

Discovery silver

2023

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS OF

DISCOVERY SILVER CORP.

TO BE HELD ON MAY 12, 2023

MANAGEMENT INFORMATION CIRCULAR

DATED MARCH 31, 2023

DISCOVERY SILVER CORP.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual meeting (the “**Meeting**”) of the shareholders (the “**Shareholders**”) of Discovery Silver Corp. (the “**Company**”) will be held at Scotia Plaza, Suite 2100, 40 King Street West, Toronto, Ontario, Canada on Friday, May 12, 2023 at 11:00 a.m. (Toronto time) for the following purposes:

1. to receive and consider the audited consolidated financial statements of the Company as at and for the years ended December 31, 2022 and 2021, together with the report of the auditors thereon;
2. to appoint PricewaterhouseCoopers LLP, Chartered Professional Accountants as auditor of the Company and authorize the board of directors to fix their remuneration;
3. to elect the directors of the Company for the ensuing year;
4. to consider and, if deemed appropriate, pass, with or without variation, a resolution to amend the Company’s articles;
5. to consider and, if deemed appropriate, pass, with or without variation, a resolution to amend the Company’s stock option plan, restricted share unit plan, and deferred share unit plan;
6. to consider and, if deemed appropriate, pass, with or without variation, a resolution for the Company to adopt an advance notice policy; and
7. to transact such further or other business as may properly come before the Meeting or any postponement(s) or adjournment(s) thereof.

This notice is accompanied by a form of proxy and the management information circular (the “**Circular**”). Your vote as a Shareholder is important. Shareholders who are unable to attend the Meeting are requested to complete, date, sign and return the enclosed form of proxy so that as large a representation as possible may be had at the Meeting.

The board of directors of the Company (the “**Board**”) has fixed the close of business on March 23, 2023, as the record date for the Meeting, being the date for the determination of the registered Shareholders entitled to notice and to vote at the Meeting and any adjournment or postponement thereof.

The Company has elected to use the “notice-and-access” mechanism provided for under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* to deliver the Meeting materials to Shareholders, including this Notice of Meeting of Shareholders and the Circular. This means that, rather than receiving paper copies of the Meeting materials in the mail, Shareholders as of the Record Date will have access to electronic copies of the Meeting materials at www.meetingdocuments.com/TSXT/DSV and under the Company’s profile on SEDAR at www.sedar.com.

A Shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting or any adjournment(s) or postponement(s) thereof in person are requested to complete, date, sign, and return the accompanying form of proxy for use at the Meeting or any adjournment(s) or postponement(s) thereof, in each case in accordance with the instructions contained in the Circular or on the form of proxy. The Board has by resolution fixed 11:00 a.m. (Toronto time) on May 10, 2023, or 48 hours (excluding Saturdays, Sundays, and holidays) before any adjournment or postponement of the Meeting as the time by which proxies to be used or acted upon shall be deposited with the Company's transfer agent, in accordance with the instructions set forth in the accompanying Circular and the form of proxy. The time limit for deposit of proxies may be waived or extended by the Meeting Chair at his or her discretion without notice.

DATED at Toronto, Ontario as of March 31, 2023.

BY ORDER OF THE BOARD

(Signed) *"Murray John"*

Chair of the Board

If you are a Shareholder and receive these materials through your broker or through another intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or other intermediary. Failure to do so may result in your shares not being eligible to be voted by proxy at the Meeting.

LETTER TO SHAREHOLDERS

March 31, 2023

To Our Fellow Shareholders,

2022 was a pivotal year for the Company during which our flagship Cordero silver project came into clear focus as one of the most exciting developments projects globally in the mining space. Our work program at Cordero for the year included over 60,000 metres of drilling, further detailed metallurgical testwork and significant advances in all key areas of engineering. This work transformed Cordero from the scoping study stage to the delivery in early 2023 of a Preliminary Feasibility Study (PFS) that outlined the Project's potential to become one of the largest and most profitable silver mines worldwide. In parallel to our technical work program we made excellent progress in our environment, social and governance (ESG) initiatives including several community support programs within the Parral municipality. We were also very proud to be awarded the Great Place to Work certification and the Socially Responsible Enterprise (ESR) distinction in recognition of our commitment to operate in a socially responsible manner with the local community and our employees.

We were very pleased with the results from our PFS. In addition to representing a significant de-risking milestone, the Project was materially enhanced across three key areas based on results from our technical work program:

- 1) Exploration success – positive results from drilling within the planned pit at Cordero and beyond the pit limits at depth and in the northeast of the deposit resulted in a significant expansion of the open pit that was outlined for the PFS. This additional drilling also upgraded the confidence in the estimation of the underlying ore body at Cordero with more than 50% of reserves in the Proven category.
- 2) Metallurgical performance – our PFS metallurgical testwork program was a resounding success. The program demonstrated higher recoveries could be achieved at significantly lower levels of reagent consumption. The testwork also showed that excellent recoveries of oxide mineralization could be achieved via flotation through blending oxides with sulphide mineralization.
- 3) Streamlined process design – the ability to blend oxides with sulphides allowed us to eliminate the need for the separate processing of oxides via heap leach processing and sulphides via flotation and move to a flotation only circuit. This simplifies the process design for the Project and significantly lowers the overall execution risk during both the development and operation phases.

The end result was the delivery of a PFS in early 2023 that demonstrated Cordero's potential to become a top three primary silver mine globally with average annual production of 33 Moz of silver equivalent over a long mine life of 18 years. With a phased expansion approach the Project is highly capital efficient with an initial capital expenditure estimate of approximately \$450 million for the initial build and an average All-In Sustaining Cost of \$12.80 per silver equivalent ounce in Years 1 to 12. These metrics translate to an impressive after-tax Net Present value for the project of US\$1.2 billion and an internal rate of return of 28% based on a 5% discount rate and silver price of \$22/oz.

We look forward in 2023 to advancing our Feasibility Study (FS). Initial drilling in and around the pit has highlighted potential to further extend the mine life at Cordero. We plan on further metallurgical testwork with an eye on optimization opportunities within the process design while advancing the detailed engineering to 25% of the total engineering required for the project build. The FS work program is well underway and we are currently on schedule to deliver the study in the first half of 2024.

Alongside the technical work completed to support the PFS in 2022, we remained firmly committed to maintaining a positive and collaborative working relationship with all local stakeholders and to be a valued member of the community in which we work. Notably, the collective efforts of all our employees and management resulted in the following distinctions and awards during the year:

We received the official Socially Responsible Enterprise (“ESR”) distinction from the Mexican Center for Philanthropy. This distinction requires a demonstrated commitment by Discovery to business ethics, community engagement, protection and preservation of the environment, quality of life for our employees and a dedication to corporate social responsibility.

We became certified as a Great Place to Work, an international program that is recognized locally within Mexico. The certification is bestowed upon those companies that create outstanding employee experiences by building a culture of trust, credibility, respect, pride and collaboration.

We received the Clean Industry Certification issued by the Federal Attorney’s Office for Environmental Protection in Mexico which is awarded to those companies who are in full compliance with the relevant environmental regulations within Mexico.

We prioritized the training and education of our employees throughout all levels of the organization resulting in various International Association of Sustainable Economy Qualifications being obtained and many of our employees completing the SafeStart training program which promotes and regulates a culture of safety and awareness within our organization; and

We filed our updated 2021 ESG Report highlighting over \$10 million in goods and services purchased from local Mexican businesses; \$4.9 million in salaries and benefits paid to local employees; a dedicated workforce comprised of 95% Mexican nationals; zero environmental incidents and zero fatalities.

We look forward to building on these initiatives in 2023 and to working with the appropriate regulatory authorities in an open and transparent fashion as we begin the permitting process for the construction permit for Cordero through the planned submission of our environmental impact assessment (MIA) in 2Q 2023.

We are also optimistic for the outlook for silver. According to the CPM Group, annual demand from solar and electric vehicles has more than tripled over the last decade from 50 million ounces in 2003 to over 150 million ounces in 2022. Demand from both these sectors is expected to continue to grow dramatically given we are still in the early stages of the global transition to renewable energy. Importantly, the declining demand from photography, which has been a major headwind for the silver supply-demand equation over the last two decades, appears to have now bottomed. The outlook for increased silver demand for investors also appears favourable given the recent financial instability in the United States and Europe expected to result in safe haven buying for silver alongside gold.

Cordero also offers meaningful exposure to zinc, with an estimated total zinc Resource in the Measured & Indicated category of 8.5 billion lbs. Zinc is expected to be a beneficiary of expanded global infrastructure spending post the Covid pandemic especially in relation to the significant growth forecast for the production and installation of wind turbines.

Finally, I would like to say that I am personally very excited to have joined the Company as Chief Executive Officer. I believe Cordero is a tier-one mining project with the added benefits of existing infrastructure and a supportive jurisdiction. This provides us with an excellent platform to create shareholder value as we advance Cordero through Feasibility Study and beyond. I would like to thank our dedicated workforce for the excellent work that has been completed on the Project to date and look forward to working with our team and all local stakeholders as we progress to the next exciting chapter for the Company.

(Signed) *Tony Makuch*
Tony Makuch
President and Chief Executive Officer

(Signed) *Murray John*
Murray John
Chair of the Board

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MANAGEMENT INFORMATION CIRCULAR

ABOUT THE SHAREHOLDER MEETING

SOLICITATION OF PROXIES

You have received this management information circular (“Circular”) because you owned common shares (“Common Shares”) of Discovery Silver Corp. (“Discovery” or the “Company”) as at March 23, 2023. You are therefore entitled to attend and vote at the annual meeting of shareholders (the “Meeting”) to be held on Friday, May 12, 2023, and any adjournment or postponement thereof.

The board of directors of the Company (the “Board”) has fixed the close of business on March 23, 2023, as the record date for the Meeting, being the date for the determination of the Registered Shareholders (as defined below) entitled to receive notice of, and to vote at, the Meeting and any adjournment or postponement thereof (the “Record Date”).

Management is soliciting your proxy for the Meeting. The Board has fixed 11:00 a.m. (Toronto Time) on Wednesday, May 10, 2023, or 48 hours (excluding Saturdays, Sundays, or holidays) before any adjournment or postponement of the Meeting, as the time by which proxies to be acted upon at the Meeting must be deposited with the Company’s transfer agent, TSX Trust Company (“TSX Trust” or the “Transfer Agent”). The time limit for the deposit of proxies may be waived or extended by the Chair of the Meeting (the “Meeting Chair”) at his or her discretion without notice. It is expected that the solicitation will be primarily by email or telephone. Proxies may also be solicited personally by employees of the Company. Such employees will not receive any extra compensation for such activities. The cost of solicitation will be borne directly by the Company.

Unless otherwise stated, the information contained in this Circular is as of March 23, 2023. All dollar amounts referenced in this Circular, unless otherwise indicated, are expressed in Canadian dollars.

NOTICE-AND-ACCESS

In accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“NI 54-101”), the Company has given notice of the Meeting in accordance with the “Notice-and-Access” procedures of NI 54-101 (“Notice-and-Access”), pursuant to which it has sent the Notice of Meeting and the proxy, but not this Circular, directly to its Registered Shareholders and NOBOs (as defined below). Arrangements have been made to forward proxy solicitation materials to the NOBOs.

Instead of mailing this Circular to Shareholders, this Circular is being made available to Shareholders at www.meetingdocuments.com/TSXT/DSV and on SEDAR, but has not been mailed to Shareholders. Shareholders may request, without any charge to them, a paper copy of the Circular (and the audited financial statements and related management’s discussion and analysis for the Company’s last financial year and any other documents referred to in the Circular) and further information on Notice-and-Access by contacting the Company as follows:

E-mail: tsxt-fulfilment@tmx.com

Telephone: 1-866-433-6443 (toll free), +1-416-682-3801 (direct)

Mail: Suite 301 - 100 Adelaide Street West, Toronto, ON, M5H 4H1

Requests for paper copies of the Circular (and any other related documents) must be received by no later than 11:00 a.m. (Toronto time) on April 26, 2023 for Shareholders to receive paper copies of such documents and return their completed proxies by the deadline for submission of 11:00 a.m. (Toronto time) on May 10, 2023, or 48 hours (excluding Saturdays, Sundays, or holidays) before any adjournment or postponement of the Meeting.

INFORMATION REGARDING THE VOTING OF COMMON SHARES

Voting

Each Registered Shareholder and each person representing a Registered Shareholder or Beneficial Shareholder through a proxy (a “**Proxyholder**”) will be entitled to one vote for each Common Shares held or represented, respectively. To approve an ordinary resolution proposed at the Meeting, a majority of the votes cast will be required. To approve a special resolution proposed at the Meeting, two-thirds (66 2/3%) of the votes cast will be required.

Quorum

Quorum for the Meeting consists of one person present in person, being a shareholder entitled to vote at the Meeting, or a duly appointed proxy or Proxyholder for an absent shareholder so entitled.

Registered Shareholders

Only shareholders registered as shareholders in the Company’s shareholder register maintained by the Transfer Agent or their duly appointed Proxyholders will be able to view a live webcast of the Meeting, ask the Board questions and submit votes in real time at the Meeting.

Every registered holder of Common Shares (“**Registered Shareholder**”) at the close of business on the Record Date is entitled to receive notice of, and to vote their Common Shares at, the Meeting.

A Registered Shareholder may attend and vote at the Meeting. Registered Shareholders who are unable to attend the Meeting and who wish to ensure that their Common Shares will be voted at the Meeting are requested to either:

- (i) complete, sign and deliver the enclosed form of proxy c/o Proxy Department, TSX Trust Company, P.O. Box 721, Agincourt, ON M1S 0A1; or
- (ii) complete the proxy by voting online by entering your 13-digit control number at www.meeting-vote.com.

If you are a Registered Shareholder, to ensure your vote is counted, you should complete and return the enclosed form of proxy as soon as possible even if you plan to attend the Meeting. Even if you return a form of proxy, you can still attend and vote at the Meeting, in which case you will need to instruct the scrutineer at the Meeting to cancel your proxy.

