



**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING AND MANAGEMENT INFORMATION CIRCULAR**  
with respect to the Annual General and Special Meeting of Shareholders to be held on June 29, 2022

Dated as of May 26, 2022

**KUYA SILVER CORPORATION**  
**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN** that the annual general and special meeting (the “**Meeting**”) of the shareholders of Kuya Silver Corporation (the “**Company**”) will be held as a virtual shareholders’ meeting via live audio conference at 1.888.886.7786 on Wednesday, June 29, 2022 at 10:00 AM (Pacific), for the following purposes:

1. to receive the audited consolidated financial statements of the Company for the year ended December 31, 2021 and the report of the auditors thereon;
2. to fix the number of directors of the Company to be elected at the Meeting;
3. to elect the directors of the Company to hold office until the next annual meeting of shareholders;
4. to appoint Davidson & Company LLP, Chartered Professional Accountants, as auditors to hold office until the next annual meeting of shareholders at a remuneration to be fixed by the board of directors;
5. to consider and, if deemed advisable, pass, with or without amendment, a special resolution, the full text of which is set out in the accompanying information circular, adopting and approving a 10% rolling equity incentive plan of the Company;
6. to transact such other business as may properly come before the Meeting or any adjournments or postponements thereof.

This notice is accompanied by a management information circular and form of proxy or or voting instruction form, as applicable.

The board of directors of the Company has by resolution fixed the close of business on May 25, 2022 as the record date, being the date for the determination of the registered holders of the common shares of the Company entitled to notice of and to vote at the Meeting and any adjournments or postponements thereof.

Registered shareholders who are unable to attend the Meeting are requested to complete, date, sign, and return the enclosed form of proxy so that as large a representation as possible may be had at the Meeting. A shareholder wishing to be represented by proxy at the Meeting or any adjournment or postponement thereof must deposit his/her/its duly completed and executed form of proxy with the Company’s registrar and transfer agent, Computershare Investor Services Inc. (“**Computershare**”) (Attention: Proxy Department) at 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1, not later than 48 hours (excluding Saturdays, Sundays, and holidays) before the time of the Meeting or adjournments or postponements thereof at which the proxy is to be used.

The Company has made arrangements to hold the Meeting as a completely virtual meeting, which will be conducted via live audio conference, where all shareholders regardless of geographic location and equity ownership will have an equal opportunity to participate at the Meeting and engage with directors and management of the Company as well as other shareholders. Shareholders will not be able to attend the Meeting in person. Registered shareholders and duly appointed proxyholders will be able to vote at the Meeting. Beneficial shareholders (being shareholders who hold their securities through a broker, investment dealer, bank, trust company, custodian, nominee, or other intermediary) who have not duly appointed themselves as proxyholders will be able to attend, but will not be able to vote at the Meeting.

As a shareholder of the Company, it is very important that you read the management information circular of the Company dated May 26, 2022 and other Meeting materials carefully. They contain important information with respect to voting your securities and attending and participating at the Meeting.

A shareholder who wishes to appoint a person other than the management nominees identified on the form of proxy or voting instruction form, to represent him, her, or it at the Meeting, may do so by inserting such person’s name in the blank space provided in the form of proxy or voting instruction form and following the instructions for submitting such form of proxy or voting instruction form. If you wish that a person other than the management nominees

identified on the form of proxy or voting instruction form attend the Meeting as your proxy and vote your shares, including if you are a non-registered shareholder and wish to appoint yourself as proxyholder to vote at the Meeting, you MUST identify such proxyholder on your form of proxy or voting instruction form.

DATED at Toronto, Ontario, as of the 26<sup>th</sup> day of May 2022.

BY ORDER OF THE BOARD OF DIRECTORS

*"/s/ David Stein"*

David Stein

President, Chief Executive Officer and Director

**KUYA SILVER CORPORATION**  
**Management Information Circular**

Unless otherwise stated, information contained herein is given as of May 26, 2022. All references to dollar amounts herein are references to Canadian dollars unless otherwise indicated.

**INFORMATION REGARDING PROXIES AND VOTING AT THE MEETING**

***Solicitation of Proxies***

This management information circular (the “**Information Circular**”) is furnished in connection with the solicitation by the management of Kuya Silver Corporation (the “**Company**”) of proxies to be voted at the annual general and special meeting (the “**Meeting**”) of the holders (the “**shareholders**”) of common shares of the Company (“**Common Shares**”, “**common shares**” or “**Shares**”) to be held as a virtual shareholders’ meeting via audio conference at 1.888.886.7786 on Wednesday, June 29, 2022 at 10:00 AM (Pacific), for the purposes set forth in the accompanying Notice of Meeting.

Unless otherwise stated, the information contained in this Information Circular is given as at May 26, 2022.

In accordance with National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) the Company has delivered proxy-related materials to intermediaries to forward to Beneficial Shareholders (as defined herein). The Company does not intend to pay for intermediaries to forward to OBOs (as defined herein) under NI 54-101 the proxy-related materials. In the case of an OBO, the OBO will not receive the materials unless the OBO’s intermediary assumes the cost of delivery.

The head office of the Company is located at Suite 200 – 150 King Street West, Toronto, Ontario, M5H 1J9. The registered and records office of the Company is located at 40440 Thunderbird Ridge B1831, Garibaldi Highlands, BC, V0N 1T0.

The solicitation of proxies by management of the Company will be made primarily by mail but solicitation may be made by telephone or in person with the cost of such solicitation to be borne by the Company. **While no arrangements have been made to date, the Company may contract for the solicitation of proxies for the Meeting. Such arrangements would include customary fees which would be borne by the Company.**

***Appointment of Proxyholder***

The persons named in the enclosed form of proxy for the Meeting are officers of the Company and nominees of management. **A registered shareholder has the right to appoint some other person or company, who need not be a shareholder, to represent such registered shareholder at the Meeting by striking out the names of the persons designated in the accompanying form of proxy and by inserting the name of that other person or company in the blank space provided.** If a registered shareholder appoints one of the persons designated in the accompanying form of proxy as a nominee and does not direct the said nominee to vote either “For,” “Against,” or “Withhold,” as applicable, from voting on a matter or matters with respect to which an opportunity to specify how the Shares registered in the name of such registered shareholder shall be voted, the proxy shall be voted “For” such matter or matters.

The instrument appointing a proxyholder must be in writing and signed by the registered shareholder, or such registered shareholder’s attorney authorized in writing, or if the registered shareholder is a corporation, by the authorized representative or a duly authorized person on behalf of such corporation. An undated but executed proxy will be deemed to be dated the date of the mailing of the proxy. In order for a proxy to be valid, a registered shareholder must:

- (a) sign and print his or her name on the lines specified for such purpose at the bottom of the form of proxy; and

- (b) return the properly executed and completed form of proxy by mailing it or delivering it by hand in the appropriate enclosed return envelope addressed to Computershare Investor Services Inc. (“**Computershare**”),

to be received no later than 48 hours (excluding Saturdays, Sundays, and holidays) before any adjournment(s) of the Meeting, unless the Chair of the Meeting elects to exercise their discretion to accept proxies received subsequently.

### ***Revocation of Proxy***

A registered shareholder may revoke a proxy by delivering a signed instrument in writing executed by such registered shareholder or by the registered shareholder’s attorney authorized in writing or, where the registered shareholder is a corporation, by a duly authorized officer or attorney of such corporation, either to the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof, with the Chair of the Meeting on the day of the Meeting or any adjournment thereof, or before any vote in respect of which the proxy is to be used shall have been taken, or in any other manner permitted by law.

### ***Voting of Proxies***

A registered shareholder may direct the manner in which his or her Shares are to be voted or withheld from voting in accordance with the instructions of the registered shareholder by marking the form of proxy accordingly. The management nominees designated in the enclosed form of proxy will vote the Shares represented by proxy in accordance with the instructions of the registered shareholder on any resolution that may be called for and if the registered shareholder specifies a choice with respect to any matter to be acted upon, the Shares will be voted accordingly. **Where no choice is specified with respect to any resolution or in the absence of certain instructions, the Shares represented by a proxy given to management will be voted “For” the resolution. If more than one direction is made with respect to any resolution, such Shares will similarly be voted “For” the resolution.**

### ***Exercise of Discretion by Proxyholders***

The enclosed form of proxy, when properly completed and delivered and not revoked, confers discretionary authority upon the proxyholders named therein with respect to amendments or variations of matters identified in the accompanying Notice of Meeting, and other matters not so identified which may properly be brought before the Meeting. At the date of this Information Circular, management of the Company knows of no such amendments, variations, or other matters to come before the Meeting. If any amendment or variation or other matter comes before the Meeting, the persons named in the proxy will vote in accordance with their judgement on such amendment, variation, or matter.

## **VOTING BY BENEFICIAL SHAREHOLDERS**

The information set out in this section is important to many shareholders, as a substantial number of shareholders do not hold their Shares in their own name.

Persons who hold Shares through their brokers, agents, trustees, or other intermediaries (such shareholders, “**Beneficial Shareholders**”) should note that only proxies deposited by registered shareholders whose names appear on the share register of the Company may be recognized and acted upon at the Meeting. If Shares are shown on an account statement provided to a Beneficial Shareholder by a broker, then in almost all cases the name of such Beneficial Shareholder will not appear on the share register of the Company. Such Shares will most likely be registered in the name of the broker or an agent of the broker. In Canada, the vast majority of such Shares will be registered in the name of “CDS & Co.”, the registration name of CDS Clearing and Depository Services Inc. which acts as a nominee for many brokerage firms. Shares held by brokers, agents, trustees, or other intermediaries can only be voted by those brokers, agents, trustees, or other intermediaries in accordance with instructions received from Beneficial Shareholders. As a result, Beneficial Shareholders should carefully review the request for voting

instructions (“**VIF**”) provided with this Information Circular and ensure they communicate how they would like their Shares voted in accordance with those instructions.

Beneficial Shareholders who have not objected to their intermediary disclosing certain ownership information about themselves to the Company are referred to as “**NOBOs**.” Those Beneficial Shareholders who have objected to their intermediary disclosing ownership information about themselves to the Company are referred to as “**OBOs**.” In accordance with the requirements of NI 54-101, the Company has delivered proxy-related materials to intermediaries to forward to Beneficial Shareholders. The Company does not intend to pay for intermediaries to forward to OBOs under NI 54-101 the proxy-related materials. In the case of an OBO, the OBO will not receive the materials unless the OBO’s intermediary assumes the cost of delivery.

Generally, a Beneficial Shareholder who has not waived the right to receive Meeting materials will either:

- (a) be given a form of proxy which has already been signed by the intermediary (typically by a facsimile with a stamped signature), which is restricted as to the number of shares beneficially owned by the Beneficial Shareholder and must be completed, but not signed, by the Beneficial Shareholder and deposited with Computershare; or
- (b) more typically, be given a VIF which is not signed by the intermediary and which, when properly completed and signed by the Beneficial Shareholder and returned to the intermediary or its service Company, will constitute voting instructions which the intermediary must follow.

VIFs should be completed and returned in accordance with the specific instructions noted on the VIF. The purpose of this procedure is to permit Beneficial Shareholders to direct the voting of the Shares which they beneficially own. Beneficial Shareholders should carefully follow the instructions set out in the VIF, including those regarding when and where the VIF is to be delivered.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purpose of voting Shares registered in the name of their broker, agent, trustee, or other intermediary, a Beneficial Shareholder may attend the Meeting as a proxyholder for a registered shareholder and vote Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting or have someone else attend on their behalf, and indirectly vote their Shares as proxyholder for the registered shareholder, should contact their broker, agent, trustee, or other intermediary well in advance of the Meeting to determine the steps necessary to permit them to indirectly vote their Shares as a proxyholder.

If you are a Beneficial Shareholder, and the Company or its agent has sent these materials to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary on your behalf. By choosing to send these materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for: (i) delivering these materials to you; and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the VIF.

#### **ACCESSING AND VOTING AT THE VIRTUAL MEETING**

Registered shareholders may vote at the Meeting, as further described below. See “How do I attend and participate at the Meeting?”

Beneficial Shareholders who have not duly appointed themselves as proxyholder will not be able to vote at the Meeting. This is because the Company and its transfer agent do not have a record of the Beneficial Shareholders of the Company, and as a result, will have no knowledge of your shareholdings or entitlement to vote, unless you appoint yourself as proxyholder. If you are a Beneficial Shareholder and wish to vote at the Meeting, you have to appoint yourself as proxyholder, by inserting your own name in the space provided on the VIF sent to you, and you

must follow all of the applicable instructions provided by your intermediary. See “Appointment of a Third Party as Proxy” and “How do I attend and participate at the Meeting?”

### **Appointment of a Third Party as Proxy**

The following applies to shareholders who wish to appoint a person (a “**third-party proxyholder**”) other than the management nominees set forth in the form of proxy or VIF as proxyholder, including Beneficial Shareholders who wish to appoint themselves as proxyholder to vote at the Meeting.

Shareholders who wish to appoint a third-party proxyholder to vote at the Meeting as their proxy and vote their Shares MUST submit their proxy or VIF (as applicable) appointing such third-party proxyholder.

To appoint a third-party proxyholder, insert such person’s name in the blank space provided in the form of proxy or VIF (if permitted) and follow the instructions for submitting such form of proxy or VIF. If you are a Beneficial Shareholder located in the United States, you must also provide Computershare with a duly completed legal proxy if you wish to vote at the Meeting, or if permitted, appoint a third party as your proxyholder. See below under this section for additional details.

If you are a Beneficial Shareholder and wish to vote at the Meeting, you have to insert your own name in the space provided on the VIF sent to you by your intermediary, follow all of the applicable instructions provided by your intermediary, AND register yourself as your proxyholder, as described above. By doing so, you are instructing your intermediary to appoint you as proxyholder. It is important that you comply with the signature and return instructions provided by your intermediary. Please also see further instructions below under the heading “How do I attend and participate at the Meeting?”

### **Legal Proxy – US Beneficial Shareholders**

If you are a Beneficial Shareholder located in the United States and wish to vote at the Meeting, or if permitted, appoint a third party as your proxyholder, in addition to the steps described above and below under “How do I attend and participate at the Meeting?”, you must obtain a valid legal proxy from your intermediary. Follow the instructions from your intermediary included with the legal proxy form and the voting information form sent to you, or contact your intermediary to request a legal proxy form or a legal proxy if you have not received one. After obtaining a valid legal proxy from your intermediary, you must then submit such legal proxy to Computershare. Requests for registration from Beneficial Shareholders located in the United States that wish to vote at the Meeting, or if permitted, appoint a third party as their proxyholder, must be received by 10:00 AM (Pacific) on June 27, 2022.

### **How do I attend and participate at the Meeting?**

The Company is holding the Meeting as a completely virtual meeting, which will be conducted via audio conference. Shareholders will not be able to attend the Meeting in person.

Registered shareholders and duly appointed proxyholders will be able to vote at the Meeting at 1.888.886.7786. In order to vote at the Meeting, shareholders must submit their proxy or VIF (as applicable) appointing their proxyholder.

## **SECURITIES ENTITLED TO VOTE**

As of May 25, 2022 (the “**Record Date**”), the authorized share capital of the Company consists of an unlimited number of Common Shares without par value and an unlimited number of preferred shares without par value (“**Preferred Shares**”) of which 45,933,315 Common Shares and no Preferred Shares are issued and outstanding. Each shareholder is entitled to one vote for each Common Shares registered in his, her, or its name at the close of business on the Record Date, the date fixed by the board of directors of the Company (the “**Board**”) as the record date for determining the shareholders entitled to receive notice of and to vote at the Meeting.

The failure of any shareholder to receive notice of the Meeting does not deprive a shareholder of the entitlement to vote at the Meeting. Every shareholder of record at the close of business on the Record Date will be entitled to vote at the Meeting or any adjournment thereof, except to the extent that:

- (a) such shareholder has transferred the ownership of any of their Shares after the Record Date; and
- (b) the transferee of those Shares produces properly endorsed share certificates, or otherwise establishes that they own the Shares, and demands, not later than 10 days before the Meeting, that their name be included in the list of shareholders entitled to vote at the Meeting, in which case the transferee is entitled to vote those Shares at the Meeting.

## PARTICULARS OF MATTERS TO BE ACTED UPON

### ***Financial Statements***

The audited consolidated financial statements of the Company for the year ended December 31, 2021, including the report of the auditors thereon, will be tabled at the Meeting and received by the shareholders. These audited consolidated financial statements of the Company for the year ended December 31, 2021, and the report of the auditors thereon, and the related management's discussion and analysis, are available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

### ***Election of Directors***

#### *Advance Notice*

The Company's articles (the "**Articles**") provide for advance notice (the "**Advance Notice**") to the Company in circumstances where nominations of persons for election to the Board are made by shareholders of the Company other than pursuant to (i) a requisition of a meeting made pursuant to the provisions of the *Business Corporations Act* (British Columbia) (the "**BCBCA**") or (ii) a shareholder proposal made pursuant to the provisions of the BCBCA.

