



MANAGEMENT INFORMATION CIRCULAR

(As at April 28th, 2022 (the “**Record Date**”)
and in United States of America dollars, except where indicated)

PERSONS MAKING THIS SOLICITATION OF PROXIES

This Management Information Circular (“Circular” or “Information Circular”) is provided in connection with the solicitation by management of Atico Mining Corporation (the “Corporation”) of proxies (“Proxies”) from registered shareholders and voting instruction forms (“VIFs”) from the holders (“Shareholders”) of common shares of the Corporation (“Common Shares”) in respect of the annual general meeting of Shareholders (the “Meeting”) to be held at the time, location and place and for the purposes set out in the accompanying notice of meeting (the “Notice of Meeting”).

Although it is expected that the solicitation of Proxies and VIFs will be primarily by mail pursuant to the notice and access procedures, Proxies and VIFs may also be solicited personally or by telephone, facsimile or other proxy solicitation services. In accordance with National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer of the Canadian securities administrators* (“**NI 54-101**”), arrangements have been made with intermediaries such as stockbrokers, securities dealers, banks, trust companies, trustees and their agents and nominees (“**Intermediaries**”) to forward the Notice of Meeting, Proxies and VIFs to the beneficial owners of the Common Shares held of record by such parties. The Corporation may reimburse such parties for reasonable fees and disbursements incurred by them in doing so. The costs of the solicitation of Proxies and VIFs will be borne by the Corporation.

The Corporation has given notice of the Meeting in accordance with NI 54-101, pursuant to which it has sent the Notice of Meeting and Proxy or VIF, but not this Circular, directly to its registered Shareholders and those non-registered (beneficial) Shareholders that have consented to allow their addresses to be provided to the Corporation (“**NOBOs**”) in accordance with NI 54-101. The Corporation does not intend to pay for Intermediaries to forward the Notice of Meeting and VIF to those Beneficial Shareholders (as defined below) that have refused to allow their address to be provided to the Corporation (“**OBOs**”). Accordingly, OBOs will not receive the Notice of Meeting and VIF unless their respective Intermediaries assume the cost of forwarding such documents to them.

Instead of mailing this Circular to Shareholders, the Corporation has posted the Circular on its website at: www.aticomining.com pursuant to the ‘Notice and Access’ procedures of NI 54-101. Shareholders will not receive a paper copy of the Circular unless they contact the Corporation as set out under ‘Additional Information’ at the end of this Circular. Provided the request is made prior to the Meeting, Shareholders will be mailed the Circular within three business days. **Requests for paper copies of the Circular should be made no later than 12:00 noon (Vancouver time) on Tuesday, May 31st, 2022 in order for Shareholders to receive paper copies of the Circular and return their completed Proxies or VIFs, as applicable, by the deadline for submission of 10:00 a.m. (Vancouver time) on Friday, June 10th, 2022.**

ATTENDING THE MEETING

To deal with the continuing health impact of the novel coronavirus, also known as COVID-19, to mitigate risks to the health and safety of our communities, Shareholders, employees and other stakeholders, and in compliance with current government direction and advice, the Meeting will be held by teleconference. To

access the Meeting by teleconference, please use the following dial-in numbers as applicable and refer to the section “Voting of Proxies and VIFs” in this Circular for details on how to vote at the Meeting. Shareholders are encouraged to vote their Common Shares prior to the Meeting by any of the means described in this Circular.

Participant / Guest (Toll-Free): 1-877-407-2991

Participant / Guest (Toll): 1-201-389-0925

APPOINTMENT OF PROXYHOLDERS AND COMPLETION AND REVOCATION OF PROXIES AND VIFS

Only persons registered as Shareholders in the Corporation’s central security register maintained by its registrar and transfer agent (the “**Central Security Register**”) as at the Record Date or duly appointed proxyholders of registered Shareholders (“**Proxyholders**”) will be recognized or may make motions or vote at the Meeting.

The persons named (the “**Management Designees**”) in the enclosed Proxy or VIF have been selected by the directors of the Corporation and have agreed to represent, as Proxyholder, the Shareholders appointing them.

A Shareholder has the right to designate a person or company (who need not be a Shareholder and, for a VIF, can be the appointing Shareholder) other than the Management Designees to represent them at the Meeting. Such right may be exercised by inserting in the space provided for that purpose on the enclosed Proxy or VIF the name of the person to be designated and by striking therefrom the names of the Management Designees or, if the Shareholder is a registered Shareholder, by completing another proper form of Proxy, and delivering the Proxy in accordance with its instructions. Such Shareholder should notify the nominee of the appointment, obtain the nominee’s consent to act as Proxyholder and provide instructions on how the Shareholder’s Common Shares are to be voted.

A Shareholder may indicate the manner in which the Proxyholders are to vote on behalf of the Shareholder, if a poll is held, by marking an ‘X’ in the appropriate space of the Proxy. **If both spaces are left blank, the Proxy will be voted as recommended by management for any matter requiring a ‘For’ or ‘Against’ vote, and in favour of the matter for any matter requiring a ‘For’ or ‘Withhold’ vote.**

The enclosed Proxy, when properly signed, confers discretionary authority with respect to amendments or variations to the matters identified in the Notice of Meeting. As at the date of this Circular, the Corporation’s management is not aware that any amendments or variations are to be presented at the Meeting. If any amendments or variations to such matters should properly come before the Meeting, it is the intent of the Management Designees to vote the Proxies hereby solicited as recommended by management.

To be valid, the Proxy or VIF must be dated and executed by the Shareholder or an attorney authorized in writing, with proof of such authorization attached (where an attorney executed the Proxy or VIF). The completed Proxy or VIF must then be returned in accordance with its instructions. Proxies (but not VIFs, unless the VIF has Computershare’s name and address on the top right corner of the first page) and proof of authorization can also be delivered to the Corporation’s transfer agent, Computershare Investor Services Inc. (“**Computershare**”) by mail (Attention: Proxy Department), to 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, Canada or by hand delivery to 3rd Floor, 510 Burrard Street, Vancouver, British

Columbia, V6C 3B9 at least 48 hours, excluding Saturdays, Sundays and holidays, before the Meeting or any adjournment thereof.

A Proxy or VIF may be revoked by (a) attending the Meeting and voting by phone if you are a registered Shareholder or (b) by depositing an instrument in writing (which includes an Proxy or VIF bearing a later date) executed by the Shareholder or by their authorized attorney in writing, or, if the Shareholder is a company, under its corporate seal by an officer or attorney thereof duly authorized, at the office of the transfer agent at one of Computershare's addresses set out above, the Corporation's address at Suite 501, 543 Granville Street, Vancouver, British Columbia, V6C 1X8 (or by fax to (+1) 604-688-1157) or at the Corporation's registered office at Blake, Cassels & Graydon LLP (Attention: Michelle Audet), 595 Burrard Street, P.O. Box 49314, Suite 2600, Bentall Three Centre, Vancouver, British Columbia V7X 1L3, Canada (or by fax to (+1) 604-631-3309) at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof. If you have already voted by proxy and you vote again during the Meeting, your vote by phone during the Meeting will revoke your previously submitted proxy. If you have already voted by proxy and do not wish to revoke your previously submitted proxy, do not vote again during the Meeting.

REGISTERED SHAREHOLDERS

Only persons registered as Shareholders in the Corporation's Central Security Register maintained by its registrar and transfer agent or duly appointed Proxyholders will be recognized or may make motions or vote at the Meeting.

BENEFICIAL SHAREHOLDERS

The information set forth in this section is of significant importance as many Shareholders do not hold Common Shares in their own name.

Shareholders holding their Common Shares through Intermediaries ("**Beneficial Shareholders**") should note that only Proxies deposited by registered Shareholders will be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Beneficial Shareholder by a broker, those Common Shares, in all likelihood, will **not** be registered in the Shareholder's name. Such Common Shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co., the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms. Common Shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate party well in advance of the Meeting.**

As provided for in NI 54-101, the Corporation has elected to obtain a list of its NOBOs from Intermediaries, and deliver proxy-related materials directly to its NOBOs. As a result, NOBOs can expect to receive a scannable VIF from Computershare instead of a Proxy. A VIF enables a Shareholder to provide instructions to the registered holder of its Common Shares as to how those shares are to be voted at the Meeting and allows the registered holder to provide a Proxy voting the Common Shares in accordance with those instructions. A VIF should be completed and returned in accordance with its instructions. As indicated in the VIF, both telephone voting and internet voting are allowed. The results of the VIFs received from NOBOs will be tabulated and appropriate instructions respecting voting of Common Shares to be represented at the Meeting will be provided to the registered Shareholders.

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

Securities regulatory policies require Intermediaries to seek voting instructions from OBOs in advance of the Meeting. Every Intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed by OBOs to ensure that their Common Shares are voted at the Meeting. Most brokers now delegate responsibility for obtaining voting instructions from clients to Broadridge Investor Communications (“**Broadridge**”), which mails the materials for the Meeting to OBOs and asks them to return a VIF to Broadridge. **An OBO receiving a VIF from Broadridge may use that VIF to vote Common Shares directly at the Meeting if the OBO inserts their name as the name of the person to represent them at the Meeting. Such Shareholder should notify its nominee of the appointment, obtain the nominee’s consent to act as representative and provide instructions on how the Shareholder’s Common Shares are to be voted. The VIF must be returned to Broadridge well in advance of the meeting in order to have the Common Shares voted.**

Beneficial Shareholders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered. Shareholders with any questions respecting the voting of Common Shares held through a broker or other Intermediary, should contact that broker or other Intermediary for assistance.

UNITED STATES SHAREHOLDERS

This solicitation of Proxies and VIFs involves securities of a corporation located in Canada and is being effected in accordance with the corporate laws of the province of British Columbia, Canada and securities laws of the provinces of Canada. The proxy solicitation rules under the United States Securities Exchange Act of 1934, as amended, are not applicable to the Corporation or this solicitation. Shareholders should be aware that disclosure and proxy solicitation requirements under the securities laws of the provinces of Canada differ from the disclosure and proxy solicitation requirements under United States securities laws.

The enforcement by Shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Corporation is incorporated under the *Business Corporations Act* (British Columbia) (the “**BCA**”), some of its directors and its executive officers are residents of Canada and a substantial portion of its assets and the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign corporation or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign corporation and its officers and directors to subject themselves to a judgment by a United States court.

VOTING OF PROXIES AND VIFS

The Corporation is holding the Meeting as a virtual meeting, which will be conducted via teleconference. In order to attend, participate and vote at the Meeting, please use the following dial-in numbers as applicable:

Participant / Guest (Toll-Free):	1-877-407-2991
Participant / Guest (Toll):	1-201-389-0925

Each registered Shareholder and Proxyholder is entitled to one vote for each Common Share held or represented, respectively. Each Shareholder may instruct their Proxyholder how to vote their Common Shares by completing the blanks on the Proxy or VIF. All Common Shares represented at the Meeting by properly executed Proxies and VIFs will be voted or withheld from voting in accordance with the instructions of the Shareholder and, where a choice with respect to any matter to be acted upon has been specified in the Proxy or VIF, such Common Shares will be voted in accordance with such specification. **In the absence of any such specification on the Proxy or VIF as to voting, the Management Designees, if named as Proxyholder or nominee, will vote in favour of the matters set out therein.**

The Proxy or VIF confers discretionary authority upon the Management Designees, or other person named as Proxyholder, with respect to amendments to or variations of matters identified in the Notice of Meeting and any other matters which may properly come before the Meeting. As of the date hereof, the Corporation is not aware of any amendments to, variations of or other matters which may come before the Meeting. If other matters come before the Meeting, then the Management Designees intend to vote in accordance with the judgment of the Corporation.

In order to approve a motion proposed at the Meeting, a majority of greater than 50% of the votes cast will be required (an “**ordinary resolution**”) unless the motion requires a “special resolution” in which case a majority of 66 2/3% of the votes cast will be required.

QUORUM

The Articles of the Corporation provide that a quorum for the transaction of business at any meeting of Shareholders shall be two Shareholders present in person or represented by Proxy who, in the aggregate, hold at least 5% of the issued Common Shares entitled to be voted at the Meeting.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Corporation is authorized to issue an unlimited number of Common Shares. As at the Record Date, the Corporation had 121,286,185 Common Shares issued and outstanding. There are no other shares issued or outstanding of any class. The Common Shares are the only shares entitled to be voted at the Meeting, and holders of Common Shares are entitled to one vote for each Common Share held.

To the knowledge of the directors and executive officers of the Corporation, no person, firm or company beneficially owned, or exercised control or direction over directly or indirectly, voting securities carrying 10% or more of the voting rights attached to the Common Shares as at the Record Date.

STATEMENT OF EXECUTIVE COMPENSATION

The following information is presented in accordance with National Instrument 51-102 and Form 51-102F6 – *Statement of Executive Compensation*, and sets forth the annual compensation for services in all capacities to the Corporation and its subsidiaries in respect of the individuals comprised of the Chief Executive Officer (the “**CEO**”), the Chief Financial Officer (the “**CFO**”) and the other executive officers, including its subsidiaries, whose individual total compensation for the most recently completed financial year exceeded \$150,000, and any individual who would have satisfied these criteria but for the fact that the individual was not serving as our officer or an officer of any of our subsidiaries at the end of the most recently completed financial year (together, the “**Executive Officers**” or “**NEOs**”).

A. Compensation Discussion and Analysis

The Compensation Committee of the board of directors of the Corporation (the “**Board**”) is responsible for ensuring that the Corporation has appropriate procedures for executive compensation and making recommendations to the Board with respect to the compensation of the Corporation’s Executive Officers. The goal of the Corporation’s executive compensation philosophy is to attract, motivate, retain and reward an energetic, goal driven, highly qualified and experienced management team and to encourage them to meet and exceed performance expectations within a calculated risk framework. The Compensation Committee periodically reviews the adequacy and form of compensation to ensure it realistically reflects the responsibilities and risks involved in being an effective director or officer and that compensation allows the Corporation to attract qualified candidates.

The Compensation Committee is also responsible for recommending compensation for the directors and granting stock options (the “**Options**”) to the directors, officers and employees of, and consultants to, the Corporation pursuant to the Corporation’s Stock Option Plan (the “**Option Plan**”) and Restricted Share Unit Plan (the “**RSU Plan**”).

The Compensation Committee consists of three directors, two of whom are independent (outside, non-management directors – Mario Szotlender (Chairman) and Jonathan Goodman) and one of whom is not an independent director (Michael Winn). The Compensation Committee members have the necessary expertise to enable them to make decisions on the suitability of the Corporation’s policies or practices. Messrs. Szotlender, Winn and Goodman have direct experience relevant to their responsibilities on the Compensation Committee, including acting as officers and directors or in the past served, or currently serve on compensation committees of other publicly traded corporations so that they are familiar with remuneration in the Corporation’s industry. The Board is satisfied that the composition of the Compensation Committee ensures an objective process for determining compensation.

Compensation Consultant

In 2020 and 2019, the Corporation retained Global Governance Advisors Inc. (“**GGA**”), an independent advisory firm that provides counsel to boards and directors on matters relating to executive compensation and governance, to assist the Compensation Committee in refining the Corporation’s compensation practices for directors, officers and employees, and to refine the Corporation’s peer group. The Compensation Committee established GGA’s mandate and approved the fee associated with its execution. The Compensation Committee retained GGA to provide competitive market data for the CFO position.

Fee Paid	2021	2020
	(\$)	(\$)
Executive Compensation – related fees	\$2,900	\$30,742
All other fees	Nil	Nil
Total	\$2,900	\$30,742

Oversight and description of Director and NEO Compensation

Compensation plays an important role in achieving short and long-term business objectives that ultimately drive business success. The Corporation’s compensation philosophy is to foster a high performance culture at all levels of the organization. The granting of Options and restricted share units (“**RSUs**”) will be used to retain and reward Executive Officers and directors for individual, business, and corporate results. These grants will be a significant component of executive compensation. This approach is based on the assumption that the performance of the Common Share price over the long term is an important indicator of long-term performance.

The Corporation's compensation philosophy is based on the following fundamental principles:

- *Executive compensation must align with shareholder interests* – the Corporation aligns the performance goals of executives with maximizing long-term shareholder value;
- *Strong pay-performance linkage* – executive compensation should be linked to corporate, individual and share performance and fluctuate with the performance achieved; and
- *Competitive is key to attract and retain key talent* – the compensation program structure and value should provide market competitive pay in order to retain existing employees who are performing according to their objectives and to attract new individuals of the highest calibre.

The compensation principles outlined above will be achieved by:

- aligning the interests of our executives with shareholders' interests and with the execution of the Corporation's business strategy;
- evaluating executive performance on the basis of key measurements that focus performance on a balance between achieving the short-term business plan versus creating long-term shareholder value;
- tying executive compensation directly to key measurements and rewarding based on their achievement; and
- taking the Corporation's overall financial status into consideration when designing/delivering compensation.

The Corporation believes that clear, measurable corporate objectives, combined with selected, high impact individual performance goals, play an important role in creating and maintaining an effective compensation structure for the NEOs. The Corporation's objective is to establish performance benchmarks and targets for its NEOs that will enhance shareholder value if achieved.

Total compensation for each NEO is designed to be competitive. From time-to-time the Compensation Committee reviews the market compensation practices of a selected peer group of companies when considering the Corporation's executive compensation practices. The Compensation Committee reviews each element of compensation for market competitiveness. While the Committee may weight a particular element more heavily based on the NEO's role within the Corporation, their target total compensation will be designed to be competitive in the market.

In addition, on an ad hoc basis, the Compensation Committee will review data related to compensation levels, elements and policies of their peer group in order to recalibrate, as required to stay competitive. The Compensation Committee also relies on the experience of its members as officers and/or directors at other companies in similar lines of business as the Corporation in assessing compensation levels.

Compensation Components

The compensation of the NEOs is comprised primarily of (i) base salary; (ii) short-term incentives (annual) in the form of cash bonuses; and (iii) long-term incentives in the form of Options and/or RSUs granted in accordance with the Option Plan, and RSU Plan.

Compensation Governance

The Compensation Committee is responsible for ensuring that the Corporation has in place an appropriate plan for executive compensation and for making recommendations to the Board with respect to the

compensation of the Corporation's Executive Officers. The Compensation Committee ensures that total compensation paid to all NEOs is fair, reasonable, and consistent with the Corporation's compensation philosophy.

From time to time the Compensation Committee makes, and the Board reviews and may approve, recommendations regarding compensation to Executive Officers and directors. A combination of fixed and variable compensation are used to motivate Executive Officers to achieve overall corporate goals. The three basic components of the Corporation's executive officer compensation program are:

- Base salary;
- Short-term (annual) incentive payments (in the form of cash); and
- Long-term incentive compensation (in the form of Options and/or RSUs).

