



MANAGEMENT INFORMATION CIRCULAR

This management information circular (the “Circular”) is provided in connection with the solicitation of proxies by management of Honey Badger Silver Inc. (the “Corporation” or “Honey Badger”) for use at the Annual General and Special Meeting (the “Meeting”) of the Corporation’s shareholders (the “Shareholders”) to be held on February 14, 2025, at the hour of 10:00am (Pacific) in the offices of the Corporation’s legal counsel, Stikeman Elliott LLP located at 1700 – 666 Burrard Street, Vancouver, British Columbia. Information in this Circular is given as of January 10, 2025 (the “Effective Date”), except as otherwise indicated. Unless otherwise indicated, dollar amounts are expressed in Canadian dollars.

SOLICITATION OF PROXIES

Although, it is expected that management’s solicitation of proxies for the Meeting will be made primarily by mail, proxies may be solicited by directors, officers and employees of the Corporation personally or by telephone, fax, email or other similar means of communication. **This solicitation of proxies for the Meeting is being made by or on behalf of the Board of Directors (the “Board” or “Directors”) and management of the Corporation and the Corporation will bear the costs of this solicitation of proxies for the Meeting.**

In accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“NI 54-101”), arrangements have been made with the transfer agent, investment dealers, intermediaries, custodians, depositories and depository participants and other nominees to forward solicitation materials to the beneficial owners of the common shares (the “Shares”) of the Corporation. The Corporation will provide, without any cost to such person, upon request to the Non-Executive Chairman of the Corporation, additional copies of the foregoing documents for this purpose.

REGISTERED SHAREHOLDERS VOTING BY PROXY

Enclosed with this Circular is a form of proxy. The persons named in the enclosed form of proxy are officers and/or directors of the Corporation. **Every Shareholder of the Corporation has the right to appoint a person (who need not be a shareholder of the Corporation) other than the persons already named in the enclosed form of proxy to represent such shareholder of the Corporation at the Meeting by striking out the printed names of such persons and clearly printing the name of such other person AND an email address for contact in the blank space provided therein for that purpose.** In order to be valid, a proxy must be received by Computershare Investor Services Inc. by mail to, Attention: Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1 by 10:00am (Pacific) on February 12, 2025, or in the event of an adjournment or postponement of the Meeting, no later than forty-eight (48) hours (excluding Saturdays, Sundays and holidays in Ontario) before the time for holding the adjourned or postponed Meeting.

Shareholders may also elect to vote electronically in respect of any matter to be acted upon at the Meeting. Votes cast electronically are in all respects equivalent to and will be treated in the exact same manner as votes cast via a paper form of proxy. To vote electronically, registered shareholders are asked to go to the website shown on the form of proxy and follow the instructions on the screen. Please note that each shareholder exercising the electronic voting option will need to refer to the control number indicated on their proxy form to identify themselves in the electronic voting system, an email address of choice will also be required for verification. Shareholders should also refer to the instructions on the proxy form for information regarding the deadline for voting shares electronically. If a Shareholder votes electronically, he or she is asked not to return the paper form of proxy by mail.

In order to be effective, a form of proxy must be executed by a shareholder exactly as his or her name appears on the register of shareholders of the Corporation. Additional execution instructions are set out in the notes to the form of proxy. The proxy must also be dated where indicated. If the date is not completed, the proxy will be deemed to be dated on the day on which it was mailed to shareholders.

The management representatives designated in the enclosed form of proxy will vote the Shares in respect of which they are appointed proxy in accordance with the instructions of the shareholder as indicated on the proxy and, if the shareholder specifies a choice with respect to any matter to be acted upon, the Shares will be voted accordingly.

In the absence of such direction, such Shares will be voted by the management representatives named in such form of proxy in favour of each of the matters referred to in the Notice and will be voted by such representatives on all other matters which may come before the Meeting in their discretion.

THE ENCLOSED FORM OF PROXY OR VOTER INSTRUCTION FORM, WHEN PROPERLY SIGNED, CONFERS DISCRETIONARY VOTING AUTHORITY ON THOSE PERSONS DESIGNATED THEREIN WITH RESPECT TO AMENDMENTS OR VARIATIONS TO THE MATTERS IDENTIFIED IN THE NOTICE AND WITH RESPECT TO OTHER MATTERS WHICH MAY PROPERLY COME BEFORE THE MEETING.

At the time of printing of this Circular management of the Corporation know of no such amendment, variation or other matters to come before the Meeting other than the matters referred to in the Notice and this Circular. **However, if any matters which are not now known to management of the Corporation should properly come before the Meeting, the Shares represented by proxies in favour of the Management Nominees will be voted on such matters in accordance with the best judgement of the Management Nominee.**

**SHAREHOLDERS ARE REMINDED TO REVIEW THE INFORMATION CIRCULAR
BEFORE VOTING**

VOTING SHARES AND RECORD DATE

In accordance with the provisions of the *Business Corporations Act* (Ontario) (the “Act”), the Directors of the Corporation have fixed January 10, 2025, as the record date (the “**Record Date**”) for the determination of the shareholders of the Corporation entitled to receive notice of the Meeting. Shareholders of the Corporation of record at the close of business on January 10, 2025, will be entitled to vote at the Meeting and at all adjournments thereof. The Corporation will prepare a list of holders of its Shares as at the close of business on the Record Date. A shareholder named in the list will be entitled to vote the Shares shown opposite his name at the Meeting and all adjournments thereof.

The Corporation is authorized to issue an unlimited number of Shares with each share carrying the right to one (1) vote per Share at all meetings of the shareholders of the Corporation. As of January 10, 2025, the Corporation had 75,298,900 Shares issued and outstanding.

We encourage you to make sure that your votes are represented at the Meeting. Please take the time to vote using the Form of Proxy or Voting Instruction Form (VIF) sent to you in accordance with the instructions thereon so that your Shares are voted according to your instructions and represented at the Meeting.

PRINCIPAL HOLDERS OF VOTING SHARES

As of January 10, 2025, to the knowledge of the Directors and senior Officers of the Corporation, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, voting securities carrying more than ten percent (10%) of the voting rights attached to all outstanding Shares of the Corporation, except as follows:

Name of Shareholder	Number of Shares	Percentage of Issued and Outstanding Shares
Chad Williams	20,373,599	27.1%

PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING

1. FINANCIAL STATEMENTS

The Corporation’s financial statements for the fiscal year ended December 31, 2023, and the report of the auditors thereon, have been filed on the Corporation’s System for Electronic Data Analysis and Retrieval Plus (“**SEDAR +**”) profile, www.sedarplus.ca, and have been sent to registered and beneficial shareholders who have requested copies thereof using the request form accompanying this Circular and will be submitted to the meeting of shareholders. Receipt at the Meeting of the auditors’ report and the Corporation’s financial statements for this fiscal period will not constitute approval or disapproval of any matters referred to therein, and no action is required to be taken by Shareholders thereon.

2. APPOINTMENT AND REMUNERATION OF AUDITORS

Jones & O’Connell LLP, Chartered Professional Accountants was appointed as auditor of the Corporation, to hold office until the Meeting. It is proposed to appoint Jones & O’Connell LLP, Chartered Professional Accountants, as auditors of the Corporation to hold office until the next annual meeting of shareholders, and to authorize the Directors to fix their remuneration.

The Board recommends a vote FOR the appointment of Jones & O’Connell LLP, Chartered Professional Accountants, as auditors of the Corporation to hold office until the next annual meeting of shareholders and to authorize the Directors to fix their remuneration. Unless another choice is specified, the persons named in the enclosed Form of Proxy intend to vote FOR the appointment of Jones & O’Connell LLP, Chartered Professional Accountants, as auditors of the Corporation to hold office until the next annual meeting of shareholders and to authorize the Directors to fix their remuneration.

3. SET NUMBER OF DIRECTORS

The articles of the Corporation (the “**Articles**”) provide for a minimum of three (3) and a maximum of ten (10) Directors. The Directors are elected annually. Pursuant to the authority vested in the Board, the Directors have passed a resolution determining that the number of Directors to be elected at the meeting is six (6). Each Director will hold office until the next annual meeting or until his or her successor is elected or appointed.

4. ELECTION OF DIRECTORS

The following table sets forth the names of all the six (6) persons proposed to be nominated for election as Directors, all other positions and offices with the Corporation now held by them, their principal occupations or employment within the five (5) preceding years, the year in which they first became Directors of the Corporation and the number of Shares of the Corporation beneficially owned, directly or indirectly, by each of them as of January 10, 2025. The information as to Shares beneficially owned, not being within the knowledge of the Corporation, has been furnished by the respective nominees individually.

NAME, RESIDENCE, OFFICE HELD	PRINCIPAL OCCUPATION, BUSINESS OR EMPLOYMENT	DIRECTOR SINCE	SHARES BENEFICIALLY OWNED
Chad Williams ⁽¹⁾⁽³⁾ <i>Toronto, Ontario</i> Director and Non-Executive Chairman	Chairman of Red Cloud Mining Capital Inc.	January 25, 2021	20,373,599
John H. Hill ⁽¹⁾⁽²⁾⁽⁴⁾ <i>Mill Valley, CA, USA</i> Director	Rexerro Capital Ltd.	October 28, 2021	-
Dorian L. Nicol ⁽⁵⁾ <i>Nevada City, CA, USA</i> Director and CEO	Professional geologist with over 48 years’ experience providing consulting services on exploration programs including executive and director roles.	February 9, 2024	384,615
George Topping ⁽⁶⁾ <i>Oakville, Ontario</i> Nominee Director	Experienced mining professional with over 30 years’ experience in a wide range of commodities and listed mining equities. Mr. Topping holds a BSc Mining Engineering.	April 24, 2024	-
Koby Kushner ⁽⁷⁾ <i>Toronto, Ontario</i> Nominee Director	Mr. Kushner worked in equity research for Red Cloud Securities from September 2020 to March 2023, April 2023 to Present as the chief executive officer and director of Libra Lithium Corp., and June 2024 to Present as a director of La Imperial Resources Inc. Mr. Kushner holds a BSc in Mining Engineering from Queen’s University, is a licensed Professional Engineer in the province of Ontario and is a CFA charterholder.	January 14, 2025	-
Paolo P. Cattelan ⁽⁸⁾ <i>Montreal, Quebec</i> Nominee Director	Mr. Cattelan is the Vice President of Business Development and a Dealing Representative at Wealth (WCPD) Inc. since February 2018. Mr. Cattelan holds a Civil Engineering degree and an MBA from McGill University and has also completed CFA Level 1.	To be elected	15,000

Notes:

- (1) Member of the Audit Committee.
- (2) Chair of the Audit Committee.
- (3) Mr. Williams also holds 2,100,158 Stock Options and 6,417,859 Warrants.
- (4) Mr. Hill holds 647,632 Stock Options.
- (5) Mr. Nicol also holds 817,000 Stock Options and 384,615 Warrants.
- (6) Mr. Topping was appointed as a Director on April 24, 2024. Mr. Topping holds 400,000 Stock Options.
- (7) Mr. Kushner was appointed as a Director on January 14, 2025.
- (8) Mr. Cattelan will be appointed Directors of the Corporation following shareholder approval on February 14, 2025.

Cease Trade Orders and Bankruptcies

To the best of the Corporation's knowledge, no proposed director of the Corporation is, or within ten (10) years before the date hereof, has been: (a) a director, chief executive officer or chief financial officer of any company that, (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than thirty (30) consecutive days that was issued while the proposed director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or (ii) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than thirty (30) consecutive days that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer. No proposed director: (a) is at the date hereof, or has been with ten (10) years before the date hereof, a director or executive officer of any company (including the Corporation) 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 (b) has, or within ten (10) years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director. To the best of the Corporation's knowledge, no proposed director of the Corporation has been subject to any: (a) penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or (b) other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

Conflicts of Interest

Some of the proposed directors and officers are also directors, officers and/or promoters of other reporting and non-reporting issuers. Accordingly, conflicts of interest may arise which could influence these persons in evaluating possible acquisitions or in generally acting on behalf of the Corporation, notwithstanding that they are bound by the provisions of the *Business Corporations Act* (Ontario) to act at all times in good faith in the interest of the Corporation and to disclose such conflicts to the Corporation if and when they arise.

The Board recommends a vote FOR the election of the directors. Unless such authority is withheld, the persons named in the enclosed Form of Proxy intend to vote FOR the election of the individuals set forth below. Management does not contemplate that any of such nominees will be unable to serve as a Director but, if that should occur for any reason prior to the Meeting, the persons named in the enclosed Form of Proxy reserve the right to vote for another nominee in their discretion.

5. APPROVAL OF THE RENEWAL OF THE CORPORATION'S STOCK OPTION PLAN

Shareholder approval is being sought at the Meeting for the renewal of the Corporation's rolling Stock Option Plan (the "**Option Plan**") and accordingly shareholders will be asked to consider, and if deemed advisable, to approve with or without variation, an ordinary resolution approving the Option Plan for renewal for the ensuing year.

The following information is intended as a brief description of the Option Plan which is available at the Corporation's offices for ten (10) business days prior to the Meeting, during business hours. The capitalized terms are defined in the Option Plan.

1. **Objective of the Option Plan:** The purpose of the Option Plan is to give to Directors, Employees, and Consultants of the Corporation and its subsidiaries, as additional compensation, the opportunity to participate in the success of the Corporation, and to encourage and enable such persons to acquire and retain a proprietary interest in the

Corporation by ownership of its stock.

2. **Maximum term of the Options:** The term of any Options granted under the Option Plan shall be determined by the Board at the time of grant but, subject to earlier termination in the event of dismissal for cause, termination other than for cause or in the event of death, the term of any Options granted under the Option Plan may not exceed ten (10) years.
3. **Limits under the Option Plan:** The Option Plan provides that at the time of grant of any Option, the aggregate number of Shares reserved for issuance under the Option Plan which may be made subject to Options at any time and from time to time (including those issuable upon the exercise of Pre-Existing Options) shall not exceed ten percent (10%) of the total number of issued and outstanding Shares at any point in time, on a non-diluted basis, unless the Corporation has obtained Disinterested Shareholder Approval. The number of Shares which may be issuable under the Option Plan and all of the Corporation's other previously established plan:
 - to any one individual, within any twelve-month (12) period, shall not exceed five percent (5%) of the total number of issued and outstanding Shares on the Grant Date on a non-diluted basis, unless the Corporation has obtained Disinterested Shareholder Approval;
 - to Insiders as a group shall not exceed ten percent (10%) of the total number of issued and outstanding Shares, at any point in time and in any twelve-month (12) period, on a non-diluted basis; unless the Corporation has obtained Disinterested Shareholder Approval;
 - to any one Consultant, within any twelve-month (12) period, shall not exceed two percent (2%) of the total number of issued and outstanding Shares on the Grant Date on a non-diluted basis; and
 - to all Investor Relations Service Providers, within any twelve-month (12) period, shall not exceed two percent (2%) in the aggregate of the total number of issued and outstanding Shares on the Grant Date on a non-diluted basis.
4. **Administration of the Option Plan:** The Option Plan is administered by the Board, which will have full and final authority with respect to the granting of all Options thereunder.
5. **Vesting Provision:** The Board, subject to the policies of the TSX Venture Exchange (the “**Exchange**”), may determine and impose terms upon which each Option shall become Vested in respect of Option Shares. Unless otherwise specified by the Board at the time of granting an Option, and subject to the other limits on Option grants set out in the Option Plan, all Options granted under the Option Plan shall vest and become exercisable in full upon grant, except Options granted to Investor Relations Service Providers, which Options must vest in stages over twelve (12) months such that:
 - no more than one-quarter (1/4) of the Stock Options vest no sooner than three (3) months after the Stock Options were granted;
 - no more than another one-quarter (1/4) of the Stock Options vest no sooner than six (6) months after the Stock Options were granted;
 - no more than another one-quarter (1/4) of the Stock Options vest no sooner than nine (9) months after the Stock Options were granted; and
 - the remainder of the Stock Options vest no sooner than twelve (12) months after the Stock Options were granted.

Notwithstanding the foregoing, in the event that a pre-existing plan imposed vesting requirements on a pre-existing Option, such vesting requirements must be satisfied before any such pre-existing Options shall become Vested.

6. **Exercise Price:** The exercise price will be determined by the Board and set forth in the Option Agreement issued in respect of such Option and, in any event, will not be less than the Market Price of the Corporation's Shares as of the Grant Date.
7. **Manner of Exercise:** The Option shall be exercisable by delivering to the Corporation an exercise notice specifying the number of Option Shares in respect of which the Option is exercised together with payment in full of the Option Price for each such Option Share. Upon notice and payment there will be a binding contract for the issue of the Option Shares in respect of which the Option is exercised, upon and subject to the provisions of the Option Plan. Delivery of the Option Holder's cheque payable to the Corporation in the amount of the Option Price shall

constitute payment of the Option Price unless the cheque is not honored upon presentation in which case the Option shall not have been validly exercised.