In order to be valid and acted upon at the Meeting, forms of proxy must be received at the aforesaid address or voted online not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for the holding of the Meeting or any adjournment or postponement thereof. Further instructions with respect to voting by proxy are provided in the form of proxy and below.

Beneficial Shareholders

Shareholders may beneficially own Common Shares through (i) brokers, securities dealers, banks, trust companies, trustees or administrators of a self-administered registered retirement savings plan, registered retirement income fund, registered education savings plan and similar plans, or their respective agents and nominees (“**Intermediaries**”); or (ii) in the name of a clearing agency (such as CDS & Co., the registration name for The Canadian Depository for Securities Limited or CEDE & Co., the registration name for The Depository Trust Company) of which the Intermediary is a participant (“**Beneficial Shareholders**”). Beneficial Shareholders will not be recognized, nor may they make motions or vote at the Meeting, except as described below. Without specific instructions, Intermediaries are prohibited from voting Common Shares for their clients.

Additionally, there are two kinds of Beneficial Shareholders: (a) those who object to their name being made known to the issuers of securities which they own, known as Objecting Beneficial Owners (“**OBOs**”); and (b) those who do not object to their name being made known to the issuers of securities which they own, known as Non-Objecting Beneficial Owners (“**NOBOs**”). Canadian NOBOs will receive a Voting Instruction Form (“**VIF**”) with a 12-digit control number while the remaining Beneficial Shareholders will receive a VIF with a 16-digit control number.

NI 54-101 requires Intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. In accordance with the requirements of NI 54-101, the Company has distributed copies of the Notice of Meeting, this Circular and the form of proxy to the Intermediaries and clearing agencies for onward distribution to Beneficial Shareholders. Intermediaries are required to forward these materials to Beneficial Shareholders unless the Beneficial Shareholder has waived the right to receive them.

The Company is not sending proxy-related materials directly to NOBOs. Management of the Company does not intend to pay for Intermediaries to forward to OBOs under NI 54-101 the proxy-related materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary*. An OBO will not receive the materials unless the OBO’s Intermediary assumes the cost of delivery.

Beneficial Shareholders will be sent a VIF by their Intermediary with the Circular. This form will instruct the Intermediary as to how to vote the Common Shares at the Meeting. **If you are a Beneficial Shareholder, it is vital that the VIF provided to you by TSX Trust, your broker, intermediary, or its agent is returned according to the instructions provided in or with such form, sufficiently in advance of the deadline specified, to ensure that they are able to provide voting instructions on your behalf.**

Most Intermediaries in Canada and the United States of America delegate responsibility for obtaining instructions from clients to a third-party company (or, if the Beneficial Shareholder has so consented, allows the Company or its Transfer Agent to do so directly) which sends a machine-readable VIF to Beneficial Shareholders and asks the Beneficial Shareholders to return the VIF to them or provide voting instructions to them. The third-party company (or the Company or its Transfer Agent, if it has sent the VIF to the Beneficial Shareholder directly) then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting.

The VIF supplied to a Beneficial Shareholder by its Intermediary or the Company or its Transfer Agent is substantially similar to the form of proxy provided directly to Registered Shareholders; however, it is limited to instructing the Registered Shareholder (that is, the Intermediary) how to vote on behalf of the Beneficial Shareholder.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of their Intermediary, the Beneficial Shareholder may attend the Meeting as Proxyholder for the Intermediary and indirectly vote the Common Shares in that capacity. **Beneficial Shareholders wishing to attend the Meeting and indirectly vote their Common Shares as their own Proxyholder, must enter their own names in the blank space on the VIF provided to them and return the VIF in accordance with the instructions provided on it.**

If a Beneficial Shareholder receives a VIF and does not wish to attend the Meeting as a Proxyholder, the VIF must be returned, or instructions respecting the voting of Common Shares must be communicated, to the third-party company (or the Company or its Transfer Agent) in advance of the Meeting to have the Common Shares voted in accordance with the instructions on that VIF.

Shareholders with questions respecting the voting of Common Shares held through an Intermediary should contact that Intermediary for assistance.

Appointment of Proxyholders

The persons named in the accompanying form of proxy as Proxyholders are directors or officers of the Company. **A shareholder has the right to appoint a person (who need not be a shareholder) to attend and act on the shareholder's behalf at the Meeting other than the persons named in the form of proxy as Proxyholders. To exercise this right, the shareholder must strike out the names of the persons named in the form of proxy as Proxyholders and insert the name of the shareholder's nominee in the space provided or complete another form of proxy and submit the form of proxy. If you appoint and register a non-management Proxyholder, please ensure that they attend the Meeting for your vote to count.**

The Common Shares represented by the form of proxy will be voted or withheld from voting in accordance with the instructions of the shareholder on any ballot. A shareholder completing the enclosed form of proxy may indicate the manner in which the persons named in the form of proxy are to vote with respect to any matter by marking an 'X' in the appropriate space. On any poll required or requested, those persons will vote or withhold from voting the Common Shares in respect of which they are appointed in accordance with the directions, if any, given in the form of proxy provided such directions are certain.

If a shareholder wishes to confer a discretionary authority with respect to any matter, then the space should be left blank. **If you appoint the Company's Proxyholders and do not indicate your voting instructions, they will vote your Common Shares FOR all of the matters to be acted upon at the Meeting.**

The enclosed form of proxy, when properly signed, confers discretionary authority with respect to amendments or variations to the matters identified in the Notice of Meeting. At the date of this Circular, management of the Company is not aware of any amendments or variations that are to be presented at the Meeting. If, however, any such amendments or variations should properly come before the Meeting, the proxies hereby solicited will be exercised in accordance with the best judgement of the Proxyholders.

To be valid, the form of proxy must be dated and signed by the shareholder or the shareholder's attorney duly authorized in writing. In the case of a corporation, the form of proxy must be dated and executed under its corporate seal or signed by a duly authorized officer of, or attorney for, the corporation.

The completed proxy, together with the power of attorney or other authority, if any, under which it was signed or a notarially certified copy thereof, must be deposited with the Transfer Agent, TSX Trust, in accordance with its instructions and before the time set out in the form of proxy. Proxies received after such time may be accepted or

rejected by the Meeting Chair in the Meeting Chair's discretion. Beneficial Shareholders must deliver their completed proxies in accordance with the instructions given by the Intermediary that forwarded the form of proxy to them.

Revocation of Proxies

Shareholders have the power to revoke proxies previously given by them. Revocation of proxies by Registered Shareholders can be effected by an instrument in writing (which includes a form of proxy bearing a later date) signed by a shareholder or the shareholder's attorney duly authorized in writing (in the case of a corporation, such instrument must be executed under its corporate seal or signed by a duly authorized officer or attorney for the corporation) which is either delivered to TSX Trust at Proxy Department, P.O. Box 721, Agincourt, Ontario, M1S 0A1, Canada any time up to and including the close of business on the last business day preceding the day of the Meeting, or any adjournment or postponement thereof, or deposited with the Meeting Chair prior to the hour of commencement on the day of the Meeting.

A Beneficial Shareholder who has submitted a proxy may revoke it by contacting the Intermediary through which the Beneficial Shareholder's Common Shares are held and following the instructions of the Intermediary respecting the revocation of proxies.

If you vote on a ballot, you will be revoking any, and all, previously submitted proxies. If you DO NOT wish to revoke your previously submitted proxies, do not vote at the Meeting.

Q&A ON VOTING

Q: What am I voting on?

A: Holders of Common Shares are voting on the appointment of the Company's auditor, the election of the directors of the Company, the amendment of the Company's articles, the amendments of the Company's stock option plan, restricted share unit plan, and deferred share unit plan, and the adoption of an Advanced Notice Policy, all as further described below under "*Business of the Meeting*".

Q: Who is entitled to vote?

A: Holders of Common Shares at the close of business on March 23, 2023, are entitled to vote at the Meeting. Each Common Share entitles the holder to one vote.

Q: Am I a registered shareholder or a non-registered shareholder?

A: You are a Registered Shareholder if you hold Common Shares registered in your own name. See above "*Registered Shareholders*" for more information. You are a non-registered or Beneficial Shareholder if you hold Common Shares that are registered in the name of an Intermediary (a bank, trust company, securities dealer or broker, director or administrator of a self-administered RRSP, RRIF, RESP, TFSA or similar plan) or a depository, such as CDS Clearing and Depository Services Inc. See above "*Beneficial Shareholders*" for more information. Canadian NOBOs will receive a VIF with a 12-digit control number directly from the Company, while the remaining Beneficial Shareholders will receive a VIF with a 16-digit control number from their Intermediary.

Q: If I am a Registered Shareholder, how do I vote?

A: If you are a Registered Shareholder, you may vote at the Meeting or you may sign the form of proxy or VIF sent to you, appointing the named persons or some other person you choose, to represent you as a Proxyholder and vote your Common Shares at the Meeting. Whether or not you plan to attend the Meeting in person, you are requested to vote. If you wish to vote by proxy you should complete the form of proxy and return it based on the instructions set out on page 2 above.

Registered Shareholders can vote in one of the following ways:

Internet	Go to www.meeting-vote.com . Enter the 13-digit control number printed on the form of proxy or VIF and follow the instructions.
Mail	Enter voting instructions, sign the form of proxy and send your completed form of proxy to: TSX Trust Company, Attn: Proxy Department P.O. Box 721, Agincourt, ON M1S 0A1
Fax	Enter voting instructions, sign the form of proxy and send your completed form of proxy to: 416-595-9593
Attend the Meeting	If you are a Registered Shareholder, you can attend and vote at the Meeting. Do not fill out and return your form of proxy if you intend to vote at the Meeting.

Q: If I am a Beneficial Shareholder, how do I vote?

A: In accordance with the requirements of applicable securities law, the Company will distribute copies of the notice package to the depository and to Intermediaries who in turn distribute to Beneficial Shareholders. Accordingly, included in your package you will have received from your Intermediary a VIF for the number of Common Shares you beneficially own. You should follow the instructions you have received from your Intermediary and contact your Intermediary promptly if you need assistance.

You are not required to attend the Meeting; however, you are requested to vote your Common Shares. The Company has limited access to the names of its Beneficial Shareholders. If you plan to attend and vote at the Meeting, the Company may have no record of your shareholdings unless your Intermediary has appointed you as Proxyholder. Accordingly, you must insert your name in the space provided on the VIF and return it as set out in the instructions provided to you.

Beneficial (Canadian OBO or US NOBO/OBO) Shareholders can vote in one of the following ways:

Internet	Go to www.proxyvote.com . Enter the 16-digit control number printed on the VIF and follow the instructions on screen.
Phone	<p><i>Canadian OBO Shareholders:</i> 1-800-474-7493 (English) 1-800-474-7501 (French)</p> <p><i>US NOBO/OBO Shareholders:</i> 1-800-454-8683</p> <p>You will need to enter your 16-digit control number. Follow the interactive voice recording instructions to submit your vote.</p>
Fax	<p><i>Canadian OBO Shareholders:</i> Enter voting instructions, sign the VIF and fax your completed form to: 905.507.7793 or 514.281.8911.</p>
Attend the Meeting	<p>Insert your name in the space provided on the VIF and return it as set out in the instructions provided to you. These instructions include the additional step of registering with TSX Trust after submitting the VIF. Failure to register with TSX Trust in advance of the proxy cut-off time will result in you not receiving a control number that is required for you to vote at the Meeting. To register a proxyholder, you MUST complete and return the “Request For Control Number Form”, which can be found at http://tsxtrust.com/resource/en/75, to TSX Trust by emailing tsxtrustproxyvoting@tmx.com, so that TSX Trust may provide you with a control number via email.</p> <p>Once you have a control number, you may then attend the Meeting.</p>

Q: Who is soliciting my proxy?

A: Proxies are being solicited by management of the Company and the associated costs are borne by the Company. The solicitation is being done primarily by sending you proxy materials by email or mail and by posting this Circular on the Company’s website at www.discoverysilver.com and under the Company’s profile on the System for Electronic Document Analysis and Retrieval (“SEDAR”) at www.sedar.com.

Q: When is the deadline for me to vote by proxy?

A: Regardless of whether you submit your vote by mail, fax or online, you must submit your vote by no later than 11:00 a.m. (Toronto Time) on Wednesday, May 10, 2023, or 48 hours (excluding Saturdays, Sundays, or holidays) before any adjournment or postponement of the Meeting. Further instructions with respect to voting by proxy are provided in the form of proxy and above. The time limit for deposit of proxies may be waived or extended by the Meeting Chair at his or her discretion without notice.

Q: Who counts the votes?

A: The Transfer Agent, TSX Trust Company, counts and tabulates the votes.

Q: If I need to contact TSX Trust, how do I reach them?

A: For general shareholder inquiries you can contact TSX Trust directly by mail at 301 – 100 Adelaide Street West, Toronto ON, M5H 4H1 or by telephone, toll free in North-America at 1-800-387-0825 or by fax at 416-682-3860 or on its website at www.tsxtrust.com.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Other than with respect to the election of directors, no (a) director or executive officer of the Company who has held such position at any time since January 1, 2022; (b) proposed nominee for election as a director of the Company; or (c) associate or affiliate of a person in (a) or (b), has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

VOTING SECURITIES

The authorized capital of the Company consists of an unlimited number of Common Shares. As at March 23, 2023, the Record Date, the Company had 352,350,230 Common Shares issued and outstanding as fully paid and non-assessable shares, each share carrying the right to one vote. The Company is also authorized to issue an unlimited number of preferred shares of which there were none outstanding as of the Record Date.

Holders of Common Shares of record at the close of business on the Record Date will be entitled to one vote for each Common Share held. Only those shareholders of record as of the Record Date will be entitled to vote at the Meeting or any adjournment or postponement thereof.

The Company will prepare a list of shareholders as of the Record Date. Holders of Common Shares named on that list will be entitled to vote the Common Shares then registered in their name at the Meeting (unless prohibited from voting by applicable regulatory authorities on a particular matter to be considered at the Meeting) except to the extent that the holder has transferred ownership of any of the Common Shares after the Record Date and the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that the transferee owns the Common Shares, and demands at any time before the Meeting that the transferee's name be included in the list of persons entitled to vote at the Meeting. In that case the transferee will be entitled to vote their Common Shares at the Meeting or any postponement or adjournment thereof.