The purpose of the Advance Notice is to ensure that all shareholders - including those participating in a meeting by proxy - receive adequate notice of the nominations to be considered at a meeting and can thereby exercise their voting rights in an informed manner. Among other things, the Advance Notice fixes a deadline by which holders of Common Shares must submit director nominations to the Company prior to any annual or special meeting of shareholders, and sets forth the minimum information that a shareholder must include in the notice to the Company for the notice to be in proper written form.

The foregoing is merely a summary of the Advance Notice provisions in the Articles, is not comprehensive, and is qualified by the full text of the Articles, which are available under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com).

As of the date of the Information Circular, the Company has not received notice of a nomination in compliance with the Advance Notice.

### **Fixing the Number of Directors**

At the Meeting, the shareholders will be asked to fix the number of directors of the Company to be elected at 5 members. Approval of the number of directors will require the affirmative votes of the holders of not less than a simple majority of the votes cast in respect thereof by shareholders represented at the Meeting. **Unless otherwise directed, the management designees named in the accompanying instrument of proxy intend to vote in favour of fixing the number of directors at 5.**



## Nominees

The persons named below are the nominees of management for election as directors. The term of office of each of the present directors expires at the Meeting. Management of the Company proposes to nominate the persons named below for election as directors of the Company at the Meeting, to serve until the next annual meeting of the shareholders of the Company, unless their office is earlier vacated. All of the nominees are currently members of the Board.

Approval of the election of directors will require the affirmative votes of the holders of not less than a simple majority of the votes cast in respect thereof by shareholders represented at the Meeting. **Unless otherwise directed, the management designees named in the accompanying instrument of proxy intend to vote in favour of the election, as directors, of the nominees whose names are set forth below.** In the event that prior to the Meeting, any vacancies occur on the slate of nominees submitted herewith, it is intended that discretionary authority will be granted to vote proxies solicited by or on behalf of management for the election of any other person or persons as directors. Management is not currently aware that any such nominees would not be willing to serve as director if elected.

As a group, the proposed directors beneficially own, or control or direct, directly or indirectly, a total of 9,733,286 Common Shares, representing 21.19% of the Common Shares outstanding.

Name, Province or State and Country of Residence, Position	Principal Occupation or Employment for the Past Five Years	Director Since	Number of Securities Beneficially Owned or Controlled
STEIN, David <sup>(4)</sup> Ontario, Canada	President, CEO and Director of the Company (2020 – present); President and Director of Kuya Silver Corp. (2017 – 2020); and former President and CEO of Aberdeen International Inc. (2009 – 2017)	2020	9,427,914 20.82%
PENIUK, Dale <sup>(1) (2) (3)</sup> British Columbia, Canada	Chartered Professional Accountant (CPA, CA) and corporate director	2018	Nil
LONDON, Maura <sup>(1) (2) (3)</sup> Ontario, Canada	Chair of the Board of the Company (2022 – present); Interim Chair of the Board of the Company (2021 – 2022); Senior VP, General Counsel of Greenlane Renewables Inc. (2021 – present); Former Chief General Counsel and Corporate Secretary of Primero Mining (2012-2018)	2020	47,322 0.10%
RECALDE, Andres <sup>(1)(3)(4)</sup> Ontario, Canada	Director of Mining for Common Good	2020	Nil
DEL RIO, Javier <sup>(1)(2)(4)</sup> Arizona, USA	VP South America and USA for Hudbay Minerals Inc. (2017 – present)	2022	Nil

### Notes:

- (1) Independent Director.
- (2) Member of the Audit Committee.
- (3) Member of the Nominating, Compensation, and Governance Committee.
- (4) Member of the Technical, Safety, Environment, and Social Responsibility Committee.
- (5) Based on 45,933,315 Common Shares issued and outstanding as of the Record Date.

The information as to residence, principal occupation, and number of Shares beneficially owned or controlled is not within the knowledge of the management of the Company, and has been taken from the System for Electronic Disclosure by Insiders (SEDI) or furnished by the respective nominees as of the Record Date.

### Biographies

The following are brief profiles of each of the proposed nominees, including a description of each individual's principal occupation within the past five years.

#### **David Stein, President, Chief Executive Officer and Director**

David Stein has a technical background in Geology and Engineering, and jumped into the capital markets very early in his career, in 2001, as a mining equities analyst for a prominent Canadian broker-dealer. More recently, Mr. Stein was President and CEO of Aberdeen International, where he led various private equity and public company investment mandates.

#### **Dale Peniuk, Director**

Dale Peniuk is a Chartered Professional Accountant (CPA, CA) and corporate director. Mr. Peniuk has a B.Comm from the University of British Columbia (1982) and received his Chartered Accountant designation from the Institute of Chartered Accountants of British Columbia (now Chartered Professional Accountants of British Columbia). He spent more than 20 years with KPMG LLP and predecessor firms, the last ten years as an Assurance Partner with a focus on mining companies. Mr. Peniuk also serves as a director and Audit Committee Chair of Lundin Mining Corporation, MAG Silver Corp., and Argonaut Gold Inc and currently is or has been a member of the corporate governance and nominating committee and human resources and compensation committee of numerous public mining companies.

#### **Maura Lendon, Director**

Maura Lendon is a seasoned, internationally experienced general counsel with 25 years' experience in the mining and technology industries gained after initially practicing with top Bay Street law firms. Ms. Lendon is Senior Vice President, General Counsel of Greenlane Renewables Inc., and is also a director of Revival Gold Inc. Ms. Lendon was previously Chief General Counsel of Primero Mining, and Chief Legal Officer of Hudbay Minerals.

#### **Andres Recalde, Director**

Andres Recalde is the Director of Mining for Common Good. His expertise is with social performance and building stakeholder confidence for the extractive industries. Mr. Recalde is Peruvian/Canadian and has worked extensively in Latin America as a consultant, advisor, and corporate director to mining companies such as Barrick Gold, Pan American Silver, and Torex Gold. Mr. Recalde is also actively involved as Past President of the Peruvian-Canadian Chamber of Commerce.

#### **Javier Del Rio, Director**

Javier Del Rio is a Peruvian mining executive with over 30 years of experience in the mining industry, in both corporate and business unit roles, and in open-pit, underground, and expansion initiatives. Currently, as VP South America and USA for Hudbay Minerals Inc., he is responsible for the strategic and operational performance of the business units located in Peru, Arizona, and Nevada, which also includes executive oversight of human and capital resources, environmental management, health and safety performance, public and community relations.

### Corporate Cease Trade Orders

To the knowledge of the Company, no proposed director is, as at the date of this Information Circular, or has been, within ten years before the date of this Information Circular, a director, Chief Executive Officer, or Chief Financial

Officer of any company (including the Company) that: (a) was the subject of a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemptions under Canadian securities legislation that was in effect for a period of more than 30 consecutive days (an “order”), that was issued while the proposed director was acting in the capacity as director, Chief Executive Officer, or Chief Financial Officer; or (b) was subject to an order that was issued after the proposed director ceased to be a director, Chief Executive Officer, or Chief Financial Officer and which resulted from an event that occurred while that person was acting in the capacity as director, Chief Executive Officer, or Chief Financial Officer.

#### Corporate Bankruptcies

To the knowledge of the Company, no proposed director: (a) is, as at the date of this Information Circular, or has been within the ten years before the date of this Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement, or compromise with creditors, or had a receiver, receiver manager, or trustee appointed to hold its assets; or (b) has, within the ten years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement, or compromise with creditors, or had a receiver, receiver manager, or trustee appointed to hold the assets of the proposed director.

#### Penalties or Sanctions

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

#### ***Appointment of Auditor***

**Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted “FOR” the appointment of Davidson & Company LLP, Chartered Professional Accountants, as the auditors of the Company to hold office until the close of the next annual meeting of shareholders of the Company or until a successor is appointed.** It is proposed that the remuneration to be paid to the auditors be fixed by the Board. Davidson & Company LLP has been the Company’s auditor since October 2016.

#### Fees Paid to Auditors and their Independence from the Company

The aggregate fees billed by the Company’s external auditors in each of the last two fiscal years for audit, audit-related, tax, and all other fees are as follows:

<b>Financial Year Ending</b>	<b>Audit Fees<sup>(1)</sup></b>	<b>Audit Related Fees<sup>(2)</sup></b>	<b>Tax Fees<sup>(3)</sup></b>	<b>All Other Fees<sup>(4)</sup></b>
2021	\$86,000	\$30,000	\$Nil	\$Nil
2020	\$20,000	\$27,000	\$Nil	\$Nil

#### Notes:

- (1) “Audit Fees” include fees necessary to perform the annual audit of the Company’s financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings, and statutory audits.
- (2) “Audit-Related Fees” include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews, and audit or attest services not required by legislation or regulation.

- (3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees." This category includes fees for tax compliance, tax planning, and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All Other Fees" include all other non-audit services.

In the event the Company wishes to retain the services of the Company's external auditors for any non-audit services, prior approval of the Audit Committee must be obtained. All of the engagements and fees for the years ended December 31, 2021 and December 31, 2020 were pre-approved and ratified by the Audit Committee. The Audit Committee reviews with its auditors whether the non-audit services to be provided are compatible with maintaining the auditor's independence.

### **Approval of Equity Incentive Plan**

At the Meeting, shareholders will be asked to adopt and approve a 10% rolling equity incentive plan (the "**Equity Incentive Plan**") that will replace the existing 10% rolling stock option plan (the "**Option Plan**"). A copy of the proposed Equity Incentive Plan is attached hereto as Appendix "A." On May 26, 2022, the Board approved the Equity Incentive Plan, subject to shareholder approval. The aggregate maximum number of Shares that may be issued under the Equity Incentive Plan is 10% of the issued and outstanding Shares on a rolling basis.

The Board is seeking disinterested shareholder approval of the Equity Incentive Plan. Although shareholder approval of the Equity Incentive Plan is not required pursuant to the policies of the Canadian Securities Exchange (the "**CSE**"), the Board wishes to obtain maximum flexibility with respect to the granting of awards under the Equity Incentive Plan.

National Instrument 45-106 – *Prospectus Exemptions* ("**NI 45-106**") provides exemptions from the requirement to prepare and file a prospectus in connection with a distribution of securities. As the Company is listed on the CSE, the Company is classified as an "unlisted reporting issuer" for purposes of the exemption provided in Section 2.24 of NI 45-106 for distributions of securities to employees, executive officers, directors, and consultants of the Company (the "**Exemption**"). NI 45-106 restricts the use of the Exemption by "unlisted reporting issuers," such as the Company, unless the Company obtains disinterested shareholder approval. Specifically, NI 45-106 provides that the Exemption does not apply to a distribution to an employee or consultant of the "unlisted reporting issuer" who is an investor relations person of the issuer, an associated consultant of the issuer, an executive officer of the issuer, a director of the issuer, or a permitted assign of any of those persons if, after the distribution,

- (a) the number of securities, calculated on a fully diluted basis, reserved for issuance under options granted to
  - (i) related persons, exceeds 10% of the outstanding securities of the issuer, or
  - (ii) a related person, exceeds 5% of the outstanding securities of the issuer, or
- (b) the number of securities, calculated on a fully diluted basis, issued within 12 months to
  - (i) related persons, exceeds 10% of the outstanding securities of the issuer, or
  - (ii) a related person and the associates of the related person, exceeds 5% of the outstanding securities of the issuer.

The term "related person" is defined in NI 45-106 and generally refers to a director or executive officer of the issuer or of a related entity of the issuer, an associate of a director or executive officer of the issuer or of a related entity of the issuer, or a permitted assign of a director or executive officer of the issuer or of a related entity of the issuer. The term "permitted assign" includes a spouse of the person.

In accordance with the requirements of NI 45-106, the Board wishes to provide the following information with respect to the Equity Incentive Plan so that the disinterested shareholders may form a reasoned judgment concerning the Equity Incentive Plan. The purpose of the Equity Incentive Plan is to attract and retain directors, officers, employees, and consultants, and ensure that their interests are aligned with the success of the Company. The Equity Incentive Plan is a 10% “rolling” equity incentive plan pursuant to which the maximum number of Shares that may be issued under the Equity Incentive Plan, together with all of the Company’s other previously established or proposed stock options, stock option plans, employee stock purchase plans, or any other compensation or incentive mechanisms involving the issuance or potential issuance of Shares to directors, officers, employees, or consultants of the Company and any of its subsidiaries, shall not result in the number of Shares that may be issued pursuant to awards exceeding 10% of the issued and outstanding Shares, as at the date of grant of any award under the Equity Incentive Plan. Pursuant to the terms of the Equity Incentive Plan, in addition to the ability to award options (“**Options**”) to acquire Shares to participants, the Company has the availability to award restricted share units (“**RSUs**”) and performance share units (“**PSUs**”).

#### *Summary of Equity Incentive Plan*

The Equity Incentive Plan provides participants (each, a “**Participant**”), with the opportunity, through Options, RSUs, and PSUs, to acquire an ownership interest in the Company. The RSUs and PSUs will rise and fall in value based on the value of the Shares. Unlike the Options, the RSUs and PSUs will not require the payment of any monetary consideration to the Company (although Participants may be required to pay withholding taxes, where applicable). Instead, each RSU or PSU represents a right to receive one Share or an equivalent amount of cash, as determined by the Board, following the attainment of vesting criteria determined at the time of the award. See “*Vesting Provisions for RSUs and PSUs*” below. Options, on the other hand, are rights to acquire Shares upon payment of monetary consideration (i.e., the exercise price), subject also to vesting criteria determined at the time of the grant. See “*Vesting Provisions for Options*” below.

#### *Eligibility under the Equity Incentive Plan*

Pursuant to the Equity Incentive Plan, the Committee (as defined herein) may grant Options, RSUs, and PSUs to any officer, director, employee, or consultant of the Company or any of its subsidiaries, who meets certain criteria for eligibility set out in the Equity Incentive Plan, provided that the Committee may only grant PSUs to directors who are also employees of the Company.

#### *Administration of the Equity Incentive Plan*

The Equity Incentive Plan is administered by the committee appointed by the Board for that purpose, or by the Board itself, if no such committee has been appointed (in either case, the “**Committee**”), provided that the Committee may delegate the day-to-day administration of the Equity Incentive Plan to specific officers and employees. The Committee determines the eligibility of persons to participate in the Equity Incentive Plan, when RSUs, PSUs, and Options will be awarded or granted, the number of Options, RSUs, and PSUs to be awarded or granted, the vesting criteria for each grant of Options, RSUs, or PSUs, and all other terms and conditions of each grant, in each case in accordance with applicable securities laws and the requirements of the CSE, if any.

#### *Number of Shares Issuable under the Equity Incentive Plan*

The maximum number of Shares that may be issued pursuant to the Equity Incentive Plan shall be determined from time to time by the Committee, but in any case, shall not (together with any other equity compensation arrangement adopted by the Company) in the aggregate exceed 10% of the outstanding Shares from time to time. As a result, should the Company issue additional Shares in the future, the number of Shares issuable under the Equity Incentive Plan will increase accordingly. The Equity Incentive Plan is considered an “evergreen” plan, since the Shares that may be issued pursuant to the Equity Incentive Plan will increase as the number of issued and outstanding Shares of the Company increases.

### Restrictions on the Granting of Options, RSUs, and PSUs

The granting of Options, RSUs, and PSUs under the Equity Incentive Plan is subject to the following additional restrictions:

- (a) Limits with respect to insiders of the Company:
  - (i) the aggregate number of Common Shares that may be issued pursuant to the Equity Incentive Plan and any other share compensation arrangement to insiders of the Company shall not exceed 10% of the outstanding Common Shares from time to time; and
  - (ii) insiders of the Company shall not be issued, pursuant to the Equity Incentive Plan and any other share compensation arrangement, within any one-year period, a number of Common Shares that exceeds 10% of the outstanding Common Shares from time to time.
- (b) The number of Common Shares that may be issued pursuant to the Equity Incentive Plan (together with those Common Shares that may be issued pursuant to any other share compensation arrangement adopted by the Company) as compensation to persons performing Investor Relations Activities (as that term is defined by the CSE) for the Company shall not exceed 1% of the outstanding number of Common Shares in any one-year period.

It is not currently anticipated that any financial assistance or support agreements will be provided to Participants by the Company or any related entity of the Company.

### RSUs and PSUs

The total number of Shares that may be issued on settlement of RSUs and PSUs, together with any other share compensation arrangements of the Company, including Options that may be granted under the Equity Incentive Plan, shall not exceed 10% of the number of issued and outstanding Shares from time to time. Under the Equity Incentive Plan, the Company may only award PSUs to a director of the Company if that director is also an employee of the Company.

#### *(a) Mechanics for RSUs and PSUs*

On or after the date on which any RSU vests, each RSU shall be settled by, in the Committee's sole discretion, the issuance to the Participant of the number of Shares equal to the number of vested RSUs, a cash payment equal to the number of vested RSUs multiplied by the market price on the vesting date, or a combination of Shares and cash. On or after the date on which any PSUs vest, such PSUs shall be settled by, in the Committee's sole discretion, the issuance to the Participant of a number of Shares equal to the number of vested PSUs multiplied by a performance-related multiplier between 0% and 200% to be determined by the Committee, a cash payment equal to the applicable number of Shares multiplied by the market price on the vesting date, or a combination of Shares and cash.

