

ARGENTUM SILVER CORP.

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

To be held on **Thursday, December 8, 2022**

and

MANAGEMENT INFORMATION CIRCULAR

as at **November 4, 2022**

NOTICE OF ANNUAL GENERAL 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 Exchange Tower, Suite 1900, 130 King Street West, Toronto, ON, M5X 1E3, on **Thursday, December 8, 2022 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, 2022, 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, an ordinary resolution approving and confirming the Company’s Amended 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 The Exchange Tower, Suite 1900, 130 King Street West, Toronto, ON, M5X 1E3, during normal business hours up to **December 8, 2022** being the date of the Meeting.

The directors of the Company fixed the close of business on **November 3, 2022**, 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 4th day of November 2022.

BY ORDER OF THE BOARD

ARGENTUM SILVER CORP.



Gary Nassif, Chief Executive Officer

MANAGEMENT INFORMATION CIRCULAR

As at November 4, 2022
unless otherwise noted

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 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 51,598,543 Common Shares are issued and outstanding as at November 4, 2022.

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 3, 2022**, 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	62.18%

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, 2022, (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 2021 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. 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 ⁽¹⁾	Approx. no. of voting securities beneficially owned, or controlled or directed, directly or indirectly or over which direction or control is exercised ⁽²⁾
Gary Nassif ON, Canada	President and CEO of the Company; Senior Vice President of Stratabound Minerals Corp. from January 2022 to present; Senior Vice President of Jerritt Canyon Gold from January 2016 to April 2021; 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⁽³⁾ ON, Canada	Managing Director of Sprott Capital Partners LP since September 2018, President of PearTree Securities from June 2016 to January 2018	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 ⁽¹⁾	Approx. no. of voting securities beneficially owned, or controlled or directed, directly or indirectly or over which direction or control is exercised ⁽²⁾
Albert Contardi ⁽³⁾ ON, Canada	President and Chief Executive Officer of Generic Capital Corporation, an exempt market dealer, from June 2013 to present, and President and Chief Executive Officer of QcX Gold Corp., a mineral exploration company, from April 2020 to present	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, 2022, 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, 2022 is as follows:

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$) ⁽¹⁾	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Gary Nassif CEO ⁽²⁾	2022	75,000	Nil	123,000	Nil	Nil	Nil	Nil	198,000
	2021	75,000	Nil	Nil	Nil	Nil	Nil	Nil	75,000
	2020	75,000	Nil	Nil	Nil	Nil	Nil	Nil	75,000
James Fairbairn CFO ⁽³⁾	2022	60,000	Nil	62,000	Nil	Nil	Nil	Nil	122,000
	2021	60,000	Nil	Nil	Nil	Nil	Nil	Nil	60,000
	2020	60,000	Nil	Nil	Nil	Nil	Nil	Nil	60,000

- (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 \$0.175, expected dividend yield of 0%; expected annualized volatility of 137% based on the volatility of companies in the same industry with similar size and transactions; a risk-free interest rate of 1.31%, 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.

Incentive Plan Awards

Share-Based Awards and Option-Based Awards

The two Company NEOs received option-based awards during the Company's most recently completed financial year ended June 30, 2022. On December 14, 2021, Mr. Nassif was granted 800,000 Stock Options at \$0.175 and Mr. Fairbairn was granted 400,000 Stock Options at \$0.175.

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, 2022, 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, 2022, is:

Name	Fees earned (\$) ⁽¹⁾	Share-based Awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$) ⁽²⁾	Total (\$)
Albert Contardi	Nil	Nil	62,000	Nil	Nil	Nil	62,000
David Donato	Nil	Nil	62,000	Nil	Nil	Nil	62,000

- (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.

Share-Based Awards and Option-Based Awards

The Company's directors who are not NEOs received option-based awards during the Company's most recently completed financial year ended June 30, 2022. On December 14, 2021, Mr. Contardi and Mr. Donato were each granted 400,000 Stock Options at \$0.175.

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 Company has in place the Plan which was last approved by the shareholders of the Company on December 10, 2021. On November 4, 2022, the Company approved the amended Plan.

The Company currently has no long-term incentive plans, other than stock options granted from time to time by the Board under the provisions of the Plan. The purpose of the Plan is to, among other things, encourage Common Share ownership in the Company by directors, officers, employees and consultants of the Company and its affiliates and other designated persons. Stock options may be granted under the Plan only to directors, officers, employees and consultants of the Company and its subsidiaries and other designated persons as designated from time to time by the Board.

The number of stock options of the Company which may be reserved for issue under the Stock Option Plan is limited to 10% of the issued and outstanding number of Common Shares as at the date of the grant of stock options. As at the date hereof, 5,159,854 stock options may be reserved for issue pursuant to the Stock Option Plan, 3,600,000 stock options have been issued and 1,659,854 stock options are available for issue.