PRINCIPAL HOLDERS

To the knowledge of the directors and executive officers of the Company, as of the date of this Circular, other than as set out below, no person or company beneficially owns, directly or indirectly, or exercises control or direction over voting securities carrying more than 10% of the voting rights attached to the Common Shares.

2176423 Ontario Ltd. (a company beneficially owned by Mr. Eric Sprott) beneficially owns and exercises control or direction over an aggregate 89,531,054 Common Shares, representing 25.4% of the Company's issued and outstanding Common Shares.

BUSINESS OF THE MEETING

PRESENTATION OF FINANCIAL STATEMENTS

The audited consolidated financial statements of the Company as at and for the years ended December 31, 2022, and 2021, and the report of the auditor thereon will be tabled at the Meeting but no vote by the shareholders with respect thereto is proposed to be taken. The audited financial statements and the related Management’s Discussion and Analysis (“**MD&A**”). The Company’s financial statements and related MD&A for the years ended December 31, 2022 and 2021, are available under the Company’s profile on SEDAR at www.sedar.com and on the Company’s website at www.discoverysilver.com.

APPOINTMENT OF AUDITOR

At the Meeting, shareholders will be asked to consider and, if deemed appropriate, pass an ordinary resolution to appoint the firm of PricewaterhouseCoopers LLP (“**PwC**”), Chartered Professional Accountants, of Toronto, Ontario to serve as auditor of the Company until the next annual meeting of shareholders and to authorize the directors of the Company to fix the auditor’s remuneration, subject to approval by the Audit Committee. PwC was first appointed as the auditor of the Company on September 13, 2017.

The following table discloses the aggregate fees billed to the Company by its external auditor during the financial year ended December 31, 2022, and financial year ended December 31, 2021.

Year Ended	Audit Fees ⁽¹⁾	Audit Related Fees ⁽²⁾	Tax Fees ⁽³⁾	All Other Fees ⁽⁴⁾
December 31, 2022	\$203,745	\$nil	\$16,927	\$18,136
December 31, 2021	\$116,587	\$nil	\$13,375	\$nil

Notes:

- (1) “Audit Fees” refer to the aggregate fees billed by the Company’s external auditor for audit services, including fees incurred in relation to quarterly reviews, procedures in connection with securities filings, and statutory audits.
- (2) “Audit-Related Fees” refer to the aggregate fees billed for assurance and related services by the Company’s external auditor that are reasonably related to the performance of the audit or review of the Company’s financial statements and not reported under Audit Fees.
- (3) “Tax Fees” refer to the aggregate fees billed for the professional services rendered by the Company’s external auditor for tax compliance.
- (4) “All Other Fees” refer to the aggregate fees billed for products and services provided by the Company’s external auditor, other than the services reported under (1), (2), and (3), above.

All fees for any services provided by PwC are subject to pre-approval by the Audit Committee.

For further information with respect to the Company’s auditor, please see the Company’s Annual Information Form for the year ended December 31, 2022, available under the Company’s profile on SEDAR at www.sedar.com and on the Company’s website at www.discoverysilver.com.

To be effective, the resolution approving the appointment of PwC, to serve as auditor of the Company until the next annual meeting of shareholders and authorizing the directors to fix the auditor’s remuneration, subject to approval by the Audit Committee, must be approved by not less than a majority of the votes cast by shareholders present in person or represented by proxy and entitled to vote at the Meeting.

The Board unanimously recommends that shareholders vote in favour of the appointment of PricewaterhouseCoopers LLP, to serve as auditor of the Company until the next annual meeting of shareholders.


Unless authority to do so is withheld, the persons named in the enclosed form of proxy intend to vote FOR the appointment of PricewaterhouseCoopers LLP, to serve as auditor of the Company until the next annual meeting of shareholders and to authorize the directors to fix the auditor's remuneration, subject to approval by the Audit Committee.


ELECTION OF DIRECTORS


The Board presently consists of six directors and the intention is that at the Meeting six directors be elected for the ensuing year. Management does not contemplate that any of the nominees will be unable to serve as a director of the Company, but if that should occur for any reason prior to the Meeting, it is intended that discretionary authority shall be exercised by the persons named in the accompanying form of proxy to vote for the election of any other person or persons in place of any nominee or nominees unable to serve. Each director elected will hold office until the next annual meeting of shareholders of the Company, or any adjournment or postponement thereof, unless his or her office is earlier vacated or until his or her successor is elected or appointed.


The Board unanimously recommends that shareholders vote in favour of the election of the six nominees listed below. Unless authority to do so is withheld, the persons named in the enclosed form of proxy intend to vote FOR the election of the six nominees whose names are set forth below.

Information about each individual to be nominated for election as a director is set out below. This information includes their respective principal occupations or employment, residence, directorships with other reporting issuers, and the number of securities of the Company which each nominee beneficially owns, directly or indirectly, or over which control or direction is exercised as of the date of this Circular. In addition, set out below is the value of securities held by each nominee, based on the closing price of the Company's shares on the Toronto Stock Exchange ("TSX") as of the Record Date, being \$1.22, assuming a vesting and/or exercise date as of the Record Date. This information, not being within the direct knowledge of the Company, has been provided by the respective nominee.

MURRAY JOHN INDEPENDENT CHAIR British Columbia, Canada			
		<p>Mr. John is currently Chairman of Prime Mining and a Director of Osisko Gold Royalties and O3 Mining. Prior to retirement in December 2014, Mr. John was President and Chief Executive Officer of Dundee Resources Limited, a private resource-focused investment company, and Managing Director and a Portfolio Manager with Goodman Investment Counsel, where he was responsible for managing resource and precious metals focused mutual funds and flow-through limited partnerships. Mr. John is the former President and Chief Executive Officer of Corona Gold Corporation and Ryan Gold Corp. He is also a former director of several other public companies including Breakwater Resources, Dundee Precious Metals and Osisko Mining Inc. Mr. John graduated from the Camborne School of Mines in 1980 with a B. Sc (Hons) in mining engineering and has extensive industry experience working as a mining engineer for Strathcona Mineral Services, Nanisivik Mines, and Eldorado Nuclear. He also received a Master of Business Administration from the University of Toronto in 1992.</p>	
Director since June 27, 2017 Age: 64			
Principal Occupation		Retired mining engineer, investment fund manager and mining industry executive	
Other Public Board Directorships		Osisko Gold Royalties Ltd. O3 Mining Inc. Prime Mining Corp.	
Securities Held		Board and Committee Memberships	Attendance
Common Shares	1,500,000	Board	9 of 9 (100%)
Share Value	\$1,830,000	Audit Committee	4 of 4 (100%)
DSUs	216,005	Compensation Committee	4 of 4 (100%)
DSU Value	C\$263,526	Nominating and Corporate Governance Committee	4 of 4 (100%)
Stock Options (#)	1,200,000		
TOTAL VALUE	C\$1,605,526		

JEFF PARR					
INDEPENDENT					
British Columbia, Canada					
 <p>Director since June 27, 2017 Age: 66</p>		<p>Mr. Parr serves as Vice Chair of the Board of Agnico Eagle Mines Limited. Prior to the merger of the two companies Mr. Parr served as the Chairman of the Board for Kirkland Lake Gold (2019 to 2022) and preceding that, Independent Director from 2014 to 2019. He has over 30 years of executive leadership experience in the mining and related industries. Mr. Parr joined Centerra Gold Inc. in 2006 as VP Finance and was appointed Chief Financial Officer in 2008 where he served until his retirement in 2016. Mr. Parr was also the Chief Financial Officer for Acres International for nine years. From 1988 to 1997 he held progressively senior financial positions at WMC International (a subsidiary of Western Mining Corporation) with responsibility for operations and exploration in the Americas. He ultimately served as the Company's Executive Vice President. Mr. Parr is a Chartered Professional Accountant (CPA, CA 1984) and obtained the ICD.D designation from the Institute of Corporate Directors (2018). He holds a Masters of Business Administration (McMaster University) and a Bachelor of Arts in Economics (University of Western Ontario).</p>			
Principal Occupation		Retired Mining Executive, Corporate Director			
Other Public Board Directorships		Agnico Eagle Mines Limited			
Securities Held		Board and Committee Membership		Attendance	
Common Shares	555,454	Board		9 of 9 (100%)	
Share Value	\$677,654	Audit Committee		4 of 4 (100%)	
DSUs	216,005	Compensation Committee		4 of 4 (100%)	
DSU Value	C\$263,526				
Stock Options (#)	1,500,000				
TOTAL VALUE	C\$941,180				

MOIRA SMITH INDEPENDENT Nevada, U.S.A.					
		<p>Dr. Smith is a Corporate Technical Advisor to Liberty Gold Corp, former Vice-President Exploration and Geoscience with Liberty Gold., former President of Pilot Gold USA Inc. and former Chief Geologist, Nevada, for Fronteer Gold. Dr. Smith has been overseeing the exploration program at Black Pine in Idaho, and was instrumental in the successful advancement of Long Canyon, Fronteer Gold’s flagship project. She developed an understanding of the geology and controls on mineralization at Long Canyon, and built the geological model for ongoing exploration and resource growth. Prior to Fronteer Gold, she served as U.S. Exploration Manager, Senior Geologist and Project Manager for Teck Resources Ltd., where she managed exploration programs for several high-profile, advanced-stage projects throughout the Americas, including the 5.5 million ounce Pogo gold deposit, now in production; the 1.5 billion tonne Petaquilla Cu-MoAu porphyry deposit in Panama; and the 3.5 million ounce El Limon gold deposit in Mexico. Dr. Smith has a Ph.D. in geology from the University of Arizona and is a P.Geol. (British Columbia). She has held board or executive positions with numerous industry associations and is a Fellow and recent President of the Society of Economic Geologists.</p>			
<p>Director since June 26, 2019 Age: 61</p>					
Principal Occupation		Corporate Technical Advisor for Liberty Gold Corp.			
Other Public Board Directorships		N/A			
Securities Held		Board and Committee Membership		Attendance	
Common Shares	965,000	Board		9 of 9 (100%)	
Share Value	\$1,177,300				
DSUs	216,005	Sustainability Committee		4 of 4 (100%)	
DSU Value	C\$263,526				
Stock Options (#)	1,500,000				
TOTAL VALUE	C\$1,440,826				

JENNIFER WAGNER				
INDEPENDENT				
Ontario, Canada				
		<p>Ms. Wagner is a corporate securities lawyer with over 15 years of experience in the mining sector. Prior to its acquisition by Agnico Eagle Mines Limited, she was the Executive Vice-President, Corporate Affairs and Sustainability at Kirkland Lake Gold Ltd. Ms. Wagner was an integral member of the senior management team of Kirkland Lake Gold from 2015 to its sale in 2021, actively involved in the growth and development of the company through its acquisition of St Andrew's Goldfield, Newmarket Gold and Detour Gold. Prior to joining Kirkland Lake in 2015, she acted as legal counsel and corporate secretary to various TSX and TSXV listed mining companies and was an associate in the securities group of a large Canadian law firm. Ms. Wagner has extensive experience advising companies on a variety of corporate commercial transactions, mergers and acquisitions, governance, and compliance matters. Ms. Wagner received a Bachelor of Arts from McGill University and an LL.B. from the University of Windsor.</p>		
<p>Director since March 12, 2021 Age: 46</p>				
Principal Occupation		Corporate Director		
Other Public Board Directorships		Generation Mining Limited		
Securities Held		Board and Committee Membership		Attendance
Common Shares	50,000	Board		9 of 9 (100%)
Share Value	\$61,000	Nominating and Corporate Governance Committee		4 of 4 (100%)
DSUs	216,005	Sustainability Committee		4 of 4 (100%)
DSU Value	C\$263,526	Compensation Committee		4 of 4 (100%)
Stock Options (#)	700,000			
TOTAL VALUE	C\$324,526			

DANIEL VICKERMAN INDEPENDENT Arinsol, Andorra			
		<p>Mr. Vickerman joined the Board through Discovery's 2019 merger with Levon Resources Ltd. where he was Board Chairman. Mr. Vickerman is a seasoned institutional sales and corporate finance professional with 25 years of experience in the financial industry. Mr. Vickerman is currently the Senior Vice President of Corporate Development and Director of Blackrock Silver Corp. and formerly, Managing Director, Head of UK of Beacon Securities UK from 2016 to 2019, and former Managing Director, Head of UK for Edgecrest Capital. Prior to joining Edgecrest Capital, Mr. Vickerman was Managing Director, Co-Head of Canadian Equity Sales UK at Canaccord Genuity. Mr. Vickerman also formerly worked at Thomas Weisel Partners where he served as Senior Vice President. Mr. Vickerman has extensive experience working with mineral exploration and development companies, raising over \$1 billion for private and listed companies. He holds a Bachelor of Arts, Economics from the University of Western Ontario.</p>	
<p>Director since August 2, 2019 Age: 52</p>			
Principal Occupation		SVP Corporate Development and Director of Blackrock Silver Corp.	
Other Public Board Directorships		Blackrock Silver Corp.	
Securities Held		Board and Committee Membership	Attendance
Common Shares	200,000	Board	9 of 9 (100%)
Share Value	\$244,000	Audit Committee	4 of 4 (100%)
DSUs	216,005	Nominating and Corporate Governance Committee	4 of 4 (100%)
DSU Value	C\$263,526		
Stock Options (#)	767,600		
TOTAL VALUE	C\$507,526		

ANTHONY MAKUCH PRESIDENT AND CHIEF EXECUTIVE OFFICER Ontario, Canada			
 <p>Director Since April 11, 2022 Age: 64</p>		<p>Mr. Makuch has over 35 years of mining industry experience and was most recently President, CEO and Director of Kirkland Lake Gold Ltd. ("Kirkland"). During his five-year tenure as CEO of Kirkland, Mr. Makuch led the transformation of the company, with annual gold production increasing from 315,000 oz to over 1,400,000 oz, the market capitalization of the company increasing from approximately C\$1 billion to over C\$13 billion and Kirkland's share price increasing over 530%. These milestones were achieved on the back of two successful acquisitions, industry-leading operational performance and significant exploration success and ultimately culminated in Kirkland's merger with Agnico Eagle Mines Limited in 2022. Mr. Makuch is a Professional Engineer (P.Eng) and holds a Bachelor of Science Degree (Honours Applied Earth Sciences) from the University of Waterloo (Ontario), and both a Master of Science Degree in Engineering and a Master of Business Administration from Queen's University (Ontario) and has obtained the Institute of Corporate Directors ICD.D designation from the University of Toronto Rotman School of Business.</p>	
Principal Occupation		Chief Executive Officer of Discovery Silver Corp.	
Other Public Board Directorships		Wallbridge Mining Company Limited	
Securities Held		Board and Committee Membership	Attendance
Common Shares	nil	Board	8 of 8 (100%) since appointment as a director
Share Value	nil		
RSUs	1,345,070	Sustainability Committee	3 of 3 (100%) as a director 3 of 4 (75%) since Interim CEO appointment
RSU Value	C\$1,640,986		
Stock Options (#)	2,000,000		
TOTAL VALUE	C\$1,640,986		

As at March 31, 2023, the directors who are standing for re-election as set out above and the key executive officers of the Company, as a group, beneficially owned, directly or indirectly, or exercised control over, a total of 5,048,069 Common Shares, representing approximately 1.4% of the issued and outstanding Common Shares. The total dollar value of equity held by the directors set out above is based on the closing share price of the Common Shares on the TSX as of the Record Date, being \$1.22.

