

***ARGENTUM SILVER CORP.***

Suite 401, 217 Queen Street West  
Toronto, ON, M5V 0R2

Tel: 416-855-9304



**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING  
OF SHAREHOLDERS**

To be held on **December 18, 2020**

and

**MANAGEMENT INFORMATION CIRCULAR**

as at **November 18, 2020**

## **NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

TO THE SHAREHOLDERS:

NOTICE IS HEREBY GIVEN that the Annual General and Special Meeting of **Argentum Silver Corp.** (the “**Company**”) will be held at the Royal Bank Plaza, South Tower, Suite 2600, 200 Bay Street, Toronto, ON, M5J 2J1, on **Friday, December 18, 2020** at **10:00 a.m.** (local time) to transact the usual business of an Annual General and Special Meeting (the “**Meeting**”) and for the following purposes:

1. To receive and consider the audited consolidated financial statements of the Company for the fiscal year ended June 30, 2020, including the accompanying notes and the auditor’s report, and the annual Management Discussion and Analysis.
2. To appoint an auditor for the Company to hold office until the close of the next Annual General Meeting and to authorize the directors to fix the remuneration to be paid to the auditor of the Company.
3. To determine the number of directors at three (3).
4. To elect directors to hold office until the close of the next Annual General Meeting.
5. To consider, and if thought fit, to approve, with or without amendment, an ordinary resolution approving the renewal of the Company’s Stock Option Plan (the “**Plan**”) whereunder the Company will allocate and reserve up to 10% of its issued common shares from time to time for the purpose of granting options under the Plan.
6. To transact such other business as may properly come before the meeting or any adjournment or adjournments thereof.

The accompanying Management Information Circular provides additional information relating to the matters to be dealt with at the Meeting and is deemed to form part of this Notice. Copies of any documents to be considered, approved, ratified and adopted or authorized at the Meeting will be available for inspection at Royal Bank Plaza, South Tower, Suite 2600, 200 Bay Street, Toronto, ON, M5J 2J1, during normal business hours up to **December 18, 2020** being the date of the Meeting.

The directors of the Company fixed the close of business on **November 13, 2020** as the record date for determining holders of common shares who are entitled to vote at the Meeting.

A shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his or her stead. If you are unable to attend the Meeting in person, please complete, sign and date the enclosed Form of Proxy and return the same in the enclosed return envelope provided for that purpose within the time and to the location in accordance with the instructions set out in the Form of Proxy and Information Circular accompanying this Notice.

DATED at Toronto, on this 18<sup>th</sup> day of November, 2020.

BY ORDER OF THE BOARD

**ARGENTUM SILVER CORP.**



Gary Nassif, Chief Executive Officer

## MANAGEMENT INFORMATION CIRCULAR

As at November 18, 2020  
unless otherwise noted

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### SOLICITATION OF PROXIES

**This Information Circular is furnished in connection with the solicitation of proxies by the management of Argentum Silver Corp. (the “Company”), at the time and place and for the purposes set forth in the Notice of Meeting.**

**Note:** The term “shareholder” as defined in the *Business Corporations Act* S.B.C. 2002, c.57 (the “Act”), except in section 385, means a person whose name is entered in a securities register of a company as a registered owner of a share of the company or, until such an entry is made for the company:

- (a) in the case of a company incorporated before the coming into force of the Act, a subscriber, or
- (b) in the case of a company incorporated under the Act, an incorporator.

It is expected that the solicitation will be primarily by mail. Proxies may also be solicited personally or by telephone by directors, officers or employees of the Company at nominal cost. The cost of this solicitation will be borne by the Company.

### APPOINTMENT OF PROXYHOLDER AND REVOCATION OF PROXIES

A duly completed form of proxy will constitute the person(s) named in the enclosed form of proxy as the proxyholder for the shareholder (the “Registered Shareholder”).

The persons named in the accompanying Form of Proxy are nominees of the Company's management. **A Registered Shareholder desiring to appoint some other person (who need not be a shareholder) to represent him at the meeting may do so either by:**

- (a) STRIKING OUT THE PRINTED NAMES AND INSERTING THE DESIRED PERSON'S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY; OR
- (b) BY COMPLETING ANOTHER PROPER FORM OF PROXY.

In such event, the shareholder should notify the nominee of the appointment, obtain the nominee's consent to act as proxy and provide instructions on how the shareholder's shares are to be voted. The nominee should bring personal identification to the meeting.

Registered Shareholders electing to submit a proxy may do so by:

- (a) completing, dating and signing the enclosed form of proxy and returning it to the Company's transfer agent, Computershare Investor Services Inc., by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524, or by mail or by hand to the 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1;
- (b) using a touch-tone phone to transmit voting choices to a toll-free number. Registered shareholders must follow the instructions of the voice response system and refer to the enclosed proxy form for the toll-free number, the holder's account number and the proxy access number; or
- (c) using the internet through the website of the Company's transfer agent at [www.computershare.com](http://www.computershare.com) registered Shareholders must follow the instructions that appear on the screen and refer to the enclosed proxy form for the holder's account number and the proxy access number;

In all cases ensuring that the proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the time fixed for the meeting. The Chair of the Meeting may waive the proxy cut-off without notice.

A shareholder who has given a proxy may revoke it by an instrument in writing delivered to the office of Computershare Trust Company, Corporate Trust Department, at any time up to and including the last business day preceding the day of the meeting, or any adjournment thereof, or to the Chairman of the meeting or any adjournment thereof, or in any other manner provided by law.