As part of their mandate, the Compensation Committee requested that GGA review and recommend a peer group for 2020 compensation benchmarking. As a result, the Compensation Committee approved the following companies, which are similar in size and scope to the Corporation. The peer group remained consistent in 2021. The benchmarking peer group used to establish executive compensation includes the following organizations:

2021 Benchmarking Peer Group			
Ascendant Resources Inc.	Capstone Mining Corp.	Excellon Resources Inc.	Jaguar Mining Inc.
Avino Silver & Gold Mines Ltd.	Copper Mountain Mining Corporation	Galane Gold Ltd.	Mandalay Resources Corporation
Caledonia Mining Corporation Plc	Core Gold Inc.	GoGold Resources Inc.	Patagonia Gold Corp.

In the first quarter of 2022, the Compensation Committee has retained GGA to review and recommend updates to the market peer group to reflect changes in the competitive landscape.

2022 Benchmarking Peer Group			
Amerigo Resources Ltd.	Dynacor Gold Mines Inc.	Mandalay Resources Corporation	Sierra Metals Inc.
Anaconda Mining Inc.	Excellon Resources Inc.	Orvana Minerals Corp.	Trevali Mining Corp.
Avino Silver & Gold Mines Ltd.	Galane Gold Ltd.	Patagonia Gold Corp.	
Caledonia Mining Corporation Plc	Imperial Metals Corp.	Robex Resources Inc.	

The Peer Group was selected based on organizations having a similar size to the Corporation in terms of Market Cap, production levels, revenue and total assets. In addition, the organizations were selected based on similar geographic locations to the Corporation. At the time of the peer group review, the Corporation's last twelve month's revenue was positioned around the 43rd percentile, total assets were positioned around the 46th percentile and market cap was positioned around the 18th percentile.

The Compensation Committee also relies on the experience of its members as officers and directors of other publicly traded junior mining companies in assessing compensation levels. These other companies are identified under the heading “Disclosure of Corporate Governance Practices – Directorships” of this Information Circular. The purpose of this process is to:

- understand the competitiveness of current pay levels for each executive position relative to companies with similar business characteristics;
- identify and understand any gaps that may exist between actual compensation levels and market compensation levels; and
- establish a basis for developing salary adjustments and short-term and long-term incentive awards for the Compensation Committee’s approval.

Alignment of Interest of Management with Interest of the Corporation's Shareholders

The compensation package meets the goal of aligning the interest of management with the interest of the Corporation's Shareholders through the grant of share-based compensation:

- If the price of the Common Shares increases, both executives and Shareholders will benefit; and
- By providing a vesting period on share-based grants, the Corporation ensures management has an interest in increasing the price of the Common Shares over time, rather than focusing on short-term increases.

Leveraging Performance by Linking Compensation to Individual and Business Performance

By linking management’s goals and objectives to the payment of annual incentive awards, the Corporation aims to motivate the executives to meet both their individual goals and objectives but also those of the Corporation in general.

Elements of Executive Compensation

The executive compensation program for the fiscal year ended December 31, 2021 contained four basic elements, as depicted and described in more detail below:

The following table explains how each component supports our compensation philosophy. Each component is assessed separately, and together these are considered total compensation.

Component	Objective/Rationale
Base Salary	<ul style="list-style-type: none"> • Fixed cash salary • Adjustments, if deemed appropriate, are determined in the first quarter of each year • Used to determine other elements of compensation and benefits • Established at the beginning of the year and reviewed against 2020 market survey results
Annual Short-Term Incentive (STIP)	<ul style="list-style-type: none"> • Paid at the discretion of the Board and upon the achievement of Board approved corporate and individual performance metrics • Determined in the first quarter of each year with respect to the prior years’ performance • Target awards represent a percentage of base salary and based on a combination of corporate and individual performance • Each executive has a target annual STIP, reflected as a percentage of base salary, relative to both the executive’s position in the Corporation and the Corporation’s peer group

	<ul style="list-style-type: none"> Established using balanced scorecards that contain metrics and weightings designed to closely align the NEO's overall compensation with achievement of both corporate and personal objectives <p>For the 2021 Fiscal year:</p> <ul style="list-style-type: none"> Considered including only the most strategic metrics that are critical for the business over the next year in order to streamline its 2021 Balanced Scorecard to determine STIP payouts Short term incentive grant values are targeted between 25% and 45% of base salary
Long-term Compensation (LTIP)	<ul style="list-style-type: none"> Options: The Option Plan is a variable and discretionary component of compensation that provides that the board of directors may from time to time, in its discretion, grant Options to directors, senior officers, employees and consultants of the Corporation and its subsidiaries. Grants of Options seek to align the interests of management with the interests of the Corporation's Shareholders through the possible increase in the price of the Common Shares of the Corporation over time RSUs: The RSU Plan of the Corporation is a variable and discretionary component of compensation that provides that the Board may from time to time, in its discretion, grant RSUs to directors, senior officers, employees and consultants of the Corporation and its subsidiaries for accretively growing the Corporation and increasing the value of the Common Shares. Awards of RSUs seek to align the interests of management with the interests of the Corporation's Shareholders through the possible increase in the price of the Common Shares over time
Other Compensation	<ul style="list-style-type: none"> Employee benefits are necessary to maintain market competitiveness and to ensure employee well-being Designed to be competitive overall with equivalent positions, to promote greater executive satisfaction through choice, and to manage program and administrative costs Benefits include: <ul style="list-style-type: none"> Optional participation in Atico's comprehensive health insurance/group benefit plans, which are similar to broad-based plans made available to other employees in Canada

2021 Compensation Decisions

Base Salary

The Compensation Committee and the Board approve the salary ranges for the NEOs. The base salary review for each NEO is based on an assessment of factors such as current competitive market conditions, compensation levels within the peer group and particular skills, such as leadership ability and management effectiveness, experience, responsibility and proven or expected performance of the particular individual. The Compensation Committee, using this information, together with budgetary guidelines and other internally generated planning and forecasting tools, performs an annual assessment of the compensation of all executive and employee compensation levels.

Short-Term Incentive Plan (STIP)

Annual incentive awards (“**STIPs**”) are made by way of cash bonuses and are defined by the Corporation as an integral part of total compensation packages, in order to recognize and reward the contribution of NEOs in the achievement of various personal and organizational goals. The incentive is designed to provide

transparency on compensation and to ensure compensation is competitive, sustainable and provides alignment with shareholder interests. Annual incentives include the following variables:

- **STIP Target** – represents an opportunity to earn an incentive based on personal and corporate goals and its value is based on a percentage of annual base salary which takes into account the NEOs level of expertise and responsibilities, as well as comparable levels of remuneration in other companies of similar size;
- **STIP Award (Scorecard Result)** – represents the proportion of the STIP Target that is awarded to the NEO based on the achievement of various personal and corporate objectives through the fiscal year. Corporate objectives are measured by total shareholder return versus the TSX Venture Exchange index, operational cash flow, costs, reserve/resource growth, project-related milestones health, safety and environment and “other” performance metric categories. “Other” performance metrics include community and government relations, financing-related goals and market-related objectives.

The Board approves STIP targets for each NEO at the beginning of each financial year. The Compensation Committee establishes target amounts based on a number of factors, including comparable compensation of similar companies. Funding of the annual incentive awards is capped at the Corporation level and the distribution of funds to the Executive Officers is at the discretion of the Compensation Committee. Each NEO is eligible to an actual STIP payout based on the weighted performance results relative to the NEO’s predetermined performance goals set by the Compensation Committee at the beginning of each financial year and the assessment of such NEO’s overall performance by the Compensation Committee and the Board.

In order to develop a recommendation to the Board regarding annual incentive payments, the Compensation Committee assesses NEO performance, taking into consideration each NEO’s respective success in achieving his or her individual objectives, contributions to the achievement of the Corporation’s goals, and contributions to meeting the needs of the Corporation that arise on a day-to-day basis. For his/her direct reports, the CEO provides a recommended performance assessment to the Compensation Committee for their consideration.

The Board relies heavily on the recommendations of the Compensation Committee in granting the annual incentives. However, the Board reserves ultimate discretion in determining whether each NEO has met his or her targets, and has the right to make positive or negative adjustments to any annual incentive payment recommended by the Compensation Committee that it deems appropriate, and whether the organization has the funds to payout the awards.

For 2021, the NEO’s STIP Targets are summarized in the following table:

	CEO	Pres.
Target STIP (% of Base Salary)	45%	35%
STIP Award Range (% of Base Salary)	0-67.5%	0-67.5%
Below Threshold	0%	0%
Threshold	22.5%	25%
Target	45%	35%

Maximum	67.5%	67.5%
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For the fiscal year ended December 31, 2021, the Corporation adopted the following performance measures and weightings for the CEO and other NEOs:

Corporate Objectives	Performance Criteria	Weight	
		CEO	Pres.
Operational Cash Flow	OCF >= USD \$22M	20%	20%
TSR vs S&P/TSX-V Index	> Median	30%	30%

2021 Compensation Program Adjustments

During the first quarter of the 2021 fiscal year, the Compensation Committee relied upon the detailed executive and director compensation review conducted the year prior by its independent compensation advisor, GGA. Based on the compensation trends presented in the 2020 report, the Compensation Committee approved the following items/actions:

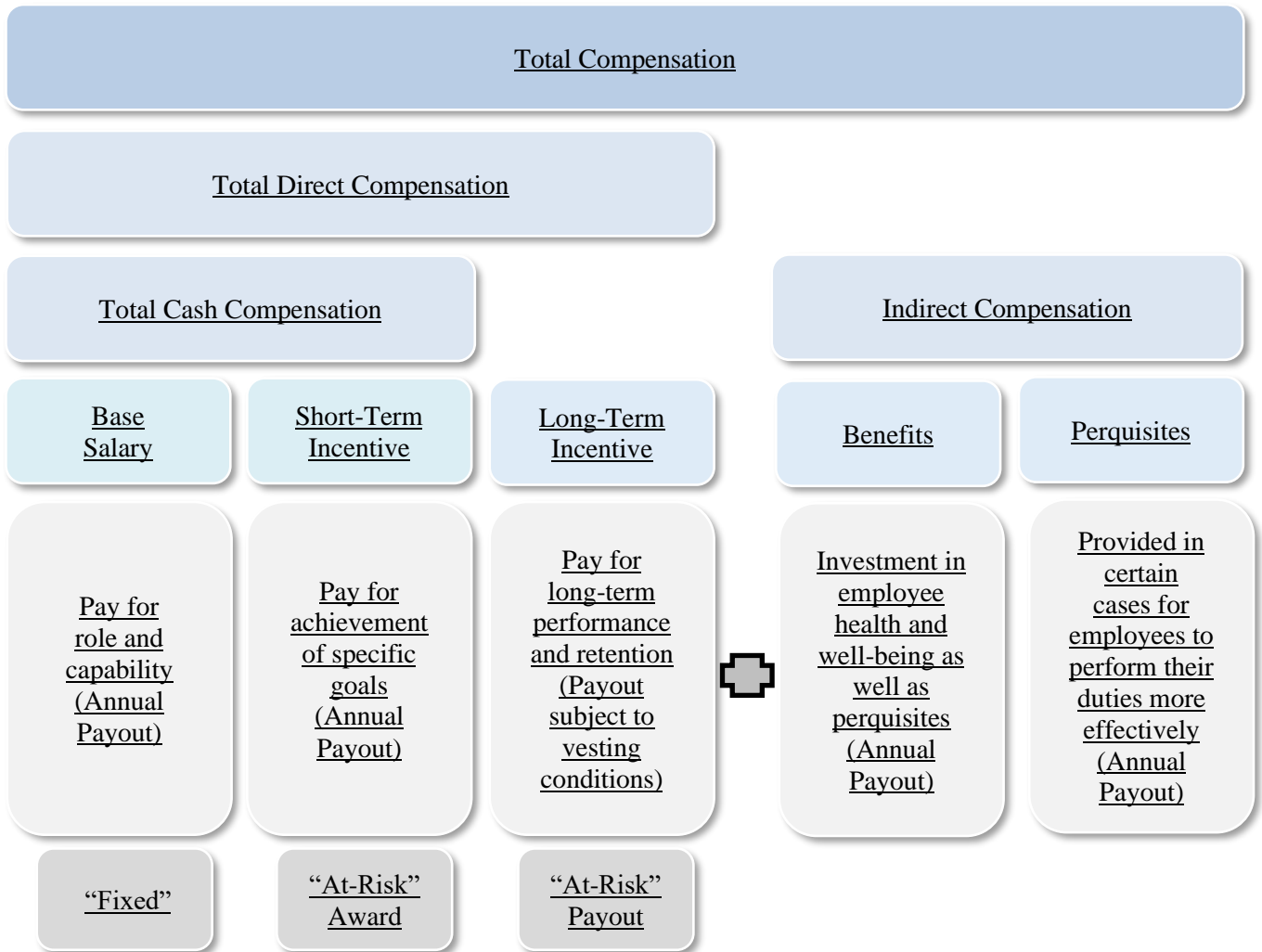
- Reviewed NEO base salary levels for 2021; and
- Updated and created executive employment agreements (the “**Executive Employment Agreements**”) to reflect standardized, market competitive Change of Control provisions.

Effective for fiscal year ended December 31, 2021, the NEO’s STIP targets are summarized in the following table:

STIP Award Ranges (% of Base Salary)	CEO	Pres.	VP, Ops & Proj.	Sr. Expl. Mgr.	VP, CD
Below Threshold	0%	0%	0%	0%	0%
Threshold	22.5%	25%	15%	12.5%	12.5%
Target	45%	35%	30%	25%	25%
Maximum	67.5%	67.5%	45%	37.5%	37.5%

Atico believes that a significant portion of executive compensation should be “at risk”. This should result in market competitive base salaries, by tying a significant proportion of Total Direct Compensation (defined as Base Salary + STIP + LTIP) to overall Corporation performance and, ultimately, shareholder success over the short, medium and long-term.

The illustration below summarizes the executive compensation elements offered at Atico, and are further described below:



Long Term Incentives

Options and RSUs may be granted to directors, management, employees and certain service providers as long-term incentives to align the individual's interests with those of the Corporation. At the Board's discretion, options and/or RSUs are awarded to those eligible, including NEOs, on the recommendation of the Compensation Committee. Decisions with respect to options and RSUs granted are based upon pre-established target ranges and reflect the individual's level of responsibility and their contribution towards the Corporation's goals and objectives. The Compensation Committee takes into consideration any and all outstanding options and RSUs granted under the Option Plan and RSU Plan and held by management in determining whether to make any new grants of options and RSUs, the quantum or terms of any options or RSUs grant and recent share price performance.

Stock Option Plan

The Corporation has created an Option Plan to encourage share ownership and entrepreneurship on the part of the directors, senior management and other employees. The Compensation Committee believes that the Option Plan aligns the interests of the NEOs' with the interests of Shareholders by linking a component of executive compensation to the long term performance of the Common Shares.

Options are generally granted on an annual basis, subject to the imposition of trading black-out periods, in which case options scheduled for grant will be granted subsequent to the end of the black-out period. All options granted to NEOs are recommended by the Compensation Committee and approved by the Board. In monitoring Option grants, the Compensation Committee takes into account the level of options granted by comparable companies for similar levels of responsibility and considers each NEO or employee based on reports received from management, its own observations on individual performance (where possible) and its assessment of individual contribution to Shareholder value.

In addition to determining the number of options to be granted pursuant to the methodology outlined above, the Compensation Committee also makes the following determinations:

- the exercise price for each option granted;
- the date on which each option is granted;
- the vesting terms for each Option; and
- the other materials terms and conditions of each Option grant.

The Compensation Committee makes these determinations subject to and in accordance with the provision of the Option Plan.

Options were granted on April 20, 2021 and July 2, 2021 to directors, officers, employees and consultants of the Corporation. Please see "Summary Compensation Table" below for details.

Restricted Share Unit Plan

The Corporation has also created an RSU Plan to attract, retain and motivate officers and directors of the Corporation. The RSU Plan provides that RSUs may be granted by the Compensation Committee to directors and officers of the Corporation as a discretionary payment in consideration for significant contributions to the long-term success of the Corporation. Please see "Description of RSU Plan" below for further details.

RSUs were granted on April 20, 2021 to NEOs of the Corporation for compensation related to 2021. Please see “Summary Compensation Table” below for details.

The Corporation may, subject to any regulatory and/or shareholder approvals that may be required, implement other long term incentive share bonus plans in the future.

Compensation Risks

The Compensation Committee is responsible for considering, establishing and reviewing executive compensation programs and devotes such time and resources as it believes to be necessary in the circumstances. The Committee considers whether the programs appropriately mitigate risk and discourage any excessive risk taking on the part of the NEOs. The Corporation anticipates that the compensation programs will be appropriately balanced between short-term results and long-term value creation and will not motivate unnecessary or excessive risk taking.

Base salaries are fixed in amount and do not encourage risk taking. While annual incentive awards will focus on the achievement of short-term or annual goals and short-term goals may encourage the taking of short-term risks at the expense of long-term results, the Corporation’s annual incentive award program is offset by the long-term incentive award program whose value could be diminished by risk short-term actions, thereby mitigating the risk.

Option and RSU awards are important to further align employees’ interests with those of the Shareholders. The ultimate value of the awards is tied to the price of the Common Shares and since awards are expected to be staggered and subject to long-term vesting schedules, they will help ensure that NEOs have significant potential compensation value tied in long-term stock price performance.

As at the date of this Circular, the Compensation Committee has not identified risks arising from the Corporation’s compensation programs that are reasonably likely to have a material adverse effect on the Corporation.

Hedging by Named Executive Officers or Directors

The Corporation has no policy with respect to NEOs or directors purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director. However, to the knowledge of the Corporation, as of the date of hereof, no director or NEO of the Corporation has participated in the purchase of such financial instruments.

C. Summary Compensation Table

The following table contains a summary of the compensation paid to the NEOs during the Corporation’s three most recently completed financial years.