Any Common Shares subject to a stock option which is exercised, or for any reason is cancelled or terminated prior to exercise, will be available for a subsequent grant under the Stock Option Plan. The option price of any Common Shares cannot be less than the market price of the Common Shares at the time of grant. Stock options granted under the Stock Option Plan may be exercised during a period not exceeding 10 years, subject to earlier termination upon the termination of the optionee's employment, upon the optionee ceasing to be an employee, officer, director or consultant of the Company or any of its subsidiaries or ceasing to have a designated relationship with the Company, as applicable, or upon the optionee retiring, becoming permanently disabled or dying. The stock options are non-transferable. The Stock Option Plan contains provisions for adjustment in the number of Common Shares issuable thereunder in the event of a subdivision, consolidation, reclassification or change of the Common Shares, a merger or other relevant changes in the Company's capitalization. Subject to shareholder approval in certain circumstances, the Board may from time to time amend or revise the terms of the Stock Option Plan or may terminate the Stock Option Plan at any time. The Stock Option Plan does not contain any provision for financial assistance by the Company in respect of stock options granted under the Stock Option Plan.

The Company has no equity compensation plans other than the Stock Option Plan.

The following table sets out equity compensation plan information as at the end of the financial year ended June 30, 2022.

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	3,600,000	0.20	1,559,854
Equity compensation plans not approved by securityholders	nil	Nil	nil
Total	3,600,000	0.20	1,559,854

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**

On November 24, 2021, the TSX Venture Exchange (the "TSXV") revised its policy (the "Revised Policy") on security-based compensation, including stock option plans. On November 4, 2022, the Board amended the terms of the stock option plan (the "Plan") of the Company to comply with the requirements of the Revised Policy.

The purpose of the Plan is to encourage Common Share ownership by directors, officers, employees and consultants of the Company.

Currently, the only types of security-based compensation that may be granted by the Company, and as of the date of this Circular, the Company does not have any outstanding. If the amendments to the Plan are approved by the shareholders of the

Company, all outstanding stock options would continue to be outstanding and in force, except that they would henceforth be governed by, and subject to the terms and conditions of, the Plan, as amended.

The Plan is a "rolling" plan as the number of Common Shares reserved for issuance pursuant to the grant of stock options will increase as the Company's issued and outstanding share capital increases. At no time will more than 10% of the outstanding Common Shares be subject to grant under the Plan. If a stock option expires, is exercised or otherwise terminates for any reason, the number of Common Shares of the Company in respect of that expired, exercised or terminated stock option shall again be available for grant for the purpose of the Plan. The principal features of the Plan are described in more detail below in the section entitled "*Statement of Executive Compensation – Stock Option Plan and other Incentive Plans*".

Under the Revised Policy, the Company must obtain shareholder approval of the Plan at the Meeting. In addition, because the Plan is a "rolling" 10% plan under the Revised Policy, the Company's shareholders must approve the Plan at each subsequent annual meeting of the shareholders. Accordingly, shareholders will be asked to approve the following resolution:

"BE IT RESOLVED THAT:

1. the stock option plan of the Company as described in the management information circular dated November 4, 2022, subject to any amendments requested by the TSX Venture Exchange, be and it is hereby approved, ratified and confirmed;
2. the stock option plan may be amended by the directors of the Company in order to satisfy the requests of any regulatory authorities or the TSX Venture Exchange without further approval of the shareholders of the Company, unless approval of the shareholders of the Company is required by the regulatory authorities or the TSX Venture Exchange; and
3. any director or officer of the Company be, and such director or officer of the Company hereby is, authorized and empowered, acting for, in the name of and on behalf of the Company, to execute or to cause to be executed, under seal of the Company or otherwise, and to deliver or cause to be delivered, all such other documents and instruments, and to do or to cause to be done all such other acts and things, as in the opinion of such director or officer of the Company may be necessary or desirable in order to fulfill the intent of the foregoing resolution."

In accordance with the policies of the TSXV, the Plan must be approved by a majority of votes cast at the Meeting on the resolution. A copy of the Plan is attached hereto as Schedule "C".

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE STOCK OPTION PLAN RESOLUTION UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE VOTED AGAINST SUCH RESOLUTION.

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. 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, 2021. 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 4, 2022.

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")**

**ARGENTUM SILVER CORP.
AUDIT COMMITTEE INFORMATION**

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:

Financial Year End	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
June 30, 2022	\$20,250	0	0	0
June 30, 2021	\$20,250	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")**

CORPORATE GOVERNANCE DISCLOSURE

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:

Name of Director	Names of Other Reporting Issuers	
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. 1329291 B.C. Ltd. 1329293 B.C. Ltd. 1329295 B.C. Ltd. 1329300 B.C. Ltd. 1329306 B.C. Ltd. 1329307 B.C. Ltd.	

	1329308 B.C. Ltd. 1329310 B.C. Ltd.	
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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.

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

STOCK OPTION PLAN

Please see the attached.

ARGENTUM SILVER CORP.
(the “Company”)

STOCK OPTION PLAN

Dated for Reference November 4, 2022

ARTICLE 1
PURPOSE AND INTERPRETATION

1.1 Purpose

The purpose of this Plan is to advance the interests of the Company by encouraging equity participation in the Company through the acquisition of Common Shares of the Company. It is the intention of the Company that this Plan will at all times be in compliance with TSX Venture Policies (as defined herein) (or, if applicable, NEX Policies) and any inconsistencies between this Plan and TSX Venture Policies (or, if applicable, NEX Policies) will be resolved in favour of the latter.