Cashless Exercise

Subject to the provisions of the Option Plan, once an Option has vested and become exercisable, an Option Holder may elect to exercise such Option by either (a) a “net exercise” whereby Options, excluding Options held by any Investor Relations Service Provider, is exercised without the Participant making any cash payment so the Corporation does not receive any cash from the exercise of the subject Options, and instead, the Participant receives only the number of underlying Shares that is equal to the quotient obtained by dividing: (A) 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 (B) the VWAP of the underlying Shares; or, (b) a broker-assisted “cashless exercise” in which the Corporation delivers a copy of irrevocable instructions to a broker engaged for such purposes by the Corporation to sell the Shares otherwise deliverable upon the exercise of the Options and to deliver promptly to the Corporation an amount equal to the Exercise Price and all applicable required withholding obligations as determined by the Corporation against delivery of the Shares to settle the applicable trade. The Option Holder then receives the balance of Listed Shares or the cash proceeds from the balance of such Listed Shares” from what is leftover above the exercise price / withholding taxes.

An Option may be exercised pursuant to this Section from time to time by delivery to the Corporation, at its head office or such other place as may be specified by the Corporation of (i) written notice of exercise specifying that the Option Holder has elected to effect such a cashless exercise of such Option, the method of cashless exercise, and the number of Options to be exercised and (ii) the payment of an amount for any tax withholding or remittance obligations of the Option Holder or the Corporation arising under applicable law and verified by the Corporation to its satisfaction (or by entering into some other arrangement acceptable to the Corporation in its discretion, if any).

8. **Expiry during blackout period:** If the Expiry Date in respect of any Option occurs within a trading black-out period imposed by the Corporation, the Expiry Date of the Option shall be automatically extended to the date that is ten (10) business days following the end of such black-out period.
9. **Termination provisions:** If the Option Holder ceases to be an Eligible Person, due to his or her death or, in the case of an Option Holder that is a Corporation, the death of the person who provides management or consulting services to the Corporation or to any entity controlled by the Corporation, the Option then held by the Option Holder shall be exercisable to acquire Vested Unissued Option Shares at any time up to but not after the earlier of: (i) three hundred sixty-five (365) days after the date of death; and (ii) the Expiry Date.

If the Option Holder holds his or her Option as a Director of the Corporation and such Option Holder ceases to be a Director of the Corporation, the Expiry Date of the Option will not exceed the first anniversary following the date the Option Holder ceases to be a Director of the Corporation unless the Option Holder ceases to be a Director of the Corporation as a result of (i) ceasing to meet the qualifications of a director set forth in the OBCA; or (ii) an ordinary resolution having been passed by the shareholders of the Corporation pursuant to the OBCA; or (iii) an order made by any Regulatory Authority having jurisdiction to so order, in which case the Expiry Date will be the date the Option Holder ceases to be a Director of the Corporation.

If the Option Holder ceases to be an Employee or Consultant of the Corporation other than by reason of death, the Expiry Date of the Option will not exceed the first anniversary following the Termination Date.

If the Option Holder ceases to be an Eligible Person as a result of "termination for cause" of such Option Holder by the Corporation or its subsidiary (or in the case of an Option Holder who is a Management Corporation Employee or Consultant, by the Option Holder's employer), as that term is interpreted by the courts of the jurisdiction in which the Option Holder is employed or engaged, any outstanding Option held by such Option Holder on the date of such termination, whether in respect of Option Shares that are Vested or not, shall be cancelled as of that date.

If the Option Holder ceases to be engaged to provide Investor Relations Activities, other than by reason of death, the Expiry Date of the Option will not exceed the thirtieth (30th) day following the Termination Date unless the Option Holder ceases to be so engaged as a result of either “termination for cause” or an order made by any Regulatory Authority having jurisdiction to so order, in which case the Expiry Date will be the Termination Date.

If an Option Holder commits an act of bankruptcy or any proceeding is commenced against the Option Holder under the *Bankruptcy and Insolvency Act* (Canada) or other applicable bankruptcy or insolvency legislation in force at the time of such bankruptcy or insolvency and such proceeding remains undismissed for a period of thirty

(30) days, no Option held by such Option Holder may be exercised following the date on which such Option Holder commits such act of bankruptcy or such proceeding remains undismissed, as the case may be.

10. **Disinterested shareholder approval:** Disinterested Shareholder Approval must be obtained for any reduction in the Exercise Price or extension to the term if the Option Holder is an Insider of the Corporation at the time of the proposed reduction or extension. Furthermore, Disinterested Shareholder Approval must be obtained for the circumstances laid down in Sec 5.3(a) of the Exchange Policy 4.4, including when the number of Shares reserved for issuance under the Option Plan to be granted to Insiders exceeds ten percent (10%) of the issued and outstanding Shares and if the grant of Options to Insiders, within any twelve (12) month period, exceeds ten percent (10%) of the Corporation's issued and outstanding Shares.

A copy of the Option Plan may be inspected at the corporate office of the Corporation located at Unit 1 – 15782 Marine Drive, White Rock, B.C. V4B 1E6, during normal business hours and at the Meeting.

Exchange policies require that rolling plans be approved by shareholders on a yearly basis. Accordingly, shareholders are being asked to pass an ordinary resolution to ratify and confirm the renewal of the Option Plan as adopted by the Board which permits the issuance of up to ten percent (10%) of the issued and outstanding Shares from time to time. To be effective, the resolution must be passed by a simple majority of the votes cast thereon by Shareholders present in person or by proxy at the Meeting. If the resolution to approve the renewal of the Option Plan is not approved by Shareholders of the Corporation, all unallocated stock options will be cancelled, and the Corporation will not be permitted to make any further grants until Shareholder approval is obtained. **Unless otherwise specified, the persons named in the accompanying form of proxy intend to vote IN FAVOUR of the resolution approving the renewal of the Stock Option Plan.**

At the Meeting, the shareholders will be asked to pass the following resolution:

"BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. the Option Plan of the Corporation, as adopted by the Board of Directors, and as described in the Corporation's Circular dated January 10, 2025, be and is hereby approved and ratified, and the Corporation be and is hereby authorized to reserve for issuance pursuant to the Option Plan up to ten percent (10%) of the issued and outstanding Shares of the Corporation from time to time;
2. the Board of Directors be and is hereby authorized on behalf of the Corporation to make any amendments to the Option Plan as may be required by regulatory authorities or otherwise made necessary by applicable legislation, without further approval of the shareholders of the Corporation, in order to ensure the adoption and efficient function of the Option Plan; and
3. any director or officer of the Corporation be and is hereby authorized and directed to do such things and to execute and deliver all such instruments, deeds and documents, and any amendments thereto, as may be necessary or advisable in order to give effect to the foregoing resolutions, and to complete all transactions in connection with the implementation of the Option Plan."

The directors of the Corporation believe the passing of the foregoing ordinary resolution is in the best interests of the Corporation and recommend that Shareholders of the Corporation vote **IN FAVOUR** of the resolution. **In the absence of contrary instruction, the person(s) designated by management of the Corporation in the enclosed form of proxy intended to vote IN FAVOUR of the approval of the renewal of the Option Plan.**

6. APPROVAL OF EQUITY INCENTIVE PLAN

At the Meeting, Shareholders will be asked to approve a resolution approving the Corporation's equity incentive plan (the "**Equity Incentive Plan**"). The Equity Incentive Plan was approved by the Board on December 12, 2024, and has been conditionally accepted by the TSX Venture Exchange (the "**Exchange**"). The Board has determined that it is in the best interests of the Corporation to adopt a security-based compensation plan which would provide the Corporation with the ability and flexibility to make broader and different forms of equity rewards as part of its need to retain a competitive compensation structure for its directors, officers, employees and consultants. The purpose of the Equity Incentive Plan is to, among other things: (i) provide the Corporation with a mechanism to attract, retain and motivate qualified directors, officers, employees and consultants of the Corporation and its subsidiaries; (ii) reward directors, officers, employees and consultants that have been granted Awards (as defined below) under the Equity Incentive Plan for their contributions toward the long-term goals and success of the Corporation; and (iii) enable and encourage such directors, officers, employees and consultants to acquire Shares of the Corporation as long-term investments and proprietary interests in the Corporation. The approval of the Equity Incentive Plan by the Board is subject to approval of the Shareholders and

to the final acceptance of the Exchange.

A summary of certain provisions of the Equity Incentive Plan is set out below, and a full copy of the Equity Incentive Plan is attached hereto as Appendix “B”. This summary is qualified in its entirety to the full copy of the Equity Incentive Plan.

SUMMARY OF EQUITY INCENTIVE PLAN

ELIGIBILITY

The Equity Incentive Plan provides flexibility to the Corporation to grant equity-based incentive awards in the form of restricted share units (“**RSUs**”), performance share units (“**PSUs**”) and deferred share units (“**DSUs**”) (collectively, the “**Awards**”) to attract, retain and motivate qualified directors, officers, employees and consultants of the Corporation and its subsidiaries, excluding any persons who perform investor relations activities on behalf of the Corporation or any of its subsidiaries (collectively, the “**Equity Incentive Plan Participants**”).

NUMBER OF SHARES ISSUABLE

The aggregate number of common shares in the capital of the Corporation (each, a “**Share**”) that may be issued to Equity Incentive Plan Participants under the Equity Incentive Plan may not exceed 7,529,890, subject to adjustment as provided for in the Equity Incentive Plan.

LIMITS ON PARTICIPATION

The Equity Incentive Plan provides for the following limits on grants, for so long as the Corporation is subject to the requirements of the Exchange, unless disinterested Shareholder approval is obtained or unless permitted otherwise pursuant to the policies of the Exchange:

- (i) the maximum number of Shares that may be issued to any one Equity Incentive Plan Participant (and where permitted pursuant to the policies of the Exchange, any company that is wholly owned by the Equity Incentive Plan Participant) under the Equity Incentive Plan, together with any other security-based compensation arrangements, within a twelve (12) month period, may not exceed five percent (5%) of the issued Shares calculated on the date of grant;
- (ii) the maximum number of Shares that may be issued to insiders collectively under the Equity Incentive Plan, together with any other security-based compensation arrangements, within a twelve (12) month period, may not exceed ten percent (10%) of the issued Shares calculated on the date of grant; and
- (iii) the maximum number of Shares that may be issued to insiders collectively under the Equity Incentive Plan, together with any other security-based compensation arrangements, may not exceed ten percent (10%) of the issued Shares at any time.

For so long as such limitation is required by the Exchange, the maximum number of Shares that may be granted to any one consultant under the Equity Incentive Plan, together with any other security-based compensation arrangements, within a twelve (12) month period, may not exceed two percent (2%) of the issued Shares calculated on the date of grant.

ADMINISTRATION

The plan administrator of the Equity Incentive Plan (the “**Equity Incentive Plan Administrator**”) will be the Board or a committee of the Board, if delegated. The Equity Incentive Plan Administrator will, among other things, determine which directors, officers, employees or consultants are eligible to receive Awards under the Equity Incentive Plan; determine any vesting provisions or other restrictions on Awards; determine conditions under which Awards may be granted, vested or settled, including establishing performance goals; establish the form of Award agreement (“**Award Agreement**”); interpret the Equity Incentive Plan; and make all other determinations and take all other actions necessary or advisable for the implementation and administration of the Equity Incentive Plan.

Subject to any required regulatory or shareholder approvals, the Equity Incentive Plan Administrator may also, from time to time, without notice to or without approval of the Shareholders or the Equity Incentive Plan Participants, amend, modify, change, suspend or terminate the Awards granted pursuant thereto as it, in its discretion, determines appropriate, provided that no such amendment, modification, change, suspension or termination of the Equity Incentive Plan or any Award granted pursuant thereto may materially impair any rights of an Equity Incentive Plan Participant or materially increase any obligations of an Equity Incentive Plan Participant under the Equity Incentive Plan without the consent of

such Equity Incentive Plan Participant, unless the Equity Incentive Plan Administrator determines such adjustment is required or desirable in order to comply with any applicable securities laws or stock exchange requirements or as otherwise permitted pursuant to the Equity Incentive Plan.

All of the Awards are subject to the conditions, limitations, restrictions, vesting, settlement and forfeiture provisions determined by the Equity Incentive Plan Administrator, in its sole discretion, subject to such limitations provided in the Equity Incentive Plan and will be evidenced by an Award Agreement. In addition, subject to the limitations provided in the Equity Incentive Plan and in accordance with applicable law, the Equity Incentive Plan Administrator may accelerate the vesting or payment of Awards, cancel or modify outstanding Awards and waive any condition imposed with respect to Awards or Shares issued pursuant to Awards.

Subject to the terms and conditions of the Equity Incentive Plan, the Plan Administrator, may, in its discretion, credit outstanding Share Units and DSUs with dividend equivalents in the form of additional Share Units and DSUs, respectively, as of each dividend payment date in respect of which normal cash dividends are paid on Shares. Dividend equivalents credited to an Equity Incentive Plan Participant account shall vest in proportion to the Share Units and DSUs to which they relate and shall be settled in accordance with terms of the Equity Incentive Plan. Where the issuance of Shares pursuant to the settlement of dividend equivalents will result in the Corporation having insufficient Shares available for issuance or would result in the Corporation breaching its limits on grants of Awards, as set out above, the Corporation shall settle such dividend equivalents in cash.

SETTLEMENT OF VESTED SHARE UNITS

The Equity Incentive Plan provides for the grant of restricted share units (each, a “**RSU**”). A RSU is a unit equivalent in value to a Share which entitles the holder to receive one Share, or cash, or a combination thereof for each vested RSU. RSUs shall, unless otherwise determined by the Equity Incentive Plan Administrator, and as specifically set out in the Award Agreement, vest, if at all, following a period of continuous employment of the Equity Incentive Plan Participant with the Corporation or a subsidiary of the Corporation.

The Equity Incentive Plan also provides for the grant of performance share units (each, a “**PSU**”, together with RSUs, the “**Share Units**”), which entitles the holder to receive one Share, or cash, or a combination thereof, for each vested PSU. PSUs shall, unless otherwise determined by the Equity Incentive Plan Administrator, and as specifically set out in the Award Agreement, vest, if at all, subject to the attainment of certain performance goals and satisfaction of such other conditions to vesting, if any, as many be determined by the Equity Incentive Plan Administrator.

Except where an Equity Incentive Plan Participant dies or ceases to be an Equity Incentive Plan Participant due to a change in control of the Corporation, no Share Unit shall vest prior to the first anniversary of its date of grant. Upon settlement of the Share Units, which shall be within sixty (60) days of the date that the applicable vesting criteria are met, deemed to have been met or waived, and in any event no later than three years following the end of the year in respect of which the Share Units are granted, holders of the Share Units will receive any, or a combination of, the following (as determined solely at the discretion of the Equity Incentive Plan Administrator):

- (i) one (1) fully paid and non-assessable Share issued from treasury in respect of each vested Share Unit; or
- (ii) a cash payment, which shall be determined by multiplying the number of Share Units redeemed for cash by the market value of a Share (calculated with reference to the five (5) day volume weighted average trading price, and subject to a minimum price as set out in the Equity Incentive Plan) (the “**Market Price**”) on the date of settlement.

The Corporation reserves the right to change its allocation of Shares and/or cash payment in respect of a Share Unit settlement at any time up until payment is actually made. If a settlement date for a Share Unit occurs during a trading black-out period imposed by the Corporation to restrict trades in its securities, then, notwithstanding any other provision of the Equity Incentive Plan, the Share Unit shall be settled no more than ten (10) business days after the trading black-out period is lifted by the Corporation, subject to certain exceptions.

SETTLEMENT OF VESTED DSUS

The Equity Incentive Plan also provides for the grant of deferred share units (each, a “**DSU**”). A DSU is a unit equivalent in value to a Share which entitles the holder to receive one Share, or cash, or a combination thereof, for each vested DSU on a future date following the Equity Incentive Plan Participant’s separation of services from the Corporation or its subsidiaries. Except where an Equity Incentive Plan Participant dies or ceases to be an Equity Incentive Plan Participant due to a change in control of the Corporation and as set out below, no DSU shall vest prior to the first anniversary of its date of grant. Upon settlement of the DSUs, which shall be no earlier than the date of the Equity Incentive Plan

Participant's termination of services to the Corporation or its subsidiaries and no later than one (1) year after such date, holders of DSUs will receive any or a combination of the following (as determined solely at the discretion of the Equity Incentive Plan Administrator):

- (i) one (1) fully paid and non-assessable Share issued from treasury in respect of each vested DSU; or
- (ii) a cash payment, determined by multiplying the number of DSUs redeemed for cash by the Market Price of a Share on the date of settlement.

In addition to grants made by the Equity Incentive Plan Administrator to all Equity Incentive Plan Participants, directors of the Corporation may elect, subject to acceptance by the Corporation, in whole or in part, of such election, to receive any portion of their director's fees to be payable in DSUs.

The Corporation reserves the right to change its allocation of Shares and/or cash payment in respect of a DSU settlement at any time up until payment is actually made. If a settlement date for a DSU occurs during a trading black-out period imposed by the Corporation to restrict trades in its securities, then, notwithstanding any other provision of the Equity Incentive Plan, the DSU shall be settled no more than ten (10) business days after the trading black-out period is lifted by the Corporation, subject to certain exceptions.