Name and principal position	Year ended December 31	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation		Pension value (\$)	All other Compensation (\$)	Total Compensation (\$)
					Annual incentive plans (\$)	Long term incentive plans (\$)			
Fernando Ganoza ⁽¹⁾ CEO & Director	2021	340,000	Nil	89,478 ⁽⁵⁾	130,050 ⁽⁸⁾	60,641 ⁽¹⁰⁾	Nil	Nil	620,169
	2020	340,000	Nil	78,586 ⁽⁶⁾	257,805 ⁽⁹⁾	59,999 ⁽¹¹⁾	Nil	Nil	597,160
	2019	340,000	Nil	93,007 ⁽⁷⁾	Nil	116,390 ⁽¹²⁾	Nil	Nil	549,397
Alain Bureau President	2021	146,664	Nil	92,110 ⁽⁵⁾	76,379 ⁽⁸⁾	23,409 ⁽¹⁰⁾	Nil	Nil	338,562
	2020	146,664	Nil	80,897 ⁽⁶⁾	92,181 ⁽⁹⁾	Nil	Nil	Nil	250,722
	2019	61,888	Nil	47,995 ⁽⁷⁾	Nil	Nil	Nil	Nil	109,883
Jorge R. Ganoza ⁽²⁾ Former President VP Operations and Projects & Director	2021	300,000	Nil	78,951 ⁽⁵⁾	76,500 ⁽⁸⁾	19,026 ⁽¹⁰⁾	Nil	Nil	474,477
	2020	300,000	Nil	69,340 ⁽⁶⁾	151,650 ⁽⁹⁾	19,853 ⁽¹¹⁾	Nil	Nil	458,943
	2019	300,000	Nil	36,894 ⁽⁷⁾	Nil	46,556 ⁽¹²⁾	Nil	Nil	383,450
Matias Herrero CFO ⁽³⁾	2021	137,500	Nil	81,196 ^(5.1)	35,063 ⁽⁸⁾	Nil	Nil	Nil	253,759
	2020	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2019	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
William Tsang Former CFO ⁽⁴⁾	2021	29,345 ⁽⁴⁾	Nil	32,896 ⁽⁵⁾	Nil	Nil	Nil	Nil	62,241
	2020	58,680 ⁽⁴⁾	Nil	28,892 ⁽⁶⁾	Nil	Nil	Nil	Nil	87,572
	2019	57,622 ⁽⁴⁾	Nil	19,110 ⁽⁷⁾	Nil	Nil	Nil	Nil	76,732

- (1) Mr. Fernando Ganoza did not receive any compensation in consideration of the services he provided as a director.
- (2) Mr. Jorge Ganoza did not receive any compensation in consideration of the services he provided as a director.
- (3) Mr. Herrero was appointed CFO of the Corporation on July 2, 2021.
- (4) Pursuant to a Management Services Agreement between the Corporation and Seabord (as defined below), Mr. Tsang's remuneration is paid by Seabord. See "Management Contracts" for a description of the material terms of the Management Services Agreement. Mr. Tsang resigned his position as CFO of the Corporation on July 2, 2021.
- (5) The Option benefit is the grant date fair value using the Black-Scholes option pricing model (see discussion below) using the following weighted average assumptions: stock price of C\$0.65, exercise price of C\$0.65, an option life of 5 years, a risk-free interest rate of 0.78% and a volatility of 74%. See the table under "Incentive Plan Awards" for the "in-the-money" value of these options on December 31, 2021.
- (5.1) The Option benefit is the grant date fair value using the Black-Scholes option pricing model (see discussion below) using the following weighted average assumptions: stock price of C\$0.57, exercise price of C\$0.57, an option life of 5 years, a risk-free interest rate of 0.78% and a volatility of 72%. See the table under "Incentive Plan Awards" for the "in-the-money" value of these options on December 31, 2021.
- (6) The Option benefit is the grant date fair value using the Black-Scholes option pricing model (see discussion below) using the following weighted average assumptions: stock price of C\$0.48, exercise price of C\$0.48, an option life of 5 years, a risk-free interest rate of 0.41% and a volatility of 80%. See the table under "Incentive Plan Awards" for the "in-the-money" value of these options on December 31, 2021.
- (7) The Option benefit is the grant date fair value using the Black-Scholes option pricing model (see discussion below) using the following weighted average assumptions: stock price of C\$0.30, exercise price of C\$0.30, an option life of 5 years, a risk-free interest rate of 1.49% and a volatility of 78%. See the table under "Incentive Plan Awards" for the "in-the-money value" of these options on December 31, 2021.
- (8) Discretionary cash bonuses that were granted to certain NEOs for 2021.
- (9) Discretionary cash bonuses that were granted to certain NEOs for 2020.
- (10) Grant of RSUs on April 20, 2021 which vest over a 3-year period and are payable in cash.
- (11) Grant of RSUs on October 20, 2020 which vest over a 3-year period and are payable in cash.
- (12) Grant of RSUs on May 2, 2019 which vest over a 3-year period and are payable in cash.

The Corporation has calculated the “grant date fair value” amounts in the ‘Option-based Awards’ column using the Black-Scholes model, a mathematical valuation model that ascribes a value to an Option based on a number of factors in valuing the option-based awards, including the exercise price of the options, the price of the underlying security on the date the option was granted, and assumptions with respect to the volatility of the price of the underlying security and the risk-free rate of return. Calculating the value of Options using this methodology is very different from a simple “in-the-money” value calculation. Options that are well “out-of-the-money” can still have a significant “grant date fair value” based on a Black-Scholes valuation. Accordingly, caution must be exercised in comparing grant date fair value amounts with cash compensation or an in-the-money option value calculation. The total compensation shown in the last column is the total compensation of each NEO reported in the other columns. The value of the in-the-money options currently held by each NEO (based on Common Share price less option exercise price) is set forth in the ‘Value of Unexercised in-the-money Options’ column of the “Outstanding Share-Based and Option-Based Awards” table below. The Corporation used this model because it is the methodology used by most Canadian publicly traded companies in valuing and reporting Options.

Employment and Consulting Agreements

Fernando Ganoza, CEO

Pursuant to an Executive Employment Agreement dated April 23, 2012, the Corporation paid to Fernando Ganoza in 2021, \$340,000 per annum plus medical, travel, disability, and life insurance benefits. In addition to the remuneration payable under this agreement, the Corporation may pay bonuses and grant Options to Mr. Ganoza.

Mr. Ganoza may terminate his employment with the Corporation at any time by giving not less than six (6) months written notice of termination to the Board. The Board may, at its sole discretion, waive such notice in whole or in part by paying Mr. Ganoza’s salary to the effective date of resignation. Mr. Ganoza may also terminate his employment with the Corporation for Good Reason (as defined below) and, on providing written notice of such resignation to the Board, Mr. Ganoza will be entitled to be paid an amount equal to six months (6) salary, less applicable deductions required by law, and in addition all equity based grants shall vest immediately. “Good Reason” means one or more of the following changes in the circumstances of the Executive's employment without the Executive's express written consent:

- a) a reduction or diminution in the level of authority, responsibility, title or reporting relationship of the Executive;
- b) a reduction in the Executive's compensation including, but not limited to, base salary, target annual bonus and benefits; or
- c) a requirement by the Board that the Executive's position and office be based and located in another geographic location.

The Board may authorize the termination of the agreement and Mr. Ganoza’s employment with the Corporation at any time, without cause, by the Corporation providing a lump sum payment equivalent to six (6) months salary.

Alain Bureau, President

Pursuant to an Executive Employment Agreement dated September 6th, 2019, the Corporation paid to Alain Bureau in 2021, \$146,664 plus benefits for up to an aggregate monthly amount of \$6,000. In addition to the

remuneration payable under this agreement, the Corporation may pay bonuses and grant RSUs and Options to Mr. Bureau.

Mr. Bureau may terminate his employment with the Corporation at any time by giving not less than six (6) months written notice of termination to the Board. The Board may, at its sole discretion, waive such notice in whole or in part by paying Mr. Bureau's salary to the effective date of resignation. Mr. Bureau may also terminate his employment with the Corporation for Good Reason (as defined below) and, on providing written notice of such resignation to the Board, the Executive will be entitled to be paid an amount equal to twenty four (24) months Base Salary if the termination occurs before the first twelve (12) months of employment, or six (6) months Base Salary thereafter, less applicable deductions required by law, and in addition all equity based grants shall vest immediately, and all RSUs and Options held by the Executive shall vest immediately. "Good Reason" means one or more of the following changes in the circumstances of the Executive's employment without the Executive's express written consent:

- a) a reduction or diminution in the level of authority, responsibility, title or reporting relationship of the Executive;
- b) a reduction in the Executive's compensation including, but not limited to, base salary, target annual bonus and benefits.

The Corporation may terminate this Agreement and the Executive's employment with the Corporation at any time for just cause, without notice or pay in lieu of notice or any other form of compensation, severance pay or damages. For the purpose of the agreement, the term "Just Cause" will include (but not be limited to):

- a) the Executive committing theft, embezzlement, fraud, obtaining funds or property under false pretences or similar acts of gross misconduct with respect to the property of the Corporation or its employees or the Corporation's customers or suppliers;
- b) the Executive entering into a guilty plea or being convicted of any crime involving fraud, misrepresentation, breach of trust or felony offence;
- c) the Executive becoming ineligible to act as a director or officer of the Corporation as a result of failing to meet requirements of the British Columbia *Business Corporations Act*, or the requirements of any Canadian securities regulators;
- d) any other act that would constitute just cause according to the common law of the Province of British Columbia.

The Corporation may also terminate the agreement and the Executive's employment with the Corporation at any time, without cause, by the Corporation providing the Executive with a lump sum payment equivalent to twenty four (24) months base salary if the termination occurs before the first twelve (12) months of employment, or six (6) months base salary thereafter.

Jorge R. Ganoza, VP Operations and Projects

During 2021, the Corporation agreed to pay Jorge R. Ganoza, the VP Operations and Projects, and former President of the Corporation, a consulting fee of \$300,000 per annum.

Matias Herrero, CFO

Pursuant to an Executive Employment Agreement dated June 28, 2021, the Corporation paid to Matias Herrero in 2021, \$137,500 plus medical, travel, disability, and life insurance benefits. In addition to the remuneration payable under this agreement, the Corporation may pay bonuses and grant RSUs and Options to Mr. Herrero.

Mr. Herrero may terminate his employment with the Corporation at any time by giving not less than six (6) months written notice of termination to the Board. The Board may, at its sole discretion, waive such notice in whole or in part by paying Mr. Herrero's base salary to the effective date of resignation. Mr. Herrero may terminate his employment with the Corporation for "Good Reason" (as defined below) and, on providing written notice of such resignation to the Board, the Executive will be entitled to be paid an amount equal to one point two (1.2) times base salary plus one point two (1.2) times the average of the most recent three year annual bonus paid, less applicable deductions required by law. "Good Reason" means one or more of the following changes in the circumstances of the Executive's employment without the Executive's express written consent:

- a) a reduction or diminution in the level of authority, responsibility, title or reporting relationship of the Executive;
- b) a reduction in the Executive's compensation including, but not limited to, base salary, target annual bonus and benefits.

The Corporation may terminate the agreement and Mr. Herrero's employment with the Corporation at any time for just cause, without notice or pay in lieu of notice or any other form of compensation, severance pay or damages. For the purpose of the agreement, the term "just cause" will include (but not be limited to):

- a) the Executive committing theft, embezzlement, fraud, obtaining funds or property under false pretences or similar acts of gross misconduct with respect to the property of the Corporation or its employees or the Corporation's customers or suppliers;
- b) the Executive entering into a guilty plea or being convicted of any crime involving fraud, misrepresentation, breach of trust or felony offence;
- c) the Executive becoming ineligible to act as a director or officer of the Corporation as a result of failing to meet requirements of the British Columbia *Business Corporations Act*, or the requirements of any Canadian securities regulators;
- d) any other act that would constitute just cause according to the common law of the Province of British Columbia.

The Corporation may terminate the agreement and Mr. Herrero's employment with the Corporation at any time, without cause, by the Corporation providing the Executive with a lump sum payment equivalent to one point two (1.2) times base salary plus one point two (1.2) times the average of the most recent three year annual bonus paid, less applicable deductions required by law.

In the event of termination by the Executive or the Corporation, RSUs and Options held by the Executive shall vest immediately.

The Corporation has not entered into any other employment or consulting contracts with its other NEOs.

Termination and Change of Control Payments

In April 2021, the Corporation approved payments to NEOs in the event of a change of control. In the event of a change of control, each NEO, unless otherwise provided for in an award agreement, is entitled to compensation, based on his/her remuneration at the time, in the event of a termination without cause or resignation for good reason, that occurs within 12 months of the change of control event. The Corporation approved the following payments:

- CEO is entitled to payment of 1.8 times the current annual base salary plus 1.8 times the average of the most recent three years annual bonus paid if terminated without cause or if the CEO resigns with “good reason”;
- President is entitled to payment of 1.5 times the current annual base salary plus 1.5 times the average of the most recent three years annual bonus if terminated without cause or if the President resigns with “good reason”; and
- Other NEOs are entitled to a payment of 1.2 times the current annual base salary plus 1.2 times the average of the most recent three years annual bonus if terminated without cause or if the NEO resigns with “good reason”.

The NEOs will also get to continue participating in any group insured or other similar employee benefit schemes established by the Corporation in accordance with the following schedule: CEO for 18 months, President for 15 months and other NEOs for 12 months.

Further, all Options and RSUs held by such NEOs will immediately vest upon the effective date of the change of control.

As at December 31, 2021, the estimated amounts payable under various termination scenarios are outlined in the table below:

Name and Principal Position	Termination without Cause (\$)	Change of Control with Termination (\$)⁽¹⁾
Fernando Ganoza CEO & Director	325,702	1,000,415
Alain Bureau President	102,161	501,665
Jorge R. Ganoza Former President, VP, Operations and Projects & Director	None	507,737
Matias Herrero CFO	207,076	207,076
William Tsang Former CFO	None	None

Note:

(1) As of the date of this Circular, the following NEOs would be entitled to the following Change of Control payments: Fernando Ganoza – \$1,000,415, Alain Bureau – \$501,665, Jorge R. Ganoza - \$507,737 and Matias Herrero - \$207,076.

D. Incentive Plan Awards

Outstanding Share-Based and Option-Based Awards

The following table sets out for each NEO, the incentive Options to purchase Common Shares (option-based awards) held as of December 31, 2021. The closing price of the Common Shares on the TSX-V on December 31, 2021, being the last trading day upon which the Common Shares traded prior to the Corporation's year end of December 31, 2021, was C\$0.41.

Name & Position	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (vested-unvested)	Option exercise price (C\$ per share)	Option expiration date (m/d/y)	Value of unexercised 'in-the-money' options (\$) ⁽²⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of share-based awards that have vested but have not been paid out (\$)
Fernando Ganoza CEO	233,645 - 0	0.77	04/17/2022	Nil	485,292	155,702	12,522
	472,098 - 0	0.69	02/22/2023	Nil			
	349,455 – 349,455 ⁽¹⁾	0.285	05/02/2024	34,183			
	68,752 – 275,008 ⁽¹⁾	0.48	10/09/2025	Nil			
	0 – 288,040 ⁽¹⁾	0.65	04/20/2026	Nil			
Alain Bureau President	248,970 - 0	0.88	01/31/2023	Nil	89,855	28,829	4,834
	150,000 – 150,000 ⁽¹⁾	0.335	10/07/2024	8,804			
	70,274 – 283,096 ⁽¹⁾	0.48	10/09/2025	Nil			
	0 – 296,512 ⁽¹⁾	0.65	04/20/2026	Nil			
Jorge R. Ganoza VP Operations and Projects	116,822 - 0	0.77	04/17/2022	Nil	176,028	56,477	4,143
	301,339 - 0	0.69	02/22/2023	Nil			
	138,662 – 138,662 ⁽¹⁾	0.285	05/02/2024	13,564			
	60,644 – 242,654 ⁽¹⁾	0.48	10/09/2025	Nil			
	0 – 254,153 ⁽¹⁾	0.65	04/20/2026	Nil			
Matias Herrero CFO ⁽³⁾	0 – 300,000 ⁽⁴⁾	0.57	07/02/2026	Nil	N/A	N/A	N/A
William Tsang Former CFO ⁽⁴⁾	46,729 - 0	0.77	04/17/2022	Nil	N/A	N/A	N/A
	75,000 - 0	0.69	02/22/2023	Nil			
	41,799 – 41,799 ⁽¹⁾	0.285	05/02/2024	4,089			
	25,000 - 25,000 ⁽¹⁾	0.335	10/07/2024	1,467			
	25,276 – 101,106	0.48	10/09/2025	Nil			
	0 – 105,897 ⁽¹⁾	0.65	04/20/2026	Nil			

- (1) The option-based awards shall vest such that 20% vested twelve months from the date of grant, 30% shall vest 24 months from the date of grant, and the balance shall vest 36 months from the date of grant.
- (2) Options are “in the money” if the market price of the Common Shares is greater than the exercise price of the options. The value of such options is the product of the number of Common Shares multiplied by the difference between the exercise price and the closing market price of the Common Shares on the financial year end. Options which were not vested at the financial year end are not included in this value.
- (3) Mr. Herrero was appointed CFO of the Corporation on July 2, 2021.
- (4) Mr. Tsang resigned his position as CFO of the Corporation on July 2, 2021.

The Compensation Committee’s approach to recommending options to be granted is consistent with prevailing practice in the mineral exploration industry. Grants of options depend on the length of service of the NEO. Therefore, there are no formulae followed or performance goals or significant conditions which must be met before options will be granted. Options are always granted at the prevailing market price of the Common Shares.

Value of Share-Based and Option-Based Awards Vested or Earned During the Year

The following table sets forth, for each NEO, the values of all incentive plan awards which vested or were earned during the year ended December 31, 2021.

Name & Position	Value vested during the year		Value earned during the year - Non-equity incentive plan compensation (\$) ⁽³⁾
	Option-based awards – Value vested during the year (\$) ⁽¹⁾	Share-based awards – Value vested during the year (\$) ⁽²⁾	
Fernando Ganoza CEO	126,783	Nil	128,836
Alain Bureau President	30,578	Nil	4,834
Jorge R. Ganoza VP Operations and Projects	78,019	Nil	39,658
Matias Herrero ⁽⁴⁾ CFO	Nil	Nil	Nil
William Tsang ⁽⁵⁾ CFO	12,362	Nil	Nil

- (1) The value of an option-based award is the product of the number of Common Shares issuable on the exercise of the option on the vesting date multiplied by the grant date fair value calculated using the Black-Scholes option pricing model, which is described above. Please see the table under “Outstanding Share-based and Option-based Awards to NEOs” for the “in-the-money” value of these options on December 31, 2021.
- (2) The value of a share-based award is the product of the number of Common Shares issuable on the vesting date multiplied by the closing market price on the vesting date.
- (3) RSUs that were payable in cash.
- (4) Mr. Herrero was appointed CFO of the Corporation on July 2, 2021.
- (5) Mr. Tsang resigned his position as CFO of the Corporation on July 2, 2021.

Option-based Awards Exercised During the Year

The following table sets forth the particulars of option-based awards that were exercised during the Corporation’s by the NEOs during the last financial year.

Name & Position	Securities Acquired on Exercise (#)	Exercise Price	Date of Exercise (m/d/y)	Aggregate Value Realized ⁽¹⁾ (\$)
Fernando Ganoza CEO	582,822	\$0.345	04/09/2021	102,618
Alain Bureau President	0	N/A	N/A	N/A
Jorge R. Ganoza VP Operations and Projects	306,748	\$0.345	04/07/2021	58,810
Matias Herrero CFO	0	N/A	N/A	N/A
William Tsang CFO	98,160	\$0.345	04/09/2021	17,283

- (1) Calculated using the closing market price of the Common Shares on the date(s) of exercise less the exercise price of the Options multiplied by the number of Common Shares acquired.
- (2) Mr. Herrero was appointed CFO of the Corporation on July 2, 2021.
- (3) Mr. Tsang resigned his position as CFO of the Corporation on July 2, 2021.