## VOTING OF PROXIES

If the instructions as to voting indicated in the proxy are certain, the shares represented by the proxy will be voted on any poll and where a choice with respect to any matter to be acted upon has been specified in the proxy, the shares will be voted on any poll in accordance with the specifications so made. IF A CHOICE IS NOT SO SPECIFIED, IT IS INTENDED THAT THE PERSON DESIGNATED BY MANAGEMENT IN THE ACCOMPANYING FORM OF PROXY WILL VOTE THE SHARES REPRESENTED BY THE PROXY IN FAVOUR OF EACH MATTER IDENTIFIED ON THE FORM OF PROXY AND FOR THE NOMINEES OF MANAGEMENT FOR DIRECTORS AND AUDITOR.

The form of proxy accompanying this Information Circular confers discretionary authority upon the named proxyholder with respect to amendments or variations to the matters identified in the accompanying Notice of Meeting and with respect to any other matters which may properly come before the meeting. As of the date of this Information Circular, the management of the Company knows of no such amendment or variation or matters to come before the meeting other than those referred to in the accompanying Notice of Meeting.

## NON-REGISTERED HOLDERS

**Only Registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are “non-registered” shareholders because the Shares they own are not registered in their own names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Shares.** More particularly, a person is not a Registered Shareholder in respect of Shares which are held on behalf of that person (the “Non-Registered Holder”) but which are registered either: (a) in the name of an intermediary (an “Intermediary”) that the Non-Registered Holder deals with in respect of the Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees of administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited (“CDS”)), of which the Intermediary is a participant.

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

In accordance with the requirements of National Policy 54-101, *Communication with Beneficial Owners of Securities of a Reporting Issuer*, of the Canadian Securities Administrators, the Company has elected to send the notice of meeting, this information circular and proxy (collectively the “Meeting Materials”) directly to the NOBOs, and indirectly through Intermediaries to the OBOs.

The Intermediaries (or their service companies) are responsible for forwarding the Meeting Materials to each OBO, unless the OBO has waived the right to receive them.

Meeting Materials sent to Non-Registered Holders who have not waived the right to receive Meeting Materials are accompanied by a request for voting instructions (a “VIF”). This form is instead of a proxy. By returning the VIF in accordance with the instructions noted on it a Non-Registered Holder is able to instruct the Registered Shareholder how to vote on behalf of the Non-Registered Shareholder. VIFs, whether provided by the Company or by an Intermediary, should be completed and returned in accordance with the specific instructions noted on the VIF.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Shares which they beneficially own. A Non-Registered Holder who receives a VIF cannot use the voting instruction form to vote shares directly at the Meeting. In order for a non-registered shareholder to vote his or her shares at the Meeting, the non-registered shareholder must write his or her name in the space provided on the VIF or using the internet and otherwise follow the instructions on the VIF. Alternatively, the non-registered shareholder can appoint another person (who does not have to be a shareholder) as his or her proxy Holder to vote his or her shares at the Meeting by writing the name of such person in the space provided on the voting instruction form or internet and otherwise follow the instructions on the voting instruction form. Your proxy appointment must be received prior to the proxy cut-off date.

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

Other than as disclosed elsewhere herein, none of the following persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon other than the election of directors or the appointment of auditors:

- (a) any director or executive officer of the Company at any time since the commencement of the Company's last completed financial year;
- (b) any proposed nominee for election as a director of the Company; and
- (c) any associate or affiliate of any of the foregoing persons.

**VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF**

The Company is authorized to issue an unlimited number of common shares without par value (the "Common Shares"), of which 50,748,543 Common Shares are issued and outstanding as at November 18, 2020.

Only the holders of Common Shares are entitled to vote at the Meeting and the holders of Common Shares are entitled to one vote for each Common Share held. The directors of the Company fixed **November 13, 2020** as the record date for the determination of the shareholders entitled to vote at the Annual General and Special Meeting.

To the knowledge of the directors and executive officers of the Company, no persons or companies beneficially owned, directly or indirectly, or exercised control over, shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company which have the right to vote in all circumstances, except as follows:

Name	Number of Common Shares Held	Percentage of Total Issued and Outstanding Common Shares
Sprott Mining Inc.	32,083,336	63.22%

In order to approve a motion proposed at the Meeting, a majority of greater than 50% of the votes cast will be required unless the motion requires a special resolution, in which case a majority of not less than 66⅔% of the votes cast will be required. In the event that a matter to be voted upon at the Meeting requires disinterested shareholder approval, those shares will be excluded from the count of votes cast on such matter.

**FINANCIAL STATEMENTS, DIRECTORS REPORT, MANAGEMENT'S DISCUSSION  
AND ANALYSIS & ADDITIONAL INFORMATION**

The Company's financial statements including Management Discussion and Analysis ("MD&A") of the Company for the year ended June 30, 2020 (the "Financial Statements"), including the accompanying notes and the auditor's report, will be presented to the shareholders at the Meeting. Copies of the Financial Statements and MD&A have also been mailed out to those shareholders who returned the Company's Financial Statement Request Form provided with the Company's 2020 annual general meeting material, in accordance with National Instrument 51-102 "Continuous Disclosure Obligations".

Additional information relating to the Company may be found on SEDAR at [www.sedar.com](http://www.sedar.com). A securityholder may contact the Company to request copies of the Company's financial statements and Management's Discussion and Analysis. Financial information is provided in the Company's comparative financial statements and MD&A for its most recently completed financial year.