1.2 Definitions

In this Plan

- (a) **“Affiliate”** means a company that is a parent or subsidiary of the Company, or that is controlled by the same entity as the Company;
- (b) **“Associate”** has the meaning set out in the Securities Act;
- (c) **“Black-out Period”** means an interval of time during which the Company has determined that one or more Participants may not trade any securities of the Company because they may be in possession of undisclosed material information pertaining to the Company, or when in anticipation of the release of quarterly or annual financials, to avoid potential conflicts associated with a company’s insider-trading policy or applicable securities legislation, (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);
- (d) **“Board”** means the board of directors of the Company or any committee thereof duly empowered or authorized to grant Options under this Plan;
- (e) **“Cause”** means “Just Cause” as defined in the Participant’s employment agreement or agreement for services with the Company or one of its Affiliates, or if such term is not defined or if the Participant has not entered into an employment agreement or agreement for services with the Company or one of its Affiliates, then any circumstance that would permit the Company to terminate a Participant’s employment or agreement for services without notice of termination, or payment in lieu of notice of termination, severance pay or benefits continuation under the applicable law;
- (f) **“Change of Control”** means the occurrence of any of:

- (i) any transaction at any time and by whatever means pursuant to which any person or any group of two or more persons acting jointly or in concert (other than the Company or any of its affiliates or subsidiary) thereafter acquires the direct or indirect “beneficial ownership” (as defined in the *Business Corporations Act (Ontario)*) of, or acquires the right to exercise control or direction over, securities of the Company representing 50% or more of the then issued and outstanding voting securities of the Company in any manner whatsoever, including, without limitation, as a result of a take-over bid, an issuance or exchange of securities, an amalgamation of the Company with any other person, an arrangement, a capital reorganization or any other business combination or reorganization
- (ii) the sale, assignment or other transfer of all or substantially all of the assets of the Company to a person or any group of two or more persons acting jointly or in concert (other than a wholly-owned subsidiary of the Company);
- (iii) the occurrence of a transaction requiring approval of the Company’s security holders whereby the Company is acquired through consolidation, merger, exchange of securities, purchase of assets, amalgamation, statutory arrangement or otherwise by any person or any group of two or more persons acting jointly or in concert (other than an exchange of securities with a wholly-owned subsidiary of the Company);
- (iv) a majority of the Board consists of individuals which management of the Company has not nominated for election or appointment as directors; or
- (v) the Board passes a resolution to the effect that an event comparable to an event set forth in this definition has occurred;
- (g) **“Common Shares”** means the common shares without par value in the capital of the Company providing such class is listed on the TSX Venture or Toronto Stock Exchange (or, NEX, as the case may be);
- (h) **“Company”** means the company named at the top hereof and includes, unless the context otherwise requires, all of its Affiliates and successors according to law;
- (i) **“Consultant”** means, in relation to the Company, an individual (other than a Director, Officer or Employee of the Company or any of its subsidiaries) or Company that:
 - (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Company or to any of its subsidiaries, other than services provided in relation to a Distribution;
 - (ii) provides the services under a written contract between the Company or any of its subsidiaries and the individual or the Company, as the case may be; and

- (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or of any of its subsidiaries;
- (j) **“Consultant Company”** means for an individual consultant, a company or partnership of which the individual is an employee, shareholder or partner;
- (k) **“Date of Termination”** means, for a Service Provider, the last day that the Service Provider actively provides services to the Company without regard to any notice of termination or pay in lieu of notice thereof, deemed or notional notice period, or period during which the Service Provider receives pay in lieu of notice, termination pay, severance payments, or salary continuance, whether pursuant to statute, agreement, common law or otherwise;
- (l) **“Director”** means a director (as defined under applicable securities laws) of the Company or any of its subsidiaries;
- (m) **“Discounted Market Price”** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;
- (n) **“Disinterested Shareholder Approval”** means approval by a majority of the votes cast by all the Company’s shareholders at a duly constituted shareholders’ meeting, excluding votes attached to Common Shares beneficially owned by Insiders who are Service Providers or their Associates;
- (o) **“Distribution”** has the meaning assigned by the Securities Act, and generally refers to a distribution of securities by the Company from treasury;
- (p) **“Effective Date”** for an Option means the date of grant thereof by the Board;
- (q) **“Employee”** means:
 - (i) an individual who is considered an employee of the Company or of its subsidiary under the *Income Tax Act* (Canada) and for whom income tax, employment insurance and Canada Pension Plan deductions must be made at source;
 - (ii) an individual who works full-time for the Company or its subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Company or its subsidiary over the details and methods of work as an employee of the Company or of the subsidiary, as the case may be, but for whom income tax deductions are not made at source; or
 - (iii) an individual who works for the Company or its subsidiary on a continuing and regular basis for a minimum of fifteen (15) hours per week providing services normally provided by an employee and who is subject to the same control and direction by the Company or its subsidiary over the details and methods of work as an employee of the Company or of the subsidiary, as the case may be, but for whom income tax deductions are not made at source;

