12.2 and Section 17.5 or as otherwise provided in the Plan or the Award Agreement, in the event of a Change of Control, the Committee shall have the discretion to deal with any or all outstanding Awards (or any portion thereof) in the manner it deems fair and reasonable in the circumstances of the Change of Control. Without limiting the generality of the foregoing, in connection with a Change of Control, the Committee shall have the right to unilaterally, among other things:

- (a) cancel any outstanding Awards, and determine that the value of such Awards, as determined by the Committee in accordance with the terms of the Plan and the Award Agreements, shall be paid out in cash in an amount based on the Change of Control Price within a reasonable time subsequent to the Change of Control, subject to the approval of the Exchange. With respect to proceeds from the Change of Control that are subject to delayed payment, such as due to escrows, earn outs or payments pursuant to a promissory note, payment to a U.S. Participant shall be made on the same schedule and under the same terms and conditions as apply to payments made to the shareholders generally in connection with the Change of Control and all such payment(s) shall be paid not later than 5 years after the Change of Control unless any such amounts remain subject to a substantial risk of forfeiture for purposes of Section 409A at that time. In the event that amounts are subject to such a substantial risk of forfeiture at the end of such 5 year period, such amounts shall be paid as soon as reasonably practicable after the substantial risk of forfeiture lapses, but in no event later than March 15th of the year following the year in which such substantial risk of forfeiture lapses. It is the intention of the parties that any portion of a U.S. Participant's payment that is attributable to earn out proceeds be considered an amount subject to a substantial risk of forfeiture (as determined under Section 409A of the Code);
- (b) cancel any unvested Options (or any portions thereof) without payment of any kind to any Participant;
- (c) accelerate the vesting of outstanding Awards (or any portion thereof) to provide that, notwithstanding the vesting schedule or any other provision of an Award Agreement relating to the vesting of Awards, such outstanding Awards shall be fully vested upon (or prior to) the completion of the Change of Control. If the Committee elects to accelerate the vesting of any Options, the Committee may determine that if any of such Options are not exercised within ten days following the Company giving notice to the Option holders thereof, such unexercised Options shall terminate and expire immediately prior to the completion of the proposed Change of Control. For greater certainty, no Award granted or issued under this plan, other than Options, may vest before the date that is one year following the date it is granted or issued. However, subject to the approval of the Exchange with respect to Awards held by Investor Relations Service Providers, vesting

may be accelerated by the Committee in its sole discretion for Awards held by a Participant who dies or who ceases to be an Eligible Person under this Plan in connection with a Change of Control. The acceleration of vesting of Options held by a Participant who is an Investor Relations Service Provider is subject to prior Exchange acceptance; or

- (d) take such other actions, and combinations of the foregoing actions or any other actions permitted under this Section 12.1, as it deems fair and reasonable under the circumstances.

12.2 Alternative Awards.

Notwithstanding Section 12.1, no cancellation, acceleration of vesting, lapsing of restrictions or payment of an Award shall occur with respect to any Award if the Committee determines, in its sole discretion, prior to the occurrence of a Change of Control that such Award shall be honored or assumed, or new rights substituted therefor (with such honored, assumed or substituted Award hereinafter referred to as an “**Alternative Award**”) by any successor to the Company or an Affiliate as described in Article 15; provided, however, that any such Alternative Award must:

- (a) be based on stock which is traded on a recognized stock exchange;
- (b) provide such Participant with rights and entitlements substantially equivalent to or better than the rights, terms and conditions applicable under such Award, including, but not limited to, an identical or better exercise or vesting schedule (including vesting upon termination of employment) and identical or better timing and methods of payment;
- (c) recognize, for the purpose of vesting provisions, the time that the Award has been held prior to the Change of Control;
- (d) provide for similar eligibility requirements for such Alternative Award as provided for in the Plan; and
- (e) have substantially equivalent economic value to such Award (determined prior to the time of the Change of Control).