E. Pension Plan Benefits

The Corporation does not have a pension plan or deferred compensation plan.

F. Termination and Change of Control Benefits

Other than as described above under ‘Summary Compensation Table – Employment Agreements’, the Corporation has not provided or agreed to provide any compensation to any NEOs as a result of a change of control of the Corporation, its subsidiaries or affiliates.

G. Director Compensation

The following table describes director compensation for non-executive directors for the year ended December 31, 2021.

Name	Fees earned (\$) ⁽¹⁾	Share-based awards (\$)	Option-based awards (\$) ⁽²⁾	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other Compensation (\$)	Total (\$)
Luis D. Ganoza	34,000	Nil	57,569	Nil	Nil	Nil	91,569
Michael D. Winn	25,700	Nil	41,120	Nil	Nil	Nil	66,820
Mario Szotlender	30,500	Nil	41,120	Nil	Nil	Nil	71,620
Luis Sáenz	30,800	Nil	41,120	Nil	Nil	Nil	71,920
Jonathan Goodman	26,600	Nil	41,120	Nil	Nil	Nil	67,720

- (1) Compensation paid for board meeting stipend, and committee chairman fees.
- (2) The Option benefit is the grant date fair value using the Black-Scholes option pricing model (see discussion below) using the following weighted average assumptions: stock price of C\$0.65, exercise price of C\$0.65, an option life of 5 years, a risk-free interest rate of 0.78% and a volatility of 74%. See the table under “Incentive Plan Awards” for the “in-the-money” value of these options on December 31, 2021.

The Corporation has calculated the “grant date fair value” amounts in the ‘Option-based Awards’ column using the Black-Scholes model, a mathematical valuation model that ascribes a value to an Option based on a number of factors in valuing the option-based awards, including the exercise price of the options, the price of the underlying security on the date the option was granted, and assumptions with respect to the volatility of the price of the underlying security and the risk-free rate of return. Calculating the value of Options using this methodology is very different from a simple “in-the-money” value calculation. Options that are well “out-of-the-money” can still have a significant “grant date fair value” based on a Black-Scholes valuation. Accordingly, caution must be exercised in comparing grant date fair value amounts with cash compensation or an in-the-money option value calculation. The total compensation shown in the last column is the total compensation of each director reported in the other columns. The value of the in-the-money options currently held by each director (based on Common Share price less option exercise price) is set forth in the ‘Value of Unexercised in-the-money Options’ column of the “Share-Based and Option-based Awards to Directors” table below. The Corporation used this model because it is the methodology used by most Canadian publicly traded companies in valuing and reporting Options.

The methodology used for determining the remuneration of the Board is similar to that used for the remuneration of NEOs. Remuneration of committee chairmen is determined based on their own merits and circumstances after being considered in light of prevailing economic conditions – both on a corporate level and on national and international levels – and industry norms for such remuneration. Levels of remuneration of directors, committee members and committee chairmen are usually first informally discussed among the members of the Compensation Committee before being formally considered and approved by the Board.

The annual fees payable to the independent directors of the Corporation for their services as directors, members, and the chairman of committees of the Board are as follows:

Board or Committee Name	Annual Retainer (\$)	Meeting Stipend (\$)
Board of Directors	17,000	1,200 per meeting (Members)
Chairman of the Board of Directors	5,000	N/A
Audit Committee	3,000 (Chairman)	1,200 per meeting (Members)
Compensation Committee	1,500 (Chairman)	1,200 per meeting (Members)
Corporate Governance Committee	1,500 (Chairman)	1,200 per meeting (Members)

Share-Based and Option-based Awards to Directors

The following table sets out for each non-executive director the incentive Options to purchase Common Shares (option-based awards) held as of the end of the Corporation’s last completed financial year. The

closing price of the Common Shares on the TSX-V on December 31, 2021, being the last trading day upon which the Common Shares traded prior to the Corporation's year end of December 31, 2021, was C\$0.41.

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (vested-unvested)	Option exercise price (C\$ per share)	Option expiration date (m/d/y)	Value of unexercised 'in-the-money' options (\$) ⁽²⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Luis D. Ganoza	81,776 - 0	0.77	04/17/2022	Nil	N/A	N/A
	117,188 - 0	0.69	02/22/2023	Nil		
	109,592 – 109,592 ⁽¹⁾	0.285	05/02/2024	10,720		
	46,045 – 46,405 ⁽¹⁾	0.335	10/07/2024	2,702		
	44,234 – 176,935 ⁽¹⁾	0.48	10/09/2025	Nil		
	0 – 185,320 ⁽¹⁾	0.65	04/20/2026	Nil		
Michael D. Winn	58,411 - 0	0.77	04/17/2022	Nil	N/A	N/A
	83,705 - 0	0.69	02/22/2023	Nil		
	78,280 – 78,280 ⁽¹⁾	0.285	05/02/2024	7,657		
	32,890 – 32,890 ⁽¹⁾	0.335	10/07/2024	1,930		
	31,596 – 126,382 ⁽¹⁾	0.48	10/09/2025	Nil		
	0 – 132,371	0.65	04/20/2026	Nil		
Mario Szotlender	58,411 - 0	0.77	04/17/2022	Nil	N/A	N/A
	83,705 - 0	0.69	02/22/2023	Nil		
	78,280 – 78,280 ⁽¹⁾	0.285	05/02/2024	7,657		
	32,890 – 32,890 ⁽¹⁾	0.335	10/07/2024	1,930		
	31,596 – 126,382 ⁽¹⁾	0.48	10/09/2025	Nil		
	0 – 132,371	0.65	04/20/2026	Nil		
Luis Sáenz	58,411 - 0	0.77	04/17/2022	Nil	N/A	N/A
	83,705 - 0	0.69	02/22/2023	Nil		
	78,280 – 78,280 ⁽¹⁾	0.285	05/02/2024	7,657		
	32,890 – 32,890 ⁽¹⁾	0.335	10/07/2024	1,930		
	31,596 – 126,382 ⁽¹⁾	0.48	10/09/2025	Nil		
	0 – 132,371	0.65	04/20/2026	Nil		
Jonathan Goodman	49,794 - 0	1.77	08/09/2022	Nil	N/A	N/A
	37,345 - 0	0.40	03/33/2024	292		
	113,637 – 117,637 ⁽¹⁾	0.335	10/07/2024	6,669		
	31,596 – 126,382 ⁽¹⁾	0.48	10/09/2025	Nil		
	0 – 132,371	0.65	04/20/2026	Nil		

- (1) The option-based awards shall vest such that 20% vested twelve months from the date of grant, 30% shall vest 24 months from the date of grant, and the balance shall vest 36 months from the date of grant.
- (2) Options are "in the money" if the market price of the Common Shares is greater than the exercise price of the options. The value of such options is the product of the number of Common Shares multiplied by the difference between the exercise price and the closing market price of the Common Shares on the financial year end. Options which were not vested at the financial year end are not included in this value.

The Compensation Committee's approach to recommending options to be granted is consistent with prevailing practice in the mineral exploration industry. Grants of options depend on the length of service of the directors. Therefore, there are no formulae followed or performance goals or significant conditions which must be met before options will be granted. Options are always granted at the prevailing market price of the Common Shares.

Value of Share-Based and Option-Based Awards Vested or Earned During the Year

The following table sets forth, for each non-executive director, the values of all incentive plan awards which vested or were earned during the Corporation's last completed financial year.

Name	Value vested during the year		
	Option-based awards (\$) ⁽¹⁾	Share-based awards (\$) ⁽²⁾	Non-equity incentive plan compensation (\$)
Luis D. Ganoza	43,926	Nil	Nil
Michael D. Winn	31,375	Nil	Nil
Mario Szotlender	31,175	Nil	Nil
Luis Sáenz	31,175	Nil	Nil
Jonathan Goodman	18,131	Nil	Nil

- (1) The value of an option-based award is the product of the number of Common Shares issuable on the exercise of the option on the vesting date multiplied by the grant date fair value calculated using the Black-Scholes option pricing model, which is described above. Please see the table under "Outstanding Share-based and Option-based Awards to Directors" for the "in-the-money" value of these options on December 31, 2021.
- (2) The value of a share-based award is the product of the number of Common Shares issuable on the vesting date multiplied by the closing market price on the vesting date.

Option-based Awards Exercised During the Year

The following table sets forth the particulars of option-based awards exercised during the Corporation's last completed financial year by the directors.

Name	Securities Acquired on Exercise (#)	Exercise Price	Date of Exercise(m/d/y)	Aggregate Value Realized ¹ (\$)
Luis D. Ganoza	214,724	\$0.345	04/09/2021	37,807
Michael D. Winn	153,374	\$0.345	04/09/2021	27,004
Mario Szotlender	153,374	\$0.345	03/19/2021	28,204
Luis Sáenz	153,374	\$0.345	04/12/2021	24,604
Jonathan Goodman	0	N/A	N/A	N/A

- (1) Calculated using the closing market price of the Common Shares on the date(s) of exercise less the exercise price of the Options multiplied by the number of Common Shares acquired.

Management Contracts

Pursuant to a management service agreement dated July 1, 2011 (the "Management Services Agreement"), as amended September 1, 2020 between the Corporation and Seabord Services Corp. ("Seabord") of Suite 501, 543 Granville Street, Vancouver, British Columbia, since the commencement of the most recently completed financial year the Corporation has paid C\$24,000 per month to Seabord in

consideration of Seabord providing office, reception, secretarial, accounting and corporate records services to the Corporation, including the services of the Corporate Secretary.

Seabord is a private company wholly-owned by a director of the Corporation, Michael D. Winn of Laguna Beach, California.

Description of Option Plan

The Board established the Option Plan to attract and motivate the directors, officers and employees of the Corporation (and any of its subsidiaries), employees of any management company and consultants to the Corporation (collectively the “**Optionees**”) and thereby advance the Corporation’s interests by providing them an opportunity to acquire an equity interest in the Corporation through the exercise of Options granted to them under the Option Plan.

Pursuant to the Option Plan, the Board, based on the recommendations of the Compensation Committee, may grant options to Optionees in consideration of them providing their services to the Corporation or a subsidiary. The number of Common Shares subject to each option is determined by the Board or Compensation Committee within the guidelines established by the Option Plan. The options enable the Optionees to purchase Common Shares at a price fixed pursuant to such guidelines. The options are exercisable by the Optionee giving the Corporation notice and payment of the exercise price for the number of Common Shares to be acquired.

The Option Plan authorizes the Board to grant Options to the Optionees on the following terms:

1. The number of Common Shares subject to issuance pursuant to outstanding options, in the aggregate, cannot exceed 10% of the issued Common Shares.
2. In the event of any alteration to the number of Common Shares through or by means of a declaration of stock dividends of the Common Shares or consolidations, subdivisions or reclassifications of the Common Shares, or otherwise, the number of Common Shares available under the Option Plan shall be adjusted proportionately by the Board and, if required, approved by the TSX-V.
3. The number of Common Shares subject to issuance upon the exercise of options granted under the Option Plan is subject to the following limitations:
 - (a) no Optionee can be granted options during a 12-month period to purchase more than:
 - (i) 5% of the issued Common Shares unless disinterested shareholder approval has been obtained (such approval has not been sought); or
 - (ii) 2% of the issued Common Shares, if the Optionee is a consultant; and
 - (b) the aggregate number of granted options to all Optionees providing investor relations services during a 12-month period cannot exceed 2% of the issued Common Shares.
4. Approval by disinterested shareholders must be obtained (such approval has not been, nor is it intended to be, sought) if options granted under the Option Plan, together with all of the Corporation’s previously established and outstanding stock option plans or grants, as applicable, could result at any time, in:

- (a) the number of Common Shares reserved for issuance pursuant to Options granted to insiders exceeding 10% of the Common Shares outstanding at the time of granting; or
 - (b) the grant to insiders, within a one-year period, of options to purchase that number of Common Shares exceeding 10% of the outstanding Common Shares.
5. The exercise price of the options cannot be less than the last closing price of the Common Shares on the day before the granting of such options.
6. The options may be exercisable for up to 5 years, unless earlier terminated in accordance with the Option Plan.
7. The Board, as applicable, has complete discretion to set the terms of any vesting schedule for the options granted, including, without limitation, discretion to:
- (a) permit partial vesting in stated percentage amounts based on the term of such option; and
 - (b) permit full vesting after a stated period of time has passed from the grant date.

In the case of an Optionee providing investor relations services, the options must vest over at least 12 months with no more than one-quarter vesting in any three-month period.

8. The Board has the right to accelerate the date of vesting of any option which remains unvested, subject to approval from the TSX-V. In addition, if there is a Change of Control of the Corporation (as defined in the Option Plan), all unvested options, subject to obtaining any required approval from the TSX-V, shall vest immediately.
9. Until the issuance of any share certificate or certificates, the Optionee does not have the right to vote or the right to receive dividends or any other rights as a shareholder with respect to the Common Shares, notwithstanding the exercise of the option.
10. The options can only be exercised by the Optionee (to the extent they have already vested) for so long as the Optionee is a director, senior officer or employee of, or consultant to, the Corporation or any Related Company (as defined in the Option Plan) or is an employee of the Corporation's management corporation and within a period thereafter not exceeding the earlier of:
- (a) the original expiry date;
 - (c) not more than 30 days after ceasing to be a director, officer or employee of, or consultant to, the Corporation for a reason other than the Optionee's disability, death, or termination for just cause;
 - (d) in the case of an Optionee providing investor relations services, not more than 30 days after the termination of services;
 - (e) in the case of termination by reason of the Optionee's death, within one year from the Optionee's death; and
 - (f) in the case of termination by reason of the Optionee's disability, not more than 90 days following the termination of service of the Optionee, except where the Optionee was

providing investor relations services, in which case, not more than 30 days following the termination of service of such Optionee.

The options shall terminate following the earlier of any of the above. If the Optionee is terminated “for cause” the options will terminate concurrently.

11. The options are not assignable, except to a person who is entitled to ownership of an option upon the death of an Optionee, pursuant to a will or the applicable laws of descent and distribution upon death.
12. No financial assistance is available to Optionees under the Option Plan.
13. Any amendments to outstanding Options are subject to the approval of the TSX-V and, if required by the TSX-V, of the shareholders of the Corporation, possibly with only ‘disinterested shareholders’ being entitled to vote. Disinterested shareholder approval must be obtained prior to the reduction of the exercise price (including the cancellation and re-issuance of options so as to effectively reduce the exercise price) of options held by insiders of the Corporation. The amendment to an outstanding Option will also require the consent of the Optionee.

No options have been granted under the Option Plan which are subject to shareholder approval.

The Plan does not permit Options to be transformed into stock appreciation rights.

Repricing of Stock Options

The Corporation did not make any downward repricing of Options during the year.

Description of RSU Plan

On April 12, 2016, the Board adopted the RSU Plan. The RSU Plan was established as a vehicle by which equity-based incentives may be awarded to the employees, consultants and officers of the Corporation, to recognize and reward their significant contributions to the long-term success of the Corporation (“**Eligible Persons**”).

The RSU Plan provides that RSUs may be granted by the Compensation Committee of the Board to Eligible Persons. The Compensation Committee may determine the number of RSUs to be granted to each Eligible Person, and any vesting conditions, in the Compensation Committee’s sole discretion.

Unless redeemed earlier in accordance with the RSU Plan, the vested RSUs of each Eligible Person will be redeemed on the Redemption Date (as defined below) for cash in the amount equal to the Fair Market Value of the vested RSU, subject to any applicable deductions and withholdings. Fair Market Value means the arithmetic average of the closing price of the Common Shares on the TSX-V for the five (5) trading days on which a board lot was traded immediately prior to the Redemption Date, or if the Common Shares are not listed on the TSX-V, then on such other stock exchange or quotation system as may be selected by the Board or Compensation Committee, as applicable, provided that, if the Common Shares are not listed or quoted on any other stock exchange or quotation system, then the Fair Market Value will be the value determined by the Board or Compensation Committee, as applicable, in its sole discretion acting in good faith.

“Redemption Date” in respect of any RSU means the third anniversary of the grant date on which such RSU was granted to the Eligible Person, unless (i) an earlier date has been approved by the Compensation Committee as the Redemption Date in respect of such RSU or (ii) there is a “Change of Control” of the

Corporation (as defined in the RSU Plan), the RSU Plan is terminated or upon an Eligible Person's death or termination of employment; provided that in no event will the Redemption Date in respect of any RSU be after the end of the calendar year which is three years following the end of the year in which services to which the grant of such RSU relates were performed by the Eligible Person to whom such RSU was granted.

The Board may from time to time amend or suspend the RSU Plan in whole or in part and may at any time terminate the RSU Plan. No such amendment, suspension or termination shall adversely affect the rights of any Eligible Person at the time of such amendment, suspension or termination with respect to outstanding and unredeemed RSUs credited to such Eligible Person without the consent of the affected Eligible Person. If the Board terminates the RSU Plan, no new RSUs will be awarded to any Eligible Person, but outstanding and unredeemed previously credited RSUs shall remain outstanding, be entitled to payments as provided under Section 3.4, and be paid in accordance with the terms and conditions of the RSU Plan existing at the time of termination. The RSU Plan will finally cease to operate for all purposes when the last remaining Eligible Person receives a payment in satisfaction of all outstanding and unredeemed RSUs credited to such Eligible Person, or all outstanding and unredeemed RSUs credited to such Eligible Person are cancelled pursuant to the provisions thereof.

CORPORATE GOVERNANCE

National Policy 58-101 - *Disclosure of Corporate Governance Practices* of the Canadian securities administrators requires the Corporation to annually disclose certain information regarding its corporate governance practices. That information is disclosed below.

Board of Directors

The Board has responsibility for the stewardship of the Corporation including responsibility for strategic planning, identification of the principal risks of the Corporation's business and implementation of appropriate systems to manage these risks, succession planning (including appointing, training and monitoring senior management), communications with investors and the financial community and the integrity of the Corporation's internal control and management information systems.

The Board sets long term goals and objectives for the Corporation and formulates the plans and strategies necessary to achieve those objectives and to supervise senior management in their implementation. The Board delegates the responsibility for managing the day-to-day affairs of the Corporation to senior management but retains a supervisory role in respect of, and ultimate responsibility for, all matters relating to the Corporation and its business. The Board is responsible for protecting shareholders' interests and ensuring that the incentives of the shareholders and of management are aligned.

As part of its ongoing review of business operations, the Board reviews, as frequently as required, the principal risks inherent in the Corporation's business including financial risks, through periodic reports from management of such risks, and assesses the systems established to manage those risks. Directly and through the Audit Committee, the Board also assesses the integrity of internal control over financial reporting and management information systems.

In addition to those matters that must, by law, be approved by the Board, the Board is required to approve any material dispositions, acquisitions and investments outside the ordinary course of business, long-term strategy, and organizational development plans. Management of the Corporation is authorized to act without Board approval, on all ordinary course matters relating to the Corporation's business.