- (r) **“Exchange Hold Period”** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;
- (s) **“Exercise Price”** means the amount payable per Common Share on the exercise of an Option, as determined in accordance with the terms hereof;
- (t) **“Expiry Date”** means the day on which an Option lapses as specified in the Option Commitment therefor or in accordance with the terms of this Plan;
- (u) **“Insider”** means an insider as defined in the TSX Venture Policies or as defined in securities legislation applicable to the Company;
- (v) **“Investor Relations Activities”** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;
- (w) **“Management Company Employee”** means an individual employed by a company providing management services to the Company which services are required for the ongoing successful operation of the business enterprise of the Company;
- (x) **“Market Price”** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;
- (y) **“NEX”** means a separate board of the TSX Venture for companies previously listed on the TSX Venture or the Toronto Stock Exchange which have failed to maintain compliance with the ongoing financial listing standards of those markets;
- (z) **“NEX Policies”** means the rules and policies of NEX as amended from time to time;
- (aa) **“Officer”** means an officer (as defined under applicable securities laws) of the Company or any of its subsidiaries;
- (bb) **“Option”** means the right to purchase Common Shares granted hereunder to a Service Provider;
- (cc) **“Option Commitment”** means the notice of grant of an Option delivered by the Company hereunder to a Service Provider and substantially in the form of Schedule “A” attached hereto;
- (dd) **“Optioned Shares”** means Common Shares that may be issued in the future to a Service Provider upon the exercise of an Option;
- (ee) **“Optionee”** means the recipient of an Option hereunder;
- (ff) **“Outstanding Shares”** means at the relevant time, the number of issued and outstanding Common Shares of the Company from time to time;
- (gg) **“Participant”** means a Service Provider that becomes an Optionee;
- (hh) **“Person”** includes a company, any unincorporated entity, or an individual;

- (ii) **“Plan”** means this stock option plan, the terms of which are set out herein or as may be amended;
- (jj) **“Plan Shares”** means the total number of Common Shares which may be reserved for issuance as Optioned Shares under the Plan as provided in Section 2.2;
- (kk) **“Regulatory Approval”** means the approval of the TSX Venture and any other securities regulatory authority that has lawful jurisdiction over the Plan and any Options issued hereunder;
- (ll) **“Securities Act”** means the *Securities Act*, R.S.O. 1990, c. S.5, or any successor legislation;
- (mm) **“Service Provider”** means a Person who is a bona fide Director, Officer, Employee, Management Company Employee, Consultant or Consultant Company, and also includes a company, 100% of the share capital of which is beneficially owned by one or more Service Providers;
- (nn) **“Share Compensation Arrangement”** means any Option under this Plan but also includes any other stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares to a Service Provider;
- (oo) **“Shareholder Approval”** means approval by a majority of the votes cast by eligible shareholders of the Company at a duly constituted shareholders’ meeting;
- (pp) **“Take Over Bid”** means a take over bid as defined in National Instrument 62-104 (Take-over Bids and Issuer Bids) or the analogous provisions of securities legislation applicable to the Company;
- (qq) **“TSX Venture”** means the TSX Venture Exchange and any successor thereto;
- (rr) **“TSX Venture Policies”** means the rules and policies of the TSX Venture as amended from time to time; and
- (ss) **“VWAP”** means the volume weighted average trading price of the Company’s Common Shares on the TSX Venture calculated by dividing the total value by the total volume of such securities traded for the five trading days immediately preceding the exercise of the subject Option.

1.3 Other Words and Phrases

Words and phrases used in this Plan but which are not defined in the Plan, but are defined in the TSX Venture Policies (and, if applicable, the NEX Policies), will have the meaning assigned to them in the TSX Venture Policies (and, if applicable, NEX Policies).

1.4 Gender

Words importing the masculine gender include the feminine or neuter, words in the singular include the plural, words importing a corporate entity include individuals, and vice versa.

ARTICLE 2 STOCK OPTION PLAN

2.1 Establishment of Stock Option Plan

The Plan is hereby established to recognize contributions made by Service Providers and to create an incentive for their continuing assistance to the Company and its Affiliates.

2.2 Maximum Plan Shares

The maximum aggregate number of Plan Shares that may be reserved for issuance under the Plan at any point in time is 10% of the Outstanding Shares at the time Plan Shares are reserved for issuance as a result of the grant of an Option, less any Common Shares reserved for issuance under Share Compensation Arrangements other than this Plan, unless this Plan is amended pursuant to the requirements of the TSX Venture Policies (and, if applicable, NEX Policies).

2.3 Eligibility

Options to purchase Common Shares may be granted hereunder to Service Providers of the Company, or its affiliates, from time to time by the Board. Service Providers that are not individuals will be required to undertake in writing not to effect or permit any transfer of ownership or option of any of its securities, or to issue more of its securities (so as to indirectly transfer the benefits of an Option), as long as such Option remains outstanding, unless the written permission of the TSX Venture and the Company is obtained.

2.4 Options Granted Under the Plan

All Options granted under the Plan will be evidenced by an Option Commitment in substantially in the form attached as Schedule "A" (or in such other form as determined by the Company), showing the number of Optioned Shares, the term of the Option, a reference to vesting terms, if any, and the Exercise Price.

Subject to specific variations approved by the Board, all terms and conditions set out herein will be deemed to be incorporated into and form part of an Option Commitment made hereunder.