ARTICLE 13

AMENDMENT, MODIFICATION, SUSPENSION AND TERMINATION

13.1 Amendment, Modification, Suspension and Termination.

- (a) Except as set out in clause (b) below, and as otherwise provided by law or Exchange rules, the Committee or Board may, at any time and from time to time, alter, amend, modify, suspend or terminate the Plan or any Award in whole or in part without notice to, or approval from, shareholders of the Company, including, but not limited to, for the purposes of:
 - (i) fixing typographical errors;
 - (ii) making amendments to clarify existing provisions of the Plan that do not have the effect of altering the scope, nature and intent of such provisions; or

- (iii) making amendments that are necessary to comply with applicable law or the requirements of the Exchange.
- (b) The following amendments to the Plan shall require the prior approval of the Company's disinterested shareholders, other than, in respect of the amendments contemplated under Sections 13.1(b)(i)-(iii) below, those carried out pursuant to Section 4.10 hereof:
 - (i) a reduction in the Option Price of a previously granted Option benefitting an Insider of the Company or one of its Affiliates;
 - (ii) any amendment or modification which would increase the total number of Shares available for issuance under the Plan;
 - (iii) an increase to the limit on the number of Shares issued or issuable under the Plan to Insiders of the Company;
 - (iv) an extension of the expiry date of an Option other than as otherwise permitted hereunder in relation to a Blackout Period or otherwise;
 - (v) an extension in the expiry date of an Option issued to an Insider of the Company or one of its Affiliates; or
 - (vi) any amendment to the amendment provisions of the Plan under this Section 13.1.

13.2 Adjustment of Awards Upon the Occurrence of Unusual or Nonrecurring Events.

Subject to the approval of the Exchange, the Committee may make adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of unusual or nonrecurring events in addition to the events described in Section 4.10 hereof affecting the Company or the financial statements of the Company or of changes in applicable laws, regulations or accounting principles, whenever the Committee determines that such adjustments are appropriate in order to prevent unintended dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan.

The determination of the Committee as to the foregoing adjustments, if any, shall be conclusive and binding on Participants under the Plan.

13.3 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 14 WITHHOLDING

14.1 Withholding.

The Company or any Affiliate shall have the power and the right to deduct or withhold, or require a Participant to remit to the Company or any Affiliate, an amount sufficient to satisfy federal, provincial,

municipal, state and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising from or as a result of this Plan or any Award hereunder. The Committee may provide for Participants to satisfy withholding requirements by having the Company withhold and sell Shares or the Participant making such other arrangements, including the sale of Shares, in either case on such conditions as the Committee specifies.

14.2 Acknowledgement.

Participant acknowledges and agrees that the ultimate liability for all taxes legally payable by Participant is and remains Participant's responsibility and may exceed the amount actually withheld by the Company. Participant further acknowledges that the Company: (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 Company may be required to withhold or account for taxes in more than one jurisdiction.

It is the Participant's responsibility to ensure that they adhere to tax legislation in their jurisdiction regarding the reporting of taxable benefits derived from the exercise or settlement of an Award.

ARTICLE 15 SUCCESSORS

Rights and obligations under the Plan may be assigned by the Company (without the consent of Participants) to a successor in the business of the Company, any company resulting from any amalgamation, reorganization, combination, merger or arrangement of the Company, or any company acquiring all or substantially all of the assets or business of the Company. Any obligations of the Company or an Affiliate under the Plan with respect to Awards granted hereunder shall be binding on any successor to the Company 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 Company or Affiliate, as applicable.

ARTICLE 16 GENERAL PROVISIONS

16.1 Forfeiture Events.

Without limiting in any way the generality of the Committee's power to specify any terms and conditions of an Award consistent with law, and for greater clarity, the Participant's rights, payments and benefits with respect to an Award shall, at the sole discretion of the Committee, be subject to reduction, cancellation, forfeiture of any vested and unvested Awards or recoupment of any payments or settlements made in the current Fiscal Year or immediately prior Fiscal Year (provided such determination is made within 45 days of the end of that Fiscal Year) upon the occurrence of certain specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Such specified events shall include, but shall not be limited to, any of: (a) the Participant's failure to accept the terms of the Award Agreement, violation of material Company and Affiliate policies, breach of non-competition, confidentiality, non-solicitation, non-interference, corporate property protection or other agreements that may apply to the Participant, or other conduct by the Participant that is detrimental to the business or reputation of the Company and Affiliates; (b) the Participant's misconduct, fraud, gross negligence; and

(c) the restatement of the financial statements of the Company that resulted in Awards which should not have vested, settled, or been paid had the original financial statements been properly stated. Except as expressly otherwise provided in this Plan or an Award Agreement, the termination and the expiry of the period within which an Award will vest and may be exercised by a Participant shall be based upon the last day of actual service by the Participant to the Company and specifically does not include any period of notice that the Company may be required to provide to the Participant under applicable employment law.