#### *(b) Vesting Provisions for RSUs and PSUs*

The Equity Incentive Plan provides that: (i) the Committee shall advise each Participant of the type and number of RSUs or PSUs that the Participant is entitled to, the terms of the award, and the vesting schedule or vesting criteria for the award, as applicable; (ii) each award of RSUs or PSUs shall be evidenced by a written agreement containing such terms and conditions as the Committee in its discretion deems appropriate and that are consistent with the Equity Incentive Plan; and (iii) no RSUs or PSUs may be settled later than December 31 of the third year following the year in respect of which the RSUs or PSUs were awarded.

The vesting of RSUs is time-based, but the vesting of PSUs is tied to the performance of the Company or the Participant over a specified period. PSUs shall vest in accordance with a formula determined by the Committee and set out in the applicable agreement, which may relate to the market price of the Shares, the financial performance of the Company, the performance of the Participant against specific criteria, or any other performance criteria that the Committee may in its discretion determine. As noted above under the heading “Mechanics for RSUs and PSUs,” upon the vesting of any PSUs, the Committee shall apply a multiplier between 0% and 200%, based on performance against the criteria set out in the agreement, to determine the number of Shares to be issued upon settlement of such PSUs.

### Options

The total number of Shares that may be issued on exercise of Options, together with any other share compensation arrangements of the Company, including RSUs and PSUs that may be awarded under the Equity Incentive Plan, shall not exceed 10% of the number of issued and outstanding Shares from time to time.

#### *(a) Mechanics for Options*

Each Option granted pursuant to the Equity Incentive Plan will entitle the holder thereof to the issuance of one Share upon achievement of the vesting criteria and payment of the applicable exercise price and any other required amounts, including withholding taxes. Options granted under the Equity Incentive Plan will be exercisable for Shares issued from treasury once the vesting criteria established by the Committee at the time of the grant have been satisfied.

#### *(b) Vesting Provisions for Options*

The Equity Incentive Plan provides that: (i) the Committee shall advise each Participant of the number of Shares that such Participant is entitled to purchase upon vesting of any Option, the exercise price of the Option, the period during which the Option may be exercised (which may not exceed five years from the date of grant), and the vesting schedule; and (ii) each Option granted to a Participant shall be evidenced by a written agreement containing such terms and conditions as the Committee in its discretion deems appropriate and that are consistent with the Equity Incentive Plan.

At the time of grant, the Committee may determine when an Option will become exercisable and may determine that the Option shall be exercisable in instalments. Unless otherwise set out in the agreement or determined by the Committee, Options will vest, as to one third of the Options granted, on each of the date of grant and on each of the first and second anniversaries of the date of grant, provided that the Participant remains eligible.

#### *(c) Other Terms of Options*

The Committee shall fix the exercise price of any Option in its discretion at the time the Option is granted, provided that the exercise price shall not be less than the greater of the fair market value on (i) the trading day prior to the date of grant and (ii) the date of grant. For the purposes of the Equity Incentive Plan, “fair market value” shall mean the closing price of a Share on the CSE.

No Option shall be exercisable after five years from the date the Option is granted. Under the Equity Incentive Plan, should the term of an Option expire on a date that falls within a blackout period or within nine business days following the expiration of a blackout period, such expiration date will be automatically extended to the tenth business day after the end of the blackout period.

### Termination of Options, RSUs, and PSUs

If a Participant’s employment with the Company terminates, or a Participant who is a director ceases to be a director, or a Participant who is a consultant ceases to meet the applicable eligibility requirements, due to retirement, death,

or disability, then: (i) any Options, RSUs, or PSUs that would otherwise have vested in the 12-month period following the date of termination or other applicable date shall immediately vest; (ii) all Options, RSUs, or PSUs that would have vested after such 12-month period shall immediately expire or be forfeited; (iii) following the death of the Participant, all Options, RSUs, or PSUs that are vested as of the date of death shall be exercisable by or settled for the Participant's estate during the twelve-month period following the date of death, after which period, such Options, RSUs, and PSUs may no longer be exercised or settled, as applicable, and will be deemed to be forfeited; and (iv) in respect of any Participant who retires or becomes disabled, all Options, RSUs, or PSUs that are vested as of the date of termination or other applicable date shall be exercisable or settled during the 180-day period following the applicable date, after which period, such Options, RSUs, and PSUs may no longer be exercised or settled, as applicable, and will be deemed to be forfeited.

If a Participant's employment with the Company terminates, or a Participant who is a director ceases to be a director, or a Participant who is a consultant ceases to meet the applicable eligibility requirements, for any reason other than those described above, then: (i) any Options, RSUs, or PSUs that have not vested before the date of termination or other applicable date shall immediately expire or be forfeited; and (ii) all RSUs, PSUS, and Options that are vested as of the date of termination or other applicable date shall be exercisable or settled during the 90-day period following the date of termination or other applicable date, after which period, such Options, RSUs, and PSUs may no longer be exercised or settled, as applicable, and will be deemed to be forfeited, provided that where the Participant is an employee who has been terminated with cause, or a consultant whose consulting engagement has been terminated for breach, all RSUs, PSUS, and Options that are vested as of the date of termination shall expire or be forfeited, as the case may be, immediately upon such termination.

#### Transferability

Except as otherwise provided in the applicable agreement, no Option, RSU, or PSU shall be sold, exchanged, transferred, assigned, pledged, hypothecated, or otherwise disposed of, other than by will or by the laws of descent and distribution, and during the life of the Participant, all Options, RSUs, and PSUs granted to the Participant may be exercised or settled, as applicable, only by the Participant or the Participant's legal representative.

#### Adjustments

The number of Shares subject to the Equity Incentive Plan, the number of Shares available under awards of Options, RSUs, or PSUs, and the exercise price of Options, shall be adjusted from time to time, in such manner and by such procedure deemed appropriate by the Committee, subject to applicable law and the applicable rules and policies of the CSE, to reflect adjustments in the number of Shares arising as a result of any rights offering, consolidation, subdivision, or reclassification of the Shares, the payment of any dividends or other distribution by the Company, or other relevant changes in the authorized or issued capital of the Company.

If there is a consolidation, merger, or statutory amalgamation or arrangement of the Company with or into another corporation, a separation of the business of the Company into two or more entities, or a sale, lease, exchange, or other transfer of all or substantially all of the assets of the Company to another entity, any Shares receivable on the exercise of any Option or the vesting of any RSU or PSU shall be converted into the securities, property, or cash which the Participant would have received upon such transaction or event, as if the Participant had exercised the Option or been vested in the RSU or PSU immediately prior to the effective date of such transaction or event, and in the case of Options, the exercise price shall, subject to applicable law and the applicable rules and policies of the CSE, be adjusted appropriately by the Committee.

#### Amendment Provisions in the Equity Incentive Plan

The Committee may amend the Equity Incentive Plan at any time, provided that no such amendment may be made without obtaining any required regulatory approvals, or adversely affect the rights of any Participant without that Participant's consent. Without limiting the generality of the preceding sentence, the Committee may from time to



time, in the absolute discretion of the Committee and without shareholder approval, make the following amendments to the Equity Incentive Plan (or any outstanding Option, RSU, or PSU, as applicable):

- a) an amendment to the vesting provisions of the Equity Incentive Plan;
- b) an amendment to provide a “cashless exercise” feature;
- c) an addition to, deletion from, or alteration of the Equity Incentive Plan, that is necessary to comply with applicable law or the requirements of any regulatory authority or the CSE;
- d) any amendment that the Committee reasonably determines is necessary in order to preserve the intended tax consequences of the Equity Incentive Plan;
- e) any amendment of a “housekeeping” nature, including, without limitation, for the purpose of clarifying the meaning of existing provisions, resolving inconsistencies within the Equity Incentive Plan, and correcting grammatical or typographical errors;
- f) any amendment respecting the administration of the Equity Incentive Plan; and
- g) any other amendment that does not require shareholder approval.

Shareholder approval will be required for the following amendments to the Equity Incentive Plan (or any outstanding Option, RSU, or PSU, as applicable):

- a) any increase in the maximum number of Shares reserved for issuance pursuant to, or that may be issued pursuant to, the Equity Incentive Plan;
- b) any change that would permit the Company to grant equity-based or equity-related awards to Participants other than Options, RSUs, or PSUs;
- c) any change to the exercise price of any Option, or any cancellation and reissuance of any Option so as to in effect change the exercise price of such Option;
- d) any extension of the period during which any Option may be exercised or any RSU or PSU may be settled;
- e) any removal of, or increase to, the participation limits with respect to insiders of the Company and persons performing Investor Relations Activities;
- f) any change that removes or reduces the range of amendments requiring shareholder approval;
- g) any change that would materially modify eligibility requirements; and
- h) any change that would permit RSUs, PSUs, or Options to be transferable or assignable other than for normal estate settlement purposes.

Shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, a resolution (the “**Equity Incentive Plan Resolution**”) approving the Equity Incentive Plan. The Equity Incentive Plan Resolution must be approved by a majority of the votes cast thereon by disinterested shareholders represented in person or by proxy at the Meeting. Each of the persons listed under “*Ownership of Shares – Ownership by Management*” and “*Particulars to Be Acted Upon – Election of Directors*” are considered interested parties and will be excluded from voting on the Equity Incentive Plan Resolution.

The text of the Equity Incentive Plan Resolution is set out below:

**“BE IT RESOLVED**, as a special resolution of the shareholders of Kuya Silver Corporation (the **“Company”**), that:

1. the Company’s 10% rolling equity incentive plan (the **“Equity Incentive Plan”**) as described in and attached as Appendix **“A”** to the management information circular of the Company dated May 26, 2022, as may be revised by the directors of the Company to comply with applicable securities law, the policies and rules of the Canadian Securities Exchange, or any requirement or request of any securities regulatory authority, be and is hereby adopted and approved;
2. any one director or officer of the Company is hereby authorized, for and on behalf of the Company, to execute and deliver all such further agreements, documents, and instruments and to perform all such other acts, deeds, and things in relation to the Equity Incentive Plan as such director or officer may deem to be necessary or advisable for the purpose of giving full force and 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 thing being conclusive evidence of such determination; and
3. notwithstanding the foregoing approvals, the directors of the Company be and are hereby authorized to abandon all or any part of these resolutions at any time prior to giving effect thereto without further notice to or approval of the shareholders of the Company.”

If approval of the Equity Incentive Plan Resolution is not obtained at the Meeting, the existing Option Plan will remain in effect.

**The Board unanimously recommends a vote for the Equity Incentive Plan Resolution. In the absence of instructions to the contrary, the person(s) designated by management of the Company in the enclosed Form of Proxy will be voted FOR the Equity Incentive Plan Resolution.**

## OWNERSHIP OF SHARES

### *Ownership by Management*

The following table sets forth certain information regarding beneficial ownership of the Shares, as of May 25, 2022, by each of the Company’s executive officers:

<b>Name</b>	<b>Beneficially Owned<sup>(1)</sup></b>	<b>Percentage</b>
David Stein, President, Chief Executive Officer and Director	9,427,914	20.53%
Christian Aramayo, Chief Operating Officer,	Nil	Nil
Annie Sismanian, Chief Financial Officer	Nil	Nil

Notes:

(1) These amounts do not include Options.

### ***Ownership by Principal Shareholders***

To the Company's knowledge, as of May 26, 2022, no person or company beneficially owns, or controls or directs, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to any class of voting securities of the Company, except as described herein.

### **QUORUM**

The quorum for the transaction of business at a meeting of shareholders is one or more persons present at the commencement of the Meeting holding, or representing by proxy, shares entitled to vote at the Meeting.

No business may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the Meeting.

### **CORPORATE GOVERNANCE**

The Company's Board and executive officers consider good corporate governance to be an important factor in the efficient and effective operation of the Company.

#### ***Board of Directors***

The Board is currently composed of five directors: David Stein, Dale Peniuk, Maura Lendon, Andres Recalde and Javier Del Rio.

National Policy 58-201 – *Corporate Governance Guidelines* suggests that the board of directors of a public company should be constituted with a majority of individuals who qualify as "independent" directors. An "independent" director is a director who is independent of management and free from any interest and any business or other relationship that could, or could reasonably be perceived to, materially interfere with the director's ability to act with a view to the best interests of the Company, other than interests and relationships arising from shareholding. Of the proposed nominees for directors of the Company, four (Dale Peniuk, Maura Lendon, Andres Recalde, and Javier Del Rio) are considered by the Board to be "independent" within the meaning of National Instrument 58-101 – *Disclosure of Corporate Governance Practices*, and one nominee (David Stein) is considered to be "non-independent." David Stein is not an independent director as he serves as President and Chief Executive Officer.

In order to ensure that the Board exercises independent judgment in carrying out its responsibilities, the independent members of the Board meet without the presence of the non-independent directors and management, known as "in-camera" meetings, before or after every regularly scheduled meeting and at such other times as they deem appropriate.

The Board is responsible for determining the compensation paid to the directors of the Company. The directors establish director compensation based on the recommendations of the Nominating, Compensation and Governance Committee, which is comprised of independent directors.

#### ***Position Descriptions***

The Chair of the Board has the following key responsibilities: duties relating to setting Board meeting agendas; chairing Board and shareholders meetings; director development; and communicating with shareholders and regulators.

The Board has adopted a written position description for the Chair of the Audit Committee, the Chair of the Nominating, Compensation, and Governance Committee, and the Chair of the Technical, Safety, Environment, and Social Responsibility Committee. Each position description sets out the committee chair's key responsibilities, including duties relating to setting committee meeting agendas, chairing committee meetings, and working with the

applicable committee and management to ensure, to the greatest extent possible, the effective functioning of the committee.

The activities of the executive officers are subject to the overriding supervision and direction of the Board.

### ***Orientation and Continuing Education***

While the Company does not have formal orientation and training programs, orientation of new members of the Board is conducted by informal meetings with members of the Board, briefings by management, and the provision of copies of or access to the Company's documents.

The Company has not adopted formal policies respecting continuing education for Board members. Board members are encouraged to communicate with management, legal counsel, auditors, and consultants, to keep themselves current with industry trends and developments and changes in legislation with management's assistance, and to attend related industry seminars and visit the Company's operations. Board members have full access to the Company's records.

### ***Ethical Business Conduct***

The Board has found that the fiduciary duties placed on individual directors by the BCBCA and the common law, and the restrictions placed by the BCBCA on an individual director's participation in decisions of the Board in which the director has an interest, have helped to ensure that the Board operates independently of management and in the best interests of the Company.

Under corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Company, and exercise the care, diligence, and skill that a reasonably prudent person would exercise in comparable circumstances. In addition, if a director of the Company also serves as a director or officer of another company engaged in similar business activities to the Company, that director must comply with the conflict of interest provisions of the BCBCA, as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Any interested director would be required to declare the nature and extent of his interest and would not be entitled to vote at meetings of directors that evoke such a conflict.

Further, the Company has a code of business conduct and ethics (the "**Code**") that applies to the Company's directors, officers, and employees. The Code does not address every possible business scenario, but rather, sets out key guiding principles of integrity to which Company personnel are expected to adhere in all matters. These principles include, but are not limited to, honest and ethical conduct, fair dealing with internal and external stakeholders, and compliance with all applicable laws, rules, and regulations.

### ***Nomination of Directors***

When there is a need to fill a position on the Board, either due to a vacancy or as required to carry out the Board's duties effectively and maintain a breadth of experience, the Nominating, Compensation, and Governance Committee assists the current directors with identifying individuals qualified to become new Board members and potential candidates for consideration.

### ***Board Committees***

The Board has an Audit Committee, a Nominating, Compensation, and Governance Committee and a Technical, Safety, Environment, and Social Responsibility Committee. For more detail on the committees of the board, see "*Committees of the Board of Directors.*"

## **Assessments**

The Board monitors the adequacy of information given to directors, communication between the Board and management, and the strategic direction and processes of the Board and committees. On an ongoing annual basis, the Board assesses the performance of the Board as a whole, each of the individual directors, and each committee of the Board, in order to satisfy itself that each is functioning effectively.

## **Corporate Policies**

The Board has adopted the following policies in place for its directors, officers, employees, and consultants:

- Board Mandate and Corporate Governance Policy;
- Code of Business Conduct;
- Corporate Disclosure Policy; and
- Insider Trading Policy.

Shareholders may contact the Company to request copies of the above noted policies via email at [lhodges@benchmarkgovernance.com](mailto:lhodges@benchmarkgovernance.com).

## **Diversity and Inclusion**

The Company has not adopted a written policy relating to the identification and nomination of directors or members of senior management that are women, Indigenous peoples (First Nations, Inuit and Metis), persons with disabilities, or members of visible minorities (collectively, “**Designated Groups**”). The Board generally identifies, evaluates, and recommends candidates to become members of the Board or members of senior management with the goal of creating a Board and members of senior management team that consists of individuals with various and relevant career experience, industry knowledge and experience, financial and other specialized expertise, and cultural backgrounds.