Termination by the Corporation for cause:	Forfeiture of all unvested Awards. The Plan Administrator may determine that all vested Awards shall be forfeited, failing which all vested Awards shall be settled in accordance with the Equity Incentive Plan.
Voluntary resignation of an Equity Incentive Plan Participant:	Forfeiture of all unvested Awards. Settlement of all vested Awards in accordance with the Equity Incentive Plan.
Termination by the Corporation other than for cause:	Acceleration of vesting of a portion of unvested Awards in accordance with a prescribed formula as set out in the Equity Incentive Plan. Forfeiture of the remaining unvested Awards. Settlement of all vested Awards in accordance with the Equity Incentive Plan.
Death or disability of an Equity Incentive Plan Participant:	Acceleration of vesting of all unvested Awards. Settlement of all vested Awards in accordance with the Equity Incentive Plan.
Termination or voluntary resignation for good reason within twelve (12)	Acceleration of vesting of all unvested Awards. Settlement of all vested Awards in accordance with the Equity Incentive Plan.

months of a change in control:	
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TERMINATION OF EMPLOYMENT OR SERVICES AND CHANGE IN CONTROL

The following describes the impact of certain events that may, unless otherwise determined by the Equity Incentive Plan Administrator or as set forth in an Award Agreement, lead to the early expiry of Awards granted under the Equity Incentive Plan.

Any Awards granted to an Equity Incentive Plan Participant under the Equity Incentive Plan shall terminate at a date no later than twelve (12) months from the date such Equity Incentive Plan Participant ceases to be an Equity Incentive Plan Participant.

In the event of a triggering event, which includes a change in control, dissolution or winding-up of the Corporation, a material alteration of the capital structure of the Corporation and a disposition of substantially all of the Corporation's assets, the Plan Administrator may, without the consent of the Equity Incentive Plan Participant, cause all or a portion of the Awards granted to terminate upon the occurrence of such event, subject to any necessary approvals.

AMENDMENT OR TERMINATION OF THE EQUITY INCENTIVE PLAN

Subject to the approval of the Exchange, where required, the Equity Plan Administrator may from time to time, without notice to or approval of the Equity Incentive Plan Participants or Shareholders, terminate the Equity Incentive Plan. Amendments made to the Equity Incentive Plan shall require regulatory and Shareholder approval, except for amendments to: (i) fix typographical errors; and (ii) clarify existing provisions of the Equity Incentive Plan and which do not have the effect of altering the scope, nature and intent of such provisions.

CORPORATION EQUITY INCENTIVE PLAN RESOLUTION

At the Meeting, the Shareholders of the Corporation will be asked to consider and approve an ordinary resolution, in substantially the following form, in order to approve the Equity Incentive Plan, which resolution requires approval of greater than fifty percent (50%) of the votes cast by the Shareholders who, being entitled to do so, vote, in person or by proxy, on the ordinary resolution at the Meeting:

“BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

- (a) subject to final acceptance of the Exchange, the Corporation's Equity Incentive Plan (the **“Equity Incentive Plan”**), substantially in the form attached as Appendix “B” to the Circular of the Corporation dated January 10, 2025, is hereby approved;
- (b) the Directors of the Corporation or any committee of the board of directors of the Corporation are hereby authorized to grant restricted share units (**“RSUs”**), performance share units (**“PSUs”**) and deferred share units (**“DSUs”**) pursuant to the Equity Incentive Plan to those eligible to receive RSUs, PSUs and DSUs thereunder;
- (c) any one (1) director or officer of the Corporation is hereby authorized to execute and deliver on behalf of the Corporation all such documents and instruments and to do all such other acts and things as in such director's opinion may be necessary to give effect to the matters contemplated by these resolutions; and
- (d) notwithstanding that this resolution be passed by the shareholders of the Corporation, the adoption of the proposed Equity Incentive Plan is conditional upon receipt of final approval of the Exchange, and the directors of the Corporation are hereby authorized and empowered to revoke this resolution, without any further approval of the shareholders of the Corporation, at any time if such revocation is considered necessary or desirable to the directors.”

RECOMMENDATION OF THE BOARD

The Board of the Corporation believe the passing of the foregoing ordinary resolution is in the best interests of the Corporation and recommend that Shareholders of the Corporation vote **IN FAVOUR** of the resolution. **In the absence of contrary instruction, the person(s) designated by management of the Corporation in the enclosed form of proxy intended to vote IN FAVOUR of the approval of the Equity Incentive Plan.**

The Board reserves the right to amend any terms of the Equity Incentive Plan or not to proceed with the Equity Incentive Plan at any time prior to the Meeting if the Board determines that it would be in the best interests of the Corporation and the Shareholders and to do so in light of any subsequent event or development occurring after the date of this Circular.

7. APPROVAL OF POTENTIAL CONTROL PERSON

On December 16, 2024, and January 3, 2025, the Corporation, completed in tranches, a non-brokered private placement (the “**Private Placement**”) of 6,276,923 non-flow-through units (the “**NFT Units**”) at a price of \$0.13 per NFT Unit and 1,152,500 flow-through shares (the “**FT Shares**”) at a price of \$0.16 per FT Share for aggregate gross proceeds of \$1,000,400.

Each NFT Unit consisted of one Common Share and one common share purchase warrant (each a “**Warrant**”) at an exercise price of \$0.18 for a period of three (3) years from the closing date of the Private Placement.

Lead orders in the Private Placement came from existing shareholders of the Corporation, including Chad Williams.

Chad Williams subscribed for 2,907,692 NFT Units in the Private Placement (the “**Williams Placement Securities**”). Prior to giving effect to his purchase of the Williams Placement Securities, Mr. Williams held 17,465,907 common shares of the Corporation, representing 25.8% of the Corporation’s outstanding common shares. After giving effect to the purchase of the Williams Placement Securities (subject to the approval of the resolution described in this section of the Circular), Mr. Williams will hold 20,373,599 common shares of the Corporation, representing 27.1% of the Corporation’s outstanding common shares on an undiluted basis. After giving effect to the exercise of the 2,907,692 warrants forming part of NFT Units included in the Williams Placement Securities. Mr. Williams will hold 23,281,291 common shares, or 30.9% of the Corporation’s common shares after giving effect to such exercise.

Under the policies of the TSX Venture Exchange (“**TSXV**”), disinterested shareholder approval is required for the sale of securities in a private placement which would result in a person becoming a “Control Person”, which includes holders of twenty percent (20%) or more of the issuer’s voting securities. Before subscribing for the Williams Placement Securities, Mr. Williams already held over twenty percent (20%) of the Corporation’s common shares as a result of secondary market purchases which do not require TSXV approval. His purchase of the Williams Placement Securities is subject to TSXV’s shareholder approval requirement, and such approval is sought by the Corporation at the Meeting.

The closing of Mr. Williams’ purchase of the Williams Placement Securities took place on December 16, 2024, and January 3, 2025, with the Williams Placement Securities and Mr. Williams’ subscription funds being placed in escrow at the date of each closing. If the Corporation’s disinterested shareholders approve Mr. Williams becoming a Control Person of the Corporation at the Meeting, the Williams Placement Securities will be released from escrow to Mr. Williams, and Mr. Williams’ subscription funds will be released to the Corporation. If such approval is not obtained, the Williams Placement Securities will be returned to treasury and cancelled, and Mr. Williams’ subscription funds in the aggregate amount of \$378,000 will be returned to him.

A total of 20,373,599 shares held by Mr. Williams and 1,160,713 shares held by “Affiliates”, as defined by TSXV policies, will be excluded from the calculation of the voting results.

The complete text of the resolutions which management intends to place before the Meeting for approval, confirmation and adoption, with or without modification, are as follows:

“BE IT RESOLVED, as an ordinary resolution of the disinterested shareholders of the Corporation, that:

1. the creation of a new Control Person of the Corporation, as such term is defined in the policies of the TSX Venture Exchange, being Chad Williams, (as defined and as more particularly described in the Corporation’s Circular dated January 10, 2025) is hereby authorized and approved; and
2. any officer or director of the Corporation be and is hereby authorized and directed for and on behalf the Corporation (whether under its corporate seal or otherwise) to execute and deliver all such further agreements, documents and instruments and do all such other acts and things as such director or officer may determine to be necessary or advisable for the purposes of giving full effect to the provisions of this resolution, the execution and delivery by such director or officer of any such agreement, document or instrument or the doing of any such act or things being conclusive evidence of such determination.”

The directors of the Corporation believe the passing of the foregoing ordinary resolution is in the best interests of the Corporation and recommend that Shareholders of the Corporation vote **IN FAVOUR** of the resolution. **In the absence of contrary instruction, the person(s) designated by management of the Corporation in the enclosed form of**

proxy intended to vote **IN FAVOUR** of the approval of the Potential Control Person.

8. STATEMENT OF EXECUTIVE COMPENSATION

Under applicable securities legislation, the Corporation is required to disclose certain financial and other information relating to the compensation of the Chief Executive Officer (“CEO”), Chief Financial Officer (“CFO”) and the most highly compensated executive officer, other than the CEO and CFO, who was serving as an executive officer at the end of financial year ended December 31, 2023, and whose total compensation exceeded \$150,000, for that financial year (collectively, “NEO” or the “Named Executive Officers”) and for the directors of the Corporation.

The Named Executive Officers for the financial year ended December 31, 2023, were:

- a. Chad Williams, Non-Executive Chairman
- b. Dorian L. (Dusty) Nicol, Chief Executive Officer
- c. Dan O’Brien, Chief Financial Officer
- d. George Davis, Former Chief Executive Officer
- e. Donna McLean, Former Chief Financial Officer
- f. Brian Briggs, Former Interim Chief Executive Officer

No other executive officer received total compensation, including salary, bonus and all other compensation, aggregating in excess of \$150,000 for the financial year of the Corporation ended December 31, 2023.

Summary Compensation Table

The following table is a summary of the compensation paid, directly or indirectly, to the Named Executive Officers and directors of the Corporation for the two most recently completed financial years.

COMPENSATION EXCLUDING COMPENSATION SECURITIES							
Name and Position	Fiscal Year	Salary, Consulting Fees, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of All other compensation (\$)	Total compensation (\$)
Chad Williams ⁽¹⁾ <i>Non-Executive Chairman & Director</i>	2023	300,000	Nil	Nil	Nil	Nil	300,000
	2022	300,000	Nil	Nil	Nil	Nil	300,000
Dorian L. (Dusty) Nicol ⁽²⁾ <i>Chief Executive Officer and Chief Operating Officer</i>	2023	120,000	Nil	Nil	Nil	Nil	120,000
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Dan O’Brien ⁽³⁾ <i>Chief Financial Officer</i>	2023	20,000	Nil	Nil	Nil	Nil	20,000
	2022	Nil	Nil	Nil	Nil	Nil	Nil
George Davis ⁽⁴⁾ <i>Former Chief Executive Officer</i>	2023	75,250	Nil	Nil	Nil	Nil	75,250
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Donna McLean ⁽⁵⁾ <i>Former Chief Financial Officer</i>	2023	113,400	Nil	Nil	Nil	Nil	113,400
	2022	106,050	Nil	Nil	Nil	Nil	106,050
Brian Briggs ⁽⁶⁾ <i>Director and Former Interim Chief Executive Officer</i>	2023	18,770	Nil	Nil	Nil	Nil	18,770
	2022	Nil	Nil	Nil	Nil	Nil	Nil
John H Hill <i>Director</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Doug Eaton ⁽⁷⁾ <i>Director</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Chad Williams assumed the role of Interim Chief Executive Officer effective January 25, 2021, until February 7, 2023. Mr.

William assumed the role of Interim Chief Executive Officer effective March 8, 2023, to April 1, 2023.

- (2) Dorian L. (Dusty) Nicol was appointed Chief Operating Officer on February 8, 2023, and Chief Executive Officer effective July 25, 2023.
- (3) Dan O'Brien was appointed Chief Financial Officer on December 4, 2023, and is retained through Golden Oak Corporate Services Ltd. ("Golden Oak"), which provides Mr. O'Brien as Chief Financial Officer as well as accounting and corporate compliance services.
- (4) George Davis acted as Chief Executive Officer from April 1, 2023, to July 24, 2023.
- (5) Donna McLean was retained through Grove Corporate Services Ltd. ("Grove") which provided Ms. McLean as Chief Executive Officer as well as accounting and corporate compliance services. Ms. McLean resigned as Chief Financial Officer on December 4, 2023.
- (6) Brian Briggs assumed the role of Interim Chief Executive Officer from February 7, 2023, to March 8, 2023.
- (7) Doug Eaton resigned as a Director on February 27, 2024.

Stock Options and Other Compensation Securities

1. During the financial year ended December 31, 2023, 549,000 incentive stock options were granted at an exercise price of \$0.09 expiring 5 years from the date of issuance.
2. As of December 31, 2023, Mr. Williams held 1,400,158 incentive stock options entitling him to acquire, upon exercise, 1,400,158 common shares in the capital of the Corporation.
3. As of December 31, 2023, Mr. Briggs held 257,632 incentive stock options entitling him to acquire, upon exercise, 257,632 common shares in the capital of the Corporation.
4. As of December 31, 2023, Mr. Eaton held 247,632 incentive stock options entitling him to acquire, upon exercise, 247,632 common shares in the capital of the Corporation, that will expire on February 27, 2025, being one year from the date of resignation.
5. As of December 31, 2023, Mr. Hill held 247,632 incentive stock options entitling him to acquire, upon exercise, 247,632 common shares in the capital of the Corporation.
6. As of December 31, 2023, Grove held 155,088 incentive stock options entitling Grove to acquire, upon exercise, 155,088 common shares in the capital of the Corporation, that will expire on December 31, 2024, being one year from the date of resignation.
7. The Corporation completed a 5.7 (pre-consolidation) to 1 (post-consolidation) consolidation on December 15, 2022. For the financial year ended December 31, 2023, there has been no compensation security that has been re-priced, cancelled and replaced, had its term extended, or otherwise been materially modified, in the most recently completed financial year, including the original and modified terms, the effective date, the reason for the modification, and the name of the holder.

Exercise of Stock Options and Other Compensation Securities

No directors and NEOs exercised compensation securities during the financial year ended December 31, 2023.

External Management Companies

Pursuant to an agreement dated February 1, 2021, the Corporation entered into a business services agreement with Grove to provide accounting and corporate compliance services to the Corporation. The contract includes fees for services provided by the Corporate Secretary and the CFO, office rent and other regular administrative functions. On December 4, 2023, Ms. McClean resigned as CFO and Grove ceased providing services to the Corporation. The Corporation was billed \$113,400 plus HST by Grove for services under this contract, during the year ended December 31, 2023.

Pension Plan Benefits

For the most recently completed financial year, the Corporation did not have any pension or retirement benefit plan, and none are proposed at this time.

Stock Option Plan and Other Incentive Plans

Currently, the Corporation has a "rolling" stock option plan as described in TSX Venture Exchange ("TSX-V") Policy 4.4. Pursuant to the Plan, the Board may from time to time, in its discretion, and in accordance with TSX-V requirements, grant to directors, officers, consultants and employees of the Corporation and its affiliates, non-

transferable options to purchase Common Shares exercisable for a period of up to five years from the date of the grant, provided that the number of Common Shares reserved for issuance thereunder may not exceed ten percent (10%) of the total issued and outstanding Common Shares at the date of the grant.

The purpose of the Plan is to develop the interest of bona fide officers, directors, employees, management corporation employees and consultants of the Corporation in the growth and development of the Corporation by providing them with the opportunity through stock options to acquire an increased proprietary interest in the Corporation. The exercise price for each option is determined by the Board at the time of grant and may not be less than the Discounted Market Price (as such term is defined in the policies of the TSX-V) of the Common Shares as of the date of grant. If any option expires or otherwise terminates for any reason without having been exercised in full, the number of Common Shares in respect of which the option was not exercised shall be available for the purposes of the Plan. Any exercises of options will make new grants available under the Plan, effectively resulting in a re-loading of the number of options available for grant under the Plan.

Pursuant to the Plan, the maximum number of Common Shares reserved for issuance in any twelve (12) month period to any one optionee other than a consultant may not exceed five percent (5%) of the issued and outstanding Common Shares at the date of the grant. The maximum number of Common Shares reserved for issuance in any twelve (12) month period to any consultant may not exceed two percent (2%) of the issued and outstanding Common Shares at the date of the grant. Incentive stock options granted to any optionee that does not continue as a director, officer, employee or consultant of the Corporation or one of its affiliates, may be exercised up to ninety (90) days following the date the optionee ceases to be a director, officer, employee or consultant of the Corporation or one of its affiliates, provided that if the cessation of such position or arrangement was by reason of death, the option may be exercised within a maximum period determined by the Board, which date shall not be later than one (1) year after such death and the expiry date of such option.

The Plan was last approved for use by the Corporation at the annual meeting of shareholders held on March 14, 2024, and is required to be approved by shareholders, annually. The Plan will undergo revisions in terms with the revised TSX-V Policy 4.4, changes are subject to the TSX-V approval. The revised Plan will be presented for the shareholders' approval in the next annual general meeting.

Employment, Consulting and Management Agreements

Crimson Sun Holdings Consulting Agreement

The Corporation entered into a consulting agreement (the "Agreement"), effective January 25, 2021, with Crimson Sun Holdings Inc. (the "Consultant"), a corporation owned by Chad Williams (the "Principal"), whereby the Principal agrees to provide management services to the Corporation in his capacity as Chairman and in addition until April 1, 2023, the CEO, for a base monthly fee of \$25,000. In addition, he may be entitled to success fee, capital raised fee, capital deployment fee, M&A fee, share liquidity fee, share price target fee, EBITDA fee etc., each of which is contingent on the occurrence of events as described in the Agreement.