**APPOINTMENT AND REMUNERATION OF AUDITOR**

The management of the Company will recommend to the Meeting to appoint Crowe MacKay LLP as auditor of the Company to hold office until the close of the next Annual General Meeting of shareholders. It is proposed that the remuneration to be paid to the auditor be fixed by the directors.

Unless such authority is withheld, the persons named in the enclosed form of proxy intend to vote FOR the appointment of Crowe MacKay LLP, to serve as auditor of the Company until the next annual general meeting of the Company's shareholders and to authorize the Board to fix the remuneration to be paid to the auditor.

#### DETERMINATION OF NUMBER OF DIRECTORS

The directors are elected at each annual general meeting to hold office until the next annual general meeting or until their successors are duly elected or appointed, unless such office is earlier vacated in accordance with the Articles of the Company or a director becomes disqualified to act as a director. The authority to determine the number of directors of the Company rests with the shareholders.

The Articles of the Company provide that the number of directors, excluding additional directors, may be fixed or changed from time to time by ordinary resolution whether previous notice thereof has been given or not. Management proposes to determine the number of directors comprising the Board of Directors at three (3) and the approval of the shareholders is therefore being sought in this regard.

#### ELECTION OF DIRECTORS

The Board of Directors presently consists of three directors and it is intended to elect three directors for the ensuing year. The term of office of each of the present directors expires at the Meeting. Each director elected will hold office until the next annual general meeting of the Company or until his successor is duly elected or appointed, unless the office is earlier vacated in accordance with the Articles of the Company or the *Business Corporations Act* (British Columbia) (the "Act") or he becomes disqualified to act as a director.

The persons named in the following table are proposed by management for election as directors of the Company. Each director elected will hold office until the next Annual General Meeting or until his successor is duly elected or appointed, unless his office is earlier vacated in accordance with the Articles of the Company or he becomes disqualified to act as a director. In the absence of instructions to the contrary, the enclosed Proxy will be voted for the nominees listed herein.

MANAGEMENT DOES NOT CONTEMPLATE THAT ANY OF THE NOMINEES WILL BE UNABLE TO SERVE AS A DIRECTOR. THE COMPANY HAS NOT RECEIVED NOTICE OF, AND MANAGEMENT IS NOT AWARE OF ANY PROPOSED NOMINEE IN ADDITION TO, THE NAMED NOMINEES.

The following information concerning the respective nominees has been furnished by each of them:

Name, Province/State and Country of Residence	Principal Occupation or Employment and, if not elected a director by a vote of security holders, occupation during the past five years	First and Present Position with the Company <sup>(1)</sup>	Approx. no. of voting securities beneficially owned, or controlled or directed, directly or indirectly or over which direction or control is exercised <sup>(2)</sup>
Gary Nassif ON, Canada	President and CEO of the Company; Senior Vice President of Jerritt Canyon Gold since January 2016; President and CEO of BlueBird Battery Metals from August 2018 to January 2019; Vice President Corporate and Land Management at Jerritt Canyon Gold from June 2015 to December 2015.	Chief Executive Officer and director since May 23, 2017.	0
David Donato <sup>(3)</sup> ON, Canada	Managing Director of Sprott Capital Partners LP since September 2018, President of PearTree Securities from June 2016 to January 2018; Managing Director of Mackie Research Capital from October 2014 to May 2016	Director since August 28, 2017.	0

Name, Province/State and Country of Residence	Principal Occupation or Employment and, if not elected a director by a vote of security holders, occupation during the past five years	First and Present Position with the Company <sup>(1)</sup>	Approx. no. of voting securities beneficially owned, or controlled or directed, directly or indirectly or over which direction or control is exercised <sup>(2)</sup>
Albert Contardi <sup>(3)</sup> ON, Canada	President of Generic Capital Corporation since 2014 and Interim President and CEO of QcX Gold Corp. since 2020.	Director since August 28, 2017.	0

- (1) For the purposes of disclosing positions held in the Company, “Company” shall include the Company and/or a parent or subsidiary thereof.
- (2) Securities beneficially owned by directors are based on information furnished to the Company by the nominees.
- (3) Member of Audit Committee.

### **Corporate Cease Trade Orders or Bankruptcies**

To the knowledge of the directors of the Company, no proposed director of the Company is or has been, within the past 10 years, a director, chief executive officer or chief financial officer of any company that, while the person was acting in that capacity:

- (a) was subject to 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.

### **Individual Bankruptcies**

None of the directors of the Company has, within the ten years prior to the date hereof, been declared bankrupt or made a voluntary assignment into bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangements, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

## **STATEMENT OF EXECUTIVE COMPENSATION**

For the purposes of this Information Circular:

“**CEO**” means an individual who acted as chief executive officer of the company, or acted in a similar capacity, for any part of the most recently completed financial year;

“**CFO**” means an individual who acted as chief financial officer of the company, or acted in a similar capacity, for any part of the most recently completed financial year;

“**closing market price**” means the price at which the company’s security was last sold, on the applicable date,

- (a) in the security’s principal marketplace in Canada, or
- (b) if the security is not listed or quoted on a marketplace in Canada, in the security’s principal marketplace;

“**company**” includes other types of business organizations such as partnerships, trusts and other unincorporated business entities;

“**equity incentive plan**” means an incentive plan, or portion of an incentive plan, under which awards are granted and that falls within the scope of Section 3870 of the Canadian Institute of Chartered Professional Accountants Handbook;