The composition of the Board and senior management is primarily a question of the experience and expertise brought by each individual. The Board, when searching for candidates, also takes diversity into account. Although the Board does not have a formal diversity policy, it considers diversity in its broadest sense when evaluating candidates, including in relation to gender, ethnicity, experience, and background. Further, the Board, when searching for candidates, seeks to reflect the communities in which the Company operates, in the belief that cultural diversity helps the Company understand and navigate different political and social environments. The Board considers all factors it deems relevant in the process of identifying, evaluating, and recommending candidates for the Board and senior management, and does not have a formal requirement to consider the level of representation of individuals from Designated Groups.

Of the Company’s current directors, one (20%) is a woman and none (0%) identify as being an Indigenous person, disabled, or a member of a visible minority. Of the current members of the Company’s senior management, one (33%) is a woman and none (0%) identify as being an Indigenous person, disabled, or a member of a visible minority. Two of the Company’s current directors (40%), and one member of senior management (33%), are Peruvian.

## **OTHER DIRECTORSHIPS**

The following current and proposed directors of the Company also serve as directors of other reporting issuers:

<b>Director</b>	<b>Other Reporting Issuer(s)</b>
LENDON, Maura	Revival Gold Inc.
PENIUK, Dale	Argonaut Gold Inc. MAG Silver Corp.

Director	Other Reporting Issuer(s)
	Lundin Mining Corporation

### MEETINGS OF THE BOARD OF DIRECTORS

The Board meets at least once each calendar quarter to review, among other things, the performance of the Company. Results are compared and measured against a previously established plan and performance of prior fiscal years. The Board will review and assess the Company’s financial budget and business plan for the ensuing year and its overall strategic objectives. This process will establish, among other things, benchmarks against which the Board may measure the performance of management. Other meetings of the Board will be called to deal with special matters, as circumstances require.

### COMMITTEES OF THE BOARD OF DIRECTORS

There are currently three committees of the Board, namely, the Audit Committee, the Nominating, Compensation, and Governance Committee and the Technical, Safety, Environment, and Social Responsibility Committee.

#### ***Audit Committee***

The members of the Audit Committee are Dale Peniuk (Chair), Maura Lendon, and Javier Del Rio, all of whom are considered independent directors for the purposes of National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”). The full text of the Audit Committee’s Charter is annexed as Appendix “B” to this Information Circular.

Each member of the Audit Committee is considered financially literate, possessing the ability to read and understand a set of financial statements that presents a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements.

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

As the Company is considered a “venture issuer” for the purpose of NI 52-110, it is relying on the exemption found in section 6.1 of NI 52-110.

In addition to each member’s general business experience, the education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member is set out at “*Particulars of Matters to be Acted Upon – Election of Directors – Biographies.*”

The members of the Audit Committee are elected by the Board at its first meeting following the annual shareholders’ meeting, to serve one-year terms. There are no limits on how many consecutive terms an Audit Committee member may serve.

#### ***Nominating, Compensation, and Governance Committee***

The members of the Nominating, Compensation, and Governance Committee are Maura Lendon (Chair), Dale Peniuk, and Andres Recalde, all of whom are independent. The purpose of the Nominating, Compensation, and Governance Committee is to assist the Board in discharging its responsibilities with respect to: identifying individuals qualified to become new board members; setting director and senior executive compensation; and assessing and making recommendations to the Board regarding certain compensation related and governance matters as delegated by the Board. The Board has adopted a written charter setting forth such purpose.

For additional details regarding the relevant education and experience of each member of the Nominating, Compensation, and Governance Committee, including the direct experience that is relevant to each committee member's responsibilities, see "*Particulars of Matters to be Acted Upon – Election of Directors – Biographies.*" For information regarding the steps taken to determine compensation for the directors and the executive officers, see "*Statement of Executive Compensation*" herein.

No member of the Nominating, Compensation, and Governance Committee is an officer or employee of the Company, and as such, the Board believes that the Nominating, Compensation, and Governance Committee is able to conduct its activities in an objective manner.

### ***Technical, Safety, Environment, and Social Responsibility Committee***

The members of the Technical, Safety, Environment, and Social Responsibility Committee are Javier Del Rio (Co-Chair), Andres Recalde (Co-Chair), and David Stein, Mr. Del Rio and Mr. Recalde being the independent members. The Company's Chief Operating Officer, Christian Aramayo, is an ex officio member. The purpose of the Technical, Safety, Environment, and Social Responsibility Committee, which was constituted in February 2022, is to assist the Board in discharging its responsibilities with respect to: reviewing, with management, the Company's strategies, goals, management systems and policies with respect to operations, health, safety, environmental affairs, sustainable development, human rights, and social impact; technical matters relating to exploration, development, permitting, construction, and operation of the Company's mining activities; mineral resources and mineral reserves on the Company's mineral properties, including disclosures of technical information; due diligence in the development, implementation, and monitoring of systems and programs for management, and compliance with applicable law related to health, safety, environment, and social responsibility; monitoring the Company's performance in matters of safety, environment, and social responsibility; and monitoring compliance with applicable laws related to safety, environment, and social responsibility. The Board has adopted a written charter setting forth such purpose.

For additional details regarding the relevant education and experience of each member of the Technical, Safety, Environment and Social Responsibility Committee, including the direct experience that is relevant to each committee member's responsibilities, see "*Particulars of Matters to be Acted Upon – Election of Directors – Biographies.*"

## **STATEMENT OF EXECUTIVE COMPENSATION**

### ***Compensation Discussion and Analysis***

The Company operates in a dynamic and rapidly evolving market. To succeed in this environment and to achieve its business and financial objectives, the Company must attract, retain, and motivate a highly talented team of executive officers. The Company expects its team of executive officers to possess and demonstrate strong leadership and management capabilities, as well as foster a pioneering culture, which is at the foundation of the Company's success and remains a pivotal part of everyday operations. The Nominating, Compensation, and Governance Committee is responsible for assisting the Board in fulfilling its governance and supervisory responsibilities, and overseeing the human resources, succession planning, and compensation policies, processes, and practices. The Nominating, Compensation, and Governance Committee is also responsible for ensuring that the compensation policies and practices provide an appropriate balance of risk and reward consistent with the risk profile. The Board has adopted a written charter for the Nominating, Compensation, and Governance Committee setting out its responsibilities for administering the compensation programs and reviewing and making recommendations to the Board concerning the level and nature of the compensation payable to the directors and officers. The Nominating, Compensation, and Governance Committee's oversight includes reviewing objectives, evaluating performance, and ensuring that total compensation paid to the executive officers and various other key employees is fair, reasonable, and consistent with the objectives of the philosophy and compensation program.

The Nominating, Compensation, and Governance Committee is required to evaluate the Company's compensation programs as circumstances require and on an annual basis. As part of this evaluation process, the Nominating,

Compensation, and Governance Committee is guided by the philosophy and objectives outlined above, as well as other factors which may become relevant, such as the cost to the Company if it were required to find a replacement for a key employee.

The Company's compensation practices are designed to retain, motivate, and reward its executive officers for their performance and contribution to the Company's long-term success, while recognizing that a focus on non-cash incentives is appropriate, given the Company's current stage of development. The Nominating, Compensation, and Governance Committee seeks to reward the achievement of corporate and individual performance objectives and to align executive officers' incentives with the Company's performance. Although as of the date of this Information Circular, the Company's directors have not tied the compensation of its Named Executive Officers (as that term is defined below) to the achievement of specific performance goals, they regularly discuss milestones in relation to the Company's project development activities, and intend to incorporate performance-based incentives using the Equity Incentive Plan (if approved).

In order for the Company to achieve its growth objectives, attracting and retaining the right team members is critical. Having a considered compensation plan that attracts high performers and compensates them for continued achievements is a key component of this strategy. The Company's Named Executive Officers (as that term is defined below) will be invited to participate in the Equity Incentive Plan (if approved), driving retention and ownership. Communicating clear and concrete criteria for merit-based increases and bonuses will also motivate the entire team to achieve individual and corporate goals.

No risks arising from the Company's compensation policies and practices have been identified that are reasonably likely to have a material adverse effect on the Company. No NEOs (as that term is defined below) or directors are permitted to purchase financial instruments that are designated to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by a NEO or director.

### ***Elements of Compensation***

The Company's executive compensation consists primarily of two elements: (a) base salary; and (b) short-term, long-term and bonus incentives. The Company believes that providing competitive overall compensation enables the Company to attract and retain qualified executives.

### ***Stock Option Plans and Other Incentive Plans***

#### **Option Plan**

The Company currently has in place the Option Plan, which is a rolling 10% option plan. As of May 26, 2022, there were 4,593,332 Shares reserved for issuance under the Option Plan and 1,902,500 options outstanding under the Option Plan. The Board is responsible for administering the Option Plan. The Option Plan was approved by the Board on November 15, 2016 and adopted by the Company's shareholders on December 16, 2016. The Company has obtained shareholder approval of the Option Plan at each annual general meeting since adoption.

The purpose of the Option Plan is to: (a) provide directors, officers, consultants, and employees of the Company with additional incentive; (b) encourage stock ownership by such persons; (c) encourage such persons to remain with the Company; and (d) attract new directors, officers, consultants, and employees, among other purposes.

The Option Plan provides that the aggregate number of Common Shares that are at any one time reserved and set aside for issuance under the Option Plan cannot exceed 10% of the number of Common Shares issued and outstanding from time to time. As a result, any increase in the issued and outstanding Common Shares will result in an increase in the number of Common Shares that may be reserved and set aside for issuance under the Option Plan.



The number of Common Shares reserved for issue to any one person pursuant to the Option Plan may not exceed 5% of the issued and outstanding Common Shares at the date of such grant, unless the Company has obtained approval by a majority of the votes cast by the shareholders eligible to vote at a shareholders' meeting, excluding votes attaching to Common Shares beneficially owned by insiders and their associates. The number of Common Shares issuable to (a) any one consultant, or (b) all persons providing investor relations services, in any 12-month period, cannot exceed 2% of the issued and outstanding Common Shares.

Options granted under the Option Plan will have an exercise price of not less than the greater of the closing market price of the underlying securities on the CSE on (a) the trading day prior to the date of grant of the options, and (b) the date of grant of the options.

Subject to the requirements of the CSE, the vesting provisions, the terms and conditions of exercise and forfeiture of options granted under the Option Plan, and the expiry date for options granted under the Option Plan will be determined by the Board at the time of grant.

***If the shareholders adopt and approve the Equity Incentive Plan at the Meeting, no new options will be granted under the Option Plan, but all options that are outstanding under the Option Plan will remain subject to, and continue to be governed by, the Option Plan.***

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

Executive compensation is required to be disclosed for (i) each Chief Executive Officer (or individual who served in a similar capacity during the most recently completed financial year), (ii) each Chief Financial Officer (or individual who served in a similar capacity during the most recently completed financial year), (iii) the most highly compensated executive officer (other than the Chief Executive Officer and the Chief Financial Officer) at the end of the most recently completed fiscal year whose total compensation was more than \$150,000; and (iv) each individual who would meet the definition set forth in (iii) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year (the "Named Executive Officers" or "NEOs").

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

The following table sets forth all compensation paid or accrued, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company or any subsidiary thereof, to each Named Executive Officer and director of the Company, for each of the two most recently completed financial years ended December 31, 2021 and 2020.

<b>Table of compensation excluding compensation securities</b>							
<b>Name and position <sup>(1)</sup></b>	<b>Year</b>	<b>Salary, consulting fee, retainer or commission (\$)</b>	<b>Bonus (\$)</b>	<b>Committee or meeting fees (\$)<sup>(2)</sup></b>	<b>Value of perquisites (\$)<sup>(3)</sup></b>	<b>Value of all other compensation (\$)<sup>(4)</sup></b>	<b>Total compensation (\$)</b>
<b>David Stein<sup>(5)</sup></b> President, CEO and Director	2021	234,998	Nil	Nil	Nil	Nil	234,998
	2020	58,749	Nil	Nil	Nil	Nil	58,749
<b>Dale Peniuk</b> Director	2021	Nil	Nil	30,000	Nil	Nil	30,000
	2020	Nil	Nil	7,500	Nil	Nil	7,500

**Table of compensation excluding compensation securities**

Name and position <sup>(1)</sup>	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$) <sup>(2)</sup>	Value of perquisites (\$) <sup>(3)</sup>	Value of all other compensation (\$) <sup>(4)</sup>	Total compensation (\$)
<b>Maura Lendon</b> <sup>(6)</sup> Director and Chair of the Board	2021	Nil	Nil	34,022	Nil	Nil	34,022
	2020	Nil	Nil	6,825	Nil	Nil	6,825
<b>Andres Recalde</b> <sup>(7)</sup> Director	2021	Nil	Nil	25,000	Nil	Nil	25,000
	2020	Nil	Nil	6,250	Nil	Nil	6,250
<b>Annie Sismanian</b> <sup>(8)</sup> CFO	2021	107,423	Nil	Nil	Nil	Nil	107,423
	2020	-	-	-	-	-	-
<b>Christian Aramayo</b> <sup>(9)</sup> COO	2021	91,488	Nil	Nil	Nil	Nil	91,488
	2020	-	-	-	-	-	-
<b>Quinton Hennigh</b> <sup>(10)</sup> Former Director and Chair of the Board	2021	Nil	Nil	21,019	Nil	Nil	21,019
	2020	Nil	Nil	8,750	Nil	Nil	8,750
<b>Lesia Burianyk</b> <sup>(11)</sup> Former CFO	2021	25,875	Nil	Nil	Nil	Nil	25,875
	2020	48,500	Nil	Nil	Nil	Nil	48,500 <sup>(14)</sup>
<b>Tyson King</b> <sup>(12)</sup> Former Director, President and CEO	2021	84,000	-	-	-	-	84,000
	2020	119,000	Nil	Nil	Nil	Nil	119,000 <sup>(14)</sup>
<b>Gerald Shields</b> <sup>(13)</sup> Former Director	2021	-	-	-	-	-	-
	2020	Nil	Nil	Nil	Nil	Nil	Nil

**Notes:**

- (1) If an individual is an NEO and a director, both positions have been listed. Independent directors receive cash compensation and compensation securities for acting as directors, for serving as members of a committee of the Company, and for serving as Chair of a committee of the Company, as applicable.
- (2) Effective as of October 1, 2020, the Company pays its independent directors, the Chair of the Board, and the Chair of each committee of the Board a cash compensation retainer, not committee or meeting fees. The amounts noted in this column reflect the compensation paid from October 1, 2020 to December 31, 2020 and for the year ended December 31, 2021.
- (3) Includes perquisites provided to an NEO or director that are not generally available to all employees and that, in aggregate, are greater than (a) \$15,000, if the NEO or director's total compensation for the financial year is \$150,000 or less; (b) 10% of the NEO or director's salary for the financial year, if the NEO or director's total compensation for the financial year is greater than \$150,000 but less than \$500,000; (c) \$50,000, if the NEO or director's total for the financial year is \$500,000 or greater.
- (4) Includes other compensation, paid or payable, that equals or exceeds 25% of the total value of other compensation paid or payable to the director or Named Executive Officer, other than compensation securities.
- (5) Mr. Stein was appointed President, CEO, and a director of the Company on October 1, 2020.
- (6) Ms. Lendon was appointed to the Board on October 1, 2020. Ms. Lendon acted as Interim Chair of the Board from August 6, 2021 until she was appointed Chair of the Board on May 26, 2022.
- (7) Mr. Recalde was appointed to the Board on October 1, 2020.
- (8) Ms. Sismanian was appointed CFO of the Company on June 23, 2021.
- (9) Mr. Aramayo was appointed COO of the Company on August 5, 2021.
- (10) Mr. Hennigh was Executive Chair of the Board from April 10, 2019 until October 1, 2020, he was Chair of the Board from October 1, 2020 until he resigned from the Board on August 6, 2021.
- (11) Ms. Burianyk served as CFO of the Company from July 15, 2015 until she resigned on June 23, 2021.
- (12) Mr. King was President, CEO, and a director of the Company from April 10, 2019 until October 1, 2020, and he continues to serve the Company as VP, Corporate Development.
- (13) Mr. Shields resigned from the Board on October 1, 2020.

(14) Reflects total compensation received from August 1, 2019 through December 31, 2020 as the Company changed its year-end on October 1, 2020, from July 31 to December 31. During the year ended December 31, 2020, Ms. Burianyak earned \$36,000 and Mr. King \$84,000.

### External Management Companies

Please refer to “Employee Agreements, Termination and Change of Control Benefits” below for disclosure relating to any external management company employing, or retaining individuals acting as, any Named Executive Officers of the Company, or that provide Company’s executive management services and allocate compensation paid to any Named Executive Officer or director.

### Stock Options and Other Compensation Securities

The following table sets forth all compensation securities granted or issued by the Company, or any subsidiary thereof, to each director and Named Executive Officer, in the most recently completed financial year ended December 31, 2021, for services provided or to be provided, directly or indirectly, to the Company or any subsidiary thereof.