Long Term Incentive Plans - The Consultant (or Principal) shall also be entitled to participate in the Corporation's share-based compensation plans including its stock option plan and other incentive plans, if applicable, as amended from time to time (collectively the "Plans"), on an ongoing basis, to an extent determined by the Board in its sole discretion, acting in good faith. The number of options or other incentive entitlements granted in future (if any) and the terms and conditions of such grants, including the exercise price, vesting schedule, expiry date and other terms, will be determined by the Board in its sole discretion, acting in good faith.

Accelerated Vesting on a Change of Control: In the event of a Change of Control all granted share options of the Consultant which have not vested shall be deemed to be fully vested and exercisable so as to permit him to exercise such options and participate in the Change of Control transaction in respect of the shares thereby acquired, if applicable. The Corporation will take all reasonable steps to promptly obtain Exchange approval, if applicable.

Grounds for termination of Agreement:

- (a) Upon Agreement. This Agreement may be immediately terminated at any time (including before the expiry of the Term) upon agreement in writing between the Corporation and the Consultant.
- (b) Termination upon Death.
- (c) Termination by Corporation for Fundamental Breach of this Agreement.
- (d) Termination by Corporation with Notice. The Corporation may terminate this Agreement immediately at any time (including before the expiry of the Term) by written notice and paying to the Consultant in a lump sum all

Fees and other remunerations due but not as yet paid to the Consultant to the day of the notice of termination plus an additional lump sum amount equal to twenty-four (24) months of the Monthly Base Fee plus accumulated bonus at date of termination plus three (3) times the last twelve (12) months' aggregate performance fees (e.g. capital raised, share liquidity etc.).

- (e) Termination by Consultant on Notice. The Consultant may terminate this Agreement at any time (including before the expiry of the Term) by providing sixty (60) calendar days' written notice to the Corporation. The Corporation may, in its discretion, waive such notice in whole or in part. If the Consultant terminates this Agreement prior to the end of the Term, the Consultant will receive from the Corporation all Fees and other remunerations under this Agreement that he would be entitled up to the sixtieth (60th) day following such notice of termination.
- (f) Insolvency Event. The Corporation may terminate the Agreement at any time in the event the Consultant becomes insolvent, or commences bankruptcy or winding up proceedings, or makes an assignment for the benefit of its creditors

"Change of Control" means: the acquisition by any person or by any person and a person "acting jointly or in concert with" such person, as defined in the Multilateral Instrument 62-104 Take-Over Bids and Issuer Bids instrument ("MI 62-104"), whether directly or indirectly, of voting securities which, when added to all other voting securities of the Consultant at the time held by such person or by such person and a person "acting jointly or in concert with" another person, totals for the first time not less than fifty percent (50%) of the outstanding voting securities of the Consultant or the votes attached to those securities are sufficient, if exercised, to elect a majority of the Board of Directors of the Consultant.

Dorian (Dusty) Nicol - Executive Agreement

As of the date hereof, the Corporation has an employment contract on July 27, 2023 (the "Executive Agreement") with Dorian L. (Dusty) Nicol (the "Executive") that sets out his compensation and provides for payments to the Executive at, following, or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement or pursuant to a change in control of the Corporation. The Executive commenced employment as its Chief Executive Officer and President at monthly salary of \$17,500 (the "Base Salary").

Long Term Incentive Plans - The Executive shall also be entitled to participate in the Corporation's share-based compensation plans including its stock option plan and other incentive plans, if applicable, as amended from time to time (collectively the "Plans"), on an ongoing basis, to an extent determined by the Board in its sole discretion, acting in good faith. The number of options or other incentive entitlements granted in future (if any) and the terms and conditions of such grants, including the exercise price, vesting schedule, expiry date and other terms, will be determined by the Board in its sole discretion, acting in good faith.

Accelerated Vesting on a Change of Control: In the event of a Change of Control all granted share options of the Executive which have not vested shall be deemed to be fully vested and exercisable so as to permit him to exercise such options and participate in the Change of Control transaction in respect of the shares thereby acquired, if applicable. The Corporation will take all reasonable steps to promptly obtain Exchange approval, if applicable.

Termination: The Executive Agreement and the employment contemplated thereunder may be terminated, at any time, in the following manner and in the following circumstances:

- (a) by the Executive, other than for the circumstances as defined in the Executive Agreement by providing twelve (12) weeks written notice of resignation to the Corporation (the "Notice of Resignation Period"), in which case this Agreement and the Executive's employment shall terminate at the end of the Notice of Resignation Period;
- (b) by the Corporation, for Cause, in which case the Executive Agreement and the Executive's employment shall terminate immediately upon receipt of a written notice by the Executive from the Corporation setting out the cause for termination;
- (c) automatically without further notice, upon the death of the Executive, in which case the Executive's employment and this Agreement shall terminate on the date of the Executive's death;
- (d) by the Corporation, without Cause in which case the Executive Agreement and the Executive's employment shall terminate immediately upon receipt by the Executive of a written notice of termination from the Corporation; or
- (e) by the Executive, for Good Reason, in which case the Executive Agreement and the Executive's employment shall terminate immediately upon receipt by the Corporation of a written notice of termination from the Executive.

The Executive shall be entitled to payment of his Base Salary earned up to the date of termination plus the value of

any unpaid vacation leave or any other unpaid compensation owed to the date of termination. If the Executive is terminated without Cause or for Good Reason he will be entitled to an additional one month (the “Notice Period”) of his Base Salary. If the Executive is terminated without cause within three (3) months prior to a Change of Control, or within twelve (12) months after a Change of Control the Executive will be entitled to an amount calculated as if the Notice Period was six (6) months.

Golden Oak Corporate Services Ltd.

Pursuant to an agreement dated December 1, 2023, the Corporation entered into a consulting agreement with Golden Oak Corporate Services Ltd. (“Golden Oak”) to provide accounting and corporate compliance services to the Corporation. The contract includes fees for services provided by the Corporate Secretary and the CFO and other regular administrative functions. The contract is billed on a monthly basis at a rate of \$10,000 plus GST. The contract may be terminated by the Corporation for cause without prior notice and either party can terminate the contract on three (3) months’ written notice for other than cause.

Other than as disclosed herein, the Corporation has no other agreement or arrangement under which compensation was provided during the most recently completed financial year or is payable in respect of services provided to the Corporation or any of its subsidiaries that were performed by a director, NEO or was performed by any other party but are services typically provided by a director or NEO.

Oversight and Description of Director and Named Executive Officer Compensation

The Board determines the compensation payable to the NEOs and directors of the Corporation and reviews such compensation annually. The Board is responsible for determining all forms of compensation, including long-term incentives in the form of stock options, to be granted to the executive officers and directors to ensure such arrangements reflect the responsibilities and risks associated with each position.

The Board’s goal is to enable it to attract, retain and motivate talented employees, contractors and consultants who will contribute to the long-term success of the Corporation by aligning compensation with market conditions, corporate performance, and the interest of shareholders to maximize shareholder value

There are no other arrangements under which the directors of the Corporation were compensated by the Corporation during the most recently completed financial year end for their services in their capacity as directors.

Remuneration plays an important role in attracting, motivating, rewarding and retaining knowledgeable and skilled individuals to the Corporation’s management team. The main objectives the Corporation hopes to achieve through its compensation are:

- to attract and retain executives critical to the Corporation’s success, who will be key in helping the Corporation achieve its corporate objectives and increase shareholder value;
- to motivate the Corporation’s management team to meet or exceed targets;
- to recognize the contribution of the Corporation’s executive officers to the overall success and strategic growth of the Corporation; and
- to align the interests of management and the Corporation’s shareholders by providing performance-based compensation in addition to salary.

It is one of the aims of the compensation strategy to ensure that executives of the Corporation are paid reasonably and consistent with the level of responsibility and authority which they assume and considering the role they play in advancing the strategic objectives of the Corporation.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Corporation has implemented the Option Plan, described in more detail under the headings “Part 8 – Statement of Executive Compensation – Stock Option Plan and Other Incentive Plans” above. The following table sets out additional information with respect to the Option Plan as of December 31, 2023.

Name and Position	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding security reflected in column (a))
Stock Option Plan	2,999,985	0.44	947,664
Equity Compensation Plans Not Approved by Shareholders	N/A	N/A	N/A

OTHER MATTERS WHICH MAY COME BEFORE THE MEETING

Management knows of no matters to come before the Meeting other than the matters referred to in the Notice of Meeting. Receipt at the Meeting of reports to the Directors and auditors and the Corporation’s financial statements for the year ended December 31, 2023, and the auditors’ report thereon will not constitute approval or disapproval of any matters referred to therein. If any matters which are not now known should properly come before the Meeting, the accompanying Form of Proxy will be voted on such matters in accordance with the best judgment of the person voting it.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

No person who is now or was at any time since the beginning of the most recently completed financial year of the Corporation has been, a director, executive officer or senior officer of the Corporation, or associate thereof, been indebted to the Corporation, or had indebtedness during that period which was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

AUDITORS

The external auditor of the Corporation is Jones & O’Connell LLP, Chartered Professional Accountants, of St. Catharines, Ontario. Jones & O’Connell LLP, Chartered Professional Accountants was appointed as the Corporation’s External Auditor in July 2022.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the best of the knowledge of the management, none of the directors or senior officers of the Corporation, nor any proposed director of the Corporation, nor any person who beneficially owns, directly or indirectly, shares carrying more than ten percent (10%) of the voting rights attached to all outstanding shares of the Corporation, nor any associate or affiliate of the foregoing persons has any material interest, direct or indirect, in any transaction since the commencement of the Corporation’s last completed fiscal year or in any proposed transaction which, in either case, has or will materially affect the Corporation.

DISCLOSURES RELATING TO CORPORATE GOVERNANCE PRACTICES

National Policy 58-201 – *Corporate Governance Guidelines* (“NP 58-201”) and National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“NI 58-101”) set out a series of guidelines for effective corporate governance. The guidelines address matters such as the constitution and independence of corporate boards, the function to be performed by boards and their committees and the effectiveness and education of board members. NI 58-101 requires the disclosure by each reporting issuer of its approach to corporate governance with reference to the guidelines as it is recognized that the unique characteristics of individual corporations will result in varying degrees of conformity. The following disclosure is provided in accordance with the corporate governance disclosure prescribed by Form 58-101F2 of NI 58-101.

Board of Directors

NI 58-101 defines an “independent director” as a director who has no direct or indirect material relationship with the

Corporation. A “material relationship” is defined as a relationship, which could, in the view of the Board, be reasonably expected to interfere with such member’s independent judgment.

The Board is currently comprised of five (5) members. The Board of Directors has determined that the Board will consist of five (5) persons to be elected at the Meeting and has nominated that number of individuals for election at the Meeting. Under NI 58-101 and NP 58-201, all of the Directors are considered “independent” as that term is defined therein, except Chad Williams who is not considered independent as he is the past Chief Executive Officer of the Corporation.

Directorships

Certain of the Directors of Honey Badger are also directors of other reporting issuers in a Canadian jurisdiction (or the equivalent in a foreign jurisdiction) as follows:

Director Name	Issuer
Chad Williams	Mines D’Or Orbec Inc. (TSXV)
John H. Hill	None
Dorian L. (Dusty) Nicol	Mines D’Or Orbec Inc. (TSXV) MTB Metals Corp. (TSXV) Windfall Geotek Inc. (CSE)
George Topping	None
Koby Kushner	La Imperial Resources (CSE)
Paolo P. Cattelan	None

Nomination of Directors

The Board performs the functions of a nominating committee and is responsible for the appointment and assessment of Directors. The Board believes that this is a practical approach at this stage of Honey Badger’s development and given the small size of the Board. While there are no specific criteria for Board membership, Honey Badger attempts to attract and maintain Directors with business knowledge and an established knowledge of mineral exploration and development, or other areas such as finance, which would assist in guiding the Officers of Honey Badger.

As such, nominations tend to be the result of recruitment efforts by management of Honey Badger and discussions among Directors prior to the consideration by the Board as a whole.

Director Term Limits

The Corporation has not adopted term limits for or other mechanisms for board renewal. The Board believes that term limits are not practical at this stage of the Corporation’s development.

Board’s Relations with Management

The interaction between Management and Board members, both inside and outside of meetings of the Board, ensures that the Board is properly informed and that the Board members’ experience is brought to bear when needed by management.

The Board remains sensitive to corporate governance issues and seeks to set up the necessary structures to ensure the effective discharge of its responsibilities without creating additional overhead costs or reducing the return on shareholders’ equity. The Board is committed to ensuring the long-term viability of Honey Badger, as well as the well-being of its consultants and of the communities in which it operates.

Director Compensation

Refer to the Corporation’s statement of executive compensation for the year ended December 31, 2023, in “Part 8 – Statement of Executive Compensation”.

Director Assessment

The Board assesses, on an annual basis, the contribution of the Board as a whole and each of the individual Directors, in order to determine whether each is functioning effectively.

Director Orientation and Continuing Education

Honey Badger does not provide a formal orientation and education program for new Directors. However, new Directors are given an opportunity to familiarize themselves with Honey Badger by visiting our corporate offices, meeting with other Directors, reviewing the rules and regulations of the stock exchange where the shares are listed, and reviewing the corporate by-laws. Moreover, new Directors are encouraged to speak with Honey Badger's solicitors to become familiarized with their legal responsibilities as Directors.

Ethical Business Conduct

The role of the Board is to oversee the conduct of Honey Badger's business, to set corporate policy and to supervise management, which is responsible to the Board for the day-to-day conduct of business. However, given the size of the Corporation, all material transactions are addressed at the Board level. The Board discharges five (5) specific responsibilities as part of its overall "stewardship responsibility". These are:

- (1) Strategic Planning Process: Given Honey Badger's size, the strategic plan is elaborated directly by management, with input from and assistance of the Board;
- (2) Managing Risk: The Board directly oversees most aspects of the business of Honey Badger and thus does not require the elaboration of "systems" or the creation of committees to effectively monitor and manage the principal risks of all aspects of the business of Honey Badger;
- (3) Appointing, Training and Monitoring Senior Management: No elaborate system of selection, training and assessment of management has been established, as those would prove too costly; however, the Board closely monitors management's performance, which is measured against the overall strategic plan, through reports by and regular meetings with management;
- (4) Communication Policy: It is and has always been the unwritten policy of the Board to communicate effectively with its shareholders, other stakeholders, and the public generally through statutory filings and mailings, as well as news releases; the shareholders are also given an opportunity to make comments or suggestions at shareholder meetings; these comments and suggestions are then factored into the Board's decisions.
- (5) Ensuring the Integrity of Honey Badger's Internal Control and Management Information System: Given the involvement of the Board in operations, the reports from and the meetings with management, the Board can effectively track and monitor the implementation of approved strategies.

Diversity Policy

The Corporation encourages diversity in the composition of the Board and requires periodic review of the composition of the Board as a whole to recommend, if necessary, measures to be taken so that the Board reflects the appropriate balance of diversity, knowledge, experience, skills and expertise required for the Board as a whole. The Corporation endorses the principle that the Board should have a balance of skills, experience and diversity of perspectives appropriate to the business.

The Board has not yet adopted a written policy or targets relating to the identification and nomination of designated groups (including women, Aboriginal peoples, persons with disabilities and members of visible minorities) to the Board. And while competence, skillset and experience remain the foremost qualifications for nomination, the Board does take into consideration a nominee's potential to contribute to diversity within the Board. Given that diversity is part of determining the overall balance, the Board has not yet adopted a gender specific policy target. The Board will review its structure and diversity annually and may set diversity aspirations regarding the Board's optimum composition as part of the identification and nomination of members of the Board. The Board will consider a number of factors, including gender, ethnic and geographic diversity, age, business experience, professional expertise, sexual identity, religion, family upbringing, neurodiversity, personal skills, personal experience and personal perspectives, when seeking and considering new members for nomination or evaluating Board nominees for re-election.

Notwithstanding the foregoing, recommendations concerning Board nominees are, foremost, based on merit and performance, with due regard to the overall effectiveness of the Board, with diversity being taken into consideration, as it

is beneficial that a diversity of backgrounds, views and experiences be present at the Board and management levels.

The Board is currently comprised of five (5) male directors. Consistent with the Issuer's approach to diversity at the Board level, hiring practices include consideration of diversity across designated groups. The Board will, among other factors in the making of executive officer appointments, consider the level of representation of designated groups. In searches for new executive officers, the Board will consider the level of diversity in management as one (1) of several factors used in its search process. Notwithstanding the foregoing, all executive officer appointments will always be based on merit, having regard to the requirements of the Issuer.

The Issuer does not have a target number of executive officers from designated groups. Given the small size of the executive team, management believes that implementing targets is not appropriate at this time. However, in the Issuer's hiring practices, it considers the level of representation of women in executive officer positions.

Management Contracts

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

DISCLOSURES RELATING TO AUDIT COMMITTEE

National Instrument 52-110 – Audit Committees (“**NI 52-110**”) requires the Corporation, as a venture issuer, to disclose annually in its information circular certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor. The following disclosure is provided in accordance with the audit committee disclosure prescribed by Form 52-110F2 of NI 52-110.

Audit Committee Charter and Composition

The Board has established an Audit Committee consisting of three Directors of the Corporation, the majority of whom are not Officers, employees, or Control Persons of the Corporation.