Corporate Cease Trade Orders

No proposed director of the Company is, as at the date hereof, or has been, within 10 years before the date hereof, a director, chief executive officer, or chief financial officer of any company (including the Company) that:

- (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued while the proposed director was acting in the capacity as director, chief executive officer, or chief financial officer; or

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- (ii) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued after the proposed director ceased to be a director, chief executive officer, or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer, or chief financial officer.

Bankruptcies and Other Proceedings

Other than as noted below, no proposed director of the Company:

- (i) is, as at the date hereof, or has been within the 10 years prior to the date hereof, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager, or trustee appointed to hold its assets; or
- (ii) has, within the 10 years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement, or compromise with creditors, or had a receiver, receiver manager, or trustee appointed to hold the assets of the proposed director.

Murray John was a director of African Minerals Limited, a company that through an insolvency process appointed Deloitte LLP as its administrator on March 26, 2015.

Penalties and Sanctions

No proposed director of the Company has been subject to:

- (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important in deciding whether to vote for a proposed director.

AMENDMENT OF ARTICLES

In connection with the Company's graduation from the TSX Venture Exchange to the TSX effective February 2, 2023, the Board determined that it was required to amend the Company's corporate articles (the "**Articles**") to be in compliance with the rules and requirements of the TSX. Effective January 27, 2023, the Board authorized the amendment to the Articles as described herein, subject to the approval of the shareholders as set forth below.

The full text of the proposed revisions to the Articles is set forth in the blackline attached as Schedule A to this Circular.

To summarize, the proposed revisions to the Articles are to firstly, remove the entirety of Article 15 (Alternate Directors). Article 15 permits any director of the Company to appoint any person who is qualified to act as a director to be his or her alternate to act in his or her place at meetings at which the appointor is not present, subject to certain terms and conditions as set out in the Articles. The TSX has advised that it considers alternate directors to be inconsistent with the requirements of the TSX Company Manual.

In addition to the removal of the alternate directors provision to be in compliance with TSX rules and requirements, the Board has deemed it prudent to increase the shareholder representation required to be present at shareholder meetings for quorum purposes. The proposal is to increase the quorum for shareholder meetings to be two persons who, in the aggregate, hold at least 25% of the issued Common Shares entitled to vote at the meeting. This revision is proposed to be made to Section 11.3 of the Articles.

To be effective, the resolution approving the amendment of the Articles must be approved by not less than a majority of the votes cast by shareholders present in person or represented by proxy and entitled to vote at the Meeting.

In order to effect the amendments of the Articles, Shareholders will be asked to consider and, if thought fit, to pass an ordinary resolution substantially the following form:

BE IT RESOLVED AS ORDINARY RESOLUTIONS THAT:

1. the amendment of the Company's Articles to remove Article 15 (Alternate Directors) in its entirety, and to amend the provision regarding quorum for meetings of the Company's shareholders in Section 11.3 of the Articles, each as detailed in Schedule A to the Company's management information circular dated March 31, 2023, be and is hereby approved;
2. any director or officer of the Company is authorized to execute and file such documents and take such further action, including any filings with the Registrar of Companies (British Columbia), that may be necessary to effect the amendments;
3. the directors of the Company are hereby authorized to determine the time at which the amendments to the Articles shall become effective; and
4. the board of directors is hereby authorized, at any time in its sole discretion, to determine whether or not to proceed with this resolution without further approval, ratification, or confirmation by the Shareholders.

The Board unanimously recommends that shareholders vote in favour of the amendment of the Articles to adopt the form of Articles referred to in Schedule A to this Circular.

Unless authority to do so is withheld, the persons named in the enclosed form of proxy intend to vote FOR the amendment of the Articles and the adoption of the form of Articles referred to in Schedule A to this Circular.

AMENDMENT AND ADOPTION OF EQUITY COMPENSATION PLANS

In connection with the Company's graduation from the TSX Venture Exchange to the TSX effective February 2, 2023, the Board determined that it would be appropriate and in the best interests of the Company to amend the Company's stock option plan (the "**Option Plan**"), restricted share unit plan (the "**RSU Plan**"), and deferred share unit plan (the "**DSU Plan**"), and collectively with the Option Plan and the RSU Plan, the "**Equity Compensation Plans**").

The amendments are proposed to bring the Equity Compensation Plans in compliance with the rules and requirements of the TSX. Effective January 27, 2023, the Board authorized the amendments to the Equity Compensation Plans as described herein, subject to the approval of the shareholders as set forth below.

The full texts of the proposed revisions to the Option Plan, the RSU Plan, and the DSU Plan are set forth in the blacklines attached as Schedule B, Schedule C, and Schedule D, respectively, to this Circular.

Summaries of the Option Plan, the RSU Plan, and the DSU Plan are set forth in this Circular at “*Equity Compensation Plans – Stock Option Plan*”, “*Equity Compensation Plans – RSU Plan*”, and “*Equity Compensation Plans – RSU Plan*”, respectively, below.

Summaries of the proposed revisions to each of the Equity Compensation Plans are set forth below.

To be effective, the resolution approving the amendment of the Equity Compensation Plans and the adoption of the revised Equity Compensation Plans must be approved by not less than a majority of the votes cast by shareholders present in person or represented by proxy and entitled to vote at the Meeting.

In order to effect the amendments and adoption of the revised Equity Compensation Plans, Shareholders will be asked to consider and, if thought fit, to pass an ordinary resolution substantially the following form:

BE IT RESOLVED AS ORDINARY RESOLUTIONS THAT:

1. the amendment of the Company’s Stock Option Plan, as summarized in the Company’s management information circular dated March 31, 2023, and as detailed in Schedule B thereto, be and is hereby approved, and such amended Stock Option Plan be adopted as the Company’s Stock Option Plan;
2. the amendment of the Company’s Restricted Share Unit Plan, as summarized in the Company’s management information circular dated March 31, 2023, and as detailed in Schedule C thereto, be and is hereby approved, and such amended Restricted Share Unit Plan be adopted as the Company’s Restricted Share Unit Plan;
3. the amendment of the Company’s Deferred Share Unit Plan, as summarized in the Company’s management information circular dated March 31, 2023, and as detailed in Schedule D thereto, be and is hereby approved, and such amended Deferred Share Unit Plan be adopted as the Company’s Deferred Share Unit Plan;
4. any director or officer of the Company is authorized to execute and file such documents and take such further action, including any filings with the Toronto Stock Exchange that may be necessary to reflect the amendments; and
5. the board of directors is hereby authorized, at any time in its sole discretion, to determine whether or not to proceed with this resolution without further approval, ratification, or confirmation by the Shareholders.

The Board unanimously recommends that shareholders vote in favour of the amendments of the Option Plan, the RSU Plan, and the DSU Plan, referred to in Schedule B, Schedule C, and Schedule D, respectively, to this Circular, and the adoption of such revised Equity Compensation Plans.

Unless authority to do so is withheld, the persons named in the enclosed form of proxy intend to vote FOR the amendments to and adoption of each of the Equity Compensation Plans.

Summary of Proposed Amendments to Option Plan

The proposed amendments to the Option Plan are summarized as follows. The following is intended as a summary only, and should be reviewed in conjunction with the full details of the proposed amendments to the Option Plan set out in Schedule B to this Circular.

- Providing further details of the instances in which the Board may amend or revise the terms of the Option Plan, or suspend or discontinue the Option Plan (provided in each case that no such action may adversely affect the rights to a holder of Options granted under the Option Plan without the holder's consent).
- Adding restrictions on the establishment of the exercise price of an Option to be consistent with the rules and requirements of the TSX.
- Removing restrictions on the grant of Options to consultants and investor relations service providers, and restrictions on vesting of Options to investor relations service providers. These restrictions were required pursuant to the policies of the TSX Venture Exchange, on which the Company no longer has its Common Shares listed.
- Providing that, subject to the prior approval of the TSX if required, in the event of a change of control of the Company, all issued and unexercised Options which have not yet vested shall immediately vest and be exercisable effective on the date of the change of control. Details of what constitutes a "change of control" are provided in the proposed revision to the Option Plan. The existing RSU Plan includes such change of control provisions, and so a similar provision is proposed to be added to the Option Plan and to the DSU Plan to harmonize the terms among the three Equity Compensation Plans.
- Providing that the expiry date of any Option that occurs during a blackout period of the Company shall be extended to the tenth business day after the expiry of the blackout period. The existing RSU Plan includes such an extension provision, and so a similar provision is proposed to be added to the Option Plan and to the DSU Plan to harmonize the terms among the three Equity Compensation Plans.

Summary of Proposed Amendments to RSU Plan

The proposed amendments to the RSU Plan are summarized as follows. The following is intended as a summary only, and should be reviewed in conjunction with the full details of the proposed amendments to the RSU Plan set out in Schedule C to this Circular.

- Providing further details of the instances in which the Board may amend or revise the terms of the RSU Plan, or suspend or discontinue the RSU Plan (provided in each case that no such action may adversely affect the rights to a holder of RSUs granted under the RSU Plan without the holder's consent).
- Adding restrictions on the determination of the price of Common Shares used in the calculation of the RSUs to be granted to an eligible participant under the RSU Plan, such that the price determination be consistent with the rules and requirements of the TSX.
- Removing restrictions on the grant of RSUs, including restrictions to consultants and investor relations service providers. These restrictions were required pursuant to the policies of the TSX Venture Exchange, on which the Company no longer has its Common Shares listed.
- Providing that the Board (or committee thereof delegated to administer the RSU Plan) may determine that RSUs will be redeemable in instalments or pursuant to a vesting schedule. The existing RSU Plan sets a minimum one-year cliff to any such vesting schedule.
- Providing that, in addition to the terms of the RSU Plan being subject to the laws of the Province of British Columbia and the federal laws of Canada applicable therein, the Courts of the Province of British Columbia have

the exclusive jurisdiction to hear and decide any disputes or other matters arising from the RSU Plan. The Company is in existence as a corporation pursuant to the laws of the Province of British Columbia.

Summary of Proposed Amendments to DSU Plan

The proposed amendments to the DSU Plan are summarized as follows. The following is intended as a summary only, and it should be reviewed in conjunction with the full details of the proposed amendments to the DSU Plan set out in Schedule D to this Circular.

- Providing further details of the instances in which the Board may amend or revise the terms of the DSU Plan, or suspend or discontinue the DSU Plan (provided in each case that no such action may adversely affect the rights to a holder of DSUs granted under the DSU Plan without the holder's consent).
- Adding restrictions on the determination of the price of Common Shares used in the calculation of the DSUs to be granted to an eligible participant under the DSU Plan, such that the price determination be consistent with the rules and requirements of the TSX.
- Providing that, subject to the prior approval of the TSX if required, in the event of a change of control of the Company, all issued and unredeemed DSUs which shall be redeemable effective on the date of the change of control. Details of what constitutes a "change of control" are provided in the proposed revision to the DSU Plan. The existing RSU Plan includes such change of control provisions, and so a similar provision is proposed to be added to the Option Plan and to the DSU Plan to harmonize the terms among the three Equity Compensation Plans.
- Providing that the redemption date of any DSU that occurs during a blackout period of the Company shall be extended to the tenth business day after the expiry of the blackout period. The existing RSU Plan includes such an extension provision, and so a similar provision is proposed to be added to the Option Plan and to the DSU Plan to harmonize the terms among the three Equity Compensation Plans.
- Providing that, in addition to the terms of the DSU Plan being subject to the laws of the Province of British Columbia and the federal laws of Canada applicable therein, the Courts of the Province of British Columbia have the exclusive jurisdiction to hear and decide any disputes or other matters arising from the DSU Plan. The Company is in existence as a corporation pursuant to the laws of the Province of British Columbia.

ADOPTION OF ADVANCE NOTICE POLICY

On March 29, 2023, the Board adopted and approved an advance notice policy (the "Advance Notice Policy"), to be effective subject to approval of the shareholders at the Meeting, a copy of which is attached to this Circular as Schedule E. In order for the Advance Notice Policy to remain in effect following termination of the Meeting, the Advance Notice Policy must be ratified and approved at the Meeting, as set forth more fully below.

The directors of the Company are committed to: (i) facilitating an orderly and efficient process for holding annual general and, where the need arises, special meetings of its shareholders; (ii) ensuring that all shareholders receive adequate advance notice of the director nominations and sufficient information with respect to all director nominees; and (iii) allowing shareholders to register an informed vote for directors of the Company after having been afforded reasonable time for appropriate deliberation. The purpose of the Advance Notice Policy is to provide shareholders, directors, and management of the Company with a clear framework for nominating directors of the Company. The Advance Notice Policy fixes a deadline by which director nominations must be submitted to the Company prior to any annual or special meeting of shareholders and sets forth the information that must be included in the notice to the Company for the notice to be in proper written form in order for any director nominee to be eligible for election at any annual or special meeting of shareholders.