2.5 Limitations on Issue

Subject to Section 2.9, the following restrictions on issuances of Options are applicable under the Plan:

- (a) no Service Provider can be granted an Option if that Option would result in the total number of Options, together with all other Share Compensation Arrangements granted to such Service Provider in a 12 month period, exceeding 5% of the Outstanding Shares, unless the Company has obtained Disinterested Shareholder Approval to do so;
- (b) the aggregate number of Options, together with any other Share Compensation Arrangements, granted to all Service Providers conducting Investor Relations Activities in any 12-month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant, without the prior consent of the TSX Venture (or NEX, as the case may be); and

- (c) the aggregate number of Options, together with any other Share Compensation Arrangements, granted to any one Consultant in any 12 month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant, without the prior consent of the TSX Venture (or the NEX, as the case may be).

2.6 Exercised and Unexercised Options

In the event an Option granted under the Plan is exercised, expires unexercised or is otherwise lawfully cancelled prior to exercise of the Option, the Optioned Shares that were issuable thereunder will be returned to the Plan and will be eligible for re-issuance.

2.7 Administration of the Plan

The Board will be responsible for the general administration of the Plan and the proper execution of its provisions, the interpretation of the Plan and the determination of all questions arising hereunder. Without limiting the generality of the foregoing, the Board has the power to

- (a) allot Common Shares for issuance in connection with the exercise of Options;
- (b) grant Options hereunder;
- (c) subject to any necessary Regulatory Approval, amend, suspend, terminate or discontinue the Plan, or revoke or alter any action taken in connection therewith, except that no general amendment or suspension of the Plan will, without the prior written consent of all Optionees, alter or impair any Option previously granted under the Plan unless the alteration or impairment occurred as a result of a change in the TSX Venture Policies or the Company's tier classification thereunder; and
- (d) delegate all or such portion of its powers hereunder as it may determine to one or more committees of the Board, either indefinitely or for such period of time as it may specify, and thereafter each such committee may exercise the powers and discharge the duties of the Board in respect of the Plan so delegated to the same extent as the Board is hereby authorized so to do.

2.8 Amendment of the Plan by the Board of Directors

Subject to the requirements of the TSX Venture Policies and the prior receipt of any necessary Regulatory Approval, the Board may in its absolute discretion, amend or modify the Plan or any Option granted as follows:

- (a) amendments which are of a typographical, grammatical, clerical nature only;
- (b) amendments of a housekeeping nature;
- (c) amendments necessary as a result in changes in securities laws applicable to the Company or any requested changes by the TSX Venture;
- (d) if the Company becomes listed or quoted on a stock exchange or stock market senior to the TSX Venture, amendments as may be required by the policies of such senior stock exchange or stock market; and
- (e) such amendments as reduce, and do not increase, the benefits of this Plan to Service Providers.

2.9 Amendments Requiring Disinterested Shareholder Approval

The Company will be required to obtain Disinterested Shareholder Approval prior to any of the following actions becoming effective:

- (a) the Plan, together with all of the Company's other Share Compensation Arrangements, could result at any time in:
 - (i) the aggregate number of Common Shares reserved for issuance under Options granted to Insiders exceeding 10% of the Outstanding Shares in the event that this Plan is amended to reserve for issuance more than 10% of the Outstanding Shares;
 - (ii) the number of Optioned Shares issued to Insiders within any 12-month period exceeding 10% of the Outstanding Shares in the event that this Plan is amended to reserve for issuance more than 10% of the Outstanding Shares; or,
 - (iii) the issuance to any one Optionee, within any 12-month period, of a number of Common Shares exceeding 5% of the Outstanding Shares; or
- (b) any reduction in the Exercise Price of an Option previously granted to an Insider, or the extension of the term of an Option, if the Participant is an Insider at the time of the proposed amendment.

2.10 Options Granted Under the Company's Previous Stock Option Plans

Any option granted pursuant to a stock option plan previously adopted by the Board which is outstanding at the time this Plan comes into effect shall be deemed to have been issued under this Plan and shall, as of the date this Plan comes into effect, be governed by the terms and conditions hereof.

ARTICLE 3 TERMS AND CONDITIONS OF OPTIONS

3.1 Exercise Price

The Exercise Price of an Option will be set by the Board at the time such Option is allocated under the Plan, and cannot be less than the Discounted Market Price.

3.2 Term of Option

The term of an Option will be set by the Board at the time such Option is allocated under the Plan. An Option can be exercisable for a maximum of 10 years from the Effective Date.

3.3 Option Amendment

Subject to Section 2.9(b), the Exercise Price of an Option may be amended only if at least six (6) months have elapsed since the later of the date of commencement of the term of the Option, the date the Common Shares commenced trading on the TSX Venture, or the date of the last amendment of the Exercise Price.

An Option must be outstanding for at least one year before the Company may extend its term, subject to the limits contained in Section 3.2

Except as provided under TSX Venture Policies, any proposed amendment to the terms of an Option must comply with the TSX Venture Policies and be approved by the TSX Venture prior to the exercise of such Option.

3.4 Vesting of Options

Subject to Section 3.5, vesting of Options shall be at the discretion of the Board and, with respect to any particular Options granted under the Plan, in the absence of a vesting schedule being specified at the time of grant, all such Options shall vest immediately. Where applicable, vesting of Options will generally be subject to:

- (a) the Service Provider remaining employed by or continuing to provide services to the Company or any of its Affiliates as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or any of its Affiliates during the vesting period; or
- (b) the Service Provider remaining as a Director of the Company or any of its Affiliates during the vesting period.