As of the Record Date, John Hill who is Chair, Brian Briggs and Chad Williams are members of the audit committee and are “financially literate” as defined in NI 52-110. All members of the Audit Committee are “independent” Directors, as defined in NI 52-110, except Chad Williams who is not considered independent.

Pursuant to NI 52-110, a person is financially literate if he or she has 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 issues that can reasonably be expected to be raised by the Corporation's financial statements.

As a “venture issuer”, as defined in NI 52-110, the Corporation is relying on an exemption provided in section 6.1 thereunder from certain disclosure requirements and requirements regarding the composition of the audit committee, including the requirement that all members qualify as “independent”.

The responsibilities and operation of the Audit Committee are set out in the Corporation's Audit Committee charter (see Appendix “A”).

Relevant Education and Experience

John H. Hill

Mr. Hill is Principal of REXERRO Capital, Ltd. a natural resource investment firm based in San Francisco. He was previously Partner at Cambrian Capital, L.P., a resource fund managing +\$2 B across energy, mining, chemicals, and industrials. He served as Director, Metals & Mining for Citigroup Investment Research, where he was ranked by Institutional Investor and Greenwich Associates. Prior positions include Director, Business Development for Echo Bay Mines (mid-tier gold miner); Manager, INCO Ltd. exploration & technical services (senior nickel miner); and various industrial minerals operating roles. He has worked on mining projects in over 15 countries, has testified to US Congress on mineral policy issues, and served as Chairman of the Denver Gold Group. He holds a B.A. in Geology from Middlebury College, an M.Sc. in Mineral Economics from the Colorado School of Mines, and the Chartered Financial Analyst designation.

Brian Briggs

Mr. Briggs has significant expertise in managing social license and environmental issues including rehabilitation of brown fields locations and historic environmental impacts. He has been in many senior management roles including Managing Director, COO and numerous VPs and or Project Management positions in domestic and international organizations. He is a professional engineer (CO & WY) with over 30 years of industry experience in both underground and surface mine operations holding a BS in Mining Engineering and MS in Agricultural engineering from the University of Wyoming. Sixth generation mining engineer from Ouray, Colorado.

Chad Williams

Mr. Williams has an extensive background in capital markets and business management. He is the founder and Chairman of Red Cloud Mining Capital, Inc. and Sharechest. Mr. Williams also serves on the board of Mines D'Or Orbec Inc. He was one of the founders of both Agilith Capital Inc. and Westwind Capital Inc., as well as the former CEO of Victoria Gold Corp. and former Head of Mining Investment Banking at Blackmont Capital Inc. Prior to these positions, Mr. Williams was a top-ranked mining analyst at TD Bank and other Canadian brokerage firms in Toronto. Chad Williams is a member of the Association of Professional Engineers of Ontario, having received a Bachelor of Engineering degree and a Master of Business Administration from McGill University.

In addition to the background and experience noted with respect to each member of the Audit Committee, all members of the Audit Committee had direct access to the Corporation's auditors and to the Corporation's management.

Audit Committee Oversight

Since the commencement of the most recently completed financial year, the Board adopted all the recommendations of the Audit Committee to nominate or compensate an external auditor.

Reliance on Certain Exemptions

Since the commencement of the most recently completed financial year, the Corporation did not rely on an exemption provided under Section 2.4 (*De Minimis Non-Audit Services*) of NI 52-110, nor has the Corporation obtained or relied upon any exemption from a securities regulatory authority or regulator from the requirements of Part 8 (*Exemptions*) of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted any specific policies and procedures regarding the engagement of non-audit services but does review such matters as they arise in light of factors such as the Corporation's current needs, the availability of services from other sources and the other services provided by the Corporation's auditor.

EXTERNAL AUDITOR SERVICES FEES

The following table sets out the aggregate fees billed by the Corporation's external auditor during each of the last two (2) fiscal years.

Category of Fees	Year Ended December 31, 2023 (\$)	Year Ended December 31, 2022 (\$)
Audit Fees ⁽¹⁾	30,000	26,000
Audit-Related Fees ⁽²⁾	Nil	Nil
Tax Fees ⁽³⁾	8,000	9,000
All Other Fees ⁽⁴⁾	Nil	Nil

Notes:

- ⁽¹⁾ Fees billed by the Corporation's external auditor during the fiscal year.
- ⁽²⁾ Fees billed during the fiscal year for assurance and related services by the Corporation's external auditor that are reasonably related to the performance of the audit or review of the Corporation's financial statements and are not reported under "Audit Fees".
- ⁽³⁾ Fees billed during the fiscal year for services rendered by the Corporation's external auditor for tax compliance, tax advice and tax planning.
- ⁽⁴⁾ Aggregate fees billed during the fiscal year for products and services provided by the Corporation's external auditor, other than the services reported under "Audit Fees", "Audit-Related Fees" and "Tax Fees".

ADDITIONAL INFORMATION

Additional information relating to the Corporation is filed on SEDAR+ and can be accessed on the internet at www.sedarplus.ca. Financial information is provided in the Corporation's comparative financial statements and in its management discussion and analysis ("MD&A") for its most recently completed financial year.

Shareholders may request copies of such financial statements and MD&A by mailing a request to the Corporation's corporate office located at: Unit 1 – 15782 Marine Drive, White Rock, B.C. V4B 1E6 or by email to ben@gocs.ca.

DIRECTORS' APPROVAL

The contents and sending of this Circular have been approved by the Board.

DATED at Toronto, Ontario on January 10, 2025.

(Signed) "Chad Williams"

Chad Williams

Director & Non-Executive Chairman

APPENDIX “A”

AUDIT COMMITTEE CHARTER

General and Authority - The Audit Committee (the “Committee”) is appointed by the Board of Directors of Honey Badger Silver Inc. (the “Corporation”). The Committee is a key component of the Corporation’s commitment to maintaining a higher standard of corporate responsibility. The Committee shall review the Corporation’s financial reports, internal control systems, the management of financial risks and the external audit process. It has the authority to conduct any investigation appropriate to its responsibilities. The Committee shall have the authority to: engage independent counsel and other advisors as it determines necessary to carry out its duties; set and pay the compensation for advisors employed by the Committee; and communicate directly with the internal and external auditors.

Overseeing the External Audit Process – (a) the Committee shall recommend to the Board the external auditor to be nominated, shall set the compensation for the external auditor and shall ensure that the external auditor reports directly to the Committee, (b) the Committee shall be directly responsible for overseeing the work of the external auditor, including the resolution of disagreements between management and the external auditor regarding financial reporting, (c) the Committee shall review the external auditor’s audit plan, including scope, procedures and timing of the audit, (d) the Committee shall pre-approve all non-audit services to be provided by the external auditor, (e) the Committee shall review and approve the Corporation’s hiring policies regarding partners, employees and former partners and employers of the present and former external audit, and (f) the Committee shall review fees paid by the Corporation to the external auditor and other professionals in respect of audit and non-audit services on an annual basis.

Financial Reporting and Internal Controls – (a) The Committee shall review the annual audited financial statements to satisfy itself that they are presented in accordance with generally accepted accounting principles, that the information contained therein is not erroneous, misleading or incomplete and that the audit function has been effectively carried out, (b) the Committee shall report to the Board with respect to its review of the annual audited financial statements and recommend to the Board whether or not same should be approved prior to their being publicly disclosed, (c) the Committee shall review the Corporation’s annual and interim financial statements, management’s discussion and analysis relating to annual and interim financial statements, and earnings press releases prior to any of the foregoing being publicly disclosed by the Corporation, (d) the Committee shall satisfy itself that adequate procedures are in place for the review of the Corporation’s public disclosure of financial information extracted or derived from the Corporation’s financial statements other than the disclosure referred to in Section 3.2(c) of this Charter, and periodically assess the adequacy of these procedures, (e) the Committee shall oversee any investigations of alleged fraud and illegality relating to the Corporation’s finances, (f) the Committee shall establish procedures for: (1) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and (2) the confidential, anonymous submission by employees of the Corporation or concerns regarding questionable accounting or auditing matters, and (g) the Committee shall meet no less frequently than annually with the external auditor and the Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Corporation in charge of financial matters, to review accounting practices, internal controls, auditing matters and such other matters as the Committee deems appropriate.

Risk Management and Other Responsibilities - The Committee shall inquire of management and the external auditor regarding significant risks or exposures to which the Corporation may be subject and shall assess the adequacy of the steps management has taken to minimize such risks. The Committee shall perform any other responsibilities consistent with this charter and any applicable laws as appropriate.

Composition - The Committee shall be composed of three or more directors, the majority of whom are not employees, Control Persons or officers of the Corporation or any of its Associates or Affiliates, as such capitalized terms are defined by the TSX Venture Exchange, (b) if at any time, the Corporation ceases to be exempt from Part 3 of Multilateral Instrument 52-100 - Audit Committees, every audit committee member shall be Independent, as such term is defined in said Instrument, (c) notwithstanding Sections 4.1(a) and 4.1(b) of this Charter, the Committee and its membership shall at all times be so constituted as to meet all current, applicable legal, regulatory and listing requirements, including, without limitation, securities laws and the requirements of the TSX and the TSX Venture Exchange and of all applicable securities regulatory authorities, and (d) committee members shall be appointed by the Board from time to time. One member shall be designated by the Board to serve as Chair.

Meetings – (a) The Committee shall meet at least quarterly, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable laws. A minimum of two (2) and at least fifty percent (50%) of the members present either in person or by telephone shall constitute a quorum. Further, in order for a quorum to be constituted, the majority of members present must not be employees, Control Persons or officers of the Corporation or any of its Associates or Affiliates, as such capitalized terms are defined by the TSX Venture Exchange, (b) if and whenever a vacancy in the Committee shall exist, the remaining members may exercise all of its powers and

responsibilities provided that a quorum (as herein defined) remains in office, (c) the time and place at which meetings of the Committee shall be held, and the procedures at such meetings, shall be determined from time to time by the Committee. A meeting of the Committee may be called by letter, telephone, facsimile or electronic means, by giving 48 hours' notice, or such greater notice as may be required under the Corporation's By-Laws, provided that no notice shall be necessary if all the members are present either in person or by telephone or if those absent have waived notice or otherwise indicated their consent to the holding of such meeting, (d) the Committee shall keep minutes of its meetings which shall be submitted to the Board. The Committee may, from time to time, appoint any person, who need not be a member, to act as a secretary at any meeting, (e) the Committee may invite such officers, directors and employees of the Corporation as it deems appropriate, from time to time, to attend meetings of the Committee, (f) Any matters to be determined by the Committee shall be decided by a majority of the votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all members of the Committee, and such actions shall be effective as though they had been decided by a majority of the votes cast at a meeting of the Committee called for such purpose.

Reporting to the Board - The Committee shall report regularly to the Board on Committee activities, findings and recommendations. The Committee is responsible for ensuring that the Board is aware of any matter that may have a significant impact on the financial condition or affairs of the Corporation.

Continued Review of the Charter - The Committee shall review and assess the continued adequacy of this Charter annually and submit such proposed amendments as the Committee sees fit to the Board for its consideration.

APPENDIX "B"
EQUITY INCENTIVE PLAN

HONEY BADGER SILVER INC.

EQUITY INCENTIVE PLAN

Effective Date: December 12, 2024

Approved by the Board of
Directors on December 12, 2024.

Approved by the
Shareholders on [MONTH] [DAY], 2025.

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EQUITY INCENTIVE PLAN

ARTICLE 1 PURPOSE

1.1 Purpose

The purpose of the Plan is to provide the Corporation with a share-related mechanism to attract, retain and motivate qualified Executives, Employees and Consultants of the Corporation and its Subsidiaries, to reward such of those Executives, Employees and Consultants as may be granted Awards under the Plan by the Board from time to time for their contributions toward the long term goals and success of the Corporation and to enable and encourage such Executives, Employees and Consultants to acquire Shares as long term investments and proprietary interests in the Corporation.

ARTICLE 2 INTERPRETATION

2.1 Definitions

When used herein, unless the context otherwise requires, the following terms have the indicated meanings:

“**Applicable Laws**” means the applicable laws and regulations and the requirements or policies of any governmental, regulatory authority, securities commission and stock exchange having authority over the Corporation or the Plan;

“**Award**” means any Share Unit or Deferred Share Unit granted under the Plan;

“**Award Agreement**” means a signed, written agreement between a Participant and the Corporation, in the form or any one of the forms approved by the Plan Administrator, evidencing the terms and conditions on which an Award has been granted under the Plan and which need not be identical to any other such agreements;

“**Black-Out**” means a restriction formally imposed by the Corporation, pursuant to its internal trading policies as a result of the bona fide existence of undisclosed material information, on all or any of its Participants whereby such Participants are prohibited from exercising, redeeming or settling their Awards;

“**Board**” means the board of directors of the Corporation;

“**Business Day**” means a day, other than a Saturday or Sunday, on which the principal commercial banks in the City of Vancouver are open for commercial business during normal banking hours;

“**Cash Fees**” has the meaning set forth in Section 5.1(a);

“**Cause**” means:

- (a) unless the applicable Award Agreement states otherwise, with respect to any Employee, Officer or Consultant:
 - (i) if such Employee, Officer or Consultant is a party to an employment or service agreement with the Corporation or any of its Subsidiaries and such agreement provides for a definition of Cause, the definition contained therein; or

- (ii) if no such agreement exists, or if such agreement does not define Cause, any act or omission that would entitle the Corporation to terminate the employment or service agreement of such Employee, Officer or Consultant, without notice or compensation under the common law for just cause, including, without in any way limiting its meaning under the common law: (A) the failure of the Employee, Officer or Consultant to carry out its duties properly or to comply with the rules, policies and practices of the Corporation or any of its Subsidiaries, as applicable; (B) a material breach of any agreement with the Corporation or any of its Subsidiaries, as applicable, or a material violation of any written policy of the Corporation or any of its Subsidiaries, as applicable; (C) the indictment for or conviction of an indictable offence or any summary offence involving material dishonesty or moral turpitude; (D) a material fiduciary breach with respect to the Corporation or any of its Subsidiaries, as applicable; (E) fraud, embezzlement or similar conduct that results in or is reasonably likely to result in harm to the reputation or business of the Corporation or any of its Subsidiaries; or (F) gross negligence or willful misconduct with respect to the Corporation or any of its Subsidiaries; and
- (b) with respect to any Director, the removal of a Director before the expiration of his or her term of office by any method permitted by the Corporation's Articles;

“Change of Business” has the meaning attributed thereto in Policy 5.2 – *Change of Business and Reverse Takeovers*, as amended from time to time, of the TSXV Manual;

“Change in Control” means the occurrence of any one or more of the following events:

- (a) the direct or indirect acquisition or conversion from time to time of more than 50% of the issued and outstanding Shares, in aggregate, by a Person or group of Persons acting in concert, other than through an employee share purchase plan or employee share ownership plan;
- (b) a change in the composition of the Board which results in the majority of the directors of the Corporation not being individuals nominated by the Corporation's then incumbent directors; or
- (c) a merger, amalgamation, arrangement or reorganization of the Corporation with one or more corporations as a result of which, immediately following such event, the shareholders of the Corporation as a group, as they were immediately prior to such event, hold less than a majority of the outstanding Voting Shares of the surviving corporation;

“Committee” has the meaning set forth in Section 3.2;

“Company” means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual;

“Consultant” means:

- (a) a Person (other than an Executive or Employee) that:
 - (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Corporation or to any of its Subsidiaries, other

than services provided in relation to a distribution of securities (as defined under Applicable Laws);

- (ii) provides the services under a written contract between the Corporation or any of its Subsidiaries and the individual or the Company, as the case may be; and
 - (iii) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or of any of its Subsidiaries, or
- (b) an individual (other than a Director, Officer or Employee) employed by a Company providing management services to the Corporation, which services are required for the ongoing successful operation of the business enterprise of the Corporation;

“**Corporate Policies**” means any of the policies of the Corporation;

“**Corporation**” means **Honey Badger Silver Inc.**;

“**Date of Grant**” means, for any Award, the date specified by the Plan Administrator at the time it grants the Award (which, for greater certainty, shall be no earlier than the date on which the Board meets or otherwise acts for the purpose of granting such Award) or if no such date is specified, the date upon which the Award was granted;

“**Deferred Share Unit**” or “**DSU**” means a right, granted to a Participant in accordance with ARTICLE 5, subject to the provisions of the Plan;

“**Director**” means a director (as defined under Securities Laws) of the Corporation or of any of its Subsidiaries;

“**Director Fees**” means any compensation (including annual retainer and meeting fees, if any) paid by the Corporation to a Director in a calendar year for service on the Board;

“**Disabled**” or “**Disability**” means a physical injury or mental incapacity of a nature which the Plan Administrator determines prevents or would prevent the Participant from satisfactorily performing the substantial and material duties of his or her position with the Corporation or any of its Subsidiaries;

“**Discounted Market Price**” has the meaning ascribed thereto in Policy 1.1 – *Interpretation*, as amended from time to time, of the TSXV Manual;

“**DSU Settlement Date**” has the meaning set forth in Section 5.5(a);

“**Effective Date**” means the date the Plan becomes effective, which shall be upon receipt of all shareholder and regulatory approvals;

“**Elected Amount**” has the meaning set forth in Section 5.1(a);

“**Electing Person**” means a Participant who is, on the applicable Election Date, a Director;

“**Election Date**” means the date on which the Electing Person files an Election Notice in accordance with Section 5.1(b);