The following information is a brief description of the Advance Notice Policy, the full text of which is attached as Schedule E to this Circular. Pursuant to the Advance Notice Policy, advance notice is required to be given to the Company in circumstances where nominations of persons for election to the Board are made by shareholders of the Company. In the case of an annual meeting of shareholders, notice to the Company must be made not less than 30 days prior to the date of the annual meeting. However, in the event that the annual meeting is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the annual meeting was made, notice may be made not later than the close of business on the 10th day following such public announcement. In the case of a special meeting of shareholders (which is not also an annual meeting) notice to the Company must be made not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting was made.

If the Advance Notice Policy is approved at the Meeting, the Advance Notice Policy will continue to be effective and in full force and effect in accordance with its terms and conditions beyond the termination of the Meeting. Thereafter, the Advance Notice Policy will be subject to an annual review by the Board and will be updated to the extent needed to reflect changes required by securities regulatory agencies or stock exchanges, or so as to meet industry standards. If the Advance Notice Policy is not approved at the Meeting, the Advance Notice Policy will terminate and be of no further force or effect from and after the termination of the Meeting.

To be effective, the resolution approving the adoption of the Advance Notice Policy must be approved by not less than a majority of the votes cast by shareholders present in person or represented by proxy and entitled to vote at the Meeting.

In order to effect the adoption of the Advance Notice Policy, Shareholders will be asked to consider and, if thought fit, to pass an ordinary resolution substantially the following form:

BE IT RESOLVED AS ORDINARY RESOLUTIONS THAT:

1. the adoption of the Advance Notice Policy be and is hereby approved;
2. the directors of the Company are hereby authorized to determine the time at which the Advance Notice Policy shall become effective; and
3. the board of directors is hereby authorized, at any time in its sole discretion, to determine whether or not to proceed with this resolution without further approval, ratification, or confirmation by the Shareholders.

The Board unanimously recommends that shareholders vote in favour of the adoption of the Advance Notice Policy referred to in Schedule E to this Circular.

Unless authority to do so is withheld, the persons named in the enclosed form of proxy intend to vote FOR the adoption of the Advance Notice Policy referred to in Schedule E to this Circular.

REPORT ON CORPORATE GOVERNANCE PRACTICES

The Company and the Board recognize the importance of corporate governance for the effective management of the Company and to the protection of its stakeholders, particularly shareholders. The Company's approach to issues of corporate governance is designed with a view to ensuring that the business and affairs of the Company are effectively managed so as to enhance shareholder value. The Board fulfills its mandate directly and through its committees at regularly scheduled meetings or as otherwise may be required. The directors are kept informed regarding the Company's operations at regular meetings and through reports and discussions with management on matters within their particular areas of expertise. The frequency of meetings may be increased, and the nature of the agenda items may be changed depending upon the state of the Company's affairs and in light of opportunities or risks that the Company faces.

The Company believes that its corporate governance practices are in compliance with applicable Canadian guidelines including National Policy 58-201 – *Corporate Governance Guidelines*. The Company has considered the applicable requirements and believes that its approach is appropriate and works effectively for the Company and its shareholders. The Company continues to monitor developments in Canada and will revise its governance policies and practices, as appropriate. In support of good governance practices, the Board ensures the following procedures and policies are maintained and upheld, including but not limited to: (i) governance practices; (ii) independent Chair and majority independent Board; (iii) annual and individual director elections; (iv) in-camera sessions in all Board and Committee meetings; (v) 100% director attendance at all meetings in 2022; (vi) annual Board and director assessments; (vii) Board skills matrix; and (viii) promotion of director continuing education.

In addition, the Company has adopted the following policies, charters, and codes, each of which are available on the Company's website at www.discoverysilver.com.

- Charters for Board Committees (Audit, Compensation, Sustainability, and Nominating & Corporate Governance)
- Code of Business Conduct and Ethics
- Whistleblower Policy
- Anti-Bribery and Anti-Corruption Policy
- Human Rights and Diversity Policy
- Confidentiality and Securities Trading Policy
- Disclosure Policy
- Majority Voting Policy
- Share Ownership Policy

The following is a description of the Company's corporate governance practices, which has been prepared by the Nominating and Corporate Governance Committee and has been approved by the Board.

THE BOARD OF DIRECTORS

The Board is currently comprised of six directors, five of whom are "independent" directors in accordance with National Instrument 52-110 – *Audit Committees*. Mr. Makuch, the President and Chief Executive Officer of the Company, is not considered independent. See "*Election of Directors*" above.

The Board discharges its responsibility to supervise the management of the business and affairs of the Company by delegating the day-to-day management of the Company to senior officers. The Board oversees the Company's systems of corporate governance, financial reporting and internal controls directly and indirectly through its committees, to

ensure that the Company reports adequate and fair information to shareholders while adhering to the Company's Code of Conduct and Ethics.

Independence

If a matter for the Board's consideration involves a non-independent director, that director is required to recuse him or herself from the meeting for the consideration of such matter so that the directors who are not so involved can have an open and candid discussion and vote.

To facilitate the functioning of the Board independently of management, the Board ensures that: (i) there are no members of management on the Board, other than the President and Chief Executive Officer ("CEO"); (ii) each of the Audit Committee, Corporate Governance, and Nominating Committee and the Compensation Committee are comprised solely of independent directors; (iii) the CEO's compensation is considered in his absence, by the Compensation Committee, at least once a year; and (iv) the Board's policy is to hold "in camera" meetings with the independent directors at the conclusion of each Board and Committee meeting.

Director Conflict of Interest

In addition, to the corporate governance policies set out above, the Board requires all directors to comply with the conflict of interest provisions of governing corporate legislation and relevant securities legislation, regulatory instruments and TSX policies which require that interested directors disclose any conflict of interest and recuse themselves from the consideration of, and voting on, matters which require directors to exercise independent judgement when consideration transactions and agreements in respect of which any director has any interest.

BOARD COMMITTEES

Compensation Committee

The Compensation Committee, comprised entirely of independent directors, is responsible for determining the compensation of the members of the Board, the CEO of the Company, and other members of senior management of the Company, with input from independent third-party reports.

The Compensation Committee is primarily responsible for annually reviewing and approving corporate goals and objectives relevant to the CEO and senior executive officer compensation, evaluating the performance of the CEO and each senior executive officer's performance in light of those goals and objectives and recommending to the Board for approval the compensation level for the CEO and each senior executive officer based on this evaluation, reviewing and approving the perquisites and supplemental benefits granted to the CEO and senior executive officers, annually reviewing the compensation systems that are in place for employees of the Company, administering and making recommendations to the Board regarding the adoption, amendment or termination of the Company's incentive compensation plans and equity-based plans in which the CEO and senior executive officers may participate, ensuring that all necessary shareholder and regulatory approvals have been obtained for equity-based compensation plans, recommend to the Board compensation and expense reimbursement policies for directors, reviewing and approving employment agreements, severance arrangements and change in control agreements and other similar arrangements for the CEO and senior executive officers, comparing on an annual basis the total remuneration (including benefits) and the main components thereof for the senior executive officers with the remuneration practices in the same industry, establishing levels of director compensation for Board approval based on reviews of director compensation of

comparable companies, and reviewing and recommending to the Board for its approval disclosure regarding executive and director compensation in the management proxy circular and in any offering documents prior to their public release.

The Compensation Committee is currently comprised of Jennifer Wagner (Chair), Jeff Parr, and Murray John, each of whom is an independent director of the Board. Each member of the Compensation Committee has experience relevant to his or her responsibilities as a Compensation Committee member. For each committee members' skills and experience that enable the Compensation Committee to make decisions on the suitability of the Company's compensation policies and practices, please see their biographies beginning on page 12 of this Circular for more information.

During the year ended December 31, 2022, the Compensation Committee met four times and met informally on various occasions throughout the year in connection with certain management changes with respect to the CEO transition.

Audit Committee

The Audit Committee, which is comprised entirely of independent directors, provide assistance to the Board in fulfilling its oversight responsibility to the shareholders of the Company, potential shareholders, the investment community and others, relating to: (i) the integrity of the Company's financial statements; (ii) the Company's compliance with legal and regulatory requirements relating to disclosure of financial information and any other matters as may be required; and (iii) the independent auditors' qualifications and independence.

The Audit Committee retains and compensates any outside legal, accounting or other advisors as it considers necessary in discharging its role.

The Audit Committee is primarily responsible for: advising the Board, the Board's recommendation to shareholders in respect of the appointment, compensation and retention of the auditors, the oversight of the work of the auditors, preparing or issuing an audit report or performing other audit, review or attest services for the Company, obtaining and reviewing the auditor's report, working with the auditors throughout the year, receiving written confirmation from the auditors declaring their independence, evaluating the auditors' qualifications, performance and independence, determining that the auditors have a process in place to address the rotation of the lead audit partner and other audit partners servicing the Company's account as required under Canadian independence standards, pre-approving all audit and non-audit services provided by the auditors, discussing the overall scope and plans for audits with the auditors, regularly reviewing audit problems or difficulties with the auditors, reviewing and recommending for approval the financial statements for submission to the Board, as well as the related MD&A, receiving and reviewing the auditor's report prior to releasing and filing the annual financial statements, reviewing and approving all related party transactions not in the ordinary course of business, reviewing all earnings press releases before they are issued, discussing with management and the auditors the adequacy and effectiveness of internal control over financial reporting, reviewing the results of procedures undertaken by the auditors relating to the Corporation's Extractive Sector Transparency Measures Act (the "ESTMA"), reviewing with management the Company's compliance systems in light of applicable legal and regulatory requirements, reviewing with management the risk of the Company being subject to fraud and the controls in place to manage such risk, reviewing financial summaries and disclosures made in accordance with the ESTMA, ensuring the Company establishes appropriate policies and procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters, ensuring that the Company has in effect clear hiring policies for partners, employees and former partners and employees of the Company's present and former auditors that meet applicable legal and regulatory requirements, determining the funding needed by the Audit Committee of payments of auditors, advisors and administrative expenses for carrying out

its duties, evaluating its performance annually and determining whether it is functioning effectively, and reviewing and reassessing its duties at least annually.

The Audit Committee is currently comprised of Jeff Parr (Chair), Murray John, and Daniel Vickerman, each of whom is an independent director of the Board and financially literate, as required by applicable securities legislation. See each committee members' biography beginning on page 12 for more information. During the year ended December 31, 2022, the Audit Committee met four times.

Further information regarding the Audit Committee is contained in the Company's current annual information form, under the heading "Audit Committee". A copy of the Audit Committee charter is attached to the annual information form as Schedule A. The Company's annual information form for the financial year ended December 31, 2022, is available under the Company's profile on SEDAR at www.sedar.com. A copy of the Audit Committee charter is also available on the Company's website at www.discoverysilver.com.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee, which is comprised entirely of independent directors, is responsible for assessing the effectiveness of the Board, its committees, or individual directors.

The Nominating and Corporate Governance Committee's responsibilities include monitoring compliance with the Company's corporate governance policies, conducting a periodic review of the Company's corporate governance policies and making policy recommendations, developing appropriate codes of business conducts and ethics along with the Audit Committee and assisting the Board with monitoring compliance of same, conducting a periodic review of the relationship between management and the Board, overseeing management's response to cyber risks and the protection of data belonging to third parties, overseeing management's response to ensure the Company's compliance with Canada's anti-spam legislation, reviewing on an ongoing basis the Company's approach to governance and recommending the establishment of appropriate governance policies and standards in light of securities regulatory and stock exchange requirements, reviewing corporate governance practices disclosure, reviewing and recommending to the Board changes to the way directors are to be elected, and overseeing the structure, composition, membership and activities of the Board and its committees.

The Nominating and Corporate Governance Committee is currently comprised of Jennifer Wagner (Chair), Murray John, and Daniel Vickerman, each of whom is an independent director of the Board. During the year ended December 31, 2022, the Nominating and Corporate Governance Committee met a total of four times.

Sustainability Committee

The Sustainability Committee assists the Board in fulfilling its oversight responsibilities relating to monitoring sustainable development practices, and the development and implementation of any environmental, health, and safety policies of the Company.

The Sustainability Committee's responsibilities include encouraging, assisting, supporting and counselling management in developing short and long term policies, standards and principles with respect to sustainability, environment, health and safety, reviewing and monitoring the sustainability, environmental, safety and health policies and activities of the Company, reviewing periodic sustainability, environmental, health and safety reports, reviewing an annual report by management on sustainable development, environmental, safety and health issues, periodically reviewing community, environmental, health and safety response compliance issues and incidents, reviewing results of operational

community, environmental, health and safety audits and management's activities to maintain appropriate internal and external environmental and safety audits, ensuring that principle areas of community, environmental, health and safety risk and impacts are identified and that sufficient resources are allocated to address these, ensuring that the Company's directors are kept abreast of their duties and responsibilities related to the scope of the Audit Committee, making periodic visits, as individual members or as the Sustainability Committee, to corporate locations in order to become more familiar with the nature of the operations, and reviewing relevant objectives, procedures and performance with respect to sustainability, environment, health and safety, investigating, or causing to be investigated, any extraordinary negative sustainability, environmental, and health and safety performance where appropriate, ensuring there is a high level of preparedness to react to environmental accidents in order to contain, control, clean up, and eliminate negative environmental effects, and ensuring there exists the utmost respect for the local cultures, values, and traditions and adopt an open communication policy regarding the Company's activities with all impacted parties in order to achieve transparency in the Company socio-environmental performance.

The HSS Committee is currently comprised of Moira Smith (Chair), Jennifer Wagner, and Tony Makuch. Dr. Smith and Ms. Wagner are independent directors of the Board. See each committee members' biography beginning on page 12 for more information. During the year ended December 31, 2022, the Sustainability Committee met a total of four times.

Other Committees of the Board

Each of the committees noted above report directly to the Board. From time to time, when appropriate, ad hoc committees of the Board may be appointed by the Board.