3.5 Vesting of Options Granted to Consultants Conducting Investor Relations Activities

Notwithstanding Section 3.4, Options granted to Consultants conducting Investor Relations Activities will vest such that:

- (a) no more than 25% of the Options vest no sooner than three months after the Options were granted;
- (b) no more than another 25% of Options vest no sooner than six months after the Options were granted;
- (c) no more than 25% of Options vest no sooner than nine months after the Options were granted; and
- (d) the remainder of the Options vest no sooner than 12 months after the Options were granted.

3.6 Effect of Take-Over Bid or Change of Control

If a Take Over Bid is made to the shareholders generally, or the Company is involved in a transaction which will result in a Change of Control, the Company may, upon the announcement of the Take Over Bid or Change of Control, as applicable, unless provision is made by the acquiring corporation for the assumption of each Option or the substitution of a substantially equivalent option therefor, give written notice thereof to each Optionee holding Options under this Plan and such Optionees shall be entitled to exercise his, her or its Options to the extent previously unexercised, regardless of whether such Optionee would otherwise be entitled to exercise such Options, to such extent at that time, within the 30 day period immediately following the giving of such notice. Any Options not exercised within such 30 day period will immediately terminate and be of no force and effect.

3.7 Acceleration of Vesting on Take Over Bid or Change of Control

In the event of a Take Over Bid or Change of Control occurring, Options granted and outstanding, which are subject to vesting provisions, shall be deemed to have immediately vested upon the announcement of the Take Over Bid or Change of Control, as applicable, excluding Options granted to a Person engaged in Investor Relations Activities.

3.8 Extension of Options Expiring During Blackout Period

Should the Expiry Date for an Option fall within a Blackout Period, such Expiry Date shall, subject to approval of the TSX Venture (or the NEX, as the case may be), be automatically extended without any further act or formality to that day which is the tenth (10th) Business Day after the end of the Blackout Period, such tenth Business Day to be considered the Expiry Date for such Option for all purposes under the Plan. Notwithstanding Section 2.7, the tenth Business Day period referred to in this Section 3.8 may not be extended by the Board.

3.9 Optionee Ceasing to be Director, Employee or Service Provider

Options may be exercised after the Service Provider has left his/her employ/office or has been advised by the Company that his/her services are no longer required or his/her service contract has expired, until the term applicable to such Options expires, except as follows:

- (a) in the case of the death of an Optionee, any vested Option held by him at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such Option;
- (b) an Option granted to any Service Provider will expire 90 days (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the Option) after the Termination Date, and only to the extent that such Option was vested at the Termination Date; and
- (c) in the case of an Optionee being dismissed from employment or service for Cause, such Optionee's Options, whether or not vested at the date of dismissal will immediately terminate on the Termination Date without right to exercise same.

3.10 Non Assignable

Subject to Section 3.9(a), all Options will be exercisable only by the Optionee to whom they are granted and will not be assignable or transferable.

3.11 Adjustment of the Number of Optioned Shares

The number of Common Shares subject to an Option will be subject to adjustment in the events and in the manner following:

- (a) in the event of a subdivision of Common Shares as constituted on the date hereof, at any time while an Option is in effect, into a greater number of Common Shares, the Company will thereafter deliver at the time of purchase of Optioned Shares hereunder, in addition to the number of Optioned Shares in respect of which the right to purchase is then being exercised, such additional number of

Common Shares as result from the subdivision without an Optionee making any additional payment or giving any other consideration therefor;

- (b) in the event of a consolidation of the Common Shares as constituted on the date hereof, at any time while an Option is in effect, into a lesser number of Common Shares, the Company will thereafter deliver and an Optionee will accept, at the time of purchase of Optioned Shares hereunder, in lieu of the number of Optioned Shares in respect of which the right to purchase is then being exercised, the lesser number of Common Shares as result from the consolidation;
- (c) in the event of any change of the Common Shares as constituted on the date hereof, at any time while an Option is in effect, the Company will thereafter deliver at the time of purchase of Optioned Shares hereunder the number of shares of the appropriate class resulting from the said change as an Optionee would have been entitled to receive in respect of the number of Common Shares so purchased had the right to purchase been exercised before such change;
- (d) in the event of a capital reorganization, reclassification or change of outstanding equity shares (other than a change in the par value thereof) of the Company, a consolidation, merger or amalgamation of the Company with or into any other company or a sale of the property of the Company as or substantially as an entirety at any time while an Option is in effect, an Optionee will thereafter have the right to purchase and receive, in lieu of the Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option, the kind and amount of shares and other securities and property receivable upon such capital reorganization, reclassification, change, consolidation, merger, amalgamation or sale which the holder of a number of Common Shares equal to the number of Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option would have received as a result thereof. The subdivision or consolidation of Common Shares at any time outstanding (whether with or without par value) will not be deemed to be a capital reorganization or a reclassification of the capital of the Company for the purposes of this Section 3.11;
- (e) an adjustment will take effect at the time of the event giving rise to the adjustment, and the adjustments provided for in this section are cumulative;
- (f) the Company will not be required to issue fractional shares in satisfaction of its obligations hereunder. Any fractional interest in a Common Share that would, except for the provisions of this Section 3.11, be deliverable upon the exercise of an Option will be cancelled and not be deliverable by the Company;
- (g) if any questions arise at any time with respect to the Exercise Price or number of Optioned Shares deliverable upon exercise of an Option in any of the events set out in this Section 3.11, such questions will be conclusively determined by the Company's auditors, or, if they decline to so act, any other firm of Chartered Accountants, in Toronto, Ontario (or in the city of the Company's principal executive office) that the Company may designate and who will be granted access to all appropriate records and such determination will be binding upon the Company and all Optionees; and

- (h) any adjustment, other than in connection with a security consolidation or security split, to Options granted or issued under the Plan is subject to the prior acceptance of the TSX Venture, including adjustments related to an amalgamation, merger, arrangement, reorganization, spin-off, dividend or recapitalization.