“**Election Notice**” has the meaning set forth in Section 5.1(b);

“Employee” means an individual who:

- (a) is considered an employee of the Corporation or any of its Subsidiaries under the Tax Act and for whom income tax, employment insurance and Canada Pension Plan deductions must be made at source;
- (b) works full-time for the Corporation or any of its Subsidiaries providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or any of its Subsidiaries over the details and methods of work as an employee of the Corporation or of a Subsidiary of the Corporation, as the case may be, but for whom income tax deductions are not made at source; or
- (c) works for the Corporation or any of its Subsidiaries on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or any of its Subsidiaries over the details and methods of work as an employee of the Corporation or any of its Subsidiaries;

“Exchange” means the TSXV and any other exchange on which the Shares are or may be listed from time to time;

“Executive” means an individual who is a Director or Officer;

“Good Reason” means any one or more of the following events occurring following a Change in Control and without the Participant’s written consent:

- (a) the Participant is placed in a position of lesser stature than its current position and, is assigned duties that would result in a material change in the nature or scope of powers, authority, functions or duties inherent in such a position immediately prior to the Change in Control;
- (b) a material decrease in the Participant’s base salary or a material decrease in the Participant’s short-term incentive grants, long-term incentive grants, benefits, vacation or other compensation;
- (c) a requirement that the Participant relocate to a location greater than 40 kilometers from the Participant’s primary work location immediately prior to the Change in Control; or
- (d) any action or event that would constitute constructive dismissal of the Participant at common law;

“Insider” means:

- (a) a Director or senior officer of the Corporation;
- (b) a Director or senior officer of a Company that is an Insider or a Subsidiary of the Corporation;
- (c) a Person that has:
 - (i) beneficial ownership of, or control or direction over, directly or indirectly; or

- (ii) a combination of beneficial ownership of, and control or direction over, directly or indirectly;

securities of the Corporation carrying more than 10% of the voting rights attached to all the Corporation's outstanding voting securities, excluding, for the purpose of the calculation of the percentage held, any securities held by the Person as underwriter in the course of a distribution; or

- (d) the Corporation if it has purchased, redeemed or otherwise acquired a security of its own issue, for so long as it continues to hold that security;

“Investor Relations Service Provider” has the meaning attributed thereto in Policy 4.4 – *Security Based Compensation*, as amended from time to time, of the TSXV Manual;

“Market Price” at any date in respect of the Shares shall be the volume weighted average closing price of Shares on the TSXV for the five (5) trading days immediately preceding such date (or, if such Shares are not then listed and posted for trading on the TSXV, on such stock exchange on which the Shares are listed and posted for trading as may be selected for such purpose by the Board), provided that the Market Price cannot be lower than the Discounted Market Price. In the event that such Shares are not listed and posted for trading on any Exchange, the Market Price shall be the fair market value of such Shares as determined by the Board in its sole discretion, provided that the Market Price cannot be lower than the Discounted Market Price;

“Officer” means an officer (as defined under Securities Laws) of the Corporation or of any of its Subsidiaries;

“Participant” means an Executive, Employee or Consultant to whom an Award has been granted under the Plan. Notwithstanding the foregoing and any other provision of the Plan, no Investor Relations Service Provider shall be a Participant for so long, and to the extent, that such limitation is required by the TSXV;

“Participant Service Separation Date” means the date of a Participant's death, or retirement from, or loss of office or employment with, or provision of services to, the Corporation or any of its Subsidiaries, including: (i) the voluntary resignation or retirement of a Director from the Board; or (ii) the removal of such Director from the Board whether by shareholder resolution or failure to achieve re-election;

“Performance Goals” means performance goals expressed in terms of attaining a specified level of the particular criteria or the attainment of a percentage increase or decrease in the particular criteria, and may be applied to one or more of the Corporation, a Subsidiary of the Corporation, a division of the Corporation or of a Subsidiary of the Corporation, or an individual, or may be applied to the performance of the Corporation or a Subsidiary of the Corporation relative to a market index, a group of other companies or a combination thereof, or on any other basis, all as determined by the Plan Administrator;

“Performance Period” means the period specified by the Plan Administrator for achievement of any applicable Performance Goals as a condition to vesting;

“Performance Share Unit” or **“PSU”** means a right, granted to a participant in accordance with Article 4, subject to the provisions of the Plan, that generally becomes Vested, if at all, subject to the attainment of certain Performance Goals and satisfaction of such other conditions to vesting, if any, as may be determined by the Plan Administrator;

“**Person**” includes an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, and a natural person in his or her capacity as trustee, executor, administrator or other legal representative;

“**Personal Representative**” means: (i) in the case of a deceased Participant, the executor or administrator of the deceased duly appointed by a court or public authority having jurisdiction to do so; and (ii) in the case of a Participant who, for any reason, is unable to manage his or her affairs, the Person entitled by law to act on behalf of such Participant;

“**Plan**” means this Equity Incentive Plan, as may be amended from time to time;

“**Plan Administrator**” means the Board, or if the administration of the Plan has been delegated by the Board to the Committee pursuant to Section 3.2, the Committee;

“**Regulatory Approvals**” means any necessary approvals of the Regulatory Authorities as may be required from time to time for the implementation, operation or amendment of the Plan or for the Awards granted from time to time hereunder;

“**Regulatory Authorities**” means all Exchanges and all securities commissions or similar securities regulatory bodies having jurisdiction over the Corporation, the Plan or the Awards granted from time to time hereunder;

“**Reorganization**” has the meaning attributed thereto in Policy 5.3 – *Acquisitions and Dispositions of Non-Cash Assets*, as amended from time to time, of the TSXV Manual;

“**Restricted Share Unit**” or “**RSU**” means a right, granted to a Participant in accordance with ARTICLE 4, subject to the provisions of the Plan, that generally becomes Vested, if at all, following a period of continuous employment of the Participant with the Corporation or a Subsidiary of the Corporation;

“**Reverse Takeover**” has the meaning attributed thereto in Policy 5.2 – *Change of Business and Reverse Takeovers*, as amended from time to time, of the TSXV Manual;

“**Securities Act**” means the *Securities Act* (British Columbia), RSBC 1996, c. 418 as from time to time amended;

“**Security Based Compensation Arrangement**” for the purposes of the Plan means any option, share option plan, share incentive plan, employee share purchase plan where the Corporation provides any financial assistance or matching mechanism, stock appreciation right or any other compensation or incentive mechanism involving the issuance or potential issuance of securities from the Corporation’s treasury to Executives, Employees or Consultants, but for greater certainty does not involve compensation arrangements which do not involve the issuance or potential issuance of securities from the Corporation’s treasury or arrangements under which compensation arrangements are settled solely in cash and/or securities purchased on the secondary market;

“**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 a Company;

“**Share**” means one (1) common share in the capital of the Corporation as constituted on the Effective Date or after an adjustment contemplated by ARTICLE 8, such other shares or securities to which the holder of an Award may be entitled as a result of such adjustment;

“**Share Unit**” means an RSU or a PSU, as applicable;

“**Share Unit Settlement Date**” has the meaning set forth in Section 4.4;

“**Shareholder Approval**” means approval by the Corporation’s shareholders in accordance with the policies of the Exchange;

“**Subsidiary**” has the meaning attributed thereto in the Securities Act;

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

“**Termination Date**” means (i) the date designated by the Participant and the Corporation or a Subsidiary of the Corporation in a written employment agreement, or other written agreement between the Participant and Corporation or a Subsidiary of the Corporation, or (ii) if no written agreement exists, the date designated by the Corporation or a Subsidiary of the Corporation, as the case may be, on which a Participant ceases to be an employee of the Corporation or a Subsidiary of the Corporation or ceases to provide services to the Corporation or a Subsidiary of the Corporation, as the case may be, provided that, in the case of termination of employment or termination of services by voluntary resignation by the Participant, such date shall not be earlier than the date notice of resignation was given, and “Termination Date” specifically does not mean the date of termination of any period of reasonable notice that the Corporation or a Subsidiary of the Corporation, as applicable, may be required by law to provide to the Participant;

“**Triggering Event**” means:

- (a) the proposed dissolution, liquidation or wind-up of the Corporation;
- (b) a proposed Change in Control;
- (c) the proposed sale or other disposition of all or substantially all of the assets of the Corporation; or
- (d) a proposed material alteration of the capital structure of the Corporation which, in the opinion of the Plan Administrator, is of such a nature that it is not practical or feasible to make adjustments to the Plan or to the Awards granted hereunder to permit the Plan and Awards granted hereunder to stay in effect;

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

“**TSXV Manual**” means the TSXV Corporate Finance Manual;

“**Vested**” means the applicable vesting criteria, Performance Goals and/or any other conditions for settlement in relation to a whole number, or a percentage of the number of Awards determined by the Plan Administrator in connection with a grant of PSUs, RSUs or DSUs as the case may be, (i) have been met; or (ii) have been waived or deemed to have been met;

“**Vesting Date**” means the date on which the applicable vesting criteria, Performance Goals and/or any other conditions for an Award becoming Vested are met, deemed to have been met, or waived, as contemplated in the definition of “Vested”; and

“**Voting Share**” means a security of a Company that:

- (a) is not a debt security; and
- (b) carries a voting right either under all circumstances or under some circumstances that have occurred and are continuing.

2.2 Interpretation

- (a) Whenever the Plan Administrator exercises discretion in the administration of the Plan, the term “discretion” means the sole and absolute discretion of the Plan Administrator.
- (b) As used herein, the terms “Article”, “Section” and “clause” mean and refer to the specified Article, Section and clause of the Plan, respectively.
- (c) Words importing the singular include the plural and vice versa and words importing any gender include any other gender.
- (d) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period begins, including the day on which the period ends, and abridging the period to the immediately preceding Business Day in the event that the last day of the period is not a Business Day. In the event an action is required to be taken or a payment is required to be made on a day which is not a Business Day such action shall be taken or such payment shall be made by the immediately preceding Business Day.
- (e) Unless otherwise specified, all references to money amounts are to Canadian currency.
- (f) The headings used herein are for convenience only and are not to affect the interpretation of the Plan.

ARTICLE 3 ADMINISTRATION

3.1 Administration

Subject to and consistent with the terms of the Plan, Applicable Laws and the provisions of any charter adopted by the Board with respect to the powers, authority and operation of the Committee (as amended from time to time), the Plan will be administered by the Plan Administrator, and the Plan Administrator has sole and complete authority, in its discretion, without limitation, to:

- (a) determine the Persons who are eligible to be Participants in accordance with Section 3.4;
- (b) make grants of Awards under the Plan relating to the issuance of Shares in such amounts, to such Participants and, subject to the provisions of the Plan, on such terms and conditions as it determines including without limitation:
 - (i) the time or times at which Awards may be granted, including the applicable Date of Grant;
 - (ii) the conditions under which an Award or any portion thereof may be:

- A. granted to Participants;
 - B. forfeited to the Corporation, cancelled or expired; and
 - C. Vested, including terms relating to lump sum or instalment vesting, the Performance Goals, the Performance Period and the conditions, if any, upon which vesting of an Award or a portion thereof will be waived or accelerated, subject to Section 4.3(b) and Section 5.4, without any further action by the Plan Administrator;
- (iii) the number of Shares to be covered by any Award and the terms, if any, upon which any Shares delivered upon exercise or settlement of an Award must continue to be held by a Participant for any specified period;
 - (iv) the consequences of a termination with respect to an Award;
 - (v) the forms of consideration, if any, to be paid by a Participant in connection with the purchase of Shares covered by any Awards (except to the extent certain forms of consideration must be paid to satisfy the requirements of applicable law);
 - (vi) the manner of exercise or settlement of the Vested portion of an Award, including whether an Award shall be settled on a current or deferred basis;
 - (vii) whether restrictions or limitations are to be imposed on the Shares issuable pursuant to grants of any Award, and the nature of such restrictions or limitations, if any; and
 - (viii) any acceleration of exercisability or vesting, or waiver of termination regarding any Award, based on such factors as the Plan Administrator may determine, subject to Section 4.3(b) and Section 5.4;
- (c) establish the form or forms of the Award Agreements;
 - (d) amend the terms of any Award Agreements, provided, however, that subject to the terms of the Plan, no amendment of an Award may, without the consent of the holder of such Award, adversely affect such Participant's rights with respect to such Award in any material respect;
 - (e) determine whether and the extent to which any Performance Goals or other conditions applicable to the vesting of an Award have been satisfied or shall be waived or modified, subject to Section 4.3(b) and Section 5.4;
 - (f) cancel, amend, adjust or otherwise change any Award under such circumstances as the Plan Administrator may consider appropriate in accordance with the provisions of the Plan, including but not limited to:
 - (i) allowing non-Vested Awards to be treated as Vested upon termination of employment or service of a Participant, as to any or all of termination, death or Disability, subject to Section 4.3(b) and Section 5.4;

- (ii) providing that the Awards with respect to certain classes, types or groups of Participants will have different acceleration, forfeiture, termination, continuation or other terms than other classes, types or groups of Participants;
 - (iii) providing for the continuation of any Award for such period which is not longer than twelve (12) months from the Termination Date or twelve (12) months from the date of death or Disability of the Participant, and upon such terms and conditions as are determined by the Plan Administrator in the event that a Participant ceases to be an Executive, Employee or Consultant, as the case may be;
 - (iv) providing that Vested Awards may be exercised for periods longer or different from those set forth in the Plan, subject to the applicable rules of the Exchange; and
 - (v) setting any other terms for the exercise or termination of an Award upon termination of employment or service;
- (g) construe and interpret the Plan and all Award Agreements;
 - (h) determine all questions arising in connection with the administration, interpretation and application of the Plan, including all questions relating to the Market Price of the Shares;
 - (i) determine the number of RSUs, DSUs or PSUs, as applicable, subject to any grant of an Award;
 - (j) determine the form of settlement of an Award, whether cash, Shares or a combination of cash and Shares;
 - (k) correct any defect, supply any information or reconcile any inconsistency in the Plan in such manner and to such extent as shall be deemed necessary or advisable to carry out the purposes of the Plan;
 - (l) determine the duration and purposes of leaves of absence from employment or engagement by the Corporation which may be granted to Participants without constituting a termination of employment or engagement for purposes of the Plan;
 - (m) authorize Persons to execute such documents and instruments as may be necessary to carry out the purposes of the Plan and grants of Awards from time to time hereunder;
 - (n) prescribe, amend, and rescind rules and regulations relating to the administration of the Plan; and
 - (o) make all other determinations and take all other actions necessary or advisable for the implementation and administration of the Plan.

3.2 **Delegation to Committee**

- (a) The initial Plan Administrator shall be the Board.
- (b) To the extent permitted by Applicable Law, the Board may, from time to time, delegate to a committee of the Corporation (the “**Committee**”), consisting of not less than two of its

members, all or any of the powers conferred on the Plan Administrator pursuant to the Plan, including the power to sub-delegate to any specified Directors or Officers all or any of the powers delegated by the Board. From time to time, the Board may increase the size of the Committee and appoint additional members, remove members (with or without cause) and appoint new members in their place, fill vacancies however caused, or remove all members of the Committee and thereafter directly administer the Plan.

- (c) In the event the Board delegates to the Committee all or any of the powers conferred on the Plan Administrator pursuant to the Plan, the Committee or any sub-delegate will exercise the powers delegated to it in the manner and on the terms authorized by the delegating party. Any decision made or action taken by the Committee or any sub-delegate arising out of or in connection with the administration or interpretation of the Plan in this context is final and conclusive and binding on the Corporation and all affiliates of the Corporation, all Participants and all other Persons.

3.3 Determinations Binding

Any decision made or action taken by the Board, the Committee or any sub-delegate to whom authority has been delegated pursuant to Section 3.2 arising out of or in connection with the administration interpretation of the Plan is final, conclusive and binding on all affected Persons, including the Corporation and any of its Subsidiaries, the affected Participants and their Personal Representatives, any shareholder of the Corporation and all other Persons.

3.4 Eligibility

Subject to the discretion of the Plan Administrator, all Executives, Employees and Consultants are eligible to participate in the Plan. Notwithstanding the foregoing and any other provision of the Plan, no Investor Relations Service Provider shall be a Participant for so long, and to the extent, that such limitation is required pursuant to the policies of the TSXV. Participation in the Plan is voluntary and eligibility to participate does not confer upon any Executive, Employee or Consultant any right to receive any grant of an Award pursuant to the Plan. In addition, in order to be eligible to receive Awards, in the case of Employees and Consultants, the Award Agreement to which they are a party must contain a representation of the Corporation and of such Employee or Consultant, as the case may be, that such Employee or Consultant is a bona fide Employee or Consultant of the Corporation or a Subsidiary of the Corporation, as the case may be. Awards may be granted to a Company that is wholly-owned by an individual Executive, Employee or Consultant.

3.5 Board Requirements

Any Award granted under the Plan shall be subject to the requirement that, if at any time the Corporation shall determine that the listing, registration or qualification of the Shares issuable pursuant to such Award upon any securities exchange or under any Applicable Laws of any jurisdiction, or the consent or approval of the Exchange and any securities commissions or similar securities regulatory bodies having jurisdiction over the Corporation is necessary as a condition of, or in connection with, the grant or exercise of such Award or the issuance or purchase of Shares thereunder, such Award may not be accepted or exercised in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained on conditions acceptable to the Board. Nothing herein shall be deemed to require the Corporation to apply for or to obtain such listing, registration, qualification, consent or approval. Participants shall, to the extent applicable, cooperate with the Corporation in complying with such legislation, rules, regulations and policies.