Compensation Securities							
Name and position	Type of Compensation security <sup>(1)</sup>	Number of compensation securities, number of underlying securities, and percentage of class <sup>(2)</sup>	Date of issue or grant	Issue, conversion or exercise price (\$) <sup>(3)</sup>	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
<b>David Stein</b> <sup>(4)</sup> President, CEO and Director	-	-	-	-	-	-	-
<b>Dale Peniuk</b> Director	Options	60,000 <sup>(11)</sup>	June 24, 2021	\$1.90	\$1.60	\$0.88	June 24, 2026
<b>Maura Lendon</b> <sup>(5)</sup> Director and Chair of the Board	Options	60,000 <sup>(11)</sup>	June 24, 2021	\$1.90	\$1.60	\$0.88	June 24, 2026
<b>Andres Recalde</b> <sup>(6)</sup> Director	Options	60,000 <sup>(11)</sup>	June 24, 2021	\$1.90	\$1.60	\$0.88	June 24, 2026
<b>Annie Sismanian</b> <sup>(7)</sup> CFO	Options	150,000 <sup>(11)</sup>	June 24, 2021	\$1.55	\$1.60	\$0.88	June 24, 2026
<b>Christian Aramayo</b> <sup>(8)</sup> COO	-	-	-	-	-	-	-
<b>Quinton Hennigh</b> <sup>(9)</sup> Former Director and Chair of the Board	Options	70,000 <sup>(11)</sup>	June 24, 2021	\$1.90	\$1.60	\$0.88	June 24, 2026
<b>Lesia Burianyak</b> <sup>(10)</sup> Former CFO	-	-	-	-	-	-	-

**Notes:**

(1) Each stock option is exercisable following vesting into one Common Share in the capital of the Company. The table above, combined with the information shown in *Particulars of Matters to be Acted Upon – Election of Directors*, is reflective of the total amount of compensation securities, and the underlying securities issuable on exercise thereof, held by each NEO or director on the last day of the most recently completed financial year, being December 31, 2021.

- (2) All compensation securities issued to directors and NEOs are subject to a four-month resale restriction hold period expiring four months and one day from the date of issuance, unless such hold period is waived by the CSE.
- (3) Unless otherwise indicated, no compensation security has been re-priced, cancelled, or replaced, or had its term extended, or otherwise been materially modified, in the most recently completed financial year.
- (4) Mr. Stein was appointed President, CEO, and a director of the Company on October 1, 2020.
- (5) Ms. Lendon was appointed to the Board on October 1, 2020. Ms. Lendon acted as Interim Chair of the Board from August 6, 2021 until she was appointed Chair of the Board on May 26, 2022.
- (6) Mr. Recalde was appointed to the Board on October 1, 2020.
- (7) Ms. Sismanian was appointed CFO of the Company on June 23, 2021.
- (8) Mr. Aramayo was appointed COO of the Company on August 5, 2021.
- (9) Mr. Hennigh was Executive Chair of the Board from April 10, 2019 until October 1, 2020, he was Chair of the Board from October 1, 2020 until he resigned from the Board on August 6, 2021.
- (10) Ms. Burianyk served as CFO of the Company from July 15, 2015 until she resigned on June 23, 2021.
- (11) The options are subject to vesting provisions, with 1/3 vesting on date of grant and 1/3 vesting every year thereafter.

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

The following table sets forth each exercise by a director or Named Executive Officer of compensation securities during the recently completed financial year ended December 31, 2021.

<b>Exercise of Compensation Securities by Directors and NEOs</b>							
<b>Name and Position</b>	<b>Type of compensation Security</b>	<b>Number of underlying securities exercised</b>	<b>Exercise price per security (\$)</b>	<b>Date of exercise</b>	<b>Closing price of security or underlying security on date of exercise (\$)</b>	<b>Difference between exercise price and closing price on date of exercise (\$)</b>	<b>Total value on exercise date<sup>(1)</sup></b>
<b>Quinton Hennigh<sup>(2)</sup></b> Former Director and Chair of the Board	Options	100,000	\$0.90	October 29, 2021	\$1.42	\$0.52	\$52,000

Notes:

- (1) For the purposes of this column, the number in the column entitled "Number of underlying securities exercised" is multiplied by the number in the column entitled "Difference between exercise price and closing price on date of exercise."
- (2) Mr. Hennigh was Executive Chair of the Board from April 10, 2019 until October 1, 2020, he was Chair of the Board from October 1, 2020 until he resigned from the Board on August 6, 2021.

### ***Pension Plans Benefits***

The Company does not currently have any pension plans.

### ***Employee Agreements, Termination and Change of Control Benefits***

#### ***Compensation of Mr. David Stein, President and Chief Executive Officer***

On January 1, 2021, the Company and Mr. David Stein entered into an executive employment agreement in respect of Mr. Stein's services as President and Chief Executive Officer, which superseded and replaced the consulting agreement dated October 1, 2020 (the "**Stein Agreement**"). Pursuant to the Stein Agreement, Mr. Stein is entitled to a base salary of \$235,000, and he is eligible for equity-based compensation, bonus and incentive compensation, and benefits.

Mr. Stein may terminate his employment by providing the Company with 90 days' prior written notice, which the Company may waive and elect to pay Mr. Stein up to and including his date of resignation. The Company may terminate Mr. Stein's employment without cause by providing written notice of termination, pay in lieu of notice, or

any combination thereof, equal to 24 months' notice. The Company may terminate the Stein Agreement for cause without notice of termination, pay in lieu of notice or severance pay at any time. In the event of a change in control, as outlined in the Stein Agreement, and if at any time within 12 months of such event taking place, Mr. Stein is (i) terminated without cause or (ii) elects to resign due to a change as outlined in the Stein Agreement, then the Company will be deemed to have terminated Mr. Stein and trigger the compensation payable as if Mr. Stein had been terminated without cause. Upon termination of employment for any reason, Mr. Stein is to immediately resign as an officer and director of the Company and any of its affiliates.

#### ***Compensation of Mr. Christian Aramayo, Chief Operating Officer***

On August 8, 2021, the Company and Mr. Christian Aramayo entered into an executive employment agreement in respect of Mr. Aramayo's services as Chief Operating Officer (the "**Aramayo Agreement**"). Pursuant to the Aramayo Agreement, Mr. Aramayo is entitled to a base salary of USD\$180,000, and he is eligible for equity-based compensation, bonus and incentive compensation, and benefits.

Mr. Aramayo may terminate his employment by providing the Company with 60 days' prior written notice, which the Company may waive and elect to pay Mr. Aramayo up to and including his date of resignation. The Company may terminate Mr. Aramayo's employment without cause by providing written notice of termination, pay in lieu of notice, or any combination thereof, equal to (i) 12 months' notice during the first year of service; plus (ii) an additional month's notice for every completed year of service thereafter, subject to a maximum entitlement of 24 months. The Company may terminate the Aramayo Agreement for cause without notice of termination, pay in lieu of notice, or severance pay at any time. In the event of a change in control, as outlined in the Aramayo Agreement, and if at any time within 12 months of such event taking place, Mr. Aramayo is (i) terminated without cause or (ii) elects to resign due to a change as outlined in the Aramayo Agreement, then the Company will be deemed to have terminated Mr. Aramayo and trigger the compensation payable as if Mr. Aramayo had been terminated without cause. Upon termination of employment for any reason, Mr. Aramayo is to immediately resign as an officer of the Company and any of its affiliates.

#### ***Compensation of Ms. Annie Sismanian, Chief Financial Officer***

On June 8, 2021, the Company and Ms. Annie Sismanian entered into an executive employment agreement in respect of Ms. Sismanian's services as Chief Financial Officer (the "**Sismanian Agreement**"). Pursuant to the Sismanian Agreement, Ms. Sismanian is entitled to a base salary of \$210,000, and she is eligible for equity-based compensation, bonus and incentive compensation, and benefits.

Ms. Sismanian may terminate her employment by providing the Company with 60 days' prior written notice, which the Company may waive and elect to pay Ms. Sismanian up to and including her date of resignation. The Company may terminate Ms. Sismanian's employment without cause by providing written notice of termination, pay in lieu of notice, or any combination thereof, equal to (i) 12 months' notice during the first year of service; plus (ii) an additional 1 months' notice for every contemplated year of service thereafter, subject to a maximum entitlement of 24 months. The Company may terminate the Sismanian Agreement for cause without notice of termination, pay in lieu of notice, or severance pay at any time. In the event of a change in control, as outlined in the Sismanian Agreement, and if at any time within 12 months of such event taking place, Ms. Sismanian is (i) terminated without cause or (ii) elects to resign due to a change as outlined in the Sismanian Agreement, then the Company will be deemed to have terminated Ms. Sismanian and trigger the compensation payable as if Ms. Sismanian had been terminated without cause. Upon termination of employment for any reason, Ms. Sismanian is to immediately resign as an officer of the Company and any of its affiliates.

#### ***Compensation of Ms. Lesia Burianyak, Former Chief Financial Officer***

On October 1, 2020, the Company and Ms. Burianyak entered into a management services agreement in respect of Ms. Burianyak's services as Chief Financial Officer, which was amended in June 2021 in connection with her resignation as Chief Financial Officer on June 23, 2021 (the "**Burianyak Agreement**"). Ms. Burianyak continues to serve

the Company as Finance Director. Pursuant to the Burianyk Agreement, Ms. Burianyk is entitled to a base salary of \$54,000 and eligible for equity-based compensation.

Ms. Burianyk may terminate the Burianyk Agreement by delivery of 3 months' prior written notice of termination to the Company, in which event the Company may then elect to terminate the Burianyk Agreement at any time prior to the expiry of the 3-month notice period without further compensation. The Company is entitled to terminate the Burianyk Agreement without cause by paying the sum of (a) Ms. Burianyk's salary plus (b) one-twelfth of her salary for each full year in which Ms. Burianyk provided services, due on or before the 10<sup>th</sup> business day following the date of termination stipulated in the notice. In addition, subject to compliance with applicable securities regulations and CSE policies, the Company will permit any vested options to purchase Common Shares to be exercisable for the earlier of 6 months after termination, or the expiry of their original term. The Company may terminate the Burianyk Agreement for cause without any payment in lieu of notice.

With exception to the payments or benefits referenced above, the employment agreements that the Company has entered into with its NEOs do not provide for any payments or benefits in the event of a change in control of the Company.

### ***Directors' Compensation***

The only arrangements that the Company has pursuant to which certain directors (i.e., other than the Chief Executive Officer and President) are compensated by the Company for their services in their capacity as directors, or for committee participation, involvement in special assignments, or for services as consultant or expert during the most recently completed financial year or subsequently, are by the issuance of incentive stock options pursuant to the Option Plan as well as stipulated fees for directors and committee chairs. All independent directors are entitled to receive compensation comprised of an annual fee of \$25,000 in cash, paid quarterly, and equity-based compensation on an annual basis following the Company's annual general meeting, in accordance with the policies of the Option Plan and the requirements of applicable securities regulatory authorities and the CSE. In addition, the Chair of the Board receives a cash fee of \$10,000, and the independent Chairs of each committee of the Board are entitled to an annual fee of \$5,000, paid quarterly. The purpose of this compensation structure is to assist the Company in attracting, retaining, and motivating the directors of the Company, and to closely align the personal interests of such persons to those of the shareholders.

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

The following table sets out information as at the end of the Company's most recently completed financial year ended December 31, 2021 with respect to the Option Plan, which as at the date of this Information Circular is the only compensation plan under which equity securities of the Company are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants, and rights (a)	Weighted-average exercise price of outstanding options, warrants, and rights (b)	Number of securities remaining available for future issuance under equity compensation plans, excluding securities reflected in column (a) (c)
Equity compensation plans approved by securityholders	1,542,500	\$1.59	2,985,498 <sup>(1)(2)</sup>
Equity compensation plans not approved by securityholders	-	-	-
Total	1,542,500	\$1.59	2,985,498 <sup>(1)(2)</sup>

**Notes:**

1. The Option Plan provides that the aggregate number of securities reserved for issuance under the Option Plan may not exceed 10% of the issued and outstanding shares of the Company at the time of granting of options thereunder.
2. As at May 26, 2022, there were 45,933,315 Common Shares issued and outstanding, and 1,902,500 outstanding options under the Option Plan, with the result that 2,690,832 compensation securities were available to the Company to be granted.

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

No current or former director, executive officer, or employee of the Company or any of its subsidiaries is, as at the date of this Information Circular, indebted to the Company in connection with the purchase of Shares or for any other reason, and no such person's indebtedness to any other entity is the subject of a guarantee, support agreement, or understanding provided by the Company or any of its subsidiaries.

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

The Company is not aware of any of the directors or executive officers of the Company at any time since January 1, 2021, any proposed nominee for election as a director of the Company, or any associate or affiliate of any of these persons, having any material interest, direct or indirect, in the matters to be acted upon at the Meeting, other than the election of directors or appointment of auditors, by way of beneficial ownership of securities or otherwise.

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

Except as set out below, to the best of the Company's knowledge, since the commencement of the Company's most recently completed financial year, no informed person of the Company, proposed nominee for director, or any associate or affiliate of an informed person or proposed nominee, had any material interest, direct or indirect, in any transaction or any proposed transaction that has materially affected or would materially affect the Company or any of its subsidiaries. For the purposes of this Information Circular, an "informed person" of the Company means: (a) a director or executive officer of the Company; (b) a director or executive officer of a person or Company that is itself an informed person or subsidiary of the Company; (c) any person or Company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company or a combination of both carrying more than 10% of the voting rights other than voting securities held by the person or Company as underwriter in the course of a distribution; and (d) the Company itself, if and for so long as it has purchased, redeemed or otherwise acquired any of its Shares.

The Company has in the past engaged and continues to engage SICG S.A.C. ("**SICG**"), a Peruvian consulting firm, to provide strategic advice in relation to the Company's interests in Peru and perform project management, engineering, and related services for the Company's Bethania Silver Project. Christian Aramayo, the COO of the Company, is also a director and minority shareholder of SICG, and Mr. Aramayo's father, Hector Aramayo, is the founder and principal of SICG. Mr. Aramayo has disclosed his interest in the SICG engagements to the Board, as required by the BCBCA and the Code. See "*Ethical Business Conduct*" above.

### **MANAGEMENT CONTRACTS**

Except as otherwise disclosed in this Information Circular, management functions of the Company are generally performed by directors and senior officers of the Company and not, to any substantial degree, by any other person with whom the Company has contracted.

### **OTHER MATTERS**

Management of the Company is not aware of any other matters that will be brought before the Meeting other than those set forth in the Notice of Meeting. Should any other matters properly come before the Meeting, the Shares

represented by the proxies solicited hereby will be voted on those matters in accordance with the best judgement of the persons voting such proxies.

#### **REGISTRAR AND TRANSFER AGENT**

Computershare Trust Company, at 3<sup>rd</sup> floor, 510 Burrard Street, Vancouver, BC, V6C 3B9, is the registrar and transfer agent for the Shares.

#### **ADDITIONAL INFORMATION AND AVAILABILITY OF DOCUMENTS**

The Company will provide to any person or company, upon request, one copy of any of the following documents:

- (a) the annual financial statements of the Company for the most recently completed fiscal year, together with the report of the auditor thereon, together with the management's discussion and analysis in respect thereof, and any interim financial statements of the Company subsequent to the financial statements for the Company's most recently completed fiscal year, together with the management's discussion and analysis in respect thereof; and
- (b) the management information circular of the Company in respect of the most recent annual meeting of shareholders of the Company that involved the election of directors.

Copies of the above documents will be provided, upon request, by the Company by request to [lhodges@benchmarkgovernance.com](mailto:lhodges@benchmarkgovernance.com), free of charge to shareholders of the Company. The Company may require the payment of a reasonable charge from any person who is not a shareholder of the Company and who requests a copy of any such document. Financial information relating to the Company is provided in the Company's financial statements and management's discussion and analysis for its most recently completed fiscal year. Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com).

#### **MULTIPLE SHAREHOLDERS SHARING THE SAME ADDRESS**

Recent changes in the regulations regarding the delivery of copies of proxy materials to shareholders permit the Company and brokerage firms to send copy of the Meeting materials to multiple shareholders who share the same address, under certain circumstances. Shareholders who hold their Shares through a broker may have consented to reducing the number of copies of materials delivered to their address. In the event that a shareholder wishes to revoke such a consent previously provided to a broker, the shareholder must contact the broker to revoke the consent. In any event, if a shareholder wishes to receive a separate Information Circular and accompanying materials for the Meeting, the shareholder may receive copies by contacting the Company via email at [lhodges@benchmarkgovernance.com](mailto:lhodges@benchmarkgovernance.com). Shareholders receiving multiple copies of these documents at the same address can request delivery of a single copy of these documents by contacting the Company in the same manner. Persons holding Shares through a broker can request a single copy by contacting the broker.



**BOARD OF DIRECTORS APPROVAL**

The undersigned hereby certifies that the contents and sending of this Information Circular to the shareholders of the Company have been approved by the Board.

DATED at Toronto, Ontario, this 26<sup>th</sup> day of May 2022.