The Board also monitors the Corporation’s compliance with timely disclosure obligations and reviews material disclosure documents prior to distribution.

The Board is responsible for selecting the President and appointing senior management and for monitoring their performance.

The Board considers a director to be “independent” if they are independent and free from any interest and any business or other relationship which could or could reasonably be perceived to materially interfere with the director’s ability to act with the best interests of the Corporation, other than interests and relationships arising from shareholding. Mario Szotlender, Luis Sáenz and Jonathan Goodman are each independent of the Corporation. The Board considers that Fernando E. Ganoza, the CEO of the Corporation, and Jorge R. Ganoza, the VP Operations and Projects and former President of the Corporation, are not independent because they are members of management. Luis D. Ganoza is not considered independent due to his familial relationship with Fernando E. Ganoza and Jorge R. Ganoza. Michael D. Winn is also not considered independent due to his relationship with Seaboard – see “Management Contracts”.

Directorships

Certain of the directors are presently a director of one or more other public companies, as follows:

Director	Other Issuer
Jorge R. Ganoza	Nil
Fernando E. Ganoza	Nil
Luis D. Ganoza	Nil
Michael D. Winn	EMX Royalty Corporation Altus Strategies PLC
Mario Szotlender	Endeavour Silver Corp. Fortuna Silver Mines Inc. Radius Gold Inc.
Luis Sáenz	Bearing Lithium Corp.
Jonathan Goodman	Dundee Precious Metals Dundee Corporation Magna Mining Inc.

Orientation and Continuing Education

The Board takes the following measures to ensure that all new directors receive a comprehensive orientation regarding their role as a member of the Board, its committees and its directors, and the nature and operation of the Corporation.

The first step is to assess a new director’s set of skills and professional background since each new director brings a different skill set and professional background. Once that assessment has been completed, the

Board is able to determine what orientation to the nature and operations of the Corporation's business will be necessary and relevant to each new director.

The second step is taken by one or more existing directors, who may be assisted by the Corporation's management, to provide the new director with the appropriate orientation through a series of meetings, telephone calls and other correspondence.

The Corporation has a Board Policy Manual, which provides a comprehensive introduction to the Board and its committees.

The Board takes the following measures to provide continuing education for its directors to maintain the skill and knowledge necessary for them to meet their obligations as directors:

- the Board annually reviews the Corporation's Charters, Policies and Mandate of the Board which comprise the Board Policy Manual, a copy of which is available to the directors; and
- there is a technical presentation at Board meetings, focusing on either a particular property or a summary of various properties. The 'question and answer' portions of these presentations are a valuable learning resource for the non-technical directors.

Ethical Business Conduct

To comply with its legal mandate, the Board seeks to foster a culture of ethical conduct by striving to ensure the Corporation carries out its business in line with high business and moral standards and applicable legal and financial requirements. In that regard, the Board:

- has adopted a written Code of Business Conduct and Ethics for its directors, officers, employees and consultants.
- has established a Whistleblower Policy which details complaint procedures for financial concerns.
- encourages management to consult with legal and financial advisors to ensure the Corporation is meeting those requirements.
- is cognizant of the Corporation's timely disclosure obligations and reviews material disclosure documents such as financial statements, Management's Discussion & Analysis ("MD&A") and press releases prior to distribution.
- relies on its Audit Committee to annually review the systems of internal financial control and discuss such matters with the Corporation's external auditor.
- actively monitors the Corporation's compliance with the Board's directives and ensures that all material transactions are thoroughly reviewed and authorized by the Board before being undertaken by management.

The Board must also comply with the conflict of interest provisions of the BCA, as well as the relevant securities regulatory instruments, to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or Executive Officer has a material interest.

Nomination of Directors

To identify new candidates for nomination for election as directors, the Board considers the advice and input of the Corporate Governance Committee, the members of which are listed under “Particulars of Matters to be Acted Upon – Election of Directors” and which is composed of a majority of independent directors, regarding:

- the appropriate size of the Board, the necessary competencies, skills and other qualities of the Board as a whole, the competencies, skills and other qualities of each existing director and the competencies, skills and other qualities each new nominee would bring to the Board; and
- the identification and recommendation of new individuals qualified to become new Board members. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Corporation, the ability to devote the time required and a willingness to serve.

Other Board Committees

In addition to the Audit Committee, described in the next section, the Board has established the following committees. See “Particulars of Matters to be Acted Upon - Election of Directors” for the members of these committees. The functions of these committees are described below.

Compensation Committee: The Compensation Committee is responsible for the review of all compensation (including Options) paid by the Corporation to the Board, senior management and employees of the Corporation and any subsidiaries, to report to the Board on the results of those reviews and to make recommendations to the Board for adjustments to such compensation. See “Statement of Executive Compensation” for further disclosure on the process for determining compensation for directors and the CEO.

The Compensation Committee consists of three directors (Mario Szotlender (Chairman), Michael Winn, and Jonathan Goodman). Each member of the Committee has direct experience relevant to their responsibilities on the Committee, including acting as officers and directors of other publicly traded corporations so that they are familiar with remuneration in the Corporation’s industry.

Corporate Governance Committee: The Corporate Governance Committee is responsible for advising the Board of the appropriate corporate governance procedures that should be followed by the Corporation and the Board and monitoring whether they comply with such procedures. The Corporate Governance Committee consists of three directors (Michael Winn (Chairman), Luis Sáenz and Jonathan Goodman).

All committees are currently composed of a majority of independent directors.

Assessments

The Board and the Corporate Governance Committee have not established a process to regularly assess the Board and its committees with respect to their effectiveness and contributions. Nevertheless, their effectiveness is subjectively measured on an ongoing basis by each director based on their assessment of the performance of the Board, its committees or the individual directors compared to their expectation of performance. In doing so, the contributions of an individual director 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.

AUDIT COMMITTEE

National Instrument 52-110 - *Audit Committees* (“NI 52-110”) of the Canadian securities administrators requires the Corporation’s Audit Committee to meet certain requirements. It also requires the Corporation to disclose in this Information Circular certain information regarding the Audit Committee. That information is disclosed below.

Overview

The Audit Committee of the Board is principally responsible for:

- recommending to the Board the external auditor to be nominated for election by the Corporation’s shareholders at each annual general meeting and negotiating the compensation of such external auditor;
- overseeing the work of the external auditor, including the resolution of disagreements between the auditor and management regarding the Corporation’s financial reporting and review of all reportable events including unresolved issues and consultations;
- pre-approving all non-audit services to be provided to the Corporation, by the auditor;
- reviewing the Corporation’s annual and interim financial statements and MD&A before they are reviewed and approved by the Board and publicly disseminated by the Corporation;
- reviewing the Corporation’s financial reporting procedures and internal controls to ensure adequate procedures are in place for the Corporation’s public disclosure of financial information extracted or derived from its financial statements, other than disclosure described in the previous paragraph; and
- overseeing management’s identification and assessment of the principal risks to the operations of the Corporation and the establishment and management of appropriate systems to manage such risks.

The Corporation’s auditor reports directly to the Audit Committee.

The Audit Committee’s Charter

The Board has adopted a Charter for the Audit Committee which sets out the Committee’s mandate, organization, powers and responsibilities. The complete Charter is attached as Schedule A to this Information Circular.

Composition of the Audit Committee

The Audit Committee consists of three directors. Since the Corporation is a “Venture Issuer” (its securities are listed on the TSX-V, but are not listed or quoted on any other exchange or market) the Corporation’s governing corporate legislation requires the Corporation to have an Audit Committee composed of a minimum of three directors, a majority of whom are not executive officers, employees or control persons of the Corporation. The Audit Committee complies with this requirement. As a “Venture Issuer”, the Corporation is exempt from the requirement of NI 52-110 for each member of the Audit Committee to be financially literate, but all members are financially literate.

The following table sets out the names of the members of the Audit Committee and whether they are ‘independent’ and ‘financially literate’.

Name of Member	Independent ⁽¹⁾	Financially Literate ⁽²⁾
Luis D. Ganoza	No	Yes
Luis Sáenz (Committee Chairman)	Yes	Yes
Mario Szotlender	Yes	Yes

- (1) To be considered independent, a member of the Committee must not have any direct or indirect ‘material relationship’ with the Corporation. A material relationship is a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member’s independent judgment.
- (2) To be considered financially literate, a member of the Committee must have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements.

Relevant Education and Experience

The education and experience of each member of the Audit Committee relevant to the performance of his responsibilities as an Audit Committee member and, in particular, any education or experience that would provide the member with:

1. an understanding of the accounting principles used by the Corporation to prepare its financial statements;
2. the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;
3. experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation’s financial statements, or experience actively supervising one or more persons engaged in such activities; and
4. an understanding of internal controls and procedures for financial reporting,

are as follows:

Name of Member	Education	Experience
Luis D. Ganoza	<p>B.Sc. – Mining Engineering Universidad Nacional de Ingenieria Peru</p> <p>MBA – ESAN</p> <p>M.Sc. – Accounting and Finance The London School of Economics</p>	<p>Mr. Ganoza has extensive experience in the financial management of mining companies and currently holds the position of Chief Financial Officer for Fortuna Silver Mines, Inc., a public company listed for trading on the Toronto Stock Exchange and the New York Stock Exchange.</p>

Name of Member	Education	Experience
Luis Sáenz (Committee Chairman)	B.A - Economics and International Affairs Franklin & Marshall College in Lancaster, PA	Mr. Sáenz is a finance executive with nearly 30 years of experience in corporate finance, strategic consulting, and metal trading with a focus on Latin America. He is currently a Director and Principal of BLB Advisory, a mining corporate finance boutique focused on Latin America and based in Lima, Peru. He was recently CEO of Compañía Minera Quiruvilca (Peru) and Director of Business Development for Latin America at the engineering multinational Ausenco (Australia). Luis is founder and former CEO of Li3 Energy and now Director of Bearing Lithium (TSX: BRZ), which has a stake in the Maricunga lithium project in Chile. Throughout his career, Mr. Sáenz has held senior executive positions at Standard Bank of South Africa, Merrill Lynch and Pechiney World Trade.
Mario Szotlender	Degree in international relations	Mr. Szotlender has successfully directed Latin American affairs for numerous private and public companies over the past 20 years and is currently a director and audit committee member of several other publicly-traded mineral exploration and mining companies.

Complaints

The Audit Committee has established a “Whistleblower Policy” which outlines procedures for the confidential, anonymous submission by employees regarding the Corporation’s accounting, auditing and financial reporting obligations, without fear of retaliation of any kind. If an applicable individual has any concerns about accounting, audit, internal controls or financial reporting matters which they consider to be questionable, incorrect, misleading or fraudulent, the applicable individual is urged to come forward with any such information, complaints or concerns, without regard to the position of the person or persons responsible for the subject matter of the relevant complaint or concern.

The applicable individual may report their concern in writing and forward it to the Chairman of the Audit Committee in a sealed envelope labelled “*To be opened by the Audit Committee only*”. Further, if the applicable individual wishes to discuss any matter with the Audit Committee, this request should be indicated in the submission. Any such envelopes received by the Corporation will be forwarded promptly and unopened to the Chairman of the Audit Committee.

Promptly following the receipt of any complaints submitted to it, the Audit Committee will investigate each complaint and take appropriate corrective actions. It is expected that the Chairman of the Audit Committee will report to the Board any submission that they believe may be material to the Corporation, as well as on the results of the applicable investigation.

The Audit Committee will retain as part of its records, any complaints or concerns for a period of no less than seven years. The Audit Committee will keep a written record of all such reports or inquiries and make quarterly reports on any ongoing investigation which will include steps taken to satisfactorily address each complaint.

The Audit Committee did not receive any complaints during the last financial year.

The “Whistleblower Policy” is reviewed by the Audit Committee on an annual basis.

Audit Committee Oversight

Since the commencement of the Corporation’s most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in section III.B “Powers and Responsibilities – Performance & Completion by Auditor of its Work” of the Charter.

External Auditor Service Fees (By Category)

The following table discloses the fees billed to the Corporation by its external auditor during the last two financial years.

Financial Year Ending	Audit Fees ⁽¹⁾	Audit Related Fees	Tax Fees ⁽²⁾	All Other Fees
December 31, 2021	187,810	0	0	0
December 31, 2020	152,568	30,905	0	0

(1) The aggregate fees billed by the Corporation’s auditor for audit fees.

(2) The aggregate fees billed for professional services rendered by the Corporation’s auditor for tax compliance, tax advice and tax planning.

Reliance on Exemptions in NI 52-110 regarding Audit Committee Composition & Reporting Obligations

Since the Corporation is a Venture Issuer, the Corporation has relied on the exemption contained in section 6.1 of NI 52-110 from the requirements of Part 3 *Composition of the Audit Committee* (as described in ‘Composition of the Audit Committee’ above) and Part 5 *Reporting Obligations* of NI 52-110 (which requires certain prescribed disclosure about the Audit Committee in the Corporation’s Annual Information Form, if any, and this Information Circular).

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No individual who is or who at any time during the last financial year was a current or former director, executive officer or employee of the Corporation, a proposed nominee for election as a director of the Corporation or an associate of any such director, executive officer or proposed nominee is, or at any time since the beginning of the last completed financial year has been, indebted to the Corporation or any of its subsidiaries and no indebtedness of any such individual to another entity is, or has at any time since the beginning of such year been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

SECURITIES AUTHORIZED FOR ISSUANCE

UNDER EQUITY COMPENSATION PLANS

The following table sets out, as at the end of the Corporation's last completed financial year, information regarding outstanding options, warrants and rights (other than those granted *pro rata* to all shareholders) granted by the Corporation under its equity compensation plans.

Equity Compensation Plan Information

Plan Category	Number of shares issuable upon exercise of outstanding options, warrants and rights ⁽¹⁾	Weighted average exercise price of outstanding options, warrants and rights	Number of shares remaining available for issuance under equity compensation plans ⁽²⁾
Equity compensation plans approved by shareholders	11,958,794	C\$0.53	169,825
Equity compensation plans not approved by shareholders	N/A	N/A	N/A
Total	11,958,794	C\$0.53	169,825

(1) Assuming outstanding options, warrants and rights are fully vested.

(2) Excluding the number of Common Shares issuable upon exercise of outstanding options, warrants and rights shown in the second column.

INTEREST OF CERTAIN PERSONS AND COMPANIES IN MATTERS TO BE ACTED UPON

Other than as disclosed in this Information Circular, the Corporation is not aware of any material interest, direct or indirect, of any executive officer, director or proposed nominee for director, or anyone who has held office as such since the beginning of the Corporation's last financial year, or of any associate or affiliate of any of the foregoing in any matter to be acted on at the Meeting other than the election of directors or the appointment of auditors except for the current and future directors and executive officers of the Corporation and its subsidiaries, if any, inasmuch as, in the following year, they may be granted options to purchase Common Shares pursuant to the Option Plan, approval of which will be sought at the Meeting.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed herein and in the Corporation's MD&A for the last financial year, a copy of which is filed on SEDAR at www.sedar.com and which, upon request, the Corporation will promptly provide free of charge (see 'Additional Information' below), there are no material interests, direct or indirect, of current directors, Executive Officers, any persons nominated for election as directors, any shareholder who beneficially owns, directly or indirectly, more than 10 percent of the outstanding Common Shares, or any other informed person of the Corporation, or any known associates or affiliates of such persons, in any transaction since the commencement of the Corporation's most recently completed last financial year or in any proposed transaction which has materially affected or would materially affect the Corporation.

PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the Board, the only matters to be brought before the Meeting are those matters set forth in the accompanying Notice of Meeting.

1. Audit Report, Financial Statements & Management’s Discussion & Analysis

The Board has approved the financial statements of the Corporation, the auditor's report thereon, and the MD&A for the year ended December 31, 2021, all of which will be tabled at the Meeting. No approval or other action needs to be taken at the Meeting in respect of these documents.

2. Set Number of Directors to be Elected

Shareholders of the Corporation will be asked to consider and, if thought appropriate, to approve and adopt an ordinary resolution setting the number of directors to be elected at the Meeting.

At the Meeting, it will be proposed that seven (7) directors be elected to hold office until the next annual general meeting or until their successors are elected or appointed. **Unless otherwise directed, it is the intention of the Management Designees, if named as Proxyholder, to vote in favour of the ordinary resolution setting the number of directors to be elected at seven (7).**

3. Election of Directors

The Corporation currently has seven (7) directors and an equal number of directors are being nominated for election. The following table sets forth the name of each of the persons proposed to be nominated for election as a director, all positions and offices in the Corporation presently held by such nominee, the nominee's province or state and country of residence, principal occupation at the present and during the preceding five years (unless shown in a previous management information circular), the period during which the nominee has served as a director, and the number of Common Shares that the nominee has advised are beneficially owned by the nominee or over which control or direction is exercised, directly or indirectly, as of the Record Date.

Unless otherwise directed, it is the intention of the Management Designees, if named as Proxyholder, to vote for the election of the persons named in the following table to the Board. Management does not contemplate that any of such nominees will be unable to serve as directors. Each director elected will hold office until the next annual general meeting of shareholders or until their successor is duly elected, unless their office is earlier vacated in accordance with the Articles of the Corporation or the provisions of the corporate law to which the Corporation is subject.

Name and Province or State & Country of Residence	Present Office and Date First Appointed a Director	Principal Occupation During the Past Five Years	Number of Common Shares ⁽⁴⁾
Jorge R. Ganoza Lima, Peru	VP Operations and Projects Director since March 11, 2011	Former President of the Corporation from March 2011-September 2019; VP Operations and Projects since September 2019-Present.	3,480,244
Fernando E. Ganoza Lima, Peru	CEO Director since March 24, 2017	CEO of the Corporation.	1,867,822

Name and Province or State & Country of Residence	Present Office and Date First Appointed a Director	Principal Occupation During the Past Five Years	Number of Common Shares ⁽⁴⁾
Luis D. Ganoza ⁽¹⁾ Lima, Peru	Director since April 15, 2010 Non-Executive Chairman since March 24, 2017	CFO of Fortuna Silver Mines Inc., a mineral resources company engaged in silver and gold mining.	2,895,912
Michael D. Winn ⁽²⁾⁽³⁾ California, USA	Director since March 11, 2011	President of Seabord Capital Corp. (private consulting company providing analysis of mining and energy companies) since January 2013. President of Seabord Services Corp. (a private company providing management, administrative, and regulatory services to private and public mining companies) since January 2007.	353,374
Mario Szotlender ⁽¹⁾⁽²⁾ Venezuelan Capital District, Venezuela	Director since March 11, 2011	Independent Consultant; Director of public resource companies.	1,951,485
Luis Saenz ⁽¹⁾⁽³⁾ Lima, Peru	Director since May 29, 2014	Mr. Sáenz is a finance executive with nearly 30 years of experience in corporate finance, strategic consulting, and metal trading with a focus on Latin America. He is currently a Director and Principal of BLB Advisory, a mining corporate finance boutique focused on Latin America and based in Lima, Peru. He was recently CEO of Compañía Minera Quiruvilca (Peru) and Director of Business Development for Latin America at the engineering multinational Ausenco (Australia). Luis is founder and former CEO of Li3 Energy and now Director of Bearing Lithium (TSX: BRZ), which has a stake in the Maricunga lithium project in Chile. Throughout his career, Mr. Sáenz has held senior executive positions at Standard Bank of South Africa, Merrill Lynch and Pechiney World Trade.	153,374
Jonathan Goodman ⁽²⁾⁽³⁾ Ontario, Canada	Director since September 10, 2019	President & CEO of Dundee Corporation, a Toronto-based resources investment firm.	4,141,531

- (1) Member of the Audit Committee.
- (2) Member of the Compensation Committee.
- (3) Member of the Corporate Governance Committee.
- (4) Number of Common Shares beneficially owned or over which control or direction is exercised, directly or indirectly, as at the Record Date. No director, together with the director's associates and affiliates beneficially owns or exercises control or direction over, directly or indirectly, 10% or more of the Common Shares.
- (5) None of the proposed directors is to be elected under any arrangement or understanding between the proposed director and the Corporation or a third party (other than the directors and executive officers of the Corporation acting in that capacity).