3.6 **Liability Limitation and Indemnification**

No member of the Board or the Committee shall be liable for any action or determination taken or made in good faith in the administration, interpretation, construction or application of the Plan or any Award Agreement or any Award granted hereunder.

3.7 **Total Shares Subject to Awards**

Subject to adjustment pursuant to ARTICLE 8, the number of Shares hereby reserved for issuance to Participants under the Plan shall not exceed 7,529,890 Shares or such greater number of Shares as shall have been duly approved by the Board and, if required, by the Exchange on which the Shares are then listed, by the shareholders of the Corporation. Any Shares subject to an Award which has been granted under the Plan and which has been settled in cash, cancelled, terminated, surrendered, forfeited or expired without having been settled through the issuance of Shares as provided for in the Plan shall again be available under the Plan. To the extent that any Share Units that may be paid out in cash or Shares or a combination thereof are paid out in cash, then the Shares that were potentially issuable in respect of such Awards shall again be available under the Plan. For greater certainty, any Awards which may only be paid out in cash shall not be subject to this Section 3.7.

3.8 **Limits on Awards**

Notwithstanding anything in the Plan, if the Corporation is listed on the TSXV, the following limitations shall apply to the Plan and all Awards thereunder so long as such limitations are required by the TSXV:

- (a) unless disinterested Shareholder Approval is obtained in accordance with the policies of the TSXV (or unless permitted otherwise by the policies of the TSXV):
 - (i) the maximum number of Shares that may be issued to any one Participant (and where permitted pursuant to the policies of the TSXV, any Company that is wholly-owned by the Participant) under the Plan, together with all of the Corporation's other Security Based Compensation Arrangements, within a twelve (12) month period, may not exceed five percent (5%) of the issued Shares calculated on the Date of Grant;
 - (ii) the maximum number of Shares that are issuable pursuant to all the Corporation's Security Based Compensation Arrangements granted or issued in any twelve (12) month period to Insiders (as a group) must not exceed ten percent (10%) of the issued Shares, calculated as at the date any security based compensation of the Corporation is granted or issued to any Insider; and
 - (iii) the maximum number of Shares that are issuable pursuant to all the Corporation's Security Based Compensation Arrangements granted or issued to Insiders (as a group) must not exceed ten percent (10%) of the issued Shares at any point in time;
- (b) the maximum number of Shares that may be issued to any one Consultant under the Plan, together with all of the Corporation's other Security Based Compensation Arrangements, within a twelve (12) month period, may not exceed two percent (2%) of the issued Shares calculated on the Date of Grant;
- (c) no Awards may be granted under the Plan to an Investor Relations Service Provider; and

- (d) any Awards granted to a Participant who ceases to be a Participant under the Plan for any reason whatsoever, shall terminate at a date no later than twelve (12) months from the date such Participant ceases to be a Participant under the Plan.

3.9 Award Agreements

Each Award under the Plan will be evidenced by an Award Agreement. Each Award Agreement will be subject to the applicable provisions of the Plan and will contain such provisions as are required by the Plan and any other provisions that the Plan Administrator may direct.

3.10 Non-transferability of Awards

Except to the extent that certain rights may pass to a beneficiary or a Personal Representative upon death of a Participant by will or as required by law, no Award is assignable or transferable.

3.11 Resale Restrictions

Any Shares issued by the Corporation upon exercise or settlement of an Award are subject to any resale and trading restrictions in effect pursuant to Applicable Laws and the policies of the Exchange, and the Corporation shall be entitled to place any restriction or legend on any certificates representing such Shares accordingly.

ARTICLE 4 SHARE UNITS

4.1 Granting of Share Units

The Plan Administrator may, from time to time, subject to Corporate Policies, the provisions of the Plan and such other terms and conditions as the Plan Administrator may determine, grant Share Units to any Participant, and in doing so, may, without limitation, in its discretion, (a) designate the Participants who may receive Share Units under the Plan, (b) fix the number and type of Share Units, if any, to be granted to each Participant and the date or dates on which such Share Units shall be granted, (c) determine the relevant conditions and vesting provisions (including Performance Goals, if any, and the Performance Period) in respect of any Share Units, and (d) determine the vesting schedule of the Share Units, subject to Section 4.3(b).

4.2 Share Unit Account

All Share Units received by a Participant shall be credited to an account maintained for the Participant on the books of the Corporation as of the Date of Grant. The terms and conditions of each Share Unit grant shall be evidenced by an Award Agreement.

4.3 Vesting of Share Units

- (a) For each Share Unit grant, subject to Corporate Policies and the provisions of the Plan, the Plan Administrator shall establish, as applicable, the vesting schedule, the Performance Period, the Performance Goals and other vesting conditions which must be met in order for the Share Units to be deemed Vested.
- (b) Notwithstanding Section 4.3(a), the Vesting Date of a Share Unit shall not be prior to the first anniversary of the Date of Grant, other than in the event a Participant ceases to be a

Participant due to death of the Participant or in connection with a Change in Control, as set out more particularly in Sections 7.3 and 8.1, respectively.

4.4 Settlement of Vested Share Units

Subject to Section 6.2 and ARTICLE 7, on or within sixty (60) days following the Vesting Date of a Share Unit, unless otherwise determined by the Plan Administrator or specified in the applicable Award Agreement, and in any event no later than three years following the end of the year of the Date of Grant (the “**Share Unit Settlement Date**”), or such other shorter term as may be required in respect of an Award so that such Award does not constitute a “salary deferral arrangement” as defined in Section 248(1) of the Tax Act, the Corporation shall settle each Vested Share Unit by any of the following methods or by a combination of such methods as determined by the Plan Administrator in its discretion, subject to any necessary Exchange approvals:

- (a) issuing the Participant one (1) fully paid and non-assessable Share from treasury for each Vested Share Unit (less any amounts in respect of applicable withholding taxes) and delivering a share certificate to the Participant representing the amount thereof (or in the case of Shares issued in uncertificated form, causing the issuance of the aggregate number of Shares as the Participant shall then be entitled to receive to be evidenced by a book position on the register of the shareholders of the Corporation maintained by the transfer agent and registrar of the Corporation); or
- (b) making a cash payment to the Participant, which shall be calculated by multiplying the number of Vested Share Units to be redeemed for cash by the Market Price per Share as at the Share Unit Settlement Date, net of applicable withholding taxes. Cash payment may be made through the Corporation’s payroll in the pay period that the Share Unit Settlement Date falls within.

For greater certainty, nothing in this Section 4.4 shall cause Share Units which have not Vested to vest by the Share Unit Settlement Date if such Share Units would not have otherwise Vested pursuant to the terms of the Award Agreement or the Plan Administrator’s determinations.

A holder of Share Units shall not have any right to demand, to be paid in, or receive any specific allocation of Shares or a cash payment in respect of a Vested Share Unit at any time. Notwithstanding any allocation by the Plan Administrator to settle Vested Share Units, or a portion thereof, in Shares or make a cash payment therefore, the Corporation reserves the right to change its allocation in respect thereof at any time up until payment is actually made, and the holder of such Vested Share Units shall not have the right, at any time to enforce settlement as to the allocation of Shares or cash payment.

The Share Units in respect of which Shares are issued or a cash payment is made shall be cancelled and no further issuances or payments shall be made to the Participant under the Plan in relation to such Share Units.

ARTICLE 5 DEFERRED SHARE UNITS

5.1 Granting of DSUs to Directors for Director Fees

- (a) Subject to Corporate Policies, the Board may fix from time to time a portion of the Director Fees that is to be payable in the form of DSUs. In addition, each Electing Person is given, subject to the conditions stated herein, the right to elect in accordance with Section 5.1(b)

to participate in the grant of additional DSUs pursuant to this Section 5.1. The Board shall have the right, in its sole discretion, to accept or reject such request, in whole or in part, which acceptance or rejection shall be binding on the Electing Person for the applicable year. An Electing Person who elects to participate in the grant of additional DSUs pursuant to this ARTICLE 5.1 and whose request is accepted by the Board shall receive their accepted Elected Amount in the form of DSUs in lieu of cash. The “**Elected Amount**” shall be an amount, as elected by the Director, in accordance with applicable tax law, between zero percent (0%) and one hundred percent (100%) of any Director Fees that are otherwise intended to be paid in cash (the “**Cash Fees**”).

- (b) Each Electing Person who elects to receive their Elected Amount in the form of DSUs in lieu of cash will be required to file a notice of election in the form as provided by the Corporation (the “**Election Notice**”) with the Chief Financial Officer of the Corporation: (i) in the case of an existing Electing Person, by the end of the fiscal year preceding the fiscal year to which such election is to apply; and (ii) in the case of a newly appointed Electing Person, within thirty (30) days of such appointment with respect to compensation paid for services to be performed after such date. If no election is made within the foregoing time frames, or if the Corporation rejects the election request in its entirety, the Electing Person shall be paid the entire amount of his or her Elected Amount in cash.
- (c) The number of DSUs (including fractional DSUs) granted to an Electing Person at any particular time pursuant to this Section 5.1 will be calculated by dividing (a) the amount of any Director Fees that are to be paid in DSUs (including any Elected Amount), by (b) the Market Price of a Share on the Date of Grant.

5.2 Granting of DSUs to Participants

In addition to DSUs granted pursuant to Section 5.1, the Plan Administrator may, from time to time, subject to Corporate Policies, the provisions of the Plan and such other terms and conditions as the Plan Administrator may determine, grant DSUs to any Participant, and, in doing so, may, without limitation, in its discretion, (a) designate the Participants who may receive DSUs under the Plan, (b) fix the number of DSUs, if any, to be granted to each Participant and the date or dates on which such DSUs shall be granted, (c) determine the relevant conditions and vesting provisions (including Performance Goals, if any, and the Performance Period), and (d) the vesting schedule of the DSUs, subject to Section 5.4.

5.3 DSU Account

All DSUs received by a Participant (which, for greater certainty includes Electing Persons) shall be credited to an account maintained for the Participant on the books of the Corporation, as of the Date of Grant. The terms and conditions of each DSU grant shall be evidenced by an Award Agreement.

5.4 Vesting of DSUs

The Vesting Date of a DSU shall not be prior to the first anniversary of the Date of Grant, other than:

- (a) in the event a Participant ceases to be a Participant due to death of the Participant as set out in Section 7.3; or
- (b) in the event a Participant ceases to be a Participant in connection with a Change in Control, as set out more particularly in Section 8.1.

5.5 Settlement of Vested DSUs

- (a) Subject to Section 6.2 and ARTICLE 7, each Vested DSU shall be settled on the date established in the Award Agreement; provided, however that in no event shall a DSU Award be settled:
- (i) prior to the Participant Service Separation Date; or
 - (ii) later than 12 months following the Participant Service Separation Date.

If the Award Agreement does not establish a date for the settlement of the DSUs, then the settlement date shall be the Participant Service Separation Date (the “**DSU Settlement Date**”).

- (b) On the DSU Settlement Date, the Corporation shall settle each Vested DSU by any of the following methods or by a combination of such methods as determined by the Plan Administrator in its discretion (subject to any necessary Exchange approvals):
- (i) issuing the Participant one (1) fully paid and non-assessable Share from treasury for each Vested DSU (less any amounts in respect of applicable withholding taxes) and delivering a Share certificate to the Participant representing the amount thereof (or in the case of Shares issued in uncertificated form, causing the issuance of the aggregate number of Shares as the Participant shall then be entitled to receive to be evidenced by a book position on the register of the shareholders of the Corporation maintained by the transfer agent and registrar of the Corporation); or
 - (ii) making a cash payment to the Participant, which shall be calculated by multiplying the number of Vested DSUs to be redeemed for cash by the Market Price per Share as at the DSU Settlement Date, net of any applicable withholding taxes. Cash payment may be made through the Corporation’s payroll in the pay period that the DSU Settlement Date falls within or via cheque.

A holder of DSUs shall not have any right to demand, to be paid in or receive any specific allocation of Shares or a cash payment in respect of a Vested DSU at any time. Notwithstanding any allocation by the Plan Administrator to settle Vested DSUs, or portion thereof, in Shares or make a cash payment therefore, the Corporation reserves the right to change its allocation in respect thereof at any time up until payment is actually made, and the holder of such Vested DSUs shall not have the right at any time to enforce settlement as to the allocation of Shares or cash payment.

The DSUs in respect of which Shares are issued or a cash payment is made shall be cancelled, and no further issuances or payments shall be made to the Participant under the Plan in relation to such DSUs.

ARTICLE 6 ADDITIONAL AWARD TERMS

6.1 Dividend Equivalents

- (a) Subject to the terms and conditions of the Plan, the Plan Administrator, may, in its discretion, credit outstanding Share Units and DSUs with dividend equivalents in the form of additional Share Units and DSUs, respectively, as of each dividend payment date in respect of which normal cash dividends are paid on Shares. Such dividend equivalents shall be

computed by dividing: (a) the amount obtained by multiplying the amount of the dividend declared and paid per Share by the number of Share Units and DSUs, as applicable, held by the Participant on the record date for the payment of such dividend, by (b) the Market Price at the close of the first Business Day immediately following the dividend record date, with fractions computed to three decimal places. Dividend equivalents credited to a Participant's accounts shall, subject to Section 4.3(b) and Section 5.4, vest in proportion to the Share Units and DSUs to which they relate, and shall be settled in accordance with Sections 4.4 and 5.5, respectively. Where the proposed issuance of Shares by the Corporation would result in the limits contained in Sections 3.7 or 3.8 being exceeded, the dividend equivalents which have vested in proportion to the Share Units and DSUs to which they relate shall instead be settled in cash in accordance with Sections 4.4(b) and 5.5(b)(ii), respectively.

- (b) The foregoing does not obligate the Corporation to declare or pay dividends on Shares, and nothing in the Plan shall be interpreted as creating such an obligation.

6.2 **Black-Out Period**

If a settlement date for an Award occurs during the Black-Out period, then, notwithstanding any other provision of the Plan, the Award shall be settled no more than ten (10) Business Days after the date the Black-Out is lifted by the Corporation, unless the delayed expiration would result in tax penalties or the Participant or the Corporation is subject to a cease trade order in respect of the Corporation's securities.

6.3 **Withholding Taxes**

The granting, vesting or settlement of each Award under the Plan is subject to the condition that if at any time the Plan Administrator determines, in its discretion, that the satisfaction of withholding tax or other withholding liabilities is necessary or desirable in respect of such grant, vesting or settlement, such action is not effective unless such withholding has been effected to the satisfaction of the Plan Administrator. In such circumstances, the Plan Administrator may require that a Participant pay to the Corporation the minimum amount as the Corporation or a Subsidiary of the Corporation is obliged to remit to the relevant taxing authority in respect of the granting, vesting or settlement of the Award. Any such additional payment is due no later than the date on which such amount with respect to the Award is required to be remitted to the relevant tax authority by the Corporation or a Subsidiary of the Corporation, as the case may be. Alternatively, and subject to any requirements or limitations under applicable law, the Corporation may (a) withhold such amount from any remuneration or other amount payable by the Corporation or a Subsidiary of the Corporation to the Participant, (b) require the sale of a number of Shares issued upon exercise, vesting or settlement of such Award and the remittance to the Corporation of the net proceeds from such sale sufficient to satisfy such amount or (c) enter into any other suitable arrangements for the receipt of such amount. If the Corporation is listed on the TSXV, the Corporation will ensure that any tax withholding made by the Corporation under the Plan is conducted in compliance with Policy 4.4

Participants (or their beneficiaries) shall be responsible for all taxes with respect to any Awards granted under the Plan, whether arising as a result of the grant or payment in respect of the Award or otherwise. The Corporation, the Plan Administrator and the Board make no guarantees to any Person regarding the tax treatment of an Award or issuances of Shares or cash payments made under the Plan and none of the Corporation, the Board, the Plan Administrator or any of the Executives, Employees, Consultants, agents, advisors or representatives of the Corporation or the Subsidiary of the Corporation shall have any liability to a Participant with respect thereto.

6.4 Compliance with the Tax Act

The terms and conditions applicable to any Award (or portion thereof) granted to a Participant who is subject to taxation under the Tax Act are intended to comply with the Tax Act. Without limiting the foregoing,

- (a) the terms of any such Award (or portion thereof) permitting the deferral of payment or other settlement thereof shall be subject to such requirements and shall be administered in such manner as the Plan Administrator may determine to be necessary or appropriate to comply with the applicable provisions of the Tax Act; and
- (b) any elections allowed to be exercised by a Participant shall be deemed to be void or shall be deemed amended or altered so as not to cause the Award to be considered a “salary deferral arrangement” under the Tax Act, as defined in Section 248(1) of the Tax Act, or create adverse tax consequences under the Tax Act.

6.5 Recoupment

Notwithstanding any other terms of the Plan, Awards may be subject to potential cancellation, recoupment, rescission, payback or other action in accordance with the terms of any clawback, recoupment or similar policy adopted by the Corporation or a Subsidiary of the Corporation and in effect at the Date of Grant of the Award, or as otherwise required by law or the rules of the Exchange. The Plan Administrator may at any time waive the application of this Section 6.5 to any Participant or category of Participants.