BY ORDER OF THE BOARD OF DIRECTORS

*"/s/ David Stein"* \_\_\_\_\_

David Stein

Director, President and Chief Executive Officer

**APPENDIX "A"**  
**EQUITY INCENTIVE PLAN**

## KUYA SILVER CORPORATION

### EQUITY INCENTIVE PLAN

#### 1. Purpose of this Plan

This Equity Incentive Plan (the “**Plan**”) provides for the grant of Options and Awards (as those terms are defined below) that enable the acquisition of common shares of Kuya Silver Corporation (the “**Company**”) by Participants for the purpose of advancing the interests of the Company through the motivation, attraction, and retention of key officers, directors, employees (including prospective employees), and consultants of the Company and the Designated Affiliates, and to obtain for the Company and the shareholders of the Company the benefits inherent in the ownership of Common Shares by key officers, directors, employees, and consultants of the Company and its Designated Affiliates, it being generally recognized that share incentive plans can aid in attracting, retaining, and encouraging officers, directors, employees, and consultants due to the opportunity offered to them to acquire a proprietary interest in the Company. This Plan replaces the 2016 Stock Option Plan of the Company (the “**Original Plan**”); provided, however, that all options granted under the Original Plan that are outstanding on the date of this Plan (“**Old Options**”) shall remain subject to, and continue to be governed by, the Original Plan, for as long thereafter as any Old Options remain outstanding.

#### 2. Definitions

Unless otherwise defined herein, the following terms used in this Plan have the meaning given to them below:

“**Affiliate**” means the following:

- (a) a corporation is an affiliate of another corporation if:
  - (i) one of them is the Subsidiary of the other; or
  - (ii) each of them is controlled by the same person.
- (b) In addition, a corporation is “controlled” by a person if:
  - (i) voting shares of the corporation are held, directly or indirectly, other than by way of security only, by or for the benefit of that person; and
  - (ii) the voting shares, if voted, entitle the person to elect a majority of the directors to the corporation;

“**Associate**” has the meaning given to it in the *Securities Act* (British Columbia), as amended from time to time;

“**Award**” means an award (other than an Option) made pursuant to this Plan, as provided in Section 4;

**“Award Agreement”** means a written document by which each Award is evidenced, containing such terms and conditions as the Committee in its discretion deems appropriate;

**“Award Period”** means the period during which any Award may be settled (provided, however, that the Award Period may not exceed five years from the relevant Date of Grant);

**“Blackout Period”** means any period during which a Participant cannot trade securities of the Company pursuant to the Company’s policy respecting restrictions on trading which is in effect at that time (which, for greater certainty, does not include the period during which a cease trade order is in effect to which the Company, or in respect of an Insider, that Insider, is subject);

**“Blackout Period Expiry Date”** means the date on which a Blackout Period expires;

**“Board”** and **“Board of Directors”** mean the board of directors of the Company;

**“Business Day”** means a day, other than a Saturday or Sunday, on which commercial banks in Toronto, Ontario are authorized or required by law to close;

**“Code”** means the United States *Internal Revenue Code of 1986*, as amended from time to time;

**“Committee”** means the committee appointed by the Board of Directors to administer this Plan. All references in this Plan to the Committee means the Board of Directors, if no such committee has been appointed;

**“Common Shares”** means the common shares of the Company, or in the event of an adjustment contemplated in Section 11, such other shares to which a Participant may be entitled as a result of such adjustment;

**“Consultant”** means a person, other than an Eligible Director or Eligible Employee, that:

- (a) is engaged to provide ongoing consulting, technical, management, advisory, or other services on a *bona fide* basis to the Company or a Subsidiary of the Company under a Consulting Contract; and
- (b) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or a Subsidiary of the Company;

and includes an individual who provides or will provide the applicable services as an employee of the person that is a party to the Consulting Contract with the Company or a Subsidiary of the Company, or who is a shareholder, partner, director, or executive officer of that person;

**“Consulting Contract”** means a written contract between a Consultant (or a company, partnership, or other person of which an individual Consultant is an employee, shareholder, partner, director, or executive officer) and the Company or a Subsidiary of the Company, governing the performance of the Consultant’s services for the Company or a Subsidiary of the Company;

**“Company”** means Kuya Silver Corporation, any successor to it, and where the context so requires, any Affiliate or Subsidiary of Kuya Silver Corporation;

**“Date of Grant”** means the date a Participant is granted an Option or Award;

**“Designated Affiliate”** means any Affiliate of the Company designated by the Committee for purposes of this Plan from time to time;

**“Director”** means a director of the Company from time to time, or a director of any Designated Affiliate from time to time;

**“Disability”** for purposes of this Plan means permanent and total disability, as determined in the sole discretion of the Committee;

**“Eligible Director”** means a Director, or a Director of any Designated Affiliate, who is not an Eligible Employee;

**“Eligible Employee”** means:

- (a) an individual who works full-time for the Company or any Designated Affiliate providing services normally provided by an employee, who is subject to the same control and direction by the Company or any Designated Affiliate over the details and methods of work as an employee of the Company or any Designated Affiliate;
- (b) an individual who works for the Company or any Designated Affiliate thereof on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee, who is subject to the same control and direction by the Company or any Designated Affiliate over the details and methods of work as an employee of the Company or any Designated Affiliate; or
- (c) an individual who, with respect to the Company or any Designated Affiliate, would be an employee at common law.

**“Employment Contract”** a written contract between the Company or any Designated Affiliate and any Eligible Employee or Eligible Director relating to, or entered into in connection with, the employment or departure of the Eligible Employee or the appointment or election of the Eligible Director, or any other written agreement to which the Company or a Designated Affiliate is a party with respect to the rights of such Participant in respect of a change in control of the Company, or the termination of employment, appointment, or election of such Participant;

**“ESL”** means the employment standards legislation, as amended or replaced, applicable to a Participant who is (or, where context requires, was) an employee of the Company or a Designated Affiliate or an employee of a person or company engaged to provide ongoing management or consulting services for the Company or a Designated Affiliate;

**“Exercise Price”** means the price at which a Participant may purchase Option Shares as fixed by the Committee pursuant to section 8(d);

**“Fair Market Value”** means, with respect to a Common Share on any particular date, the closing price of a Common Share on the Stock Exchange;

**“In-the-Money Amount”** means, with respect to an Option on any particular date, the amount, if any, by which the Fair Market Value of a Common Share exceeds the Exercise Price of such Option;

**“Insider”** means:

- (a) an insider of the Company as defined in the *Securities Act* (British Columbia), as amended from time to time, other than a person who falls within such definition solely by virtue of being a Director or senior officer of a Subsidiary of the Company; or
- (b) an Associate of any person who is an insider by virtue of clause (a) of this definition;

**“Market Price”** of a Common Share on any particular date means:

- (a) if the Common Shares are listed and posted for trading on the Stock Exchange, the volume-weighted average trading price of a Common Share for the five trading days immediately preceding the particular date;
- (b) if the Common Shares are not listed and posted for trading on the Stock Exchange but are listed and posted for trading on another established securities market, the volume-weighted average trading price of a Common Share for the five trading days immediately preceding the particular date; or
- (c) if Common Shares are not readily tradable on any established securities market, the fair market value of a Common Share as determined by the Committee;

*provided however*, that in the case of a determination pursuant to paragraph (c), the Committee shall determine the fair market value of a Common Share in accordance with applicable law (including but not limited to Treas. Reg Section 1.409A-1(b)(5)(iv)(B) of the Code);

**“Old Options”** has the meaning provided in Section 1 hereof;

**“Option”** means a non-assignable, non-transferable right to purchase Common Shares;

**“Option Agreement”** means a written document by which each Option is evidenced, containing such terms and conditions as the Committee in its discretion deems appropriate;

**“Option Period”** means the period during which a Participant may purchase Option Shares (provided, however, that the Option Period may not exceed five years from the relevant Date of Grant);

**“Option Shares”** means the Common Shares that a Participant is entitled to purchase pursuant to Options, subject to compliance with applicable provisions of this Plan, including but not limited to Sections 8 and 10;

**“Original Plan”** has the meaning provided in Section 1 hereof;

**“Outside Director”** means a Director who is independent (within the meaning of National Instrument 58-101 – *Disclosure of Corporate Governance Practices*) with respect to the Company;

**“Participant”** means, except where specified herein, each Eligible Director, Eligible Employee, and Consultant;

**“Participant’s Employer”** means the Company or Designated Affiliate, as applicable, that employs the Participant or, in the case of a Participant that has ceased to be employed, that employed the Participant immediately prior to such cessation;

**“Plan”** means this Share Incentive Plan, as amended from time to time;

**“Service Year”** means the year of service of the Participant in respect of which an Award is being granted;

**“Share Compensation Arrangement”** means a stock option, stock option plan (including but not limited to the Original Plan), or any other compensation or incentive mechanism involving the issue or potential issue of securities of the Company to one or more Participants, including a share purchase from treasury which is financially assisted by the Company by way of a loan, guaranty, or otherwise;

**“Share Unit Settlement Date”** means the date on which Common Shares or cash is transferred to a Participant in settlement of an award of restricted share units or performance share units. The Share Unit Settlement Date in respect of restricted share units or performance share units in respect of which the Committee may elect to settle in cash shall not extend beyond December 31 of the third year following the Service Year. Restricted share units and performance share units granted to U.S. taxpayers are intended to be exempt from Section 409A of the Code as short-term deferrals and the Share Unit Settlement Date for such Awards shall be no later than March 15 of the year following the year in which the Vesting Date occurs;

**“Stock Exchange”** means the Canadian Securities Exchange;

**“Subsidiary”** has the meaning given to it in the *Securities Act* (British Columbia), as amended from time to time;

**“Termination Date”** means the earliest of the following, as applicable:

- (a) in the case of an Eligible Employee whose employment terminates (regardless of whether the termination is lawful or unlawful, with or without cause, and whether it is the Participant or the Participant’s Employer that initiates the termination), the later of:
  - (i) if and only to the extent required to comply with the minimum standards of the ESL, the last day of the applicable minimum statutory notice period applicable to the Participant pursuant to the ESL, if any; and

- (ii) the date that is designated by the Participant's Employer, as the last day of the Participant's employment or term of office with the Participant's Employer provided that in the case of the Participant's resignation, such date shall not be earlier than the date notice of resignation was given;

and in the case of either (i) or (ii), without regard to any applicable period of reasonable notice or contractual notice to which the Participant may claim to be entitled under common law, civil law or pursuant to contract in respect of a period which follows the last day that the Participant actually and actively provides services to the Participant's Employer as specified in the notice of termination provided by the Participant's Employer;

- (b) in the case of a Consultant, the date that is designated, if any, by the Company or a Designated Affiliate as the date on which the consulting engagement of the Participant is terminated, provided that in the case of voluntary termination by the Participant of the consulting engagement, such date shall not be earlier than the date that notice of voluntary termination was given, and in any case, without regard to any applicable period of reasonable notice or contractual notice to which the Participant may claim to be entitled under common law, civil law, or pursuant to contract in respect of a period which follows the last day that the Participant actually and actively provides services to the Company or the Designated Affiliate as specified in the notice of termination;
- (c) in the case of a Director whose service with the Company or a Designated Affiliate terminates, the date that is designated by the Company or the Designated Affiliate as the date on which the Participant's service is terminated, provided that in the case of resignation by the Participant, such date shall not be earlier than the date notice of resignation was given; or
- (d) in the event that a Participant's death occurs prior to the date determined pursuant to (a), (b) or (c) above, the date of death.

For the avoidance of any doubt, the parties intend to displace any presumption that the Participant is entitled to reasonable notice of termination under common law or civil law in connection with this Plan.

**"Vesting Date"** means the date or dates set out in an Award Agreement on which an Award will vest, or such earlier date as is provided for in this Plan or determined by the Committee.

### **3. Eligibility**

Options and Awards shall be granted only to bona fide Participants. Participation in this Plan shall be limited to Participants who are designated from time to time by the Committee. Participation shall be voluntary, and the extent to which any Participant shall be entitled to participate in this Plan shall be determined by the Committee.



#### **4. Types of Awards Under Plan**

Subject to Stock Exchange approval, if required, grants under this Plan may be made in the form of Options or Awards, which Awards may include the following: (i) restricted share units, or (ii) performance share units.

#### **5. Number of Common Shares Available for Options and Awards**

- (a) The maximum number of Common Shares that may be issued pursuant to Options and Awards under this Plan shall be determined from time to time by the Committee, but in any case, shall not (together with any other Share Compensation Arrangement adopted by the Company) in the aggregate exceed 10% of the outstanding Common Shares from time to time. As a result, should the Company issue additional Common Shares in the future, the number of Common Shares issuable under this Plan will increase accordingly. This Plan is considered an “evergreen” plan, since the Common Shares that may be issued pursuant to this Plan will increase as the number of issued and outstanding Common Shares of the Company increases.
- (b) Limits with respect to Insiders:
  - (i) the aggregate number of Common Shares that may be issued pursuant to Options and Awards under this Plan (together with any other Share Compensation Arrangement adopted by the Company) to Insiders shall not exceed 10% of the outstanding Common Shares from time to time; and
  - (ii) Insiders shall not be issued, pursuant to this Plan and any other Share Compensation Arrangement adopted by the Company, within any one-year period, a number of Common Shares that exceeds 10% of the outstanding Common Shares from time to time.
- (c) The number of Common Shares that may be issued pursuant to Options and Awards under this Plan (together with any other Share Compensation Arrangement adopted by the Company) as compensation to persons performing Investor Relations Activities (as that term is defined by the Stock Exchange) for the Company shall not exceed 1% of the outstanding number of Common Shares in any one-year period.

For purposes of this Section 5, the number of outstanding Common Shares from time to time shall mean the number of Common Shares outstanding on a non-diluted basis immediately prior to the proposed grant of the applicable Option or Award.

#### **6. Agreements Evidencing Awards and Options**

Each Award or Option granted under this Plan shall be evidenced by an Award Agreement or Option Agreement, as applicable. The Committee may grant Awards and Options in tandem with, or subject to, pre-clearance with the Stock Exchange, if required, or in substitution for any other Award or Option granted under this Plan. By accepting an Award or Option granted under this Plan, a Participant thereby agrees that the Award or Option shall be subject to all of the terms and conditions of this Plan and the applicable Award Agreement or Option Agreement. In the case of a conflict between the terms of this

Plan and any Award Agreement or Option Agreement, the terms of this Plan shall prevail to the extent required to resolve the conflict.

## **7. No Rights as a Shareholder**

No Participant shall have any of the rights of a shareholder of the Company with respect to any Common Shares subject to any Award or Option until such Common Shares are issued to the Participant; provided, however, that a Participant who exercises an Option pursuant to Section 8(f) shall have the rights of a shareholder with respect to the applicable Common Shares upon the issuance of Option Shares, subject to Section 8(i). Except as otherwise provided in Section 11, no adjustments shall be made for dividends, distributions, or other rights (whether ordinary or extraordinary, and whether in cash, securities, or other property) for which the record date is prior to the date such Common Shares are issued.

## **OPTIONS**

### **8. Options, Exercise Price, Vesting, Payment, and Termination**

- (a) Options may be granted to Eligible Directors, Eligible Employees, and Consultants.
- (b) The Committee shall advise each Participant of the number of Option Shares that such Participant is entitled to purchase, the Exercise Price, the Option Period (which may not exceed five years from the relevant Date of Grant), and the vesting schedule, if any.
- (c) Each Option granted to a Participant shall be evidenced by an Option Agreement setting out terms and conditions consistent with the provisions of this Plan, which terms and conditions need not be the same in each case, and which terms and conditions may be changed from time to time.
- (d) The Committee shall fix the Exercise Price in its discretion at the time the Option is granted, provided that the Exercise Price shall not be less than the greater of the Fair Market Value on (i) the trading day prior to the Date of Grant and (ii) the Date of Grant.
- (e) At the time of grant, the Committee may determine when an Option will become exercisable and may determine that the Option shall be exercisable in instalments, on such terms as to vesting or otherwise as the Committee deems advisable, subject to the rules of the Stock Exchange. Unless otherwise set out in the Participant's Option Agreement or determined by the Committee, Options will vest, as to one third of the Options granted, on each of the Date of Grant and the first and second anniversaries of the Date of Grant, provided that the Participant's Termination Date does not occur prior to the applicable vesting date.
- (f) A Participant may from time to time, and at any time during the Option Period, elect to exercise all or a portion of the Option which such Participant is then entitled to exercise, by delivering to the Company at its registered office, a notice in writing specifying the number of Option Shares that the Participant desires to purchase, accompanied by payment in full of the Exercise Price for such Option Shares. The Exercise Price may be satisfied:

- (i) by payment in cash, certified cheque, bank draft, or money order, payable to the order of the Company;
- (ii) if permitted by the Committee, by means of surrendering all or a portion of a vested Option to the Company for cancellation in consideration for the issuance of such number of Common Shares having an aggregate Fair Market Value equal to the In-the-Money Amount, rounded down to the nearest whole number; or
- (iii) any combination thereof.

The Committee may otherwise determine acceptable methods to exercise an Option as it deems appropriate. The Company's obligation to issue Option Shares following satisfaction of the Exercise Price is subject to, among other things, the Participant's compliance with Section 10.