Pursuant to the provisions of the BCA, the Corporation is required to have an Audit Committee whose members are indicated above. The Corporation does not have an Executive Committee.

No proposed director:

- (a) is, as at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation) that was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days that was issued
 - (i) while the proposed director was acting as a director, chief executive officer or chief financial officer of that company, or
 - (ii) after the proposed director ceased to be a director, chief executive officer or chief financial officer of that company but resulted from an event that occurred while acting in such capacity;
- (b) is, as at the date of this Information Circular, or has been, within the 10 years before the date of this Information Circular, a director or executive officer of any company (including the Corporation) that while acting in that capacity or within a year of ceasing to act in that capacity, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director;
- (c) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold their assets;
- (d) has entered into, at any time, a settlement agreement with a securities regulatory authority; or
- (e) has been subject to, at any time, any penalties or sanctions imposed by
 - (i) a court relating to securities legislation or a securities regulatory authority, or
 - (ii) a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director,

other than as follows:

Mario Szotlender is a director of a corporation that, in the past 10 years, had its registration under Section 12(g) of the Securities Exchange Act of 1934 (the “**U.S. Exchange Act**”) revoked by the United States Securities and Exchange Commission (“**SEC**”) for failure to keep its filings with the SEC up-to-date. Upon receipt of the SEC’s notice of proposed revocation, the corporation filed a settlement agreement with the SEC consenting to the revocation as the corporation was dormant at the time. This corporation filed a registration statement with the SEC in January 2015 to re-register its common shares under Section 12(g) of the U.S. Exchange Act, which became effective in March 10, 2015. The effectiveness of such registration statement removes the prior restrictions on market participants trading the corporation’s shares in United States markets.

Mario Szotlender, a director of the Corporation, was also a director of Fortuna Silver Mines Inc. (“**Fortuna**”), and Luis Ganoza, a director of the Corporation, was an executive officer of Fortuna when a management cease trade order was issued by the BCSC on April 3, 2017 against the CEO and CFO of

Fortuna in connection with Fortuna's failure to timely file financial statements, related management's discussion and analysis and an annual information form for its financial year ended December 31, 2016. Fortuna reported that the delay in the filing of these documents was due to pending resolution of a regulatory review of certain of the company's filings by the SEC. On May 25, 2017, the BCSC revoked this management cease trade order after Fortuna filed the required records.

4. Appointment and Remuneration of Auditor

The firm of Davidson & Company LLP, Chartered Professional Accountants, of Suite 1200, 609 Granville Street, Vancouver, British Columbia, is currently the Auditor of the Corporation and has been the Auditor since October 17, 2011. **Unless otherwise directed, it is the intention of the Management Designees to vote the Proxies in favour of an ordinary resolution to appoint the firm of Davidson & Company LLP, as the Auditor. The ordinary resolution also authorizes the Board to approve the compensation of the Auditor.**

5. Approval of Amendment to the Option Plan

At the Meeting, Shareholders will be asked to vote for the confirmation and approval of the amendment and restatement to the Corporation's existing Option Plan to make the changes summarized under the heading "Option Plan Amendments" below (the "**Option Plan Amendments**"). For reference, a blackline copy of the amended and restated stock option plan (the "**Amended and Restated Option Plan**") reflecting the Option Plan Amendments as described below is attached to this Information Circular as Appendix "B". In order for the resolution described herein to pass, a simple majority of affirmative votes cast at the Meeting excluding the votes cast by Insiders (as defined in the policies of the TSX-V) of the Corporation to whom options may be granted under the Amended and Restated Option Plan and their affiliates and associates (the "**Disinterested Option Shareholders**") is required.

The Option Plan was originally adopted by the Board on June 2, 2011, amended on May 27, 2015 and last approved by Shareholders on June 15, 2021 to offer incentives to directors, officers, employees, consultants, management and others who provide services to the Corporation to act in the best interests of the Corporation. See "Description of Option Plan" above for a summary of the material terms of the existing Option Plan.

At the Meeting, Shareholders will be asked to approve the amendment and restatement of the Option Plan and, as a result, the adoption of the Amended and Restated Option Plan.

Option Plan Amendments

The principal changes between the Option Plan and the Amended and Restated Option Plan are as follows:

- amending the vesting provisions to provide parameters for the vesting of Options granted to any Investor Relations Service Provider (as defined in the Amended and Restated Option Plan) to ensure compliance with Policy 4.4 of the TSX-V;
- amending the expiry provisions to provide that should the expiry date for an Option fall within a Blackout Period (as defined in the Amended and Restated Option Plan), such expiry date shall, subject to the approval of the TSX-V, be automatically extended to that day which is the tenth business day after the end of the Blackout Period;

- amending the Option terms provisions to provide that the Option Price (as defined in the Amended and Restated Option Plan) shall not be less than the last closing price of the Common Shares on the TSX-V before the date of grant less any applicable discount;
- adding the requirement of TSX-V approval with respect to adjustments to Options granted under the Amended and Restated Option Plan; and
- amending the exercise provisions to permit “net exercise” by holders of Options, except for those holders who are Investor Relations Service Providers.

Pursuant to the terms of the Amended and Restated Option Plan, any Options issued to an Investor Relations Service Provider must vest in stages over 12 months with no more than 25% vesting in any three-month period.

Any adjustments, other than in connection with a security consolidation or security split, to Options granted under the Amended and Restated Option Plan must be subject to the prior acceptance of the TSX-V.

Under the terms of the Amended and Restated Option Plan a “net exercise” is permitted, whereby the Corporation receives no cash payment at exercise and the Optionee receives only a number of Common Shares equal to the in-the-money value of the Common Shares underlying the options (by reference to the volume weighted average trading price of the Common Shares for the five trading days immediately preceding exercise). “Net exercise” will not be available to Investor Relations Service Providers and the number of Common Shares delivered to the Optionee may be further reduced to satisfy applicable tax withholding obligations.

The foregoing information is intended to be a brief description of the changes between the Option Plan and the Amended and Restated Option Plan and is qualified in its entirety by the full text of the Amended and Restated Option Plan, a blackline copy of which is attached as Appendix “B” of this Circular.

Amended and Restated Option Plan Resolution

The TSX-V has conditionally approved the Option Plan Amendments, subject to receipt from the Corporation of, among other things, evidence of approval from Disinterested Option Shareholders. At the Meeting, Disinterested Option Shareholders will be asked to consider and, if thought appropriate, to approve, with or without variation, an ordinary resolution ratifying and approving the Amended and Restated Option Plan (the “**Option Plan Resolution**”). Based on the present shareholdings of the Insiders to whom options may be granted under the Amended and Restated Option Plan and their associates, a total of up to 14,843,742 Common Shares will be excluded from voting on the resolution to approve the Amended and Restated Option Plan, representing 12.24% of the issued and outstanding Common Shares of the Corporation as of the Record Date. Should the Option Plan Resolution not receive the required Shareholder approval at the Meeting, the Amended and Restated Option Plan will not be adopted, and the existing Option Plan will remain in place. The text of the resolution is set out below:

RESOLVED AS AN ORDINARY RESOLUTION OF DISINTERESTED OPTION SHAREHOLDERS THAT:

1. The amended and restated option plan (the “**Amended and Restated Option Plan**”) of Atico Mining Corporation (the “**Corporation**”) in substantially the form described in, and appended to, the management information circular of the Corporation dated April 28, 2022, be and the same is hereby ratified, confirmed and approved, subject to acceptance by the TSX Venture Exchange, and shall thereafter continue and remain in effect until ratification is required pursuant to the rules of

the TSX Venture Exchange or other applicable regulatory requirements.

2. All unallocated options to acquire common shares of the Corporation, rights or other entitlements available under the Amended and Restated Option Plan are hereby approved and authorized.
3. The board of directors of the Corporation on behalf of the Corporation is authorized and directed to make any changes to the Amended and Restated Option Plan as may be required by regulatory authorities, without further approval of the shareholders of the Corporation, in order to ensure the adoption of the Amended and Restated Option Plan.
4. Any director or officer of the Corporation is hereby authorized and directed, for and on behalf of the Corporation, to do all things and execute, deliver and file all such agreements, documents and instruments, and do all such other acts and things that may be necessary or desirable to give effect to the foregoing resolutions.

THE BOARD OF DIRECTORS RECOMMENDS THAT SHAREHOLDERS VOTE IN FAVOUR OF APPROVING THE AMENDED AND RESTATED OPTION PLAN.

Unless otherwise directed, it is the intention of the Management Designees to vote the Proxies of the Disinterested Option Shareholders in favour of an ordinary resolution FOR the Option Plan Resolution. Approval of the foregoing resolution will require the affirmative vote of a majority of the votes cast by holders of Common Shares present in person or represented by proxy at the Meeting.

OTHER BUSINESS

While there is currently no other business other than that business mentioned in the Notice of Meeting to be presented for action by the Shareholders at the Meeting, **it is intended that the Proxies hereby solicited will be exercised upon any other matters and proposals that may properly come before the Meeting or any adjournment or adjournments thereof, in accordance with the discretion of the persons authorized to act thereunder.**

ADDITIONAL INFORMATION

Additional information relating to the Corporation is on SEDAR at www.sedar.com. Shareholders may contact the Corporation at Suite 501, 543 Granville Street, Vancouver, British Columbia V6C 1X8, Canada by mail, telecopier (1-604-688-1157), telephone (1-604-633-9022) or e-mail (kcasswell@seabordservices.com) to request copies of the Corporation's financial statements and MD&A.

Financial information for the Corporation's most recently completed financial year is provided in its comparative annual financial statements and MD&A which are filed on SEDAR.

DATED this 28th day of April, 2022.

ON BEHALF OF THE BOARD OF DIRECTORS

(signed) KIM C. CASSWELL

Secretary

Appendix “A”

CHARTER FOR THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS OF ATICO MINING CORPORATION

I. MANDATE

The Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Atico Mining Corporation (the “**Company**”) shall assist the Board in fulfilling its financial oversight responsibilities. The Committee’s primary duties and responsibilities under this mandate are to serve as an independent and objective party to monitor:

1. The quality and integrity of the Company’s financial statements and other financial information;
2. The compliance of such statements and information with legal and regulatory requirements;
3. The qualifications and independence of the Company’s independent external auditor (the “**Auditor**”); and
4. The performance of the Company’s internal accounting procedures and Auditor.

II. STRUCTURE AND OPERATIONS

A. Composition

The Committee shall be comprised of three or more members.

B. Qualifications

Each member of the Committee must be a member of the Board.

A majority of the members of the Committee shall not be executive officers, employees or control persons of the Company or of an affiliate of the Company.

Each member of the Committee must be able to read and understand fundamental financial statements, including the Company’s balance sheet, income statement, and cash flow statement.

C. Appointment and Removal

In accordance with the Articles of the Company, the members of the Committee shall be appointed annually by the Board and shall serve until such member’s successor is duly elected and qualified or until such member’s earlier resignation or removal. Any member of the Committee may be removed, with or without cause, by a majority vote of the Board.

D. Chair

Unless the Board shall select a Chair, the members of the Committee shall designate a Chair by the majority vote of all of the members of the Committee. Notwithstanding any of the foregoing, the Chair must be a member of the Committee.

The Chair shall call, set the agendas for and chair all meetings of the Committee.

E. Sub-Committees

The Committee may form and delegate authority to subcommittees consisting of one or more members when appropriate, including the authority to grant pre-approvals of audit and permitted non-audit services, provided that a decision of such subcommittee to grant a pre-approval shall be presented to the full Committee at its next scheduled meeting.

F. Meetings

The Committee shall meet at least once in each fiscal year, or more frequently as circumstances dictate. The Auditor shall be given reasonable notice of, and be entitled to attend and speak at, each meeting of the Committee concerning the Company's annual financial statements and, if the Committee feels it is necessary or appropriate, at every other meeting. On request by the Auditor, the Chair shall call a meeting of the Committee to consider any matter that the Auditor believes should be brought to the attention of the Committee, the Board or the shareholders of the Company.

No business may be transacted by the Committee at a meeting unless a quorum of the Committee is present. At each meeting, a quorum shall consist of a majority of members that are not officers or employees of the Company or of an affiliate of the Company.

The Committee shall maintain minutes or other records of meetings and activities of the Committee in sufficient detail to convey the substance of all discussions held. Upon approval of the minutes by the Committee, the minutes shall be circulated to the members of the Board. However, the Committee Chair may report orally to the Board on any matter in their view requiring the immediate attention of the Board.

As part of its goal to foster open communication, the Committee may periodically meet separately with each of management and the Auditor to discuss any matters that the Committee believes would be appropriate to discuss privately. In addition, the Committee should meet with the Auditor and management annually to review the Company's financial statements in a manner consistent with Section III of this Charter.

The Committee may invite to its meetings any director, any manager of the Company, legal counsel, advisors and any other person whom it deems appropriate to consult in order to carry out its responsibilities. The Committee may also exclude from its meetings any person it deems appropriate to exclude in order to carry out its responsibilities.

The Committee shall have free and unrestricted access at all times, either directly or through its duly appointed representatives, to the Company's management and employees and the books and records of the Company.

III. DUTIES

A. Introduction

The following functions shall be the common recurring duties of the Committee in carrying out its purposes outlined in Section I of this Charter. These duties should serve as a guide with the understanding that the Committee may fulfill additional duties and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time related to the purposes of the Committee outlined in Section I of this Charter.

The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern which the Committee in its sole discretion deems appropriate for study or investigation by the Committee.

The Committee shall be given full access to the Company's internal accounting staff, managers, other staff and Auditor as necessary to carry out these duties. While acting within the scope of its stated purpose, the Committee shall have all the authority of, but shall remain subject to, the Board.

B. Powers and Responsibilities

The Committee will have the responsibilities set out below as well as any other functions that are specifically delegated to the Committee by the Board and that the Board is authorized to delegate by applicable laws and regulations. In addition to these responsibilities, the Committee shall perform the responsibilities required of an audit committee by any exchange upon which securities of the Company are traded, or any governmental or regulatory body exercising authority over the Company, as are in effect from time to time (collectively, the "**Applicable Requirements**") or as the Board otherwise deems necessary or appropriate.

Independence of Auditor

1. At least annually, and before the auditors issue their report on the annual financial statement, review and discuss with the Auditor any disclosed relationships or services that may impact the objectivity and independence of the Auditor and, if necessary, obtain a formal written statement from the Auditor setting forth all relationships between the Auditor and the Company, consistent with Independence Standards Board Standard 1. The Committee shall take appropriate action to oversee the independence of the auditors.
2. Take, or recommend that the Board take, appropriate action to oversee the independence of the Auditor.
3. Require the Auditor to report directly to the Committee.
4. Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the Auditor and former independent external auditor of the Company.

Performance & Completion by Auditor of its Work

5. Be directly responsible for the oversight of the work by the Auditor (including resolution of disagreements between management and the Auditor regarding financial reporting and review of

all reportable events including unresolved issues and consultations) for the purpose of preparing or issuing an audit report or related work.

6. Review annually the performance of the Auditor and recommend the appointment by the Board of a new, or re-election by the Company's shareholders of the existing, Auditor and shall approve the compensation of such external auditor. The Committee shall have ultimate authority to approve all audit engagement terms and fees, including the auditor's audit plan.
7. Pre-approve all auditing services and permitted non-audit services to be performed by the auditors for the Company or its subsidiary entities that it deems advisable in accordance with Applicable Requirements and Board approved policies and procedures, and adopt and implement policies for such pre-approval (including the fees and terms thereof) to be performed for the Company by the Auditor unless such non-audit services:
 - (a) which are not pre-approved, are reasonably expected not to constitute, in the aggregate, more than 5% of the total amount of revenues paid by the Company to the Auditor during the fiscal year in which the non-audit services are provided;
 - (b) were not recognized by the Company at the time of the engagement to be non-audit services; and
 - (c) are promptly brought to the attention of the Committee by Management 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.
8. At least annually, the Committee shall review a summary of the auditors' annual audit plan. The Committee shall consider and review with the auditors any material changes to the scope of the plan.

Internal Financial Controls & Operations of the Company

Establish procedures for:

- (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
- (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Preparation of Financial Statements

Oversee the Company's financial statements and financial disclosures.

9. Discuss with management and the Auditor significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal controls and any special steps adopted in light of material control deficiencies.
10. Discuss with management and the Auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports which raise material issues regarding the Company's financial statements or accounting policies.

11. Discuss with management and the Auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.
12. Discuss with management, the auditors and legal counsel, as requested any litigation claim or other contingency that could have a material effect on the Company's financial statements.
13. Discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.
14. Discuss with the Auditor the matters required to be discussed relating to the conduct of any audit, in particular:
 - (i) The adoption of, or changes to, the Company's significant auditing and accounting principles and practices as suggested by the Auditor or management.
 - (ii) Any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.
15. inquire at least annually of both the Company's management and auditors as to whether either has any concerns relative to the quality or aggressiveness of management's accounting policies.
16. review any other matters, related to the financial statements, that are brought forward by the auditors, management or which are required to be communicated to the Committee under accounting policies, auditing standards or Applicable Requirements.

Public Disclosure by the Company

17. Review the Company's audited annual financial statements, the auditor's report thereon, quarterly financial statements, the auditors' review report thereon, management discussion and analysis (MD&A), annual information form, and management information circular before the Board approves and the Company publicly discloses this information.
18. Review the Company's financial reporting procedures and internal controls to be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from its financial statements, other than disclosure described in the previous paragraph, and periodically assessing the adequacy of those procedures.
19. Review any disclosures made to the Committee by the Company's Chief Executive Officer and Chief Financial Officer during their certification process of the Company's financial statements about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls.