“**grant date**” means a date determined for financial statement reporting purposes under Section 3870 of the Handbook;

**“incentive plan”** means any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period;

**“incentive plan award”** means compensation awarded, earned, paid, or payable under an incentive plan;

**“NEO” or “named executive officer”** means each of the following individuals:

- (a) a CEO;
- (b) a CFO;
- (c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6), for that financial year; and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at the end of that financial year;

**“non-equity incentive plan”** means an incentive plan or portion of an incentive plan that is not an equity incentive plan;

**“option-based award”** means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights, and similar instruments that have option-like features;

**“plan”** includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, securities, similar instruments or any other property may be received, whether for one or more persons;

**“share-based award”** means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, and stock.

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

The Company’s process for determining executive compensation is simple. In particular, the Company relies solely on board of director’s discussion without any formal objectives, criteria and analysis.

The objective of the Company’s compensation program is to compensate the executive officers for their services to the Company at a level that is both in line with the Company’s fiscal resources and competitive with companies at a similar stage of development.

The Board has not proceeded to an evaluation of the implications of the risks associated with the Company’s compensation policies and practices. Going forward, the Board intends to review at least once annually the risks, if any, associated with the Company’s compensation policies and practices at such time.

### **Share-Based and Option-Based Awards**

The Company believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation is accomplished through the Company’s stock option plan. Stock options are granted to senior executives taking into account a number of factors, including the amount and term of options previously granted and base salaries and competitive factors.

The Company’s Stock Option Plan is intended to emphasize management’s commitment to the growth of the Company and the enhancement of shareholders’ equity through, for example, improvements in its resource base and share price increments. See the section regarding the ratification of the Company’s “Stock Option Plan” for a description of the Company’s stock option plan and the process the Company uses to grant option-based awards.

### ***Executive Compensation***

At June 30, 2020, the Company had two NEOs (for the purposes of applicable securities legislation), namely:

- (a) Gary Nassif, the Chief Executive Officer; and
- (b) James Fairbairn, the Chief Financial Officer;

The compensation for the NEOs, directly or indirectly, for the Company's most recently-completed financial year ended June 30, 2020 is as follows:

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$) <sup>(1)</sup>	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Gary Nassif CEO <sup>(2)</sup>	2020	75,000	Nil	Nil	Nil	Nil	Nil	Nil	75,000
	2019	75,000	Nil	72,000	Nil	Nil	Nil	Nil	147,000
	2018	75,000	Nil	Nil	Nil	Nil	Nil	Nil	75,000
James Fairbairn CFO <sup>(3)</sup>	2020	60,000	Nil	Nil	Nil	Nil	Nil	Nil	60,000
	2019	60,000	Nil	54,000	Nil	Nil	Nil	Nil	114,000
	2018	60,000	Nil	Nil	Nil	Nil	Nil	Nil	60,000
Geoff Balderson Former CEO <sup>(4)</sup>	2020	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	27,000	Nil	Nil	Nil	Nil	27,000
	2018	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

- (1) The amount represents the fair value, on the date of grant, of awards made under the Company's Stock Option Plan. The fair value of the options was estimated using the Black-Scholes option pricing model with the following assumptions: share price on grant date of \$0.24, expected dividend yield of 0%; expected annualized volatility of 100% based on the volatility of companies in the same industry with similar size and transactions; a risk-free interest rate of 2.07%, and an expected average life of 5 years. The options vested immediately.
- (2) Mr. Nassif was appointed CEO and director on May 23, 2017. On July 12, 2018, Mr. Nassif was granted 400,000 Stock Options at \$0.24.
- (3) Mr. Fairbairn was appointed CFO on May 21, 2017. On July 12, 2018, Mr. Fairbairn was granted 300,000 Stock Options at \$0.24.
- (4) Mr. Balderson resigned as CEO on May 21, 2017. On July 12, 2018, Mr. Balderson was granted 150,000 Stock Options at \$0.24. Mr. Balderson resigned as a director on April 23, 2020.

### ***Incentive Plan Awards***

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

The two Company NEOs did not receive option-based awards during the Company's most recently-completed financial year ended June 30, 2020.

#### **Incentive Plan Awards – value vested or earned during the year**

There were no option-based or share-based awards which were exercised by any NEO during the most recently completed financial year.

#### ***Pension plan benefits***

The Company has no pension plans for its directors, officers or employees.

#### ***Termination and Change of Control Benefits***

There were no employment contracts between the Company nor any of its subsidiaries and a NEO during the fiscal year ended June 30, 2020 which provided for termination or change of control benefits. There was no compensatory plan or arrangement, including payments to be received from the Company or any of its subsidiaries, with respect to the NEOs except as disclosed under "Management Contracts".

#### ***Director Compensation***

During the Financial Period, no compensation was paid to the directors of the Company for their services in their capacity as directors, including any amounts payable for committee participation or special assignments pursuant to any standard or other arrangements, except as set forth below and as otherwise herein disclosed.

**Director Compensation Table**

The compensation provided to the directors who are not NEOs, for the Company's most recently completed financial year of June 30, 2020 is:

Name	Fees earned (\$) <sup>(1)</sup>	Share-based Awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$) <sup>(2)</sup>	Total (\$)
Geoff Balderson	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Albert Contardi	Nil	Nil	Nil	Nil	Nil	Nil	Nil
David Donato	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(1) Includes all fees awarded, earned, paid or payable in cash for services as a director, including annual retainer fees, committee, chair and meeting fees.