6.6 No Other Benefit

- (a) No amount will be paid to, or in respect of, a Participant under the Plan to compensate for a downward fluctuation in the price of a Share or the value of any Award granted, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose.
- (b) The Corporation makes no representations or warranties to Participants with respect to the Plan or any Awards whatsoever. Participants are expressly advised that the value of any Awards issued pursuant to the Plan will fluctuate as the trading price of the Shares fluctuates.
- (c) In seeking the benefits of participation in the Plan, the Participant shall exclusively accept all risks associated with a decline in the trading price of the Shares and all other risks associated with the holding of any Awards.

ARTICLE 7 TERMINATION OF EMPLOYMENT OR SERVICES

7.1 Termination of Participant

Subject to ARTICLE 8 and unless otherwise determined by the Plan Administrator or as set forth in an Award Agreement:

- (a) where a Participant’s employment or services are terminated by the Corporation or a Subsidiary of the Corporation for Cause, then each Award held by the Participant that has not Vested as of the Termination Date is immediately forfeited and cancelled as of the Termination Date. The Plan Administrator, in its discretion, shall determine the effect of all matters and questions relating to whether a Participant has been discharged for Cause.

In addition, where a Participant's employment or services are terminated by the Corporation or a Subsidiary of the Corporation for Cause, the Plan Administrator may, in its discretion, determine that all Awards held by the Participant that have Vested as of the Termination Date shall immediately become forfeited, cancelled, null and void, failing which, all Awards held by the Participant that have Vested as of the Termination Date shall be settled in accordance with Sections 4.4 and 5.5, as applicable, at any time during the period that terminates on the earlier of: (i) a date determined by the Plan Administrator in its discretion; and (ii) the first anniversary of the Termination Date. Any Award that remains unexercised shall be immediately forfeited upon the termination of such period;

- (b) where a Participant ceases to hold office or his or her position, as applicable, by reason of voluntary resignation by the Participant, then each Award held by the Participant that has not Vested as of the Termination Date is immediately forfeited and cancelled as of the Termination Date. All Awards held by the Participant that have Vested as of the Termination Date shall be settled in accordance with Sections 4.4 and 5.5, as applicable, at any time during the period that terminates on the earlier of: (i) a date determined by the Plan Administrator in its discretion; and (ii) the first anniversary of the Termination Date. Any Award that remains unexercised shall be immediately forfeited upon the termination of such period;
- (c) where a Participant's employment or services are terminated by the Corporation or a Subsidiary of the Corporation without Cause (whether such termination occurs with or without any or adequate reasonable notice, or with or without any or adequate compensation in lieu of such reasonable notice) then:
 - (i) a portion of any Awards held by the Participant that are not yet Vested shall immediately vest, subject to Section 4.3(b) and Section 5.4, with such portion to be equal to the number of unvested Awards multiplied by a fraction the numerator of which is the number of days between the Date of Grant and the Termination Date and the denominator of which is the number of days between the Date of Grant and the date the unvested Awards were originally scheduled to vest. For clarity and by way of example, if a Participant's employment is terminated four hundred (400) days following the Date of Grant and unvested Awards were originally scheduled to vest six hundred (600) days from the Date of Grant, two-thirds (2/3) of the unvested Awards will immediately vest;
 - (ii) subject to Section 7.1(c)(i), any Awards held by the Participant that are not yet Vested at the Termination Date after the application of Section 7.1(c)(i) shall be immediately forfeited to the Corporation; and
 - (iii) any Awards held by the Participant that have Vested as of the Termination Date or Vested pursuant to Section 7.1(c)(i) shall be settled in accordance with Sections 4.4 and 5.5, as applicable, at any time during the period that terminates on the earlier of: (i) a date determined by the Plan Administrator in its discretion; and (ii) the first anniversary of the Termination Date. Any Award that remains unexercised shall be immediately forfeited upon the termination of such period;
- (d) notwithstanding that such date may be prior to the Termination Date, a Participant's eligibility to receive further grants of Awards under the Plan ceases as of the date that: (i) the Corporation or a Subsidiary of the Corporation, as the case may be, provides the Participant with written notification that the Participant's employment or services are

terminated in the circumstances contemplated by this Section 7.1, or (ii) the Participant provides the Corporation or a Subsidiary of the Corporation, as the case may be, with written notification of the Participant's voluntary resignation;

- (e) unless the Plan Administrator, in its discretion, otherwise determines, at any time and from time to time, Awards shall not be affected by a change of employment agreement or arrangement, or directorship within or among the Corporation or a Subsidiary of the Corporation for so long as the Participant continues to be an Executive, Employee or Consultant, as applicable, of the Corporation or a Subsidiary of the Corporation.

7.2 Leave of Absence

If a Participant is on sick leave or other bona fide leave of absence, such Participant shall continue to be deemed a "Participant" for the purposes of an outstanding Award during the period of such leave, provided that it does not exceed ninety (90) days (or such longer period as may be determined by the Plan Administrator in its discretion). If the period of leave exceeds ninety (90) days (or such longer period as may be determined by the Plan Administrator in its discretion), the relationship shall be deemed to have been terminated by the Participant voluntarily on the ninety-first (91st) day (or the first day immediately following any period of leave in excess of ninety (90) days as approved by the Plan Administrator) of such leave, unless the Participant's right to reemployment or reengagement of services with the Corporation or a Subsidiary of the Corporation, as applicable, is guaranteed by statute or contract.

7.3 Death or Disability

Where a Participant's employment or services are terminated by reason of the death of the Participant or the Participant becomes Disabled, then each Award held by the Participant that has not Vested as of the date of the death or Disability, as applicable, of such Participant shall vest on such date, and be settled in accordance with Sections 4.4 and 5.5, as applicable, at any time during the period that terminates on the first anniversary of the date of the death or Disability of the Participant. Any Award that remains unexercised shall be immediately forfeited upon the termination of such period. A Participant's eligibility to receive further grants of Awards under the Plan ceases as of the date of the death or Disability of the Participant.

7.4 Discretion to Permit Acceleration

Notwithstanding the provisions of this ARTICLE 7, subject to Section 4.3(b) and Section 5.4 and any necessary Regulatory Approvals, the Plan Administrator may, in its discretion, at any time prior to, or following the events contemplated in ARTICLE 7, permit the acceleration of vesting of any or all Awards, all in the manner and on the terms as may be authorized by the Plan Administrator, and if such discretion is taken and the vesting of any or all Awards occurs, then such Awards will be settled in accordance with Sections 4.4 and 5.5, as applicable.

ARTICLE 8 EVENTS AFFECTING THE CORPORATION

8.1 Change in Control

Subject to any necessary Regulatory Approvals:

- (a) Unless determined otherwise by the Plan Administrator, if within twelve (12) months following the completion of a transaction resulting in a Change in Control, (i) a Participant's employment or directorship is terminated by the Corporation or a Subsidiary

of the Corporation without Cause or (ii) a Participant resigns for Good Reason, without any action by the Plan Administrator, the vesting of all Awards held by such Participant shall immediately accelerate and vest on the date of such Participant's termination or resignation for Good Reason and the Corporation shall settle such Awards in accordance with Section 4.4 and 5.5, as applicable, provided that in the event that any Awards are subject to the satisfaction of Performance Goals, then the vesting of such Awards shall accelerate and vest only to the extent that such Performance Goals have been satisfied, and further provided that if the Performance Goals are, in the Plan Administrator's discretion, capable of being partially performed, then vesting shall be accelerated on a pro rata basis to reflect the degree to which such Performance Goals have been satisfied, as determined solely by the Plan Administrator.

- (b) Notwithstanding Section 8.1(a), the Plan Administrator may, without the consent of any Participant, and subject to prior TSXV acceptance, as applicable, take such steps as it deems necessary or desirable in connection with a Change in Control, including, without limitation, to cause: (i) the conversion or exchange of any outstanding Awards into or for, rights or other securities of substantially equivalent value (or greater value), as determined by the Plan Administrator in its discretion, in any entity participating in or resulting from a Change in Control; (ii) outstanding Awards to vest and become realizable, or payable, subject to Section 4.3(b) and Section 5.4; (iii) restrictions applicable to an Award to lapse, in whole or in part prior to or upon consummation of such Change in Control, and, to the extent the Plan Administrator determines, terminate upon or immediately prior to the effectiveness of such Change in Control; (iv) the termination of an Award in exchange for an amount of cash and/or property, if any, equal to the amount that would have been attained upon the settlement of such Award or realization of the Participant's rights as of the date of the occurrence of the transaction (and, for the avoidance of doubt, if as of the date of the occurrence of the transaction the Plan Administrator determines in good faith that no amount would have been attained upon the settlement of such Award or realization of the Participant's rights, then such Award may be terminated by the Corporation without payment); (v) the replacement of such Award with other rights or property selected by the Board in its discretion; or (vi) any combination of the foregoing. In taking any of the actions permitted under this Section 8.1(b), the Plan Administrator will not be required to treat all Awards similarly in the transaction.

8.2 Triggering Events

Subject to any necessary Regulatory Approvals and notwithstanding any other provisions of the Plan or any Award Agreement, the Plan Administrator may, without the consent of the Participant in question cause all or a portion of any of the Awards granted under the Plan to terminate upon the occurrence of a Triggering Event, provided that the Corporation must give written notice to the Participant in question not less than 10 days prior to the consummation of a Triggering Event so as to permit the Participant the opportunity to exercise the Vested portion of the Awards prior to such termination. Upon the giving of such notice and subject to any necessary Regulatory Approvals, all Awards or portions thereof granted under the Plan which the Corporation proposes to terminate shall become immediately exercisable, subject to Section 4.3(b) and Section 5.4.

8.3 Reorganization of Corporation's Capital

Should the Corporation effect a subdivision or consolidation of Shares or any similar capital reorganization or a payment of a stock dividend (other than a stock dividend that is in lieu of a cash dividend), or should any other change be made in the capitalization of the Corporation that does not constitute a Change in

Control, or in the event of an amalgamation, combination, arrangement, merger or other transaction or reorganization involving the Corporation and occurring by exchange of Shares, by sale or lease of assets or otherwise, that does not constitute a Change in Control, that would warrant the amendment or replacement of any existing Awards in order to adjust the number of Shares that may be acquired on the vesting of outstanding Awards and/or the terms of any Award in order to preserve proportionately the rights and obligations of the Participants holding such Awards, the Plan Administrator may, subject to prior TSXV acceptance, authorize such steps to be taken as it may consider to be equitable and appropriate to that end, including, but not limited to, permitting the immediate vesting of any unvested Awards, subject to Section 4.3(b) and Section 5.4.

8.4 Assumptions of Awards in Acquisitions

Notwithstanding any other provision of the Plan, in connection with a Reverse Takeover, a Change of Business, a Reorganization or an acquisition pursuant to Policy 5.3 – *Acquisitions and Dispositions of Non-Cash Assets* of the TSXV Manual, subject to prior TSXV acceptance, security based compensation of a target Company may be cancelled and replaced with substantially equivalent Awards under the Plan without shareholder approval, provided that the rules of the TSXV are complied with.

8.5 No Restriction on Action

The existence of the Plan and of any Awards granted hereunder shall not affect, limit or restrict in any way the right or power of the Corporation, the Board or the Corporation's shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Corporation's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Corporation or to create or issue any bonds, debentures, shares or other securities of the Corporation or the rights and conditions attaching thereto or to affect the dissolution or liquidation of the Corporation or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise. No Participant or any other Person shall have any claim against any member of the Committee or the Corporation or any Employees, Officers or agents of the Corporation as a result of any such action.

8.6 Issue by Corporation of Additional Shares

Except as expressly provided in this ARTICLE 8, neither the issue by the Corporation of shares of any class or securities convertible into or exchangeable for shares of any class, nor the conversion or exchange of such shares or securities, affects, and no adjustment by reason thereof is to be made with respect to the number of Shares that may be acquired as a result of a grant of Awards.

8.7 Fractions

No fractional Shares will be issued pursuant to an Award. Accordingly, if, as a result of any adjustment under this ARTICLE 8 or a dividend equivalent, a Participant would become entitled to a fractional Share, the Participant has the right to acquire only the adjusted number of full Shares (rounded down to the nearest whole number) and no payment or other adjustment will be made with respect to the fractional Shares, which shall be disregarded.

ARTICLE 9
AMENDMENT, SUSPENSION OR TERMINATION OF THE PLAN

9.1 Amendment, Suspension, or Termination of the Plan

Subject to any Regulatory Approvals, including, where required, the approval of the TSXV, and to Section 9.2, the Plan Administrator may, from time to time, without notice to or approval of the Participants or of the shareholders of the Corporation, amend, modify, change, suspend or terminate the Plan or any Awards granted pursuant to the Plan as it, in its discretion, determines appropriate, provided, however, that, no such amendment, modification, change, suspension or termination of the Plan or any Awards granted hereunder may materially impair any rights of a Participant or materially increase any obligations of a Participant under the Plan without the consent of the Participant, unless the Plan Administrator determines such adjustment is required or desirable in order to comply with any Applicable Laws or Exchange requirements or as otherwise set out in the Plan.

9.2 Shareholder Approval

Notwithstanding Section 9.1 and subject to any rules of the Exchange, if the Corporation is listed on the TSXV, the approval of shareholders of the Corporation shall be required for any amendment to the Plan except for the following:

- (a) amendments to fix typographical errors; and
- (b) amendments to clarify existing provisions of the Plan and which do not have the effect of altering the scope, nature and intent of such provisions.

ARTICLE 10
MISCELLANEOUS

10.1 Legal Requirement

The Corporation is not obligated to grant any Awards, issue any Shares or other securities, make any payments or take any other action if, in the opinion of the Plan Administrator, in its discretion, such action would constitute a violation by a Participant or the Corporation of any provision of any applicable statutory or regulatory enactment of any government or government agency or the requirements of any Exchange upon which the Shares may then be listed.

10.2 Rights of Participant

No Participant has any claim or right to be granted an Award and the granting of any Award is not to be construed as giving a Participant a right to remain as an Executive, Employee or Consultant of the Corporation or a Subsidiary of the Corporation. Neither the Participant nor such Participant's Personal Representatives shall have any rights whatsoever as a shareholder of the Corporation in respect of Shares issuable pursuant to any Award until the allotment and issuance to such Participant or the liquidator, executor or administrator, as the case may be, of the estate of such Participant, of certificates representing such Shares (or in the case of Shares issued in uncertificated form, receipt of evidence of a book position on the register of the shareholders of the Corporation maintained by the transfer agent and registrar of the Corporation).

10.3 **Conflict**

In the event of any conflict between the provisions of the Plan and the provisions of an Award Agreement, an employment agreement or another written agreement between the Corporation or a Subsidiary of the Corporation and a Participant, the provisions of the Plan shall govern.

10.4 **Anti-Hedging Policy**

By accepting the Award, each Participant acknowledges that he or she is restricted from purchasing financial instruments such as prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of Awards.

10.5 **No Guarantee of Tax Consequences**

Neither the Plan Administrator nor the Corporation makes any commitment or guarantee that any specific tax treatment will apply or be available to the Participants.

10.6 **Participant Information**

Each Participant shall provide the Corporation with all information (including personal information) required by the Corporation in order to administer the Plan. Each Participant acknowledges that information required by the Corporation in order to administer the Plan may be disclosed to any custodian appointed in respect of the Plan and other third parties, and may be disclosed to such Persons (including Persons located in jurisdictions other than the Participant's jurisdiction of residence), in connection with the administration of the Plan. Each Participant consents to such disclosure and authorizes the Corporation to make such disclosure on the Participant's behalf.

10.7 **Participation in the Plan**

The participation of any Participant in the Plan is entirely voluntary and not obligatory and shall not be interpreted as conferring upon such Participant any rights or privileges other than those rights and privileges expressly provided in the Plan. In particular, participation in the Plan does not constitute a condition of employment or engagement nor a commitment on the part of the Corporation to ensure the continued employment or engagement of such Participant.

10.8 **Successors and Assigns**

The Plan shall be binding on all successors and assigns of the Corporation and its affiliates.

10.9 **Severability**

The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from the Plan.

10.10 Notices

All written notices to be given by the Participant to the Corporation shall be delivered by (a) hand or courier, with all fees and postage prepaid, addressed using the information specified below, or designated otherwise by the Corporation in writing; or (b) email to the email address that the parties regularly use to correspond with one another or to any other email address specified by the Corporation in writing to the Participant:

Honey Badger Silver Inc.
Unit 1 – 15782 Marine Drive
White Rock, BC V4B 1E6

Attention: Corporate Secretary

Such notices are, if delivered by hand or by courier, deemed to have been given by the sender and received by the addressee at the time of delivery. Any notice sent by email will be deemed to have been given by the sender and received by the addressee on the first Business Day after it was transmitted. Any notice given by either the Participant or the Corporation is not binding on the recipient thereof until received.

10.11 Effective Date

The Plan shall become effective upon the receipt of all required shareholder and regulatory approvals, being the Effective Date.

10.12 Governing Law

The Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

10.13 Submission to Jurisdiction

The Corporation and each Participant irrevocably submits to the exclusive jurisdiction of the courts of competent jurisdiction in the Province of British Columbia in respect of any action or proceeding relating in any way to the Plan, including with respect to the grant of Awards and any issuance of Shares made in accordance with the Plan.