MEETINGS OF THE BOARD AND COMMITTEES OF THE BOARD

The Board meets a minimum of **four** times a year and as otherwise may be required. The Audit Committee, the Nominating and Corporate Governance Committee, and the Sustainability Committee of the Board meet a minimum of **four** times a year and the Compensation Committee of the Board meets a minimum of **two** times a year. All committees can meet more frequently as deemed necessary by the applicable committee. During the year ended December 31, 2022, the Board met **nine** times, the Nominating and Corporate Governance Committee met **four** times, the Compensation Committee met **four** times, the Audit Committee met **four** times, and the Sustainability Committee met **four** times. All directors had a 100% attendance record to all Board and Committee meetings. See each committee members' biography and attendance records beginning on page 12 for more information.

BOARD SKILLS MATRIX

The Nominating and Corporate Governance Committee maintains a skills matrix designed to assist the Board in evaluating the experience, expertise, and competencies that each current director possesses, as well as the overall diversity of the Board. The skills matrix is reviewed by both the Nominating and Corporate Governance Committee and the Board annually. By design, each individual director contributes to the overall depth and breadth of experience on the Board, the Nominating and Corporate Governance Committee has developed the skills matrix based on consultation and agreement on each director's primary strengths and key areas of expertise. The competencies and skills identified in the matrix are those considered necessary for the robust oversight of the Company giving consideration to the overall short, medium and long-term strategic objectives of Discovery. This skills matrix was most recently completed on March 29, 2023.

COMPETENCIES	Murray John	Jeff Parr	Jennifer Wagner	Moira Smith	Dan Vickerman	Tony Makuch
Board Experience and Corporate Governance	✓	✓	✓	✓	✓	✓
Mining and Industry Experience	✓	✓	✓	✓	✓	✓
Enterprise Risk Management	✓	✓			✓	✓
Executive Management	✓	✓	✓			✓
Financial Expertise/Financial Literacy	✓	✓			✓	✓
Capital Markets and Corporate Finance	✓	✓	✓		✓	✓
Mergers and Acquisitions	✓	✓	✓	✓	✓	✓
Human Resources and Compensation	✓	✓	✓			✓
Health, Safety, and Environment	✓		✓	✓		✓
Corporate Social Responsibility and Sustainable Development	✓	✓	✓	✓		✓

BOARD DIVERSITY

The Board and Corporate Governance and Nominating Committee believe that diversity and inclusion provide a depth of perspective and enhances the overall operation of both the Board and the Company generally. The Corporate Governance and Nominating Committee regularly reviews the composition of the Board and, when applicable, considers qualified candidates who are best able to meet the skills matrix developed for the Board. The Corporate Governance and Nominating Committee takes into consideration the overall knowledge, experience, skills, expertise and diversity of the Board as a whole.

The Board is currently comprised of six directors, two of whom are women, comprising 33.3% of the Board.

Human Rights, Diversity, and Inclusion

The Board has adopted a written Human Rights, Diversity and Inclusion Policy (the “**HRDI Policy**”) which reaffirms the Company’s commitment to respecting human rights as set forth in the Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights and under international humanitarian law. The Company also remains committed to respecting the rights of Indigenous Peoples.

Further, the HRDI Policy sets out the Company’s commitment to workplace diversity and fostering a culture of inclusion across all aspects of our business. The Company understands that diversity and inclusion are defined in various ways globally. At the Company, “diversity” refers to any dimension that can be used to differentiate groups and people from one another, such as but not limited to, sex, gender, age, ethnic origin, religion, education, sexual orientation, political belief, and family status. “Inclusion” refers to a culture of respect and appreciation of these differences.

The Board regularly monitors the Company's performance in compliance with the HRDI Policy and actively considers diversity in the selection criteria of new Board members, executive officers and local management positions. In 2021, in furtherance of this commitment, the Board appointed Ms. Wagner to the Board, increasing its total female representation on the Board from 14% to 28% at that date. The Board remains committed to maintaining 30% or more gender diversity on the Board.

While female representation is regularly considered when seeking to add additional members to the Board, the Board considers diversity as a whole when deliberating on potential suitable Board candidates. The Board also considers the importance of having Black, Indigenous, and People of Color representation at the Board level and has expanded its list of qualified potential candidates accordingly.

BOARD ASSESSMENTS

The Nominating and Corporate Governance Committee is responsible for assessing, monitoring, and improving the performance of the Board, its committees and directors. Evaluations and assessments are a continuous process designed to evaluate performance against the formal mandates of the Board, committees of the Board, the Board Chair, the Chief Executive Officer and other criteria. A range of dimensions are considered, such as overall performance of the Board, Board and committee structure and composition, management development, strategic planning, risk management, operational performance, Chief Executive Officer performance evaluation, Board membership, director competencies, Board processes and director involvement. The Nominating and Corporate Governance Committee engages the Board annually in a formal assessment procedure which includes the distribution of a questionnaire to each member of the Board to assess the overall performance of the Board. In addition, each Board Committee conducts a self-evaluation using a questionnaire format, and director self and peer performance reviews are conducted concurrently with an annual review of the Board Skills Matrix which involves each director assessing him or herself as well as his or her peers against set criteria. The Board Chair reviews the results of the peer assessments with each director individually.

BOARD CONTINUING EDUCATION

The Board considers director continuing education to be a priority for all directors and promotes opportunities to learn, develop and network. The Nominating and Corporate Governance Committee is responsible for establishing the continuing education of directors. Components of the Board's continuing education program include:

1. External advisors attend Board meetings to provide the Board with information and updates on a variety of topics including environmental and social issues and current industry trends.
2. Regular updates on the Company's business and issues relevant to the Company are provided to directors by senior managers at both Board meetings and at meetings of the Board's committees.
3. All directors are provided with an annual corporate membership to the Institute of Corporate Directors which includes access to continuing education course such as webinars, short courses, and seminars.

ETHICAL BUSINESS CONDUCT

To ensure that directors exercise independent judgment when considering transactions and agreements in respect of which any director has an interest, the Board complies with the conflict-of-interest provisions of its governing corporate legislation and relevant securities legislation, regulatory instruments and stock exchange policies (which require that interested directors recuse themselves from the consideration of, and voting on, such matters). In order to further promote a governance culture within the Company, the Board has adopted and approved corporate policies as discussed below.

Code of Business Conduct and Ethics

The Board seeks to foster a culture of ethical conduct by striving to ensure the Company carries out its business in line with high business and ethical standards and applicable legal and financial requirements. In that regard, the Board has adopted a Code of Business Conduct and Ethics (the “Code”) setting out the guidelines for the conduct expected from directors, officers, employees, consultants, and contractors. Management reports to the Audit Committee on departures from the Code, if any. A copy of the Code can be found on the Company’s website at www.discoverysilver.com.

Whistleblower Policy

The Board has approved a written Whistleblower Policy, which sets out procedures for the confidential and anonymous submission by employees of complaints and concerns regarding the Company’s accounting, auditing and financial reporting procedures and obligations, or any violations of the Code of Conduct or other Company policies. The Whistleblower Policy provides that if any employee has any information, complaints or concerns regarding such matters they are urged to present such information, complaints or concerns to the Audit Committee, without regard to the position of the persons responsible for the subject matter of the information, complaint or concern. Promptly following the receipt of any information, complaints or concerns submitted to it, the Audit Committee, with the assistance of the Nominating and Corporate Governance Committee, will investigate each matter and, if required, take appropriate corrective actions. The Audit Committee will retain, as part of its records, any information, complaints or concerns received.

Disclosure Policy

The Board has approved Disclosure Policy which, among other things, is designed to ensure that all disclosure made by the Company is accurate, complete and fairly presents the Company’s financial position and results of operations in all material respects and is made on a timely basis in accordance with the provisions of applicable TSX regulations and securities laws.

Majority Voting Policy

The Board has adopted a Majority Voting Policy, which requires that, in an uncontested election of directors, a director nominee who is elected with a greater number of votes “withheld” than votes “for” will be considered by the Board not to have received the support of the Shareholders. Any nominee who receives a greater number of votes “withheld” than votes “for” will tender their resignation to the Board Chair promptly following the relevant meeting. The Nominating and Corporate Governance Committee will consider the proposed resignation in light of all relevant circumstances and make a recommendation to the Board. The Board will make a decision whether to accept or reject any such resignation

within 90 days following such meeting and press release its decision including the reasons for rejecting a resignation, if applicable.

Anti-Bribery and Anti-Corruption Policy

In order to ensure compliance with the *Corruption of Foreign Public Officials Act* (Canada) (the “CFPOA”) the Company has adopted an Anti-Bribery and Anti-Corruption Policy. The purpose of the Anti-Bribery and Anti-Corruption Policy is to provide a procedure to ensure that the Company, together with its directors, officers, employees, consultants, and contractors, conducts its business in an honest and ethical manner reflecting the highest standards of integrity and in compliance with all relevant laws and regulations applicable to it and in compliance with the CFPOA.

SHARE OWNERSHIP POLICY

The Board believes it is in the best interests of the Company and Shareholders to align the financial interests of its leadership with those of the shareholders. The Company adopted a Share Ownership Policy during 2022 that sets out mandatory equity ownership requirements for both directors and executive officers of the Company (each a “Participant”). Pursuant to the Share Ownership Policy, mandatory equity ownership thresholds have been established as follows:

POSITION	OWNERSHIP REQUIREMENT
Chief Executive Officer	3 times annual base salary
C-Suite and Senior Management (VPs)	2 times annual base salary
Non-employee Directors	3 times annual base retainer

The minimum ownership levels required pursuant to the Share Ownership Policy are expected to be satisfied by each Participant within five years after first becoming subject to these ownership requirements or after being appointed to any one of the positions subject to the Share Ownership Policy. In the event of an increase in a Participant’s base salary or annual retainer, he or she will have five years from the time of the increase to acquire any additional equity as may be required to obtain the minimum ownership requirements under the Share Ownership Policy. Once the Participant’s level of equity ownership satisfies the applicable minimum ownership requirements, Participants are expected to maintain such minimum ownership levels for as long as the Participant is subject to the Share Ownership Policy. The following securities may be included in determining the Share ownership of each Participant:

- Shares owned directly (including through open market purchases or acquired and held upon vesting of Company equity awards).
- Shares owned jointly with or held separately by the Participant’s spouse.
- Shares held by any minor children (“Minor Children”) that share the same home as the Participant.
- Shares held in trust for the benefit of the Participant, the Participant’s spouse and/or Minor Children.
- Shares held in any trust in which the Participant and/or the Participant’s spouse is a trustee with voting and investment power.
- Shares owned by any private corporate entity which is at least 50% owned by any combination of the foregoing.
- Restricted Share Units and Deferred Share Units held by the Participant, whether vested or not vested.

Based on the current Share Ownership Policy, each of the directors and officers of the Company are on track to meet these minimum requirements within five years from the date of adoption or date of appointment, as applicable.

REPORT ON EXECUTIVE COMPENSATION

The Company's Statement of Executive Compensation, made in accordance with the requirements of Form 51-102F6 – *Statement of Executive Compensation* ("**Form 51-102F6**"), is set forth below and contains information about the compensation paid to, or earned by, the Company's CEO, CFO, and the three most highly compensated executive officers of the Company earning more than \$150,000 in total compensation during the year ended December 31, 2022 (each, an "**NEO**"). During the year ended December 31, 2022, the NEOs were Tony Makuch (Interim Chief Executive Officer), Andreas L'Abbé (Chief Financial Officer), Tony Esplin (Chief Operating Officer), Gernot Wober (VP Exploration), and Forbes Gemmell (VP Corporate Development), and Taj Singh (former Chief Executive Officer).

COMPENSATION DISCUSSION AND ANALYSIS

The Company's primary objective is building a sustainable mining company that is recognized as safe and responsible while maximizing profitable silver production to increase shareholder value. To succeed in this, it is imperative that competitive compensation packages be provided to executive management to ensure that executives are appropriately retained and engaged to effectively manage, operate and implement the long-term growth strategy of the Company.

The Company's compensation philosophy looks to align compensation with performance, taking into account the Company's overall financial position, which ultimately aligns with the interests of shareholders. The goal is to motivate employees to achieve higher levels of performance which will serve to provide greater value to shareholders.

The Company balances its compensation program with rewards for the attainment of corporate and operational measures and risk management that are within the executive's ability to influence. Each year, the Board, upon recommendation from the Compensation Committee, adopts a scorecard that sets out the key performance indicators ("**KPIs**") to guide and motivate the senior executive team in realizing the Company's corporate strategy for the following year. At the end of each year, with the input of the CEO, the Compensation Committee reviews the corporate performance against each indicator and recommends to the Board the specific weightings or performance score for each category of KPIs. Various corporate, divisional, and departmental objectives are set for the following year in order to ensure that the Company's objectives are aligned with the key long-term priorities for the future success of the Company.

The compensation program of the Company places a significant emphasis on at-risk compensation. This is achieved in the form of performance-based, short-term cash incentives, as well long-term incentives based on a three-year vesting schedule, which illustrates the Company's strong focus on pay-for-performance over the long term. Compensation programs will continue to emphasize "pay for performance", with each individual's short- and long-term compensation and career advancement being dependent on both Company performance and individual performance, with the objective of increasing long-term shareholder value. If the Company or the individual does not meet its objectives, awards will be adjusted in accordance with pre-established processes or as otherwise determined in the discretion of the Board.

The Company uses a process for determining executive compensation whereby the Compensation Committee reviews executive base compensation, short term non-equity incentives and long-term equity-based compensation and provides a recommendation to the Board for discussion and approval without any formal objectives, criteria, and analysis. For the 2022 short-term non-equity incentive, the CEO's maximum target was set at 70% of base salary while all other executives had maximum targets set at 50% of base salary if all KPIs were met.

At the discretion of the Board and from time to time, a third-party compensation specialist is engaged to provide updated industry compensation data compared to a pre-determined peer group based on a combination of market capitalization, metal, stage of development, and operational geography. The Board then reviews this information, along with the Compensation Committee recommendations in making their ultimate decisions regarding executive base compensation, short-term non-equity incentives and long-term equity-based incentives. The Board engaged an independent compensation consultant in 2021 to provide an appropriate benchmarking analysis for the Company's compensation framework. In 2023, given the development stage of the Company in finalizing its Pre-Feasibility Study on the Cordero Project and the appointment of Mr. Makuch as the Chief Executive Officer, the Compensation Committee and Board felt it appropriate to re-engage an independent third-party compensation consultant.