Risk Management

The Committee shall be responsible for overseeing management's identification and assessment of the principal risks to the operations of the Company and the establishment and management of appropriate systems to manage such risks with a view to achieving a proper balance between risks incurred and potential return to holders of securities of the Company and to the long-term viability of the Company. In this regard,

the Committee shall require management to report on a quarterly basis to the Committee, and the Committee shall review such reports provided by management, on the risks inherent in the business of the Company (including appropriate crisis preparedness, business continuity, information system controls, cybersecurity and disaster recovery plans), the appropriate degree of risk mitigation and risk control, overall compliance with and the effectiveness of the Company's risk management policies, and residual risks remaining after implementation of risk controls. The Committee shall report to the Board on a quarterly basis, with respect to the principal risks faced by the Company and the steps implemented by management to manage these risks.

Manner of Carrying Out its Mandate

20. Request any officer or employee of the Company or the Company's outside counsel or Auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.
21. Meet, to the extent it deems necessary or appropriate, with management and the Auditor in separate executive sessions at least quarterly.
22. Have the authority, to the extent it deems necessary or appropriate, to retain and terminate, independent legal, accounting or other consultants to advise the Committee advisors and shall have the sole authority to approve such independent legal, accounting or other consultant's fees and other retention terms..
23. Make regular reports to the Board.
24. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
25. Annually review the Committee's own performance.
26. Provide an open avenue of communication among the Auditor and the Board.
27. Not delegate these responsibilities other than to one or more independent members of the Committee the authority to pre-approve, which the Committee must ratify at its next meeting, non-audit services to be provided by the Auditor.

Compliance with Legal and Regulatory Requirements

The Committee shall review reports from the Company's Corporate Secretary and other management members on: (a) legal or compliance matters that may have a material impact on the Company; (b) the effectiveness of the Company's compliance policies; and (c) any material communications received from regulators. The Committee shall review management's evaluation of and representations relating to compliance with specific applicable law and guidance, and management's plans to remediate any deficiencies identified.

Whistleblower Procedures

The Committee shall establish procedures for (a) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Any such complaints or concerns that are received shall be reviewed by the Committee and, if the Committee determines that the matter requires further investigation, it will direct the Chair of the Committee to engage outside advisors, as necessary or appropriate, to investigate the matter and will work with management and the general counsel to reach a satisfactory conclusion.

C. No Rights Created

This Charter is a statement of broad policies and is intended as a component of the flexible governance framework within which the committees of the Board assist the Board in directing the affairs of the Company. While it should be interpreted in the context of all Applicable Requirements, as well as in the context of the Company's Notice of Articles and Articles, it is not intended to establish any legally binding obligations.

D. Charter Review

The Committee shall review and update this Charter annually and, in conjunction with the review and recommendations of the Corporate Governance Committee regarding same, present the updated Charter to the Board for approval.

E. Limitation of Audit Committee's Role

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the Auditor.

Revised and Approved by the Board of Directors: April 20, 2021.

ATICO MINING CORPORATION

STOCK OPTION PLAN

June 2, 2011

As Amended May 27, 2015 [and \[●\], 2022](#)

1. INTERPRETATION

1.1 Defined Terms – For the purposes of this Plan, the following terms shall have the following meanings:

- (a) “**Affiliate**” shall mean a company which is an affiliate of the Corporation as such relationship is defined in Section 1(2) of the British Columbia *Securities Act*, as amended from time to time;
- (b) “**Associate**” shall have the meaning ascribed to such term in the British Columbia *Securities Act*, as amended from time to time;
- (c) “**Board**” means the board of directors of the Corporation;
- (d) “**Blackout Period**” means an interval of time during which the Corporation has determined that one or more Optionee may not trade any securities of the Corporation because they may be in possession of undisclosed material information pertaining to the Corporation, or when in anticipation of the release of quarterly or annual financials, to avoid potential conflicts associated with a Company’s disclosure 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);
- (e) ~~(d)~~ “**Change of Control**” means the occurrence of any of the following events:
 - (i) the direct or indirect acquisition or conversion of more than 50% of the issued and outstanding shares of the Corporation by a person or group of persons acting in concert, other than through an employee share purchase plan or employee share ownership plan and other than by persons who are or who are controlled by, the existing shareholders of the Corporation;
 - (ii) a change in the composition of the Board which results in the majority of the directors of the Corporation not being individuals nominated by the Corporation’s then incumbent directors;
 - (iii) a merger, amalgamation or arrangement of the Corporation or of the voting shares of the Corporation where the voting shares of the resulting merged, amalgamated or arranged company, as applicable, are owned or controlled by shareholders of whom more than 50% are not the same as the shareholders of the Corporation immediately prior to the merger, amalgamation or arrangement; or

- (iv) a sale by the Corporation of greater than 50% of the fair market value of the assets of the Corporation, through one or a series of transactions, to an entity that is not controlled by either the shareholders of the Corporation or by the Corporation.

(f) ~~(e)~~—“**Committee**” means a committee of the Board appointed in accordance with this Plan, or if no such committee is appointed, the Board itself;

(g) ~~(f)~~—“**Consultant**” means an individual or Consultant Company, other than an Employee or director of the Corporation, that:

- (i) is engaged to provide on a bona fide basis, consulting, technical, management or other services to the Corporation or an Affiliate, other than services provided in relation to a distribution;
- (ii) provides the services under a written contract between the Corporation or an Affiliate and the individual or the Consultant Company;
- (iii) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or an Affiliate; and
- (iv) has a relationship with the Corporation or an Affiliate that enables the individual to be knowledgeable about the business and affairs of the Corporation;

(h) ~~(g)~~—“**Consultant Company**” means for an individual Consultant, a company or partnership of which the individual is an employee, shareholder or partner;

(i) ~~(h)~~—“**Corporation**” means Atico Mining Corporation;

(j) ~~(i)~~—“**Date of Grant**” means the date on which a grant of an Option is effective;

(k) ~~(j)~~—“**Disability**” means a medically determinable physical or mental impairment expected to last for a continuous period of not less than 12 months which causes an individual to be unable to engage in any substantial gainful activity;

(l) ~~(k)~~—“**Disinterested Shareholder Approval**” means an ordinary resolution approved by a majority of the votes cast by all shareholders of the Corporation at a shareholders’ meeting, excluding votes attaching to the Shares beneficially owned by Insiders to whom Options may be issued under the Plan and Associates of those persons;

(m) ~~(l)~~—“**Effective Date**” means the effective date of this Plan, which is the later of the date of its approval by the shareholders of the Corporation and the date of its approval by the Exchange;

(n) ~~(m)~~ “**Eligible Persons**” means:

- (i) an Employee, senior officer or director of the Corporation or any Related Company,
- (ii) a Management Company Employee;
- (iii) a Consultant or a Consultant Company, or
- (iv) an issuer, all of the voting securities of which are beneficially owned by one or more of the persons referred to in (i) above;

(o) ~~(n)~~ “**Employee**” means:

- (i) an individual who is considered an employee under the *Income Tax Act* (i.e. 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 Corporation or an Affiliate, providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or an Affiliate over the details and methods of work as an employee of the Corporation or an Affiliate, but for whom income tax deductions are not made at source; or
- (iii) an individual who works for the Corporation or an Affiliate, on a continuing and regular basis for a minimum amount of time per week, providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or an Affiliate over the details and methods of work as an employee of the Corporation or an Affiliate, but for whom income tax deductions are not made at source;

(p) ~~(o)~~ “**Exchange Hold Period**” means a four-month resale restriction imposed by the Exchange, which for greater certainty, as of the date hereof has the meaning assigned by Policy 1.1 of the policies of the Exchange;

(q) ~~(p)~~ “**Exchange**” means the TSX Venture Exchange or any successor stock exchange;

(r) ~~(q)~~ “**Fair Market Value**” means ~~where the Shares are listed for trading on a stock exchange or over the counter market, the last closing, with respect to any particular date, the volume weighted average trading price of the Shares before the Date of Grant on the TSXV for the five trading days immediately preceding the relevant date (or on any such other stock exchange or over the counter market, inter-dealer quotation network or other organized trading facility on which is the principal trading Shares trade or are quoted from time to time).~~ If the Shares are suspended from trading or have not traded on the TSXV or another stock exchange, inter-dealer quotation network or other organized trading facility for an

extended period, the Fair Market Value will be the fair market value of the Shares, as may be determined for such purpose by the Committee, provided that, so long as the Shares are listed only on the Exchange the "fair market value" shall not be lower than the last closing price of the Shares before the Date of Grant Board in its sole discretion acting in good faith;

- (s) (+) **"Guardian"** means the guardian, if any, appointed for an Optionee;
- (t) (+) **"Insider"** shall have the meaning ascribed to such term in the *British Columbia Securities Act*, as amended from time to time;
- (u) (+) **"Investor Relations Activities"** means any activities or oral written communications, by or on behalf of the Corporation or shareholder of the Corporation, that promote or reasonably could be expected to promote the purchase or sale of securities of the Corporation, but does not include:
- (i) the dissemination of information provided, or records prepared, in the ordinary course of business of the Corporation:
 - (A) to promote the sale of products or services of the Corporation; or
 - (B) to raise public awareness of the Corporation,that cannot reasonably be considered to promote the purchase or sale of securities of the Corporation;
 - (ii) activities or communications necessary to comply with the requirements of:
 - (A) applicable securities laws; and
 - (B) rules and policies of the Exchange or the by-laws, rules or other regulatory instruments of any other self regulatory body or exchange having jurisdiction over the Corporation;
 - (iii) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if:
 - (A) the communication is only through the newspaper, magazine or publication; and
 - (B) the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or
 - (iv) activities or communications that may be otherwise specified by the Exchange;

- (v) [“Investor Relations Service Provider” includes any Consultant that performs Investor Relations Activities and any director or officer of the Corporation, Employee, or Management Company Employee whose role and duties primarily consist of Investor Relations Activities;](#)
- (w) ~~(u)~~ **“Management Company Employee”** means an individual employed by a Person providing management services to the Corporation which management services are required for the ongoing successful operation of the business enterprise of the Corporation but excluding a person or company engaged in Investor Relations Activities;
- (x) ~~(v)~~ **“Option”** means an option to purchase Shares granted pursuant to the terms of this Plan;
- (y) ~~(w)~~ **“Option Price”** means the exercise per Share for an Option which shall be expressed in Canadian funds or in the United States dollar equivalent thereof;
- (z) ~~(x)~~ **“Optionee”** means a person to whom an Option has been granted;
- (aa) ~~(y)~~ **“Person”** means a natural person, company, government, or political subdivision or agency of a government; and where two or more Persons act as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of securities of an issuer, such syndicate or group shall be deemed to be a Person;
- (bb) ~~(z)~~ **“Plan”** means this stock option plan of the Corporation, as may be amended from time to time;
- (cc) ~~(aa)~~ **“Qualified Successor”** means a person who is entitled to ownership of an Option upon the death of an Optionee, pursuant to a will or the applicable laws of descent and distribution upon death;
- (dd) ~~(bb)~~ **“Shares”** means the common shares in the capital of the Corporation;
- (ee) ~~(cc)~~ **“Stock Option Certificate”** means a written certificate from the Corporation to an Optionee, specifying the terms of the Option being granted to the Optionee under the Plan; and
- (ff) ~~(dd)~~ **“Term”** means the period of time during which an Option may be exercised.

2. STATEMENT OF PURPOSE

2.1 Principal Purposes – The principal purposes of the Plan are to provide the Corporation with the advantages of the incentive inherent in share ownership on the part of employees, officers, directors, and consultants responsible for the continued success of the Corporation; to create in such individuals a proprietary interest in, and a greater concern for, the welfare and success of the Corporation; to encourage such individuals to remain with the Corporation; and to attract and retain qualified employees, officers, directors and consultants to the Corporation and its affiliates.

2.2 Benefit to Shareholders – The Plan is expected to benefit shareholders by closely aligning the personal interests of the Corporation’s directors, officers, employees and service providers with those of the shareholders by providing them with the opportunity, through options, to acquire Shares in the capital of the Corporation and to attract and retain personnel of the highest caliber by offering such personnel an opportunity to participate in any increase in value of the Shares resulting from their efforts.

3. ADMINISTRATION

3.1 Board or Committee – The Plan shall be administered by the Board or by a Committee appointed in accordance with Section 3.2 below.

3.2 Appointment of Committee – The Board may at any time appoint a Committee, consisting of not less than three of its members, to administer the Plan on behalf of the Board in accordance with such terms and conditions as the Board may prescribe, consistent with this Plan. Once appointed, the Committee shall continue to serve until otherwise directed by the Board. From time to time, the Board may increase the size of the Committee and appoint additional members, remove members (with or without cause) and appoint new members in their place, fill vacancies however caused, or remove all members of the Committee and thereafter directly administer the Plan. In the absence of the appointment of a Committee by the Board, then the Board shall administer the Plan.

3.3 Quorum and Voting – A majority of the members of the Committee shall constitute a quorum, and, subject to the limitations in this Section 3, all actions of the Committee shall require the affirmative vote of members who constitute a majority of such quorum. No member of the Committee who is a director to whom an Option may be granted may participate in the decision to grant such Option (but any such member may be counted in determining the existence of a quorum at any meeting of the Committee in which action is taken with respect to the granting of an Option to him).

3.4 Powers of Committee – Any Committee appointed under Section 3.2 above shall have the authority to review the following matters in relation to the Plan and to make recommendations thereon to the Board:

- (a) administration of the Plan in accordance with its terms;
- (b) determination of all questions arising in connection with the administration, interpretation, and application of the Plan, including all questions relating to the value of the Shares;
- (c) correction of any defect, supply any information or reconcile any inconsistency in the Plan in such manner and to such extent as shall be deemed necessary or advisable to carry out the purposes of the Plan;
- (d) prescription, amendment and rescission of the rules and regulations relating to the administration of the Plan;

- (e) determination of the duration and purpose of leaves of absence from employment which may be granted to Optionees without constituting a termination of employment for purposes of the Plan;
- (f) with respect to the granting of Options:
 - (i) determination of the Eligible Persons to whom Options shall be granted, based on the eligibility criteria set out in this Plan,
 - (ii) determination of the terms and provisions of the Stock Option Certificate which shall be entered into with each Optionee (which need not be identical with the terms of any other Stock Option Certificate),
 - (iii) amendment of the terms and provisions of an Stock Option Certificate, provided the Board obtains:
 - (A) the consent of the Optionee; and
 - (B) the approval of any stock exchange on which the Corporation is listed, if so required,
 - (iv) determination of when Options shall be granted,
 - (v) determination of the number of Shares subject to each Option, and, where applicable, whether or not to grant Options for the issuance of flow-through Shares,
 - (vi) determination of the vesting schedule, if any, for the exercise of such Option, and
- (g) other determinations necessary or advisable for administration of the Plan.

3.5 Obtain Approvals – The Board will obtain any regulatory, stock exchange or shareholder approvals which may be required pursuant to applicable securities laws or the rules of any stock exchange or over the counter market on which the Shares are listed.

3.6 Administration by Committee – The Committee shall have all powers necessary or appropriate to accomplish its duties under this Plan. In addition, the Committee's administration of the Plan shall in all respects be consistent with the policies and rules of any stock exchange or quotation system on which the Shares are listed.

4. ELIGIBILITY

4.1 Eligibility for Options – Options may be granted to any Eligible Person. In accordance with the policies of the Exchange in effect as at the date of establishment of the Plan by the Board, the grant of Options under the Plan is subject to the following limitations:

- (a) the aggregate number of Shares reserved for issuance pursuant to the Plan, shall not exceed 5% of the issued Shares (determined at the Date of Grant of an Option)

to any one Eligible Person in a 12 month period, unless the Corporation has obtained Disinterested Shareholder Approval;

- (b) the Corporation must obtain Disinterested Shareholder Approval of Options if the Plan, together with all of the Corporation's previously established and outstanding stock option plan or grants, as applicable, could result at any time in:
 - (i) the grant to Insiders (as a group), within a 12-month period, of a number of Options exceeding 10% of the issued shares; and / or
 - (ii) the number of shares reserved for issuance under Options granted to Insiders exceeding 10% of the Corporation's issued shares;
- (c) the Corporation must obtain Disinterested Shareholder Approval if the Corporation is decreasing the exercise price of ~~stock options~~ Options or extending the term of a Option previously granted to Insiders;
- (d) the aggregate number of Options which may be granted to any one Consultant in any 12 month period shall not exceed 2% of the issued Shares at the Date of Grant of the Option to such Consultant; and
- (e) the aggregate number of Options which may be granted to ~~persons employed to provide~~ all Investor Relations Activities Service Providers in any 12 month period shall not exceed 2% of the issued Shares at the Date of Grant of such Option.

4.2 Insider Eligibility for Options – Notwithstanding Section 4.1 hereof, grants of Options to Insiders shall be subject to the policies of the Exchange.

4.3 No Violation of Securities Laws – No Option shall be granted to any Optionee unless the Committee has determined that the grant of such Option and the exercise thereof by the Optionee will not violate the securities law of the jurisdiction in which the Optionee resides.

5. SHARES SUBJECT TO THE PLAN

5.1 Number of Shares – The total number of Shares reserved and available for grant and issuance pursuant to this Plan, as at the Effective Date, shall be a rolling number equal to 10% of the total issued and outstanding Shares of the Corporation from time to time. The Committee, from time to time, may grant Options to purchase Shares under the Plan to be made available from authorized, but unissued, Shares. The maximum number of Shares issuable under the Plan shall be adjusted, where necessary, to take account of the events referred to in Section 10 hereof.

5.2 Expiry of Option – If an Option expires or terminates for any reason without having been exercised in full, the unpurchased Shares subject thereto shall again be available for the purposes of the Plan. Should the Expiry Date for an Option fall within a Blackout Period, such Expiry Date shall, subject to approval of the Exchange, 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.

5.3 Reservation of Shares – The Corporation will at all times reserve for issuance and keep available such number of Shares as shall be sufficient to satisfy the requirements of the Plan.

6. OPTION TERMS

6.1 Stock Option Certificate – With respect to each Option to be granted to an Optionee, the Board shall specify the following terms in the Stock Option Certificate issued by the Corporation to the Optionee:

- (a) the number of Shares subject to option pursuant to such Option;
- (b) the Date of Grant;
- (c) the Term, provided that the length of the Term shall in no event be greater than five years following the Date of Grant;
- (d) the Option Price, provided that the Option Price shall not be less than the ~~Fair Market Value~~ last closing price of the Shares on the Exchange before the Date of Grant less any applicable discount;
- (e) subject to Section 6.2 below, any vesting schedule upon which the exercise of an Option is contingent;
- (f) if the Optionee is an Employee, Consultant or Management Company Employee, a representation by the Corporation and the Optionee that the Optionee is a bona fide Employee, Consultant or Management Company Employee, as the case may be, of the Corporation or an Affiliate; and
- (g) such other terms and conditions as the Committee deems advisable and are consistent with the purposes of this Plan.