16.2 Legend.

The certificates for Shares may include any legend that the Committee deems appropriate to reflect any restrictions on transfer of such Shares, and shall have affixed thereto any legends required under Securities Laws and the policies of the Exchange as applicable.

16.3 Delivery of Title.

The Company 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 or securities exchanges, including but not limited to the Exchange, that the Company 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 or securities exchange, including but not limited to the Exchange, that the Company determines to be necessary or advisable.

16.4 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.

16.5 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.

16.6 Unfunded Plan.

Participants shall have no right, title or interest whatsoever in or to any investments that the Company 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 Company or an Affiliate and any Participant, beneficiary, legal representative or any other person. Awards shall be general unsecured obligations of the Company, except that if an Affiliate executes an Award Agreement instead of the Company the Award shall be a general unsecured obligation of the Affiliate and not any obligation of the Company. To the extent that any individual acquires a right to receive payments from the Company or an Affiliate, such right shall be no greater than the right of an unsecured general creditor of the Company or Affiliate, as applicable. All

payments to be made hereunder shall be paid from the general funds of the Company 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.

16.7 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.

16.8 Other Compensation and Benefit Plans.

Nothing in this Plan shall be construed to limit the right of the Company 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.

16.9 No Constraint on Corporate Action.

Nothing in this Plan shall be construed (i) to limit, impair or otherwise affect the Company'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 Company or an Affiliate to take any action which such entity deems to be necessary or appropriate.

16.10 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.

16.11 Compliance with United States Securities Laws.

Neither the Awards nor the securities which may be acquired pursuant to the exercise of the Awards have been registered under the U.S. Securities Act or under any securities law of any state of the United States of America and are considered "restricted securities" (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act and any Shares shall be affixed with an applicable restrictive legend as set forth in the Award Agreement. The Awards may not be offered or sold, directly or indirectly, in the United States except pursuant to registration under the Securities Act and the securities laws of all applicable states or available exemptions therefrom, and the Company has no obligation or present intention of filing a registration statement under the Securities Act in respect of any of the Awards or the securities underlying the Awards. Each U.S. Award Holder or anyone who becomes a U.S. Award Holder, who is granted an Award in the United States, who is a resident of the United States or who is otherwise subject to the Securities Act or the securities laws of any state of the United States will be required to complete an Award Agreement which sets out the applicable United States restrictions.

16.12 California Participants

Notwithstanding anything to the contrary in any section within the Plan itself, the following limitations and requirements will apply to Awards issued to an eligible Participant in reliance on Section 25102(o) of the California Corporations Code (each, a “California Participant”).

(a) The following rules shall apply to any Option in the event of termination of the Participant’s service to the Company or an affiliate:

1. If such termination was for reasons other than death, “Permanent Disability” (as defined below), or cause, the Participant shall have at least 30 days after the date of such termination to exercise his or her Option to the extent the Participant is entitled to exercise on his or her termination date, provided that in no event shall the Option be exercisable after the expiration of the term as set forth in the Award Agreement.
2. If such termination was due to death or Permanent Disability, the Participant shall have at least 6 months after the date of such termination to exercise his or her Option to the extent the Participant is entitled to exercise on his or her termination date, provided that in no event shall the Option be exercisable after the expiration of the term as set forth in the Award Agreement.

“Permanent Disability” for purposes of this Section 16.11 shall mean the inability of the Participant, in the opinion of a qualified physician acceptable to the Company, to perform the major duties of the Participant’s position with the Company or any Affiliate because of the sickness or injury of the Participant.

(b) **Shareholder Approval / Grant Limitations** – The Company will not grant Awards to California Participants unless:

- (i) the Company is a foreign private issuer, as defined by Rule 3b-4 of the U.S. Exchange Act of 1934, as amended, on the grant date of the Award to a California Participant, and the aggregate number of persons in California granted awards under all compensation plans and agreements and issued securities under all purchase and bonus plans and agreements of the Company does not exceed 35; or
- (ii) prior to or within 12 months of the granting of the first Award to a California Participant under the Plan, the Plan is approved by a majority of the Company’s outstanding securities entitled to vote, not counting for the purpose of calculating such vote any securities issued upon exercise or vesting of Awards granted in California.
- (iii) such grant occurs on or before the tenth (10th) anniversary of the Effective Date of this Plan.

Awards granted prior to security holder approval of the Plan shall be rescinded if such security holder approval is not received in the manner described in Section 16.2(b).