The KPIs in the scorecard used by the Compensation Committee in recommending short-term non-equity compensation are grouped into nine categories with specific weightings for each executive based on the specific objective. The overarching objectives for 2022 were comprised of the following key areas: share performance, exploration, preliminary feasibility study, project agreements, ESG, Financial, human resources, corporate development, project financing.

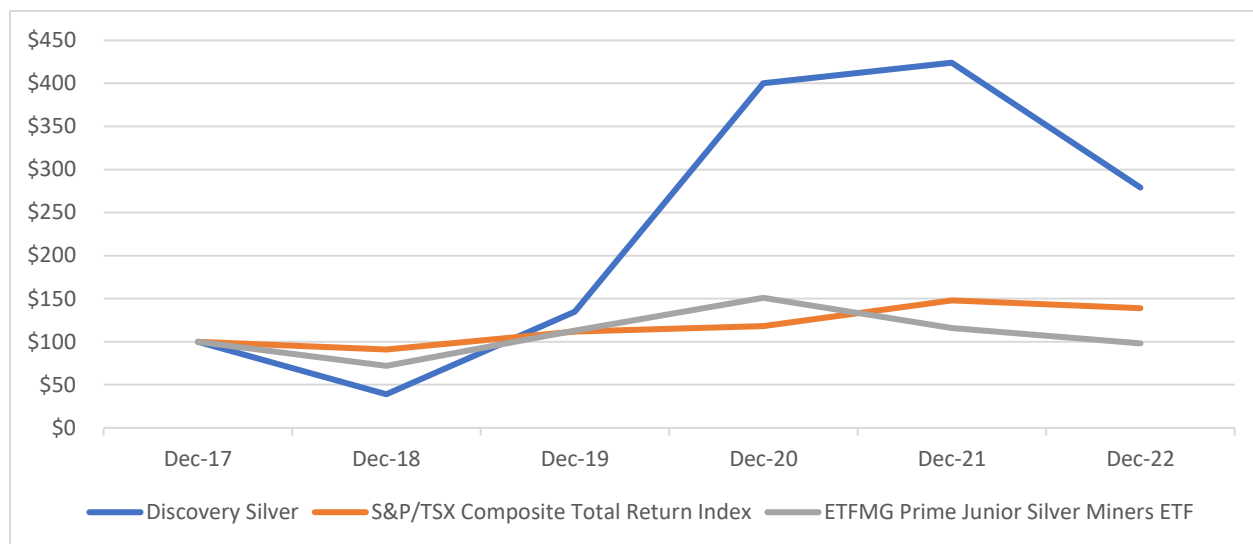
For 2022, the Compensation Committee reviewed the various KPIs in detail and took into consideration the lower than anticipated share price performance which resulted in a lower short term incentive award to the management team. Taking in consideration various other accomplishments of the management team, including those focused on ESG, exploration, human resources and project agreements, the Compensation Committee recommended that all executives be awarded 80% of their maximum target for the short-term non-equity-based compensation. This recommendation was supplemented by an independent third-party compensation benchmarking analysis in 2023 which provided the Compensation Committee with updated data regarding the impacts of the pandemic on the mining job market, the high demand for successful and qualified candidates and the importance of aligning and incentivizing managements teams to ensure long term dedication and performance. Although earned for 2022 performance, the short-term non-equity incentive was paid to executives in January of 2023 and is reflected in the table on page 37.

The Compensation Committee assesses potential risks facing the Company with respect to its compensation policies and practices, succession planning for the Board and for senior management, and organizational changes within the senior management team, including leadership and development to mitigate such risks. The Compensation Committee also regularly reviews organizational changes at the senior management level and is provided with updates on a quarterly basis on human resources issues associated with the Company as a whole.

NEOs and directors of the Company are not expressly prohibited from purchasing financial instruments. NEOs and directors are required to comply with the Company's Code of Business Conduct and Ethics as outlined above.

Performance Graph

The following graph compares and tracks the effect of \$100 invested in Common Shares on December 31, 2017, against the total shareholder return of the S&P/TSX Composite Index and the ETFMG for the five most recently completed financial years of the Company, assuming the reinvestment of all dividends.



The Company's executive compensation strategy is designed to align the Company's interests with both the short- and long-term interests of shareholders. The Company has developed a comprehensive compensation strategy with the following goals: (i) providing compensation levels that are competitive with comparator group companies in the mining industry; (ii) linking executive compensation to corporate performance and the creation of shareholder value, including through at-risk compensation; (iii) rewarding achievement of corporate and individual performance objectives; and (iv) promoting internal equity and disciplined assessment of performance. While the Company has greatly outperformed in comparison to the S&P/TSX Composite Index over the last five years, compensation of the CEO and NEOs has only nominally increased year over year.

Share-based and Option-based Awards

The Company uses a common method in determining share-based and option-based awards to executive officers and directors. The Compensation Committee reviews current share-based awards or option-based awards outstanding compared to the total available awards to grant which is based on the combined maximum of 10% of common shares issued and outstanding across all long-term incentive plans (options, RSUs and DSUs). Previous grants are considered in determining new grants. Amendments to any of the existing incentive plans are first reviewed by the Compensation Committee and then recommended to the Board for approval.

Compensation Governance

The Company uses a simple process for determining executive compensation whereby the Compensation Committee reviews executive base compensation, short term non-equity incentives and long-term equity-based compensation and provides a recommendation to the Board for discussion and approval.

At the discretion of the Board and from time to time, a third-party compensation specialist is engaged to provide updated industry compensation data compared to a pre-determined peer group based on a combination of market capitalization, metal, stage of development, and operational geography. The Board then reviews this information, along with the Compensation Committee recommendations in making their ultimate decisions regarding executive base compensation, short-term non-equity incentives, and long-term equity-based incentives.

The Board engaged an independent compensation consultant in 2021 to provide an appropriate benchmarking analysis for the Company's compensation framework. In 2023, given the development stage of the Company in finalizing its Pre-Feasibility Study on the Cordero Project and the appointment of Mr. Makuch as the President and Chief Executive Officer, the Compensation Committee and Board felt it appropriate to re-engage an independent third-party compensation consultant. This updated independent third-party compensation benchmarking analysis completed in early 2023 provided the Compensation Committee with updated data regarding the impacts of the pandemic on the mining job market, the high demand for successful and qualified candidates, and the importance of aligning and incentivizing managements teams to ensure long term dedication and performance. This in turn formed the basis of the Company's 2023 short-term and long-term compensation plan.

SUMMARY COMPENSATION TABLE

The following table provides information regarding compensation earned by the NEOs for the years ended December 31, 2022, December 31, 2021, and December 31, 2020.

Name and principal position	Year	Salary (\$)	Share-based awards (\$) ⁽¹⁾	Option-based awards (\$) ⁽²⁾	Non-equity incentive plan compensation (\$)		Pension Value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Tony Makuch Director, President and CEO ⁽³⁾	2022	277,083	Nil	Nil	155,167	Nil	Nil	Nil	432,250
	2021	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Anthony Esplin COO ⁽⁴⁾	2022	356,250	480,000	1,270,000	142,500s	Nil	Nil	Nil	2,248,750
	2021	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Andreas L'Abbé CFO	2022	250,000	Nil	620,000	100,000	Nil	Nil	Nil	970,000
	2021	225,000	Nil	565,000	123,750	Nil	Nil	Nil	913,750
	2020	200,000	Nil	96,000	120,000	Nil	Nil	Nil	416,000
Gernot Wober VP Exploration	2022	305,000	Nil	620,000	122,000	Nil	Nil	Nil	1,047,000
	2021	275,000	Nil	565,000	151,250	Nil	Nil	Nil	991,250
	2020	210,000	Nil	96,000	126,000	Nil	Nil	Nil	432,000
Forbes Gemmell VP Corporate Development	2022	275,000	Nil	620,000	110,000	Nil	Nil	Nil	1,005,000
	2021	220,000	Nil	565,000	121,000	Nil	Nil	Nil	906,000
	2020	185,000	Nil	260,000	Nil	Nil	Nil	Nil	445,000
Taj Singh Former President and CEO ⁽⁵⁾	2022	290,897	Nil	868,000	Nil	Nil	Nil	36,730	1,195,627
	2021	350,000	Nil	791,000	269,500	Nil	Nil	Nil	1,410,500
	2020	275,000	Nil	120,000	231,000	Nil	Nil	Nil	626,000

Notes:

- (1) The fair values of the share units granted have been measured using the market value of the shares on the date that the share units were granted and do not represent the actual amounts received by the NEOs. The actual amount received will be determined by the market value of the shares on the date that the share units vest and the corresponding shares are received by the NEOs.
- (2) The fair values of the options granted have been estimated using the Black-Scholes option-pricing model and do not represent the actual amounts received by the NEOs. The actual amount received will be determined by the market value of the shares on the date that the option is exercised. Assumptions used in the pricing model are as follows: January 5, 2022 grant – Fair value of \$1.24; April 4, 2022 grant – Fair value

of \$1.27; March 11, 2022 grant – Fair value of \$1.01; January 12, 2021 grant – Fair value of \$1.13; April 27, 2020 grant – Fair value of \$0.24; January 6, 2020 grant – Fair Value of \$0.38.

- (3) Tony Makuch was appointed Interim Chief Executive Officer on June 6, 2022, and as President and (non-interim) Chief Executive Officer on January 23, 2023. The salary and non-equity incentive plan compensation as show in the table above was paid in 2023. Mr. Makuch’s non-equity incentive was prorated for the eight months he was employed by the Company.
- (4) Tony Esplin was appointed Chief Operating Officer effective April 4, 2022, and was granted a one-time award of 1,000,000 stock options at an exercise price of \$1.76 and issued a one-time award of 250,000 RSUs. The options vest 1/3 on the first anniversary of the grant date and 1/3 on each subsequent anniversary. 50% of the RSUs immediately and 50% will vest on the first anniversary of the grant date of April 4, 2023. Mr. Esplin’s non-equity incentive was prorated for the nine months he was employed by the Company.
- (5) Taj Singh resigned as President, Chief Executive Officer, and director on June 6, 2022. The salary listed here includes a retirement payment of \$110,000. Unvested option-based awards were cancelled on the date of resignation while vested option-based awards remained available for exercise for a period of 90 days after the date of resignation, in accordance with the Company’s Incentive Stock Option Plan. All option-based awards granted to Mr. Singh during 2022 were cancelled.
- (6) The Annual Incentive Plan amount under the Non-equity incentive plan is an amount earned for that year with the actual cash payment made in the subsequent year.

INCENTIVE PLAN AWARDS

Outstanding Share-Based Awards and Option-Based Awards

The following tables (presented in accordance with Form 51-102F6) sets forth for each NEO all awards outstanding at the end of the financial year ended December 31, 2022, including awards granted, but not necessarily vested, before December 31, 2022.

Name	OPTION-BASED AWARDS ⁽¹⁾				SHARE-BASED AWARDS		
	Number of securities underlying unexercised Options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money Options (\$) ⁽¹⁾	Number of RSUs and DSUs that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Tony Makuch Director, President and CEO ⁽²⁾	400,000	\$1.76	Apr 11, 2027	Nil	nil RSUs	\$nil	\$nil
					nil DSUs	\$nil	\$nil
Anthony Esplin Chief Operating Officer ⁽³⁾	1,000,000	\$1.93	Mar 11, 2027	Nil	125,000 RSUs	\$171,250	\$nil
					nil DSUs	\$nil	\$nil
Andreas L’Abbé Chief Financial Officer	1,000,000	\$2.05	Jan 5, 2027	Nil	nil RSUs	\$nil	\$nil
	500,000	\$1.89	Jan 12, 2026	Nil	nil DSUs	\$nil	\$nil
	400,000	\$0.47	Apr 27, 2025	\$360,000			
	700,000	\$0.48	Aug 15, 2024	\$623,000			

Name	OPTION-BASED AWARDS ⁽¹⁾				SHARE-BASED AWARDS		
	Number of securities underlying unexercised Options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money Options (\$) ⁽¹⁾	Number of RSUs and DSUs that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Gernot Wober VP Exploration	500,000	\$2.05	Jan 5, 2027	Nil	Nil RSUs	\$nil	\$nil
	500,000	\$1.89	Jan 12, 2026	Nil	Nil DSUs	\$nil	\$nil
	372,100	\$0.47	Apr 27, 2025	\$334,890			
	600,000	\$0.48	Aug 15, 2024	\$534,000			
Forbes Gemmell VP Corporate Development	500,000	\$2.05	Jan 5, 2027	Nil	Nil RSUs	\$nil	\$nil
	500,000	\$1.89	Jan 12, 2026	Nil	Nil DSUs	\$nil	\$nil
	410,000	\$0.47	Apr 27, 2025	\$369,000			
	400,000	\$0.65	Jan 6, 2025	\$288,000			
Taj Singh Former President and CEO ⁽³⁾	Nil	\$nil	N/A	Nil	Nil RSUs	\$nil	\$nil
					Nil DSUs	\$nil	\$nil

Notes:

- (1) Based on the December 30, 2022, Common Share closing price of \$1.37 less the exercise price of the Option, multiplied by the number of Options in that tranche.
- (2) Tony Makuch was appointed Interim Chief Executive Officer on June 6, 2022, and as President and (non-interim) Chief Executive Officer on January 23, 2023. The option-based awards shown in the table above were a one-time award granted upon Mr. Makuch's appointment to the board of directors on April 11, 2022.
- (3) Tony Esplin was appointed Chief Operating Officer effective April 4, 2022, and was granted a one-time award of 1,000,000 stock options at an exercise price of \$1.76 and issued a one-time award of 250,000 RSUs. The options vest 1/3 on the first anniversary of the grant date and 1/3 on each subsequent anniversary. 50% of the RSUs immediately and 50% will vest on the first anniversary of the grant date of April 4, 2023. Mr. Esplin's non-equity incentive was prorated for the nine months he was employed by the Company. The value of the RSUs is based on the December 30, 2022, Common Share closing price of \$1.37 multiplied by the number of unvested RSUs.
- (4) Taj Singh resigned as President, Chief Executive Officer, and director on June 6, 2022. Mr. Singh exercised all vested in-the-money options during the resignation period and in accordance with the Company's Stock Option Plan. All unexercised out-of-the money or unvested option-based awards were cancelled.