6.2 Vesting of Options – The Board, as applicable, shall have complete discretion to set the terms of any vesting schedule for each Option granted, including, without limitation, discretion to:

- (a) permit partial vesting in stated percentage amounts based on the Term of such Option; and
- (b) permit full vesting after a stated period of time has passed from the Date of Grant;

provided that, with respect to Options issued to ~~Consultants performing any~~ Investor Relations Activities Service Provider, such Options must vest in stages over ~~18~~ a period of not less than 12 months from the Date of Grant ~~with, such that:~~ (i) no more than one quarter of the Options vesting in any vest no sooner than three month period months after the Date of Grant; (ii) no more than another one quarter of the Options vest no sooner than six months after the Date of Grant; (iii) no more than another one quarter of the Options vest no sooner than nine months after the Date of

Grant; and (iv) the remainder of the Options vest no sooner than 12 months after the Date of Grant.

6.3 Amendments to Options – Amendments to the terms of previously granted Options are subject to regulatory approval, if required. If required by the Exchange, Disinterested Shareholder Approval shall be required for any reduction in the Option Price or the extension of the term of a previously granted Option if the Optionee is an Insider of the Corporation at the time of the proposed reduction in the Option Price.

6.4 Uniformity – Except as expressly provided herein, nothing contained in this Plan shall require that the terms and conditions of Options granted under the Plan be uniform.

7. EXERCISE OF OPTION

7.1 Method of Exercise – Subject to any limitations or conditions imposed upon an Optionee pursuant to the Stock Option Certificate or Section 6 hereof, an Optionee may exercise an Option by giving written notice (the “Exercise Notice”) thereof to the Corporation at its principal place of business.

7.2 Compliance with U.S. Securities Laws – As a condition to the exercise of an Option, the Board or Committee may require the Optionee to represent and warrant in writing at the time of such exercise that the Shares are being purchased only for investment and without any then-present intention to sell or distribute such Shares. At the option of the Board or Committee, a stop-transfer order against such Shares may be placed on the stock books and records of the Corporation, and a legend indicating that the stock may not be pledged, sold or otherwise transferred unless an opinion of counsel is provided stating that such transfer is not in violation of any applicable law or regulation, may be stamped on the certificates representing such Shares in order to assure an exemption from registration. The Board or Committee also may require such other documentation as may from time to time be necessary to comply with United States’ federal and state securities laws. The Corporation has no obligation to undertake registration of Options or the Shares issuable upon the exercise of the Options.

7.3 Payment of Option Price – The ~~notice described in Section 7.1~~ Exercise Notice shall be accompanied by full payment of the aggregate Option Price to the extent the Option is so exercised. Such payment shall be in lawful money (Canadian funds) by cheque, wire transfer or bank order.

7.4 Net Exercise - In lieu of paying the aggregate Option Price to purchase Shares in accordance with Section 7.3 and subject to the provisions of the Plan and, upon prior approval of the Board or Committee, in its sole and absolute discretion, once an Option has vested and become exercisable an Optionee may elect, in lieu of exercising such Option, to surrender such Option in exchange for the issuance of the number of Shares equal to the number determined by dividing (a) the difference between the Fair Market Value (calculated as at the date of settlement) and the Exercise Price of such Option by (b) the Fair Market Value (calculated as at the date of settlement). An Option may be surrendered and disposed of pursuant to this Section 7.4 from time to time by delivery to the Corporation at its principal place of business: (a) an Exercise Notice specifying that the Optionee has elected to effect such a net settlement of such Option and the number of Options to be exercised and (b) the payment of an amount for any tax withholding or remittance obligations of the Optionee or the Corporation arising under applicable securities laws (or by entering into some other arrangement acceptable to the Corporation). The

Corporation will not be required, upon the net settlement of any Options pursuant to this Section 7.4, to issue fractions of Shares or to distribute certificates which evidence fractional Shares. In the event the number of Shares to be issued upon the net settlement of an Option is a fraction, the Optionee will receive the next lowest whole number of Shares and will not receive any other form of compensation (cash or otherwise) for the fractional interest. Upon exercise of the foregoing, the number of Shares underlying the Options disposed of shall be deducted from the number of Shares reserved for issuance under the Plan. This Section 7.4 shall not be available to any Investor Relations Service Provider who holds Options.

7.5 ~~7.4~~ **Issuance of Share Certificates** – Not later than the third business day after exercise of an Option in accordance with Sections 7.1 and 7.3 ~~or 7.4~~ hereof, and subject to Section ~~7.5~~7.6 hereof, the Corporation shall issue and deliver to the Optionee a certificate or certificates evidencing the Shares with respect to which the Option has been exercised. Until the issuance of such certificate or certificates, no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to such Shares, notwithstanding the exercise of the Option. No adjustment will be made for a dividend or other right for which the record date is prior to the date the certificate is issued, except as provided by Section 10 hereof.

7.6 ~~7.5~~ **Canadian Tax Withholding** – The Corporation may withhold from any amount payable to a Optionee, either under this Plan or otherwise, such amount as may be necessary to enable the Corporation to comply with the applicable requirements of any Canadian federal, provincial or local law, or any administrative policy of any applicable tax authority, relating to the withholding of tax or any other required deductions with respect to awards hereunder (“**Withholding Obligations**”). The Corporation shall also have the right in its discretion to satisfy any liability for any Withholding Obligations by selling, or causing a broker to sell, on behalf of any Optionee such number of Shares issued to the Optionee upon the exercise of Options granted hereunder sufficient to fund the Withholding Obligations (after deducting commissions payable to the broker) or retaining any amount payable which would otherwise be delivered, provided or paid to the Optionee hereunder. The Corporation may require a Optionee, as a condition to exercise of an Option, to make such arrangements as the Corporation may require so that the Corporation can satisfy applicable Withholding Obligations, including, without limitation, requiring the Optionee to:

- (a) remit the amount of any such Withholding Obligations to the Corporation in advance;
- (b) reimburse the Corporation for any such Withholding Obligations; or
- (c) cause a broker who sells Shares acquired by the Optionee under the Plan on behalf of the Optionee to withhold from the proceeds realized from such sale the amount required to satisfy any such Withholding Obligations and to remit such amount directly to the Corporation.

Any Shares of a Optionee which are sold by the Corporation, or by a broker engaged by the Corporation (the “**Broker**”), to fund Withholding Obligations will be sold as soon as reasonably practicable in transactions effected on the Exchange. In effecting the sale of any such Shares, the Corporation or the Broker will exercise its sole judgement as to the timing and manner of sale and will not be obligated to seek or obtain a minimum price. Neither the Corporation nor the Broker will be liable for any loss arising out of any sale of such Shares including any loss relating

to the manner or timing of such sales, the prices at which the Shares are sold or otherwise. In addition, neither the Corporation nor the Broker will be liable for any loss arising from a delay in transferring any Shares to a Optionee. The sale price of Shares sold on behalf of Optionees will fluctuate with the market price of the Corporation's shares and no assurance can be given that any particular price will be received upon any such sale.

7.7 ~~7.6~~ **Exchange Hold Period** – If required by the Exchange, in addition to any resale restrictions under applicable securities laws, all Options and any Shares issued on the exercise of Options shall be legended with a four-month Exchange Hold Period commencing on the date the Options were granted.

8. TRANSFERABILITY OF OPTIONS

8.1 **Non-Transferable** – Except as provided otherwise in this Section 8, Options are non-assignable and non-transferable.

8.2 **Death of Optionee** – Subject to Section 8.3, if the employment of an Optionee as an Employee of, or the services of a Consultant providing services to, the Corporation or any Related Company, or the employment of an Optionee as a Management Company Employee, or the position of the Optionee as a director or senior officer of the Corporation or any Related Company, terminates as a result of his or her death, any Options held by such Optionee shall pass to the Qualified Successor of the Optionee, and shall be exercisable by the Qualified Successor until the earlier of a period of 12 months following the date of such death and the expiry of the Term of the Option.

8.3 **Disability of Optionee** – If the employment of an Optionee as an Employee of, or the services of a Consultant providing services to, the Corporation or any Related Company, or the employment of an Optionee as a Management Company Employee, or the position of the Optionee as a director or senior officer of the Corporation or any Related Company, is terminated by reason of such Optionee's Disability, any Option held by such Optionee that could have been exercised immediately prior to such termination of service shall be exercisable by such Optionee, or by his Guardian, for a period of 90 days following the termination of service of such Optionee except where the Optionee is engaged in Investor Relations Activities, in which case it shall be for a period of 30 days following the termination of service of such Optionee providing Investor Relations Activities. If such Optionee dies within that 90 or 30 day period (as applicable), any Option held by such Optionee that could have been exercised immediately prior to his or her death shall pass to the Qualified Successor of such Optionee, and shall be exercisable by the Qualified Successor until the earlier of a period of 12 months following the death of such Optionee and the expiry of the Term of the Option.

8.4 **Vesting** – Options held by a Qualified Successor or exercisable by a Guardian shall, during the period prior to their termination, continue to vest in accordance with any vesting schedule to which such Options are subject.

8.5 **Deemed Non-Interruption of Employment** – Employment shall be deemed to continue intact during any military or sick leave or other bona fide leave of absence if the period of such leave does not exceed 90 days or, if longer, for so long as the Optionee's right to reemployment with the Corporation or any Related Company is guaranteed either by statute or by contract. If the

period of such leave exceeds 90 days and the Optionee's reemployment is not so guaranteed, then his or her employment shall be deemed to have terminated on the ninety-first day of such leave.

9. TERMINATION OF OPTIONS

9.1 Termination of Options – To the extent not earlier exercised or terminated in accordance with section 8 above, an Option shall terminate at the earliest of the following dates:

- (a) the termination date specified for such Option in the Stock Option Certificate;
- (b) where the Optionee's position as an Employee, a Consultant, a director or a senior officer of the Corporation or any Related Company or as a Management Company Employee is terminated for just cause, the date of such termination for just cause;
- (c) where the Optionee's position as an Employee, a Consultant, a director or a senior officer of the Corporation or any Related Company or as a Management Company Employee (other than a person employed to provide Investor Relations Activities), terminates for a reason other than the Optionee's Disability, death, or termination for just cause, not more than 30 days after such date of termination, including specifically in the case of a person employed to provide Investor Relations Activities, not more than 30 days after such termination; provided that if an Optionee's position changes from one of the said categories to another category, such change shall not constitute termination for the purpose of this subsection 9.1(c); and
- (d) the date of any sale, transfer, assignment or hypothecation, or any attempted sale, transfer, assignment or hypothecation, of such Option in violation of Section 8.1 above.

9.2 Lapsed or Cancelled Options – If Options are cancelled, surrendered, terminated, forfeited or have expired without being exercised in whole or in part, and pursuant to which no Shares have been issued, new Options may be granted under the Plan covering the Shares not purchased under such lapsed Options. If an Option has been cancelled and, within one year, the Corporation grants a new Option to the same Optionee, the granting of the new Option is subject to the terms and conditions of the policies of the Exchange.

10. ADJUSTMENTS TO OPTIONS

10.1 Alteration in Capital Structure – If there is any change in the Shares through or by means of a declaration of stock dividends of the Shares or consolidations, subdivisions or reclassifications of the Shares, or otherwise, the number of Shares available under the Plan, the Shares subject to any Option and the Option Price therefor shall be adjusted proportionately by the Board and, if required, approved by the Exchange or any other stock exchange having authority over the Corporation or the Plan, and such adjustment shall be effective and binding for all purposes of the Plan.

10.2 Effect of Amalgamation, Merger or Arrangement – If the Corporation amalgamates, merges or enters into a plan of arrangement with or into another corporation, any

Shares receivable on the exercise of an Option shall be converted into the securities, property or cash which the Optionee would have received upon such amalgamation, merger or arrangement if the Optionee had exercised his Option immediately prior to the record date applicable to such amalgamation, merger or arrangement, and the exercise price shall be adjusted proportionately by the Board and such adjustment shall be binding for all purposes of the Plan.

10.3 Acceleration on Change of Control – Upon a Change of Control, all Options shall become immediately exercisable, notwithstanding any contingent vesting provisions to which such Options may have otherwise been subject. Any proposed acceleration of vesting provisions is subject to prior Exchange acceptance, including any changes to the vesting provisions of Options issued to any Investor Relations Service Provider.

10.4 Acceleration of Date of Exercise – The Board shall have the right to accelerate the date of vesting of any portion of any Option which remains unvested, subject to prior Exchange acceptance.

10.5 Determinations to be Made By Board – Adjustments and determinations under this Section 10 shall be made by the Board, whose decisions as to the adjustments or determination which shall be made, and the extent thereof, shall be final, binding, and conclusive.

10.6 Effect of a Take over – If a *bona fide* offer (the “Offer”) for Shares is made to an Optionee or to shareholders generally or to a class of shareholders which includes the Optionee, which Offer constitutes a take over bid within the meaning of section 92 of the British Columbia *Securities Act*, as amended from time to time, the Corporation shall, immediately upon receipt of notice of the Offer, notify each Optionee of full particulars of the Offer, whereupon any Option held by an Optionee may be exercised in whole or in part by the Optionee so as to permit the Optionee to tender the Shares received upon such exercise (the “Optioned Shares”) to the Offer. If:

- (a) the Offer is not completed within the time specified therein; or
- (b) all of the Optioned Shares tendered by the Optionee pursuant to the Offer are not taken up and paid for by the offeror pursuant thereto;

the Optioned Shares or, in the case of clause (b) above, the Optioned Shares that are not taken up and paid for, may be returned by the Optionee to the Corporation and reinstated as authorized but unissued shares and with respect to such returned Optioned Shares, the Option shall be reinstated as if it had not been exercised. If any Optioned Shares are returned to the Corporation under this Section, the Corporation shall refund the exercise price to the Optionee for such Optioned Shares. In connection with such take over, any acceleration of the vesting provisions of Options issued to any Investor Relations Service Provider will be subject to prior Exchange acceptance.

10.7 Exchange Approval – Any adjustment, other than in connection with a security consolidation or security split, to Options granted or issued under this Plan must be subject to the prior acceptance of the Exchange.

11. TERMINATION AND AMENDMENT OF PLAN

11.1 Power of Board to Terminate or Amend Plan – Subject to the acceptance of the Exchange, the Board may terminate, suspend or amend the terms of the Plan; provided, however, that, except as provided in Section 10 above, the Board may not do any of the following without obtaining, within 12 months either before or after the Board’s adoption of a resolution authorizing such action, approval by the affirmative votes of the holders of a majority of the voting securities of the Corporation present, or represented, and entitled to vote at a meeting duly held in accordance with the applicable corporate laws, and, where required, by way of Disinterested Shareholder Approval, or by the written consent of the holders of a majority of the securities of the Corporation entitled to vote:

- (a) increase the aggregate number of Shares which may be issued under the Plan or extend the Term of any previously issued Options;
- (b) materially modify the requirements as to eligibility for participation in the Plan;
- (c) materially increase the benefits accruing to participants under the Plan; or
- (d) modify the provisions of this Section 11.1,

however, the Board may amend the terms of the Plan to comply with the requirements of any applicable regulatory authority, or as a result in the changes in the policies of the Exchange relating to incentive stock options, without obtaining the approval of the Corporation’s shareholders.

11.2 No Grant During Suspension of Plan – No Option may be granted during any suspension, or after termination, of the Plan. Amendment, suspension or termination of the Plan shall not, without the consent of the Optionee, alter or impair any rights or obligations under any Option previously granted.

12. CONDITIONS PRECEDENT TO ISSUANCE OF SHARES

12.1 Compliance with Laws - Shares shall not be issued with respect to an Option unless the exercise of such Option and the issuance and delivery of such shares shall comply with all relevant provisions of law, including, without limitation, any applicable Canadian provincial and federal and United States state and federal securities laws, the rules and regulations thereunder and the requirements of any stock exchange or quotation system upon which such Shares may then be listed, and such issuance shall be further subject to the approval of counsel for the Corporation with respect to such compliance, including the availability of an exemption from registration for the issuance and sale of such shares. The inability of the Corporation to obtain from any regulatory body the authority deemed by the Corporation to be necessary for the lawful issuance and sale of any Shares under this Plan, or the unavailability of an exemption from registration for the issuance and sale of any Shares under this Plan, shall relieve the Corporation of any liability with respect to the non-issuance or sale of such Shares.

13. USE OF PROCEEDS

13.1 Use of Proceeds – Proceeds from the sale of Shares pursuant to the Options granted and exercised under the Plan shall constitute general funds of the Corporation and shall be used for general corporate purposes, or as the Board otherwise determines.

14. NOTICES

14.1 Notices - All notices, requests, demands and other communications required or permitted to be given under this Plan and the Options granted under this Plan shall be in writing and shall be either served personally on the party to whom notice is to be given, in which case notice shall be deemed to have been duly given on the date of such service; faxed, in which case notice shall be deemed to have been duly given on the date the fax is sent; or mailed to the party to whom notice is to be given, by first class mail, registered or certified, return receipt requested, postage prepaid, and addressed to the party at his or its most recent known address, in which case such notice shall be deemed to have been duly given on the tenth postal delivery day following the date of such mailing.

15. MISCELLANEOUS PROVISIONS

15.1 No Obligation to Exercise – Optionees shall be under no obligation to exercise Options granted under this Plan.

15.2 No Obligation to Retain Optionee – Nothing contained in this Plan shall obligate the Corporation or any Related Company to retain an Optionee as an employee, officer, director, or consultant for any period, nor shall this Plan interfere in any way with the right of the Corporation or any Related Company to reduce such Optionee's compensation.

15.3 Binding Agreement – The provisions of this Plan and each Stock Option Certificate with an Optionee shall be binding upon such Optionee and the Qualified Successor or Guardian of such Optionee.

15.4 Use of Terms – Where the context so requires, references herein to the singular shall include the plural, and vice versa, and references to a particular gender shall include either or both genders.

15.5 Headings – The headings used in this Plan are for convenience of reference only and shall not in any way affect or be used in interpreting any of the provisions of this Plan.

15.6 No Representation or Warranty – The Corporation makes no representation or warranty as to the future market value of any Shares issued in accordance with the provisions of this Plan.

15.7 Plan Subject to Exchange Policies – The provisions of this Plan are subject to the relevant policies of the Exchange, including but not limited to Exchange Policy 4.4 – ~~Incentive Stock Options~~ Security Based Compensation.

16. EFFECTIVE DATE OF PLAN

16.1 Effective Date of Plan – This Plan shall be effective the day of its approval by the shareholders of the Corporation.

(signed)

~~Jorge R. Fernando E.~~ Ganoza, ~~President~~ Chief Executive Officer

On behalf of the Board of Directors

Date approved by the Board of Directors of the Corporation: ~~June 2~~ April 5, 2011 ~~2011~~ 2022

Date approved by the Shareholders of the Corporation: ~~September 29~~ [●], 2011 ~~2011~~ 2022

Date approved by the TSX Venture Exchange: ~~March 9~~ [●], 2012 ~~2012~~ 2022