(2) Includes all compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly.

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

The Company's directors who are not NEOs did not receive option-based awards during the Company's most recently completed financial year ended June 30, 2020.

**Incentive Plan Awards – value vested or earned during the year**

There were no option-based or share-based awards which were exercised by any director during the most recently completed financial year.

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

The only equity compensation plan which the Company has in place is the Incentive Stock Option Plan, as described below under the heading "Stock Option Plan", which was approved by the Company's shareholders at the Annual General Meeting held December 17, 2019. The following table sets out equity compensation plan information as at the end of the financial year ended June 30, 2020.

**Equity Compensation Plan Information**

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	1,650,000	0.24	3,177,854
Equity compensation plans not approved by securityholders	nil	nil	nil
<b>Total</b>	1,650,000	0.24	3,177,854

**INDEBTEDNESS TO COMPANY OF DIRECTORS AND EXECUTIVE OFFICERS**

None of the directors, executive officers, employees, former executive officers, directors and employees of the Company or any of its subsidiaries, proposed nominees for election or associates of such persons is or has been indebted to the Company (other than routine indebtedness) in excess of \$50,000 at any time for any reason whatsoever, including the purchase of securities of the Company or any of its subsidiaries.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Since the commencement of the Company's last completed financial year, other than as disclosed elsewhere herein, no informed person of the Company, any proposed director of the Company or any associate or affiliate of any informed person or proposed director has any material interest, direct or indirect, in any transaction or in any proposed transaction which has materially affected or would materially affect the Company. The term "informed person" as defined in National Instrument 51-102, Continuous Disclosure Obligations, means

- (a) a director or executive officer of a reporting issuer;
- (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of a reporting issuer;
- (c) any person or company who beneficially owns, directly or indirectly, voting securities of a reporting issuer or who exercises control or direction over voting securities of a reporting issuer or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the reporting issuer other than voting securities held by the person or company as underwriter in the course of a distribution; and
- (d) a reporting issuer that has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

## MANAGEMENT CONTRACTS

There are no management functions of the Company or any of its subsidiaries which are to any substantial degree performed by a person other than a director or executive officer of the Company or any of its subsidiaries.

## PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

### Stock Option Plan

Policy 4.4 of the TSX Venture Exchange ("TSXV") specifies that all listed issuers must implement a stock option plan. The Company's current stock option plan, which was adopted on September 19, 2016 (the "Option Plan"), is a "rolling" plan as characterized by TSXV policy pursuant to which the aggregate number of Shares reserved for issuance thereunder may not exceed, at the time of grant, in aggregate 10% of the Company's issued and outstanding Shares. TSXV policy requires that shareholder approval for "rolling" stock option plans must be obtained annually.

The purpose of the Option Plan is to give to directors, officers, employees and consultants of the Company and its affiliates, as additional compensation, the opportunity to participate in the profitability of the Company by granting to such individuals options to buy Shares of the Company at a price equal to the "Market Price" (as defined under the policies of the TSXV) of the Company's Shares on the date the option is granted. Generally speaking, the Market Price will be the last closing price of the Shares on the TSXV before a grant of options.

The following is a summary of the principal terms of the Option Plan.

The Option Plan provides that stock options may be granted to directors, senior officers, employees and consultants of the Company (and any subsidiary of the Company) and management company employees. For the purposes of the Option Plan, the terms "employees", "consultants" and "management company employees" have the meanings set out in TSXV Policy 4.4. In addition, the term "director" is defined in TSXV Policy 4.4 to include directors, senior officers and management company employees.

Under the Option Plan, the Company's Board may from time to time designate a director or other senior officer or employee of the Company as administrator (the "Administrator") for the purposes of administering the Option Plan. The Administrator will be Gary Nassif, President of the Company.

The Option Plan provides for the issuance of stock options to acquire at any time up to a maximum of 10% of the issued and outstanding Shares of the Company (subject to standard anti-dilution adjustments). If a stock option expires or otherwise terminates for any reason without having been exercised in full, the number of Shares reserved for issuance under that expired or terminated stock option will again be available for the purposes of the Option Plan. Any stock option outstanding when the Option Plan is terminated will remain in effect until it is exercised, or it expires.

The Option Plan provides that it is solely within the discretion of the Board to determine who should receive stock options and in what amounts, subject to the following conditions:

- (a) options will be non-assignable and non-transferable except that they will be exercisable by the personal representative of the option holder in the event of the option holder's death;
- (b) options may be exercisable for a maximum of ten years from the date of grant;
- (c) options to acquire no more than 5% of the issued Shares of the Company may be granted to any one person (including companies wholly-owned by such person) in any 12-month period;
- (d) options to acquire no more than 2% of the issued Shares of the Company may be granted to any one consultant in any 12-month period;
- (e) options to acquire no more than an aggregate of 2% of the issued Shares of the Company may be granted to an employee conducting "**Investor Relations Activities**" (as defined in Exchange Policy 1.1), in any 12-month period;
- (f) at no time will options be issued which could permit at any time the aggregate number of Shares reserved for issuance under stock options granted to insiders (as a group) at any point in time exceeding 10% of the issued Shares;
- (g) at no time will options be issued which could permit at any time the grant to insiders (as a group), within a 12-month period, of an aggregate number of options exceeding 10% of the issued Shares calculated at the date an option is granted to any insider;
- (h) options held by an option holder who is a director, employee, consultant or management company employee must expire within one year after the option holder ceases to be a director, employee, consultant or management company employee, which time period the Company determines is reasonable;
- (i) options held by an option holder who is engaged in Investor Relations Activities must expire within 30 days after the option holder ceases to be employed by the Company to provide Investor Relations Activities; and
- (j) in the event of an option holder's death, the option holder's personal representative may exercise any portion of the option holder's vested outstanding options for a period of one year following the option holder's death.