- (g) A vested Option may be exercised by the Participant in whole at any time, or in part from time to time, during the Option Period, except as otherwise specifically provided in any Employment Contract or in Section 21 of this Plan.
- (h) Notwithstanding the expiration provisions hereof, unless the delayed expiration would result in tax penalties to the Participant, the expiration date of an Option will be the date fixed by the Board with respect to such Option, unless such expiration date falls within a Blackout Period or within nine Business Days after a Blackout Period Expiry Date, in which case the expiration date of the Option will be the date which is ten Business Days after the Blackout Period Expiry Date. Notwithstanding anything else herein contained, the period of ten Business Days referred to in this Section 8(h) may not be extended by the Board.
- (i) The obligation of the Company to issue and deliver any Option Shares shall be subject to any necessary approval of the Stock Exchange or any other stock exchange or regulatory authority having jurisdiction over the securities of the Company. If any Common Shares cannot be issued to any Participant following exercise of any Option by reason of failure to obtain any such approval, the exercise shall be rescinded, the obligation of the Company to issue such Common Shares with respect to such exercise shall terminate, and any Exercise Price paid to the Company (and any amount paid by the Participant pursuant to Section 10) in respect of the exercise of such Option shall be returned to the Participant, subject to the Participant's continuing right to exercise such Option until the termination thereof pursuant to this Plan.

#### **AWARDS OTHER THAN OPTIONS**

##### **9. Other Awards, Vesting, etc.**

- (a) Awards may be granted to Eligible Directors, Eligible Employees, and Consultants. The Committee shall advise each Participant of the type and number of Awards that such Participant is entitled to, the terms of such Award, including the Award Period (which may

not exceed five years from the relevant Date of Grant) and the vesting schedule, if applicable, of such Award.

- (b) Each Award granted to a Participant shall be evidenced by an Award Agreement setting out terms and conditions consistent with the provisions of this Plan, which terms and conditions need not be the same in each case, and which terms and conditions may be changed from time to time.

(i) Restricted Share Units

The Committee may grant Awards of restricted share units to Participants in such amounts and subject to such terms and conditions as the Committee shall determine in its discretion. A Participant who is granted a restricted share unit will have only the rights of a general unsecured creditor of the Company. On or after the Vesting Date, each restricted share unit not previously forfeited under the terms of this Plan or the applicable Award Agreement shall be settled on or before the Share Unit Settlement Date by, in the Committee's sole discretion, (i) the issuance to the Participant of the number of fully paid and non-assessable Common Shares equal to the number of vested restricted share units, (ii) a cash payment equal to the number of vested restricted share units multiplied by the Market Price on the Vesting Date, or (iii) a combination of (i) and (ii). The settlement of any restricted share unit is subject to, among other things, the Participant's compliance with Section 10.

(ii) Performance Share Units

The Committee may grant Awards to Participants, other than Eligible Directors, in the form of performance share units, which shall vest in accordance with the following formula:

$$\text{Number of vested performance share units} = [\text{Multiplier \%}] \times \text{Number of performance share units under the Award Agreement.}$$

The multiplier that is applied to an Award shall be not less than 0% and not more than 200% and shall be determined by the Committee on or prior to the Vesting Date, based on the performance criteria set out in the Award Agreement, which may include, without limitation:

- (A) the Market Price of Common Shares;
- (B) the total return to shareholders of the Company, with or without reference to the Company's competitors;
- (C) the financial performance or results of the Company, or a business unit thereof;

- (D) other performance criteria relating to the Company, or a business unit thereof;
- (E) other performance criteria relating to the Participant;
- (F) any other performance criteria set out in the applicable Award Agreement; and
- (G) any other performance criteria the Committee may in its discretion determine.

Each performance share unit that vests to a Participant in accordance with this Plan shall have a value equal to one Common Share. On or after the Vesting Date, each performance share unit not previously forfeited under the terms of the applicable Award Agreement shall be settled on or prior to the Share Unit Settlement Date by, in the Committee's sole discretion, (i) the issuance to the Participant of the number of fully paid and non-assessable Common Shares equal to the number of vested performance share units, (ii) a cash payment equal to the number of vested performance share units multiplied by the Market Price on the Vesting Date, or (iii) a combination of (i) and (ii). The settlement of any performance share unit is subject to, among other things, the Participant's compliance with Section 10.

- (iii) Vesting of restricted share units and performance share units

Notwithstanding anything contained in this Plan, all restricted share units or performance share units granted hereunder shall not form part of a Participant's ordinary salary or wages received by such Participant in respect of his, her, or their services as an employee, if applicable, except as may be required pursuant to ESL.

Among other things, the Award Agreement in respect of an Award for restricted share units or performance share units shall specify:

- (A) the Service Year; and
- (B) the Vesting Dates and conditions of such restricted share units or performance share units.

## **10. Taxes**

If the Company determines that under the requirements of applicable taxation laws it is obliged to withhold for remittance to a taxing authority any amount in respect of the issuance of any Common Shares or payment of cash pursuant to any Awards or Options, or upon the vesting or settlement of any Award, the Company may, prior to and as a condition of issuing the Common Shares or payment of cash or upon the vesting or settlement of any Award, require the Participant to pay to the Company such amount as the Company is obliged to remit to such taxing authority in respect of the issuance of the Common Shares

or payment of cash or upon the vesting or settlement of any Award. Any such payment shall, in any event, be due no later than the date as of which any amount with respect to the issuance of the Common Shares or payment of cash or vesting or settlement of any Award must be remitted by the Company to such taxing authority. Payment may be in cash, or with the prior approval of and upon conditions established by the Committee, by requiring the sale of Common Shares, or a combination thereof, or by entering into any other suitable arrangement approved by the Committee for the receipt of such amount. Any payment required to be made by a Participant pursuant to this Section 10 shall be in addition to the Exercise Price, if any, for the Common Shares.

This Plan will be construed and interpreted to be exempt from, or where not so exempt, to comply with, Section 409A of the Code to the extent required to preserve the intended tax consequences of this Plan. To the extent that an Option, Award, or payment, or the settlement or deferral thereof, is subject to Section 409A of the Code, the Option or Award will be granted, paid, settled, or deferred in a manner that will meet the requirements of Section 409A of the Code, such that the grant, payment, settlement, or deferral will not be subject to the additional tax or interest applicable under Section 409A of the Code. The Company reserves the right to amend this Plan to the extent it reasonably determines is necessary in order to preserve the intended tax consequences of this Plan in light of Section 409A of the Code and any regulations or guidance under that section. In no event will the Company be responsible if Options or Awards under this Plan result in adverse tax consequences to a U.S. taxpayer under Section 409A of the Code. Distributions of non-qualified deferred compensation to a U.S. taxpayer made in connection with the U.S. taxpayer's Termination Date will only be made in connection with such U.S. taxpayer's "separation from service" within the meaning set forth in Section 409A of the Code. Notwithstanding any provisions of this Plan to the contrary, in the case of any "specified employee" within the meaning of Section 409A of the Code who is a U.S. taxpayer, distributions of non-qualified deferred compensation under Section 409A of the Code made in connection with a "separation from service" within the meaning set forth in Section 409A of the Code may not be made prior to the date that is 6 months after the date of separation from service (or, if earlier, the date of death of the U.S. taxpayer, or the date such amount would have been paid pursuant to a fixed schedule in the absence of the separation from service). Any amounts subject to a delay in payment pursuant to the preceding sentence will be paid as soon practicable following such 6-month anniversary of such separation from service. Notwithstanding any provisions of this Plan to the contrary, any Option or Award that constitutes non-qualified deferred compensation granted to any U.S. taxpayer may not be transferred or assigned if such transfer or assignment would result in an impermissible acceleration of payment under Section 409A of the Code.

No Option shall be granted to a Participant residing or subject to tax in the United States unless the Company is an "eligible issuer of service recipient stock" with respect to such Participant as defined in Treas. Reg. Section 1.409A-1(b)(5)(iii)(E).

## **11. Adjustment in Shares**

- (a) The number of Common Shares subject to this Plan, the number of Common Shares available under Awards or Options granted, and the Exercise Price shall be adjusted from time to time, in such manner and by such procedure deemed appropriate by the Committee, subject to applicable law and the applicable rules and policies of the Stock Exchange, to reflect adjustments in the number of Common Shares arising as a result of any rights offering, consolidation, subdivision, or reclassification of Common Shares, the payment of any dividends or other distribution by the Company, or other relevant changes in the authorized or issued capital of the Company.

- (b) In the event that dividends (other than stock dividends) are paid on Common Shares, Participants holding Awards shall receive additional restricted share units or performance share units, as applicable (“**Dividend Share Units**”), as of the dividend payment date. The number of Dividend Share Units to be granted to the Participant shall be determined by multiplying the aggregate number of restricted share units or performance share units, as applicable, held by the Participant on the relevant record date, by the amount of the dividend paid by the Company on each Common Share, and dividing the result by the Market Price on the dividend payment date, which Dividend Share Units shall be in the form of restricted share units or performance share units, as applicable. Dividend Share Units granted to a Participant in accordance with this Section 11(b) shall be subject to the same vesting conditions and settlement terms applicable to the related restricted share units or performance share units in accordance with the respective Award Agreement.
- (c) If there is a consolidation, merger, or statutory amalgamation or arrangement of the Company with or into another corporation, a separation of the business of the Company into two or more entities, or a sale, lease, exchange, or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of the Company to another entity (the right to do so being hereby expressly reserved), any Common Shares receivable on the vesting of an Award or exercise of an Option shall be converted into the securities, property, or cash which the Participant would have received upon such consolidation, merger, amalgamation, arrangement, separation, or transfer, as if the Participant had been vested in the Award or exercised his or her Option immediately prior to the effective date of such consolidation, merger, amalgamation, arrangement, separation, or transfer, and in the case of Options, the Exercise Price shall, subject to applicable law and the applicable rules and policies of the Stock Exchange, be adjusted appropriately by the Committee, and such adjustment shall be binding for all purposes of this Plan, unless the Committee otherwise determines the basis upon which such Award or Option shall be settled or exercisable, as applicable.
- (d) In the event of a change in the Company’s currently authorized Common Shares which is limited to a change in the designation thereof, the shares resulting from any such change shall be deemed to be Common Shares within the meaning of this Plan.
- (e) In the event of any other change affecting the Common Shares, such adjustment, if any, shall be made as may be deemed equitable by the Committee to properly reflect such event.
- (f) No fractional Common Shares shall be issued on the vesting of any Award or the exercise of any Option. Accordingly, if, as a result of any adjustment under this Section 11, a Participant would become entitled to a fractional Common Share, the Participant shall have the right to acquire only the adjusted number of full Common Shares, and no payment or other adjustment will be made with respect to the fractional Common Shares so disregarded.

## **12. Required Consents**

- (a) If the Committee shall at any time determine that any consent (as hereinafter defined) is necessary or desirable as a condition of, or in connection with, the granting of any Award or Option, the issuance of Common Shares or the delivery of any cash, securities, or other property under this Plan, or the taking of any other action thereunder (each such action being hereinafter referred to as a “plan action”), then such plan action shall not be taken, in whole or in part, unless and until such consent shall have been effected or obtained to the full satisfaction of the Committee.
- (b) The term “consent” as used herein with respect to any plan action includes (i) any and all listings, registrations, or qualifications in respect thereof upon any stock exchange or under any applicable law, rule, or regulation, (ii) any and all written agreements and representations by the grantee with respect to the disposition of Common Shares, or with respect to any other matter, which the Committee shall deem necessary or desirable to comply with the terms of any such listing, registration, or qualification, or to obtain an exemption from the requirement that any such listing, qualification, or registration be made and (iii) any and all other consents, clearances, and approvals in respect of a plan action by any governmental or other regulatory body or any stock exchange or self-regulatory agency having jurisdiction.

## **13. Transfer and Assignment**

Except to the extent otherwise provided in the applicable Award Agreement or Option Agreement, no Award or Option or right granted to any person under this Plan shall be sold, exchanged, transferred, assigned, pledged, hypothecated, or otherwise disposed of (including through the use of any cash-settled instrument), other than by will or by the laws of descent and distribution in accordance with Section 14, and all such Awards, Options, and rights shall be settled or exercisable during the life of the Participant only for or by the Participant or the Participant’s legal representative.

## **14. Effect of Death**

If a Participant, or in the case of any Consultant that is not an individual, the primary individual providing services to the Company or any Designated Affiliate on behalf of the Consultant dies, any Option held by such Participant shall be exercisable, and Awards held by such Participant shall vest or be settled, in whole or in part, only by the person or persons to whom the rights of the Participant under such Option or Award shall pass, by the will of the Participant or the laws of descent and distribution to the extent that the Participant was entitled to exercise or settle such Option or Award at the date of the death of such Participant, in accordance with Section 8 and Section 21 of this Plan.

## **15. Employment and Board Position Non-Contractual**

The granting of any Award or Option to a Participant under this Plan does not confer upon the Participant any right to continue as an Eligible Employee, Eligible Director, or Consultant, as the case may be, nor does it interfere in any way with the right of the Participant or the Company to terminate the Participant’s employment or a Consulting Contract at any time, or the shareholders’ right to elect or remove Directors.



**16. Administration of Plan**

- (a) This Plan shall be administered by the Committee. Subject to any limitations of this Plan and regulatory requirements, the Committee shall have full authority to administer this Plan, including the authority to interpret and construe any provision of this Plan, and to adopt, amend, and rescind such rules and regulations for administering this Plan as the Committee may deem necessary or desirable in order to comply with the requirements of this Plan. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and conclusive, and shall be binding on the Participants and the Company. No member of the Committee shall be personally liable for any action taken or determination or interpretation made in good faith in connection with this Plan, and all members of the Committee shall, in addition to their rights as Directors, be fully protected, indemnified, and held harmless by the Company with respect to any such action taken or determination or interpretation made. The appropriate officers of the Company are hereby authorized and empowered to do all things and execute and deliver all instruments, undertakings, applications, and writings as they, in their absolute discretion, consider necessary or desirable for the implementation of this Plan and of the rules and regulations established for administering this Plan. All costs incurred in connection with this Plan shall be for the account of the Company.
- (b) Any determination by the Committee shall be final and conclusive on all persons affected thereby, unless otherwise determined by the Board of Directors.
- (c) The day-to-day administration of this Plan may be delegated to such officers and employees as the Committee shall determine.

**17. Acceleration on Take-Over Bid, Consolidation, Merger, etc.**

- (a) In the event that:
  - (i) the Company seeks, or intends to seek, approval from the shareholders of the Company for a transaction that, if completed, would constitute an Acceleration Event (as defined below); or
  - (ii) a person makes a bona fide offer or proposal to the Company or the shareholders of the Company that, if accepted or completed, would constitute an Acceleration Event,

the Company shall send notice to all Participants of such transaction, offer, or proposal as soon as practicable, and provided that the Committee has determined that no adjustment will be made pursuant to section 11(b) hereof, (i) the Committee may, by resolution and notwithstanding any vesting schedule applicable to any Option or Award or Section 8(e) hereof, permit all Options and Awards outstanding that have restrictions on their exercise or settlement to become immediately exercisable or settled during the period specified in the notice (but in no event later than the applicable expiry date of any Option or Award), so that the Participant may participate in such transaction, offer, or proposal, and (ii) the

Committee may accelerate the expiry date of such Options or Awards and the time for the fulfillment of any conditions or restrictions on such exercise or settlement.

- (b) In this Section 17, an Acceleration Event means:
- (i) the acquisition by any offeror of beneficial ownership of more than 50% of the votes attached to the outstanding voting securities of the Company, by means of a take-over bid or otherwise;
  - (ii) any consolidation, merger, statutory amalgamation, or arrangement involving the Company and pursuant to which the Company will not be the continuing or surviving corporation, or pursuant to which the Common Shares will be converted into cash, securities, or property of another entity, other than a transaction involving the Company and in which the shareholders of the Company immediately prior to the completion of the transaction will have the same proportionate ownership of the surviving corporation immediately after the completion of the transaction;
  - (iii) a separation of the business of the Company into two or more entities;
  - (iv) any sale, lease, exchange, or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of the Company to another entity; or
  - (v) the approval by the shareholders of the Company of any plan of liquidation or dissolution of the Company.

#### **18. Securities Exchange Take-Over Bid**

In the event that the Company becomes the subject of a take-over bid (within the meaning of the *Securities Act* (British Columbia)), as a result of which all of the outstanding Common Shares are acquired by the offeror through compulsory acquisition provisions of the incorporating statute or otherwise, and where consideration is paid in whole or in part in equity securities of the offeror, the Committee may send notice to all Participants requiring them to surrender their Options or Awards within 10 days of the mailing of such notice, and the Participants shall be deemed to have surrendered such Options or Awards on the tenth day after the mailing of such notice without further formality, provided that:

- (a) the Committee delivers with such notice an irrevocable and unconditional offer by the offeror to grant replacement options or awards to the Participants on the equity securities offered as consideration;
- (b) the Committee has determined, in good faith, that such replacement options or awards have substantially the same economic value as the Options or Awards being surrendered; and

- (c) the surrender of Options or Awards, and the granting of replacement options or awards, can be effected on a tax-free rollover basis under the *Income Tax Act* (Canada) or the Code, as applicable.

## **19. Notices**

All written notices to be given by any Participant to the Company may be delivered personally or by registered mail, postage prepaid, addressed as follows:

Kuya Silver Corporation  
40440 Thunderbird Ridge B1831  
Garibaldi Highlands  
British Columbia, Canada V0N 1T0

Attention: Corporate Secretary

Any notice given by any Participant pursuant to the terms of any Option or Award shall not be effective until actually received by the Company at the above address. Any notice to be given to any Participant shall be sufficiently given if delivered personally or by postage prepaid mail to the last address of the Participant on the records of the Company, and shall be effective seven days after mailing.