ARTICLE 4 COMMITMENT AND EXERCISE PROCEDURES

4.1 Option Commitment

Upon grant of an Option hereunder, an authorized officer of the Company will deliver to the Optionee an Option Commitment detailing the terms of such Options and upon such delivery the Optionee will be subject to the Plan and have the right to purchase the Optioned Shares at the Exercise Price set out therein subject to the terms and conditions hereof, including any additional requirements contemplated with respect to the payment of required withholding taxes on behalf of Optionees.

4.2 Manner of Exercise

An Optionee who wishes to exercise his Option may do so by delivering:

- (a) a written notice to the Company specifying the number of Optioned Shares being acquired pursuant to the Option; and
- (b) a certified cheque, wire transfer or bank draft payable to the Company for the aggregate Exercise Price for the Optioned Shares being acquired, plus any required withholding tax amount subject to Section 4.4.

4.3 Cashless Exercise

Subject to the provisions of the Plan (including, without limitation, Section 4.4), once an Option has vested and become exercisable, an Optionee may elect to exercise such Option by either:

- (a) A "net exercise" whereby Options, excluding Options held by any Investor Relations Service Provider, are exercised without the Participant making any cash payment so the Company does not receive any cash from the exercise of the subject Options, and instead the Participant receives only the number of underlying Common Shares that is the equal to the quotient obtained by dividing: (A) the product of the number of Options being exercised multiplied by the difference between the VWAP of the underlying Common Shares and the exercise price of the subject Options; by (B) the VWAP of the underlying Shares; or
- (b) a broker assisted "cashless exercise" in which the Company delivers a copy of irrevocable instructions to a broker engaged for such purposes by the Company to sell the Common Shares otherwise deliverable upon the exercise of the Options and to deliver promptly to the Company an amount equal to the Exercise Price and all applicable required withholding obligations as determined by the Company against delivery of the Common Shares to settle the applicable trade.

An Option may be exercised pursuant to this Section 3.4 from time to time by delivery to the Company, at its head office or such other place as may be specified by the Company of (i)

written notice of exercise specifying that the Optionee has elected to effect such a cashless exercise of such Option, the method of cashless exercise, and the number of Options to be exercised and (ii) the payment of an amount for any tax withholding or remittance obligations of the Optionee or the Company arising under applicable law and verified by the Company to its satisfaction (or by entering into some other arrangement acceptable to the Company in its discretion, if any). The Participant shall comply with Section 4.4 of this Plan with regard to any applicable required withholding obligations and with such other procedures and policies as the Company may prescribe or determine to be necessary or advisable from time to time including prior written consent of the Board in connection with such exercise.

4.4 Tax Withholding and Procedures

Notwithstanding anything else contained in this Plan, the Company may, from time to time, implement such procedures and conditions as it determines appropriate with respect to the withholding and remittance of taxes imposed under applicable law, or the funding of related amounts for which liability may arise under such applicable law. Without limiting the generality of the foregoing, an Optionee who wishes to exercise an Option must, in addition to following the procedures set out in Section 4.2 and elsewhere in this Plan, and as a condition of exercise:

- (a) deliver a certified cheque, wire transfer or bank draft payable to the Company for the amount determined by the Company to be the appropriate amount on account of such taxes or related amounts; or
- (b) otherwise ensure, in a manner acceptable to the Company (if at all) in its sole and unfettered discretion, that the amount will be securely funded;

and must in all other respects follow any related procedures and conditions imposed by the Company.

4.5 Delivery of Optioned Shares and Hold Periods

As soon as practicable after receipt of the notice of exercise described in Section 4.2 or Section 4.3 as applicable, and payment in full for the Optioned Shares being acquired, the Company will direct its transfer agent to issue to the Optionee the appropriate number of Optioned Shares. An Exchange Hold Period will be applied from the date of grant for all Options granted to:

- (a) Insiders of the Company; or
- (b) where Options are granted to any Service Provider, including Insiders, where the Exercise Price is at a discount to the Market Price.

Pursuant to TSX Venture Policies, where the Exchange Hold Period is applicable, the certificate representing the Optioned Shares or written notice in the case of uncertificated shares will include a legend stipulating that the Optioned Shares issued are subject to a four-month Exchange Hold Period commencing the date of the Option Commitment.

ARTICLE 5 GENERAL

5.1 Employment and Services

Nothing contained in the Plan will confer upon or imply in favour of any Optionee any right with respect to office, employment or provision of services with the Company, or interfere in any way

with the right of the Company to lawfully terminate the Optionee's office, employment or service at any time pursuant to the arrangements pertaining to same. Participation in the Plan by an Optionee is voluntary.