The Option Plan provides that other terms and conditions may be attached to a particular stock option, such terms and conditions to be referred to in a schedule attached to the option certificate. Stock options granted to directors, senior officers, employees or consultants vest when granted unless otherwise determined by the Board on a case by case basis. Stock options granted to consultants performing Investor Relations Activities, will vest in stages over 12 months with no more than ¼ of the options vesting in any three-month period.

In addition, under the Option Plan a stock option will expire immediately in the event a director or senior officer ceases to be a director or senior officer of the Company as a result of:

- (a) ceasing to meet the qualifications under the *Business Corporations Act* (British Columbia);
- (b) the passing of a special resolution by the shareholders; or
- (c) an order made by a regulatory authority.

A stock option will also expire immediately in the event an employee ceases to be an employee as a result of termination for cause or an employee or consultant ceases to be an employee or consultant as a result of an order made by a regulatory authority.

The price at which an option holder may purchase a Share upon the exercise of a stock option will be as set forth in the option certificate issued in respect of such option and in any event, will not be less than the "**Discounted Market Price**" (as defined in TSXV Policy 1.1) of the Company's Shares as of the date of the grant of the stock option (the "**Award Date**"). The exercise price of stock options granted by the Company will typically be the closing price of the Company's Shares on the day immediately preceding the relevant Award Date, or otherwise in accordance with the terms of the Option Plan.

In no case will a stock option be exercisable at a price less than the minimum prescribed by the organized trading facility or the applicable regulatory authorities that would apply to the award of the stock option in question.

The Option Plan also provides that: (a) disinterested shareholder approval will be obtained for any reduction in the exercise price of an option held by an insider of the Company; and (b) options cannot be granted to employees, consultants or management company employees that are not bona fide employees, consultants or management company employees, as the case may be.

Shares will not be issued pursuant to stock options granted under the Option Plan until they have been fully paid for by the option holder. The Company will not provide financial assistance to option holders to assist them in exercising their stock options.

Shareholders may request a copy of the Option Plan by contacting the Company at the address or telephone number listed on the Notice of Meeting until the date of the Meeting and at the Meeting itself.

At the Meeting, the shareholders will be asked to consider, and if deemed advisable, to pass the following resolutions:

“RESOLVED, as an ordinary resolution, THAT:

1. the Company’s stock option plan adopted September 19, 2016 (the “**Option Plan**”) be and is hereby ratified, confirmed, authorized and approved;
2. the reservation under the Option Plan of up to a maximum of 10% of the issued shares of the Company, on a rolling basis, as at the time of granting of the stock option pursuant to the Option Plan be and the same is hereby authorized and approved;
3. such amendments to the Option Plan are authorized to may be made from time to time as the Board may, in its discretion, consider to be appropriate, provided that such amendments will be subject to the approval of all applicable regulatory authorities and in certain cases, in accordance with the terms of the Option Plan, the shareholders; and
4. any one director or officer of the Company be and is hereby authorized and directed, for and on behalf of the Company, to execute and deliver all such documents, agreements and instruments, and to do all such other acts and things as such director or officer may determine to be necessary or advisable to give effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such documents, agreements or instruments or the doing of any such act or thing.”

The Board unanimously recommends that the shareholders vote in favour of ratifying and approving the Option Plan.

**Unless the shareholder directs that his or her Shares be otherwise voted or withheld from voting in connection with the approval of the Option Plan, the persons named in the enclosed Proxy will vote FOR the approval of the above resolutions.**

It is not known that any other matters will come before the meeting other than as set forth above and in the Notice of Meeting accompanying this Information Circular, but if such should occur the persons named in the accompanying Form of Proxy intend to vote on them in accordance with their best judgement, exercising discretionary authority with respect to amendments or variations of matters identified in the Notice of Meeting and other matters which may properly come before the meeting or any adjournment thereof.

#### **STATEMENT OF CORPORATE GOVERNANCE PRACTICES**

In accordance with National Instrument 58-101 *Disclosure of Corporate Governance Practices*, (“**NI 58-101**”) the Company is required to disclose, on an annual basis, its approach to corporate governance. The Company’s corporate governance practices comply with the applicable guidelines and a description is set out in Schedule B to this Information Circular, in the format suggested by NI 58-101F2 *Corporate Governance Disclosure*.

#### **AUDIT COMMITTEE**

National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”) requires the Company, as a venture issuer, to disclose annually in its information circular certain information concerning the constitution of its audit committee (the “**Committee**”) and its relationship with its independent auditor. This information with respect to the Company is provided in Schedule A.

#### **ADDITIONAL INFORMATION**

Additional information concerning the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information concerning the Company is provided in the Company’s comparative financial statements and Management’s Discussion and Analysis for

the financial year ended June 30, 2020. Shareholders wishing to obtain a copy of the Company's financial statements and Management's Discussion and Analysis may contact the Company as follows:

ARGENTUM SILVER CORP.  
Suite 401, 217 Queen Street West  
Toronto, ON Canada M5V 0R2

**BOARD APPROVAL**

The contents of this Information Circular, including the schedules thereto, and the sending thereof to shareholders entitled to receive notice of the Meeting, to each director, to the auditors of the Company and to the appropriate governmental agencies, have been approved in substance by the directors of the Company pursuant to resolutions passed as of November 18, 2020.