## **20. Corporate Action**

Nothing contained in this Plan, or in any Option or Award granted, shall be construed so as to prevent the Company or any Subsidiary of the Company from taking corporate action that is deemed by the Company or such Subsidiary to be appropriate or in its best interest, whether or not such action would have an adverse effect on this Plan or on any Option or Award granted.

## **21. Termination of Options and Awards under this Plan**

- (a) If (X) a Participant's employment with the Company terminates, or (Y) a Participant who is an Eligible Director or Consultant ceases to be an Eligible Director or Consultant, as the case may be, in each case due to (A) normal retirement under the Company's then-existing policies, (B) early retirement at the request of the Company, (C) death, or (D) Disability, then:
  - (i) any Options or Awards that would otherwise have vested in the 12-month period following the Termination Date shall immediately vest on the Termination Date;
  - (ii) all Options and Awards that would have vested after such 12-month period following the Termination Date shall expire or be forfeited, as the case may be, immediately on the Termination Date;
  - (iii) in respect of any Participant whose Termination Date is the date of such Participant's death, all Options and Awards that are vested as of the Termination Date or vest in accordance with Section 21(a)(i) shall be exercisable or settled during the period that is the shorter of (x) the remainder of the Option Period or Award Period, as applicable and (y) twelve months after the Termination Date,

after which period, such Options or Awards may no longer be exercised, if applicable, and will be deemed to be forfeited;

- (iv) in respect of any Participant whose Termination Date is not the date of such Participant's death, all Options and Awards that are vested as of the Termination Date or vest in accordance with Section 21(a)(i) shall be exercisable or settled during the period that is the shorter of (x) the remainder of the Option Period or Award Period, as applicable and (y) 180 days after the Termination Date, after which period, such Options or Awards may no longer be exercised, if applicable, and will be deemed to be forfeited; and
  - (v) the Participant will not be entitled to any damages or other amounts in respect of any expiry or forfeiture of Options or Awards in connection with the cessation of the Participant's employment or engagement as set out in this Section 21(a).
- (b) If (X) a Participant's employment with the Company terminates, or (Y) a Participant who is an Eligible Director or Consultant ceases to be an Eligible Director or Consultant, as the case may be, in each case due to any reason other than those specified in Section 21(a), then:
- (i) any Options or Awards that have not vested before the Termination Date shall expire or be forfeited, as the case may be, immediately on the Termination Date;
  - (ii) subject to paragraph (iii) below, all Options and Awards that are vested as of the Termination Date shall be exercisable or settled, as the case may be, during the period that is the shorter of: (x) the remainder of the Option Period or Award Period, as applicable, and (y) 90 days after the Termination Date, after which period, the Options or Awards may no longer be exercised, if applicable, and will be deemed to be forfeited;
  - (iii) in respect of any Eligible Employee whose employment is terminated with cause by the Participant's Employer, or in respect of any Consultant, where the applicable Consulting Contract is terminated for breach by the Company or the relevant Subsidiary of the Company, all Options and Awards that are vested as of the Termination Date shall expire or be forfeited, as the case may be, immediately on the Termination Date; and
  - (iv) the Participant will not be entitled to any damages or other amounts in respect of any expiry or forfeiture of Options or Awards in connection with the cessation of the Participant's employment or engagement as set out in this Section 21(b).
- (c) A Participant's eligibility to be granted Options and Awards under this Plan ceases on the Termination Date. Except if and as required to comply with applicable minimum requirements contained in ESL, the Participant is not eligible for continued vesting of any Award during any period in which the Participant receives, or claims to be entitled to receive, any compensatory payments or damages in lieu of notice of termination pursuant

to contract, common law or civil law, and the Participant will not be entitled to any damages or other compensation in respect of any Option or Award that does not vest or is not awarded due to termination as of the Termination Date of the Participant's employment, consulting engagement or directorship, as the case may be, with the Company or a Designated Affiliate for any reason. This Plan displaces any and all common law and civil law rights the Participant may have or claim to have in respect of any Options and Awards, including any right to damages. The foregoing shall apply, regardless of: (i) the reason for the termination of Participant's employment, consulting engagement, or directorship; (ii) whether such termination is lawful or unlawful, with or without cause; (iii) whether it is the Participant or the Company or the Designated Affiliate that initiates the termination; and (iv) any fundamental changes, over time, to the terms and conditions applicable to the Participant's employment, consulting engagement or service as a Director.

## **22. Amendment of this Plan**

- (a) The Committee may amend, suspend, or terminate this Plan at any time, provided that no such amendment, suspension, or termination may:
  - (i) be made without obtaining any required regulatory approvals; or
  - (ii) adversely affect the rights of any Participant who holds an Option or Award at the time of any such amendment, without the consent of such Participant.
  
- (b) Without limiting the generality of Section 22(a), the Committee may from time to time, in the absolute discretion of the Committee and without shareholder approval, make the following amendments to this Plan (or any outstanding Option or Award, as applicable):
  - (i) an amendment to the vesting provisions of this Plan;
  - (ii) an amendment to provide a "cashless exercise" feature, provided that such amendment ensures the full deduction of the number of underlying Common Shares from the total number of Common Shares subject to this Plan;
  - (iii) an addition to, deletion from, or alteration of this Plan, that is necessary to comply with applicable law, the requirements of any regulatory authority, or the applicable rules and policies of the Stock Exchange;
  - (iv) any amendment that the Committee reasonably determines is necessary in order to preserve the intended tax consequences of this Plan (including in respect of Section 409A of the Code and any regulations or guidance under that section);
  - (v) any amendment of a "housekeeping" nature, including, without limitation, amending the wording of any provision of this Plan for the purpose of clarifying the meaning of existing provisions, or to correct or supplement any provision of this Plan that is inconsistent with any other provision of this Plan, correcting

grammatical or typographical errors, and amending the definitions contained in this Plan respecting the administration of this Plan;

- (vi) any amendment respecting the administration of this Plan; and
  - (vii) any other amendment that does not require shareholder approval under Section 22(c).
- (c) Shareholder approval will be required for the following amendments to this Plan (or any outstanding Option or Award, as applicable):
- (i) any increase in the maximum number of Common Shares reserved for issuance pursuant to, or that may be issued pursuant to Options and Awards under, this Plan;
  - (ii) any change that would permit the Company to grant equity-based or equity-related awards to Participants other than Options, restricted share units, and performance share units;
  - (iii) any change to the Exercise Price of any Option (other than pursuant to Section 11), or any cancellation and reissuance of any Option so as to in effect change the Exercise Price of such Option;
  - (iv) any extension of the Option Period or Award Period, as applicable, in relation to any Option or Award, other than pursuant to Section 8(h) in respect of Options;
  - (v) any removal of, or increase to, the participation limits in respect of Insiders and persons performing Investor Relations Activities;
  - (vi) any change that removes or reduces the range of amendments requiring shareholder approval;
  - (vii) any change that would materially modify the requirements as to eligibility for participation in this Plan; and
  - (viii) any change that would permit Options, restricted share units, or performance share units to be transferable or assignable other than for normal estate settlement purposes.

### **23. Governing Law**

This Plan is established under the laws of Ontario, and the rights of all parties, and the construction and effect of each provision of this Plan, shall be according to the laws of Ontario and the laws of Canada applicable in Ontario.

### **24. Government Regulation**

The Company's obligation to issue and deliver Common Shares under any Option or Award is subject to:

- (a) the satisfaction of all requirements under applicable securities law in respect thereof, and obtaining all regulatory approvals as the Company shall determine to be necessary or advisable in connection with the authorization, issuance, or sale thereof;
- (b) the admission of such Common Shares to listing on any stock exchange in Canada or the United States on which Common Shares may then be listed; and
- (c) the receipt from the Participant of such representations, agreements, and undertakings as to future dealings in such Common Shares as the Company determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction.

In this connection, the Company shall take all reasonable steps to obtain such approvals and registrations as may be necessary for the issuance of such Common Shares in compliance with applicable securities laws, and for the listing of such Common Shares on a stock exchange in Canada or the United States on which the Common Shares are then listed.

## **25. Compliance with Employment Standards**

It is understood and agreed that all provisions of this Plan, and any Option Agreements and Award Agreements, are subject to all applicable minimum requirements of ESL and it is the intention of the Company and its Designated Affiliates to comply with the minimum applicable requirements contained in ESL. Accordingly, this Plan shall: (a) not be interpreted as in any way waiving or contracting out of ESL, and (b) be interpreted to achieve compliance with ESL. In the event that ESL provides for a superior right or entitlement upon termination of employment or otherwise (“**Statutory Entitlements**”) than provided for under this Plan, the Participant will be provided with the Participant’s minimum Statutory Entitlements in substitution for the Participant’s rights under this Plan. There shall be no presumption of strict interpretation against the Company or any Designated Affiliates.

## **26. Approvals**

This Plan shall be subject to shareholder approval and acceptance by the Stock Exchange in compliance with all conditions imposed by the Stock Exchange. Any Awards or Options granted prior to such acceptance shall be conditional upon such acceptance being given and compliance with such conditions, and no Options or Awards may be exercised or settled unless such acceptance is given and such conditions are complied with.

## **27. Effective Date**

This Plan was approved by the Board on May 26, 2022, and was approved by the shareholders of the Company on [x], 2022. This Plan shall apply to all Options and Awards granted on or after the date of shareholder approval.

**APPENDIX "B"**  
**AUDIT COMMITTEE CHARTER**



**KUYA SILVER CORPORATION**  
(the “Corporation”)

**AUDIT COMMITTEE CHARTER**

**1. Mandate**

The Audit Committee will be responsible for managing, on behalf of shareholders of the Corporation, the relationship between the Corporation and the external auditors, and other matters of financial integrity, reporting and compliance with applicable laws. The Audit Committee’s responsibilities are set out in detail in Section 4.

**2. Membership of the Audit Committee**

Composition

The Audit Committee will be comprised of at least three directors, or such other number as is required to satisfy the audit committee composition requirements of National Instrument 52-110, as amended from time to time. Each member will be a director of the Corporation.

Independence

The Audit Committee will be comprised of a number of independent directors required to enable the Corporation to satisfy:

- (a) the independent director requirements for audit committee composition required by National Instrument 52-110, as amended from time to time, and
- (b) the independent director requirements of the stock exchange on which the Corporation’s shares are traded from time to time.

Chair

The board of directors shall designate by resolution one member of the Audit Committee as its chairperson. The position description for the chair is attached as Exhibit 1 hereto. The chairperson may be removed at any time, with or without cause, by resolution of the board.

Expertise of Audit Committee Members

Each member of the Audit Committee must be financially literate. Financially literate means the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements.

Financial Expert

The Corporation will strive to include a financial expert on the Audit Committee. An Audit Committee financial expert means a person having: (i) an understanding of financial statements and accounting principles; (ii) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves; (iii) experience in preparing, auditing, analyzing or evaluating financial statements that present a similar breadth and level of complexity as the Corporation’s financial statements; (iv) an understanding of internal controls; and (v) an understanding of an Audit Committee’s functions.

### 3. Meetings of the Audit Committee

The Audit Committee must meet in accordance with a schedule established each year by the board of directors, and at other times as the Audit Committee may determine. A quorum for transaction of business in any meeting of the Audit Committee is a majority of members. At least once a year, the Audit Committee must meet with the Corporation's chief financial officer and external auditors separately.

### 4. Responsibilities of the Audit Committee

The Audit Committee will be responsible for managing, on behalf of the shareholders of the Corporation, the relationship between the Corporation and the external auditors. In particular, the Audit Committee has the following responsibilities:

#### External Auditors

- (a) the Audit Committee must recommend to the board of directors:
  - (i) the external auditors to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit or review services for the Corporation; and
  - (ii) the compensation of the external auditors;
- (b) the Audit Committee must be directly responsible for overseeing the work of the external auditors engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditors regarding financial reporting;
- (c) with respect to non-audit services:
  - (i) the Audit Committee must pre-approve all non-audit services to be provided to the Corporation or its subsidiaries by its external auditors or the external auditors of the Corporation's subsidiaries; and
  - (ii) the Audit Committee must pre-approve all non-audit services provided to the Corporation or its subsidiaries by its external auditors or the external auditors of the Corporation's subsidiaries, except *de minimis* non-audit services as defined in applicable law.
- (d) the Audit Committee must also:
  - (i) review the external auditors' proposed audit scope and approach;
  - (ii) review the performance of the external auditors; and
  - (iii) review and confirm the independence of the external auditors by obtaining statements from the external auditors on relationships between the external auditors and the Corporation, including non-audit services, and discussing the relationships with the external auditors;

#### Accounting Issues

- (e) the Audit Committee must:
  - (i) review significant accounting and reporting issues, including recent professional and regulatory

pronouncements, and understand their impact on the financial statements; and,

- (ii) ask management and the external auditors about significant risks and exposures and plans to minimize such risks.

Financial Statements, MD&A and Press Releases

(f) the Audit Committee must:

- (i) review the Corporation's financial statements, MD&A and earnings press releases before the Corporation publicly discloses this information;
- (ii) in reviewing the annual financial statements, determine whether they are complete and consistent with the information known to Audit Committee members, and assess whether the financial statements reflect appropriate accounting principles;
- (iii) pay particular attention to complex and/or unusual transactions such as restructuring charges and derivative disclosures;
- (iv) focus on judgmental areas such as those involving valuation of assets and liabilities, including, for example, the accounting for and disclosure of impairment of mineral properties, plant and equipment, income taxes, reclamation provisions, litigation reserves and other commitments and contingencies;
- (v) consider management's handling of proposed audit adjustments identified by the external auditors;
- (vi) ensure that the external auditors communicate certain required matters to the Audit Committee;
- (vii) be satisfied 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 paragraph (f)(i) (above), and must periodically assess the adequacy of those procedures;
- (viii) be briefed on how management develops and summarizes quarterly financial information, the extent to which the external auditors review quarterly financial information and whether that review is performed on a pre- or post-issuance basis;
- (ix) meet with management, either telephonically or in person, to review the interim financial statements;
- (x) to gain insight into the fairness of the interim financial statements and disclosures, the Audit Committee must obtain explanations from management on whether:
  - (a) actual financial results for the quarter or interim period varied significantly from budgeted or projected results;
  - (b) changes in financial ratios and relationships in the interim financial statements are consistent with changes in the Corporation's operations and financing practices;
  - (c) generally accepted accounting principles have been consistently applied;
  - (d) there are any actual or proposed changes in accounting or financial reporting practices;

- (e) there are any significant or unusual events or transactions;
- (f) the Corporation's financial and operating controls are functioning effectively;
- (g) the Corporation has complied with the terms of loan agreements or security indentures;  
and
- (h) the interim financial statements contain adequate and appropriate disclosures;

#### Compliance with Laws and Regulations

- (g) the Audit Committee must:
  - (i) periodically obtain updates from management regarding compliance with laws and regulations;
  - (ii) be satisfied that all regulatory compliance matters have been considered in the preparation of the financial statements;
  - (iii) review the findings of any examinations by regulatory agencies such as the British Columbia or Ontario Securities Commissions; and
  - (iv) review, with the Corporation's counsel, any legal matters that could have a significant impact on the Corporation's financial statements;

#### Financial Integrity Complaints

- (h) the Audit Committee must establish procedures for:
  - (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and
  - (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters;

#### Other Responsibilities

- (i) the Audit Committee must:
  - (i) review and approve the Corporation's hiring policies of employees and former employees of the present and former external auditors of the Corporation;
  - (ii) evaluate whether management is setting the appropriate tone by communicating the importance of internal control and ensuring that all individuals possess an understanding of their roles and responsibilities;
  - (iv) focus on the extent to which internal and external auditors review computer systems and applications, the security of such systems and applications, and the contingency plan for processing financial information in the event of a systems breakdown;
  - (v) gain an understanding of whether internal control recommendations made by external auditors have been implemented by management;

- (vi) periodically review and reassess the adequacy of this Charter and recommend any proposed changes to the board for approval;
- (vii) review with management the policies and procedures with respect to approval of expense reimbursement requests that are submitted by the chief executive officer or the chief financial officer to the Corporation for payment;
- (viii) assist the board to identify the principal financial risks of the Corporation's business and, with management, establish systems and procedures to ensure that these risks are monitored; and
- (ix) carry out other duties or responsibilities expressly delegated to the Audit Committee by the board.

**5. Authority of the Audit Committee**

The Audit Committee shall have the authority to:

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

**Exhibit 1 to Audit Committee Charter**

**Kuya Silver Corporation**

**(the “Corporation” or “Kuya”)**

**Position Description – Audit Committee Chair**

The responsibilities of the Audit Committee chair include, among other things:

- (a) Managing the affairs of the Audit Committee (the “Committee”) and monitoring its effectiveness;
- (b) managing the meetings of the Committee by ensuring meaningful agendas are prepared and guiding deliberations of the Committee so that appropriate decisions and recommendations are made; and
- (c) setting up agendas for meetings of the Committee and ensuring that all matters delegated to the Committee by the board are being dealt with at the Committee level during the course of the year.