5.2 No Representation or Warranty

The Company makes no representation or warranty as to the future market value of Common Shares issued in accordance with the provisions of the Plan or to the effect of the *Income Tax Act* (Canada) or any other taxing statute governing the Options or the Common Shares issuable thereunder or the tax consequences to a Service Provider. Compliance with applicable securities laws as to the disclosure and resale obligations of each Participant is the responsibility of each Participant and not the Company.

5.3 Interpretation

The Plan will be governed and construed in accordance with the laws of the Province of Ontario.

5.4 Continuation of Plan

The Plan will become effective from and after the date first set out above, and will remain effective provided that the Plan, or any amended version thereof, receives Shareholder Approval at each annual general meeting of the holders of Common Shares of the Company subsequent to such effective date.

5.5 Amendment of the Plan

The Board reserves the right, in its absolute discretion, to at any time amend, modify or terminate the Plan with respect to all Common Shares in respect of Options which have not yet been granted hereunder. Any amendment to any provision of the Plan will be subject to any necessary Regulatory Approvals unless the effect of such amendment is intended to reduce (but not to increase) the benefits of this Plan to Service Providers.

SCHEDULE "A"
STOCK OPTION PLAN
OPTION COMMITMENT

Notice is hereby given that, effective this _____ day of _____, _____ pursuant to the provisions of the Stock Option Plan (the "**Plan**") of Argentum Silver Corp. (the "**Company**"), the Company has granted to _____ (the "**Optionee**"), an Option to acquire _____ Common Shares ("Optioned Shares") up to 5:00 p.m. (Toronto Time) on the _____ day of _____, _____ (the "**Expiry Date**"), or such earlier date as determined in accordance with the terms of the Plan, at an Exercise Price of Cdn\$_____ per share.

[Optioned Shares are to vest immediately.]

OR

[Optioned Shares will vest (*INSERT VESTING SCHEDULE AND TERMS*)]

The grant of the Option evidenced hereby is made subject to the terms and conditions of the Plan, which are hereby incorporated herein and form part hereof. This Option Commitment and the Option evidenced hereby is not assignable, transferable or negotiable and is subject to the detailed terms and conditions contained in the Plan. This Option Commitment is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the Plan and the records of the Company shall prevail.

To exercise the Option, (1) deliver a written notice in the form attached as Schedule "B to the Plan (or in such other form as established by the Company) specifying the number of Optioned Shares you wish to acquire, together with a certified cheque, wire transfer or bank draft payable to the Company for the aggregate exercise price, or (2) if the Optionee wishes to exercise the Option on a "net exercise" basis or "cashless exercise" basis in accordance Section 4.3(a) or Section 4.3(b) of the Plan and the Company's Board of Directors approves the exercise on a "net exercise" basis or "cashless exercise" basis, deliver a written notice and comply with such other conditions as established by the Company for a "net exercise" or "cashless exercise". A certificate, or written notice in the case of uncertificated shares, for the Optioned Shares so acquired will be issued by the Company or its transfer agent, if applicable, as soon as practicable thereafter and may bear a restrictive legend if required under applicable securities laws or the policies of the TSX Venture Exchange.

[Note: If a four month hold period is applicable under the policies of the TSX Venture Exchange, the following legend must be placed on the certificate or the written notice in the case of uncertificated shares.

"WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL [*insert date 4 months from the date of grant*"]."

The Company and the Optionee represent that the Optionee, under the terms and conditions of the Plan, is a bona fide Service Provider (as defined in the Plan), entitled to receive Options under TSX Venture Policies.

The Optionee also acknowledges and consents to the collection and use of Personal Information (as defined in the Policies of the TSX Venture Exchange) by both the Company and the TSX Venture Exchange (or the NEX, as the case may be) as more particularly set out in the Acknowledgement - Personal Information in use by the TSX Venture Exchange (or the NEX, as the case may be) on the date of this Option Commitment.

ARGENTUM SILVER CORP.

Authorized Signatory

[Insert name of Optionee]

The Optionee acknowledges receipt of a copy of the Plan and represents to the Company that the Optionee is familiar with the terms and conditions of the Plan, and hereby accepts this Option subject to all of the terms and conditions of the Plan. The Optionee agrees to execute, deliver, file and otherwise assist the Company in filing any report, undertaking or document with respect to the awarding of the Option and exercise of the Option, as may be required by applicable regulatory authorities.

Signature of Optionee:

Date signed:

Signature

Print Name

Address

SCHEDULE "B"
TO STOCK OPTION PLAN

Argentum Silver Corp.
217 Queen Street West, Suite 401
Toronto, Ontario M5V 0R2

Re: Employee Stock Option Exercise

Attention: Stock Option Plan Administrator, Argentum Silver Corp.

This letter is to inform Argentum Silver Corp. that I, _____, wish to exercise _____ options, at _____ per share, on this _____ day of _____, 202____.

Payment issued in favour of Argentum Silver Corp. for the amount of \$_____ will be forwarded, including withholding tax amounts.

Please register the share certificate in the name of:

Name of Optionee: _____

Address: _____

Please send share certificate to:

Name: _____

Address: _____

Sincerely,

Signature of Optionee

Date

SIN Number (for T4)