**CERTIFICATE**

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

BY ORDER OF THE BOARD  
**ARGENTUM SILVER CORP.**

A handwritten signature in black ink, appearing to read "G. Nassif", written in a cursive style.

Gary Nassif, Chief Executive Officer

**Schedule "A" to the Information Circular of  
Argentum Silver Corp. (the "Company")**

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**ARGENTUM SILVER CORP.  
AUDIT COMMITTEE INFORMATION**

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Pursuant to NI 52-110, the Company is required to include the following summary of the audit committee responsibilities, composition and authority. The Company's Audit Committee is governed by an audit committee charter, the text of which follows:

**Mandate and Responsibilities:** The Audit Committee is appointed by the board of directors of the Company (the "Board") to oversee the accounting and financial reporting process of the Company and audits of the financial statements of the Company. The Audit Committee's primary duties and responsibilities are to:

- (a) recommend to the Board the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company;
- (b) recommend to the Board the compensation of the external auditor;
- (c) oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- (d) pre-approve all non-audit services to be provided to the Company or its subsidiaries by the Company's external auditor;
- (e) review the Company's financial statements, Management's Discussion and Analysis and annual and interim earnings press releases before the Company publicly discloses this information;
- (f) be satisfied that adequate procedures are in place for the review of all other public disclosure of financial information extracted or derived from the Company's financial statements, and to periodically assess the adequacy of those procedures;
- (g) establish procedures for:
  - (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
  - (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters; and
- (h) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company.

The Board and management will ensure that the Audit Committee has adequate funding to fulfil its duties and responsibilities.

**Composition:** The Committee shall be comprised of a minimum three directors as determined by the Board. If the Company ceases to be a "venture issuer" (as that term is defined in NI 52-110), then all of the members of the Committee shall be free from any material relationship with the Company that, in the opinion of the Board, would interfere with the exercise of their independent judgment as a member of the Committee.

If the Company ceases to be a "venture issuer" then all members of the Committee shall also have accounting or related financial management expertise. For the purposes of the Company's Audit Committee Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. The members of the Committee shall be elected by the Board at its first meeting following the annual shareholders' meeting. Unless a Chair is elected by the full Board, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

**Meetings:** The Committee shall meet a least once annually, or more frequently as circumstances dictate or as may be prescribed by securities regulatory requirements. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditor.

**Responsibilities and Duties:** To fulfill its responsibilities and duties, the Committee shall review and update the Audit Committee Charter annually and review the Company's financial statements, management discussion and analysis and any annual and interim earnings press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditor.

**External Auditor:**

- (a) review annually, the performance of the external auditor who shall be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Company;
- (b) obtain annually, a formal written statement of external auditor setting forth all relationships between the external auditor and the Company and review and discuss with the external auditor any disclosed relationships or services that may impact the objectivity and independence of the external auditor;
- (c) take, or recommend that the Board take, appropriate action to oversee the independence of the external auditor, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- (d) recommend to the Board the selection and, where applicable, the replacement of the external auditor nominated annually for shareholder approval and to recommend to the Board the compensation to be paid to the external auditor;
- (e) at each meeting, where desired, consult with the external auditor, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements;
- (f) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company;
- (g) review with management and the external auditor the audit plan for the year-end financial statements and review and preapprove all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditor. The pre-approval requirement is waived with respect to the provision of non-audit services if:
  - (i) the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external auditor during the fiscal year in which the non-audit services are provided,
  - (ii) such services were not recognized by the Company at the time of the engagement to be non-audit services, and
  - (iii) such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Committee.

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

**Financial Reporting Processes:**

- (a) in consultation with the external auditor, review with management the integrity of the Company's financial reporting process, both internal and external;
- (b) consider the external auditor's judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting;
- (c) consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditor and management;
- (d) review significant judgments made by management in the preparation of the financial statements and the view of the external auditor as to appropriateness of such judgments;

- (e) following completion of the annual audit, review separately with management and the external auditor any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;
- (f) review any significant disagreement among management and the external auditor in connection with the preparation of the financial statements;
- (g) review with the external auditor and management the extent to which changes and improvements in financial or accounting practices have been implemented;
- (h) review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters;
- (i) review certification process;
- (j) establish a procedure for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
- (k) establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

**Other:** To review any related-party transactions, engage independent counsel and other advisors as it determines necessary to carry out its duties and to set and pay compensation for any independent counsel and other advisors employed by the Committee.

**Composition of the Audit Committee:** The Company's audit committee is comprised of two directors, Albert Contardi and David Donato. As defined in NI 52-110, David Donato and Albert Contardi are independent directors according to the policy. The audit committee members are "financially literate" as that term is defined in NI 52-110.

David Donato has extensive experience in investment banking with over 20 years of financing, advisory, and M&A experience. Throughout his investment banking career, he has focused on junior and mid-cap resource and non-resource clients. Mr. Donato is presently a Managing Director with Sprott Capital Partners LP. Prior to joining Sprott Capital Partners LP, Mr. Donato was President of PearTree Securities, Managing Director & Board Member with Mackie Research Capital, and Managing Director with Haywood Securities. Mr. Donato began his career as a chartered accountant at BDO Dunwoody and Arthur Anderson and developed a solid accounting and tax background. Mr. Donato specialized in tax as a member of Arthur Andersen's tax & business advisory group where he assisted US multinationals with cross-border transactions including structuring mergers, acquisitions, and divestitures. Mr. Donato graduated from the University of Waterloo (Honours Chartered Accountancy Program), and also holds CPA, CA and CFA designations.