(c) The Company shall furnish summary financial information (audited or unaudited) of the Company’s financial condition and results of operations, consistent with the requirements of applicable law, at least annually to each Participant in California during the period such Participant

has one or more Awards outstanding, and in the case of an individual who acquired Shares pursuant to the Plan, during the period such Participant owns such Shares; provided, however, the Company shall not be required to provide such information if (i) the issuance is limited to key persons whose duties in connection with the Company assure their access to equivalent information or (ii) the Plan or any agreement complies with all conditions of Rule 701 of the U.S Securities Act; provided that for purposes of determining such compliance, any registered domestic partner shall be considered a “family member” as that term is defined in Rule 701.

Notwithstanding the forgoing, nothing in this section 16.12 shall supersede or negate compliance with the policies of the Exchange.

ARTICLE 17 LEGAL CONSTRUCTION

17.1 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.

17.2 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.

17.3 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 Company or an Affiliate shall receive the consideration required by law for the issuance of Awards under the Plan. The inability of the Company or an Affiliate to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company or an Affiliate to be necessary for the lawful issuance and sale of any Shares hereunder, shall relieve the Company 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.

17.4 Governing Law.

The Plan and each Award Agreement shall be governed by the laws of the Province of British Columbia 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.

17.5 Compliance with Section 409A.

- (a) With respect to U.S. Participants, 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 or shall be structured in a manner and have such terms and conditions that would not cause such a U.S. Participant to be subject to taxes and interest

pursuant to Section 409A. This Plan and any Awards made hereunder shall be administrated and interpreted in a manner consistent with this intent.

- (b) To the extent that any amount or benefit in favour of a U.S. Participant would constitute “deferred compensation” for purposes of Section 409A 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 U.S. Participant’s disability or separation from service, such amount or benefit will not be payable or distributable to the U.S. 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 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 and not subject the U.S. Participant to taxes and interest pursuant to Section 409A. 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. For the sake of clarity, to the extent any Award is subject to Section 409A, then all payments to be made upon a U.S. Participant’s termination date shall only be made upon a Separation from Service.
- (c) If on the date of the U.S. Participant’s separation from service the Company’s shares (or shares of any other company that is required to be aggregated with the Company in accordance with the requirements of Section 409A) is publicly traded on an established securities market or otherwise and the U.S. Participant is a Specified Employee, then the benefits payable to the U.S. Participant under the Plan that are payable due to the U.S. Participant’s Separation from Service, to the extent subject to Section 409A, shall be postponed until the date that is six months following the U.S. Participant’s Separation from Service, or, if earlier, the U.S. Participant’s death. Following any applicable six month delay, all such delayed payments will be paid in a single lump sum on the earliest date permitted under Section 409A.
- (d) If any provision of the Plan, an Award Agreement or any Award issued to a U.S. Participant contravenes Section 409A or could cause the U.S. Participant to incur any tax, interest or penalties under Section 409A, the Board may, in its sole discretion and without the U.S. Participant’s consent, modify such provision to the minimum extent necessary to: (a) comply with, or avoid being subject to, Section 409A, or to avoid incurring taxes, interest and penalties under Section 409A; and/or (b) maintain, to the maximum extent practicable, the original intent and economic benefit to the U.S. Participant of the applicable provision without materially increasing the cost to the Company or contravening Section 409A.
- (e) Notwithstanding anything to the contrary in the Plan or otherwise, the Board shall retain the power and authority to amend or modify this Plan to the extent the Board in its sole discretion deems necessary or advisable to comply with any guidance issued under Section 409A. Such amendments may be made without the approval of any U.S. Participant.

- (f) The Company shall have no obligation to modify the Plan or any Award and does not guarantee that Awards will not be subject to taxes, interest and penalties under Section 409A. Each U.S. Participant is solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on or in respect of such U.S. Participant in connection with the Plan or any Award granted thereunder (including any taxes and penalties under Section 409A), and none of the Company or any of its Affiliates shall have any obligation to indemnify or otherwise hold such U.S. Participant (or any beneficiary) harmless from any or all of such taxes or penalties.
- (g) The Committee shall use its reasonable discretion to determine the extent to which the provisions of this Section 0 will apply to a Participant who is subject to taxation under the ITA.

Notwithstanding the forgoing, nothing in this section 17.50 shall supersede or negate compliance with the policies of the Exchange.