Albert Contardi is a consultant/adviser with over 15 years of legal, investment and capital markets experience. He advises on and structures corporate finance transactions in the mining, technology and bio-technology sectors, to maximize enterprise value or specific projects/assets. Mr. Contardi has extensive experience in advising a broad range of clients, including both senior and junior issuers, underwriters, agents, selling security holders, entrepreneurs and private corporations. Previously, he was Vice President of Corporate Finance and Compliance at an exempt market dealer, where his responsibilities included advising on public and private equity and debt financings, public listings, mergers and acquisitions and other corporate transactions. Mr. Contardi began his career practicing law as an Associate in the corporate/securities law practices at Gowling Lafleur Henderson LLP and Goodman and Carr LLP. He has been called to the Ontario Bar, is a member of the Law Society of Upper Canada and is a graduate of Queen's University Law School.

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

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

**Pre-approval Policies and Procedures:** The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services to the extent set forth in the Company's Audit Committee Charter (see under the heading "External Auditor").

**External Auditor Service Fees:** In the following table, “audit fees” are fees billed by the Company’s external auditor for services provided in auditing the Company’s annual financial statements for the subject year. “Audit-related fees” are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit or review of the Company’s financial statements. “Tax fees” are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. “All other fees” are fees billed by the auditor for products and services not included in the foregoing categories.

**External Auditor’s Fees:** Set forth below are details of certain service fees paid to the Company’s external auditor in each of the last two fiscal years:

<b>Financial Year End</b>	<b>Audit Fees</b>	<b>Audit Related Fees</b>	<b>Tax Fees</b>	<b>All Other Fees</b>
June 30, 2020	\$31,387	0	0	0
June 30, 2019	\$10,200	0	0	0

The Company is a venture issuer and as such, is relying on section 6.1 of NI 52-110 which provides that a venture issuer is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

**Schedule "B" to the Information Circular of  
Argentum Silver Corp. (the "Company")**

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**CORPORATE GOVERNANCE DISCLOSURE**

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Corporate Governance is the process and structure used to direct and manage the business and affairs of an issuer with the objective of enhancing value for its owners. NI 58-101 requires the Company to disclose in this Information Circular a summary of the corporate governance policies that the Company has in place.

**Board of Directors**

The Board of Directors facilitates its independent supervision over management through regular meetings of the Board. The independent directors of the board do not hold regularly scheduled meetings at which non-independent directors are not in attendance. However, the size of the Board and the nature of the Company's operations ensures that open and candid discussion among the independent directors is possible. Furthermore, the Board does not have a Chair, because the size of the Board enables all directors to participate and provide leadership to the Company.

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A "material relationship" is a relationship that could, in the view of the Company's Board of Directors, be reasonably expected to interfere with the exercise of a director's independent judgment.

Gary Nassif is an executive officer and is therefore not considered to be "independent". Albert Contardi and David Donato are the current independent directors.

The mandate of the Board, as prescribed by the Act, is to manage or supervise management of the business and affairs of the Company and to act with a view to the best interests of the Company. In doing so, the Board oversees the management of the Company's affairs directly and through its committees.

**Directorships**

Certain of the directors of the Company are also directors and/or officers of other reporting issuers (or equivalent) in a jurisdiction or a foreign jurisdiction as follows:

<b>Name of Director</b>	<b>Names of Other Reporting Issuers</b>	
Gary Nassif	Inventus Mining Corp. Warrior Gold Inc. Stratabound Minerals Corp.	
Albert Contardi	Mega Uranium Ltd. Pima Zinc Corp. Veta Resources Inc. TomaGold Corporation Vanstar Mining Resources Inc.	

**Orientation and Continuing Education**

The Board of Directors is responsible for providing orientation for all new recruits to the Board. Each new director brings a different skill set and professional background, and with this information, the Board is able to determine what orientation to the nature and operations of the Company's business will be necessary and relevant to each new director.

**Ethical Business Conduct**

The Board of Directors relies on the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law to ensure the Board operates independently of management and in the best interests of the Company. The Board of Directors has found that these, combined with the restrictions placed by applicable corporate legislation on an individual directors' participation in decisions of the Board in which the director has an interest, have been sufficient.

**Nomination of Directors**

The Board of Directors considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders. The Board takes into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

The Board of Directors does not have a nominating committee. The Board of Directors is responsible for recruiting new members to the Board and planning for the succession of Board members.

**Compensation**

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

**Other Board Committees**

The Board has appointed an Audit Committee, the members of which are David Donato and Albert Contardi. A description of the function of the Audit Committee can be found in this Information Circular under Audit Committee. The Board of Directors does not have any other committees.

**Assessments**

Neither the Company nor the Board has adopted formal procedures to regularly assess the Board, the Audit Committee or the individual directors as to their effectiveness and contribution. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The contributions of individual directors are informally monitored by the other Board members, bearing in mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

The Board believes its corporate governance practices are appropriate and effective for the Company, given its size and operations. The Company's corporate governance practices allow the Company to operate efficiently, with checks and balances, that control and monitor management and corporate functions without excessive administrative burden.