Value Vested or Earned During the Year

The following table (presented in accordance with Form 51-102F6) sets forth details of the value vested or earned during the financial year ended December 31, 2022.

Name	Option-based Awards – Value vested during the year (\$)	Share-based Awards – Value vested during the year (\$) ⁽⁴⁾	Non-Equity Compensation Plan Compensation – Value earned during the year (\$) ⁽¹⁾
Tony Makuch Director, President, and Chief Executive Officer ⁽²⁾	\$202,000	\$Nil	\$155,156
Anthony Esplin Chief Operating Officer	\$nil	\$240,000	\$142,500
Andreas L'Abbé Chief Financial Officer	\$128,000	\$Nil	\$100,000
Gernot Wober VP Exploration	\$128,000	\$Nil	\$122,000
Forbes Gemmell VP Corporate Development	\$144,000	\$Nil	\$110,000
Taj Singh Former President and CEO ⁽³⁾	\$160,000	\$Nil	\$Nil

Notes:

- (1) Comprised of cash bonus awarded at the discretion of the Compensation Committee, forming part of the total compensation for the financial year for the NEOs in question. This amount was paid in 2023.
- (2) Tony Makuch was appointed Interim Chief Executive Officer on June 6, 2022, and as President and (non-interim) Chief Executive Officer on January 23, 2023. Mr. Makuch was granted 400,000 stock options when initially appointed as director of the company on April 11, 2022 with a vesting schedule of 50% on grant and 50% on the first anniversary of the grant date.
- (3) Taj Singh resigned as President, Chief Executive Officer, and director on June 6, 2022.
- (4) Tony Esplin was appointed Chief Operating Officer effective April 4, 2022, and was granted a one-time award of 250,000 RSUs of which 125,000 vested immediately. The Company's share price was \$1.92 on the vesting date. Mr. Esplin was also granted 1,000,000 stock options with a vesting schedule of 1/3 on the first anniversary of the grant date and 1/3 on each of the subsequent anniversaries.

Option Exercise Gains realized by Executives

Between January 1, 2022 and December 31, 2022, certain of the NEOs realized gains through the exercise of Options as described below.

Name	Number of Options (#)	Exercise Price	Market Price on date of exercise	Realized Gain (\$) ⁽¹⁾
Tony Makuch Director, President, and Chief Executive Officer ⁽²⁾	N/A	N/A	N/A	N/A
Anthony Esplin Chief Operating Officer	N/A	N/A	N/A	N/A
Andreas L'Abbé Chief Financial Officer	300,000	\$0.47	\$1.26	\$234,000
Gernot Wober VP Exploration	400,000	\$0.50	\$1.47	\$388,000
Forbes Gemmell VP Corporate Development	N/A	N/A	N/A	N/A
Taj Singh Former President and CEO ⁽³⁾	500,000 1,000,000 500,000	\$0.47 \$0.48 \$0.60	\$1.03 \$1.05 \$1.01	\$280,000 \$570,000 \$205,000

Notes:

- (1) Realized gain is calculated as the market price on the date of exercise less the exercise price of the Option multiplied by the number of Options exercised.
- (2) Andreas L'Abbé exercised all Options that were set to expire on November 17, 2022.
- (3) Gernot Wober exercised all Options that were set to expire on July 18, 2023.
- (4) Taj Singh exercised all Options that were in-the-money subsequent to his resignation and prior to the 90-day expiration period in accordance with the Company's Stock Option Plan.

PENSIONS PLAN BENEFITS

No pension, retirement, defined contribution, or deferred contribution plans have been instituted by the Company or any of its subsidiaries, and none are proposed to be adopted at this time.

TERMINATION AND CHANGE OF CONTROL BENEFITS

Upon hire or promotion, all members of the senior executive team enter into an agreement with the Company relating to their employment for an indefinite period. The employment agreements set out compensation terms for the executive, along with additional terms and conditions of employment. In general, the employment agreements will provide for:

- Base salary
- Bonus
- Participation in equity incentive plans
- Outline of benefits and applicable perquisites

In addition, the employment agreements include various restrictions on disclosure of confidential information, competing against the Company and restrictions on non-solicitation in the event the executive is terminated or resigns from their position.

Compensation on Termination Without Cause or Termination Following a Change of Control

The tables below outline the **compensation** payable to the NEOs in the event of **termination** without cause by the Company, a termination following a change of control, or the resignation of an executive following a Triggering Event. In this context and as a general summary, a “Triggering Event” is a material adverse change which occurs without the CEO’s written agreement to any of the CEO’s duties, powers, rights, title, or salary, as they existed immediately prior to a change of control.

Provision	Termination Without Cause	Termination Following Change of Control (including 12 months following a Change of Control or if a Triggering Event occurs)
Lump sum severance payment equal to the aggregate of:	<p><u>CEO:</u> Two times base salary, and the greater of the target bonus and bonus paid in the preceding year. Unpaid salary and the greater of target bonus and bonus paid in the preceding year, prorated to the date of termination.</p> <p><u>NEOs (except CEO):</u> Base salary, bonus earned to the termination date, and unpaid salary.</p>	<p><u>CEO:</u> Two times base salary, and the greater of the target bonus and bonus paid in the preceding year. Unpaid salary and the greater of target bonus and bonus paid in the preceding year, prorated to the date of termination.</p> <p><u>NEOs (except CEO):</u> Two times base salary, and (i) for NEOs employed less than one year at termination, no bonus; (ii) for NEOs employed between one and two years at termination, a bonus equal to the cash bonus amount for the 12 months preceding termination; and (ii) for NEOs employed greater than two years, a bonus equal to the average annual cash bonus amount for the 24 months preceding termination.</p>

Provision	Termination Without Cause	Termination Following Change of Control (including 12 months following a Change of Control or if a Triggering Event occurs)
Benefits:	<p><u>CEO:</u> Continuation of participation in any pension, RRSP matching, disability and life insurance benefits and other perquisites as the Company has in effect for a period of two years following the date of termination, or a lump sum to obtain comparable replacement benefits.</p> <p><u>All NEOs:</u> Continued coverage under the Company's health, medical, and other benefit plans until the earlier of (i) the date the CEO obtains new employment with such benefits, and (ii) the second anniversary of the termination date.</p>	<p><u>CEO:</u> Continuation of participation in any pension, RRSP matching, disability and life insurance benefits and other perquisites as the Company has in effect for a period of two years following the date of termination, or a lump sum to obtain comparable replacement benefits.</p> <p><u>All NEOs:</u> Continued coverage under the Company's health, medical, and other benefit plans until the earlier of (i) the date the CEO obtains new employment with such benefits, and (ii) the second anniversary of the termination date.</p>
RSUs and Options:	<p><u>CEO:</u> All RSUs and Options will immediately vest on the date of termination.</p> <p><u>All NEOs:</u> All Options will terminate on the earlier of their expiry date and the date that is 90 days after the NEO's termination, subject to any extensions at the discretion of the Board. All RSUs will immediately be redeemable.</p>	<p><u>All NEOs:</u> On the date of termination, all Options will immediately vest and all RSUs will immediately be redeemable. All RSUs and Options will terminate on the earlier of their expiry date and the date that is 90 days after the NEO's termination, subject to any extensions at the discretion of the Board. For NEOs except the CEO, the termination date of Options is the date that is one year after the NEO's termination.</p>

As a general summary, in the context of compensation payable to the NEOs and as set out in their respective employment agreements: (i) change of control means the occurrence of a consolidation, merger, amalgamation, or other reorganization of the Company and its subsidiaries resulting in the change of control of more than 50% of the Company's outstanding common shares, or an acquisition of more than 50% of the shares of the Company; (ii) in the CEO's employment agreement, change of control also includes a sale of more than 50% of the consolidated assets of the Company and its subsidiaries, or a resolution adopted by the Board that a change of control has occurred or is imminent; and (iii) in the employment agreements of each NEO except for the CEO, change of control also includes a sale of all or substantially all of the assets of the Company, or the removal by extraordinary resolution of the Company's shareholders of more than 51% of the then-incumbent directors of the Company or the election of a majority of directors to the Board who were not nominees of the Company's incumbent Board at the time immediately preceding such election.

Compensation on Retirement or Death

Provision	Retirement	Death
Salary	<u>All NEOs:</u> Unpaid salary and accrued vacation pay to date of termination.	<u>All NEOs:</u> Unpaid salary and accrued vacation pay to date of termination.
Pension and Benefits:	<u>All NEOs:</u> Health and medical benefits cease effective the date of retirement. Pension benefits cease and NEOs retain accumulated value to the date of retirement.	<u>All NEOs:</u> Health and medical benefits cease, pension benefits cease as of the date of death and accumulated value to date is assumed by beneficiary.
RSUs and Options:	<u>All NEOs:</u> All Options will terminate on the earlier of their expiry date and the date that is 90 days after the NEO's termination, subject to any extensions at the discretion of the Board. All RSUs will immediately be cancelled.	<u>All NEOs:</u> All Options will terminate on the earlier of their expiry date and the date that is six months after the NEO's death, subject to any extensions at the discretion of the Board. All RSUs will immediately be redeemable.

Summary of Termination Payments

The estimated incremental payments, payables, and benefits that might be paid to the current NEOs pursuant to the above noted agreements in the event of termination without cause or after a change in control, assuming such termination without cause or change of in control occurred as of the date hereof, are detailed below.

Name	Termination Without Cause (\$) ⁽¹⁾⁽²⁾	Termination on Change of Control (\$) ⁽¹⁾⁽²⁾
Tony Makuch Director, President, and Chief Executive Officer	Salary: \$1,200,000 Bonus: \$1,200,000 Total: \$2,400,000	Salary: \$1,200,000 Bonus: \$1,200,000 Total: \$2,400,000
Anthony Esplin Chief Operating Officer	Salary: \$250,000 Bonus: \$125,000 Total: \$375,000	Salary: \$1,000,000 Bonus: \$nil Total: \$1,000,000
Andreas L'Abbé Chief Financial Officer	Salary: \$310,000 Bonus: \$77,500 Total: \$387,500	Salary: \$620,000 Bonus: \$223,750 Total: \$843,750
Gernot Wober VP Exploration	Salary: \$325,000 Bonus: \$81,250 Total: \$406,250	Salary: \$650,000 Bonus: \$273,250 Total: \$923,250

Name	Termination Without Cause (\$) ⁽¹⁾⁽²⁾	Termination on Change of Control (\$) ⁽¹⁾⁽²⁾
Forbes Gemmell VP Corporate Development	Salary: \$300,000 Bonus: \$75,000 Total: \$375,000	Salary: \$600,000 Bonus: \$231,000 Total: \$831,000

- (1) The Termination without cause for Mr. Esplin is calculated at 50% of current annual base salary as he has been employed less than 12 months but greater than six months. The Termination on Change of Control for Mr. Esplin results in a bonus payment of \$nil because as of the date of this Information Circular, he has been employed less than 12 months.
- (2) The bonus on Termination without cause for NEOs assumes a termination date of March 31, 2023 with the bonus payment calculated as total target achieved (50% of base salary) prorated for the period prior to the assumed termination date of March 31, 2023.
- (3) Tony Makuch, President and Chief Executive Officer, has a management agreement in effect and dated January 26, 2023, with the Company which provides him with an annual salary of \$600,000 per year.
- (4) Anthony Esplin, Chief Operating Officer, has a management agreement in effect and amended effective January 1, 2023, with the Company which provides him with an annual salary of \$500,000 per year.
- (5) Andreas L'Abbé, Chief Financial Officer and Corporate Secretary, has a management agreement in effect and amended effective January 1, 2023, with the Company which provides him with an annual salary of \$310,000 per year.
- (6) Gernot Wober, VP Exploration, has a management agreement in effect and amended effective January 1, 2023, with the Company which provides him with an annual salary of \$325,000 per year.
- (7) Forbes Gemmell, VP Corporate Development, has a management agreement in effect and amended effective January 1, 2023, with the Company which provides him with an annual salary of \$300,000 per year.

DIRECTOR COMPENSATION

Compensation of directors of the Company is reviewed annually and determined by the Compensation Committee of the Board with input from independent third-party reports. The level of compensation for directors is determined after consideration of various relevant factors, including input from independent third-party reports, the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the availability of financial resources.

In the Board's view, there is, and has been, no need for the Company to design or implement a formal compensation program for directors. While the Board considers Option, DSU, and RSU grants to directors under the Option Plan, the DSU Plan, and the RSU Plan from time to time to non-executive directors, the Board does not employ a prescribed methodology when determining the grant or allocation of Options, DSUs, or RSUs. Other than the Option Plan, the DSU Plan, and the RSU Plan, as discussed above, the Company does not offer any long-term incentive plans, share compensation plans, or any other such benefit programs for directors.

In 2023, the Company did not grant any stock options to non-executive directors. The Company is looking to phase out the use of stock options entirely over time so ensure proper alignment between the non-executive directors and shareholders. Similarly, in 2023 the Board did not approve any increase to the cash retainer fees of the directors in order ensure the Company was properly allocating its financial resources. In order to compensate and attract the right caliber of directors who can assist the Company through its next phase of development and beyond, the Board approved a DSU grant to directors in 2023 to further align director and shareholder interests. Further, the Board encourages directors to take a portion of their limited cash retainers in the form of DSUs. DSUs are only paid to directors upon separation from the Board.

The following table (presented in accordance with Form 51-102F6) sets forth all amounts of compensation provided to the directors (other than Mr. Singh) for the Company's financial year ended December 31, 2022.

Name	Fees earned (\$) ⁽¹⁾	Share-based awards (\$)	Option-based awards (\$) ⁽²⁾	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$) ⁽³⁾	Total (\$)
Murray John	80,000	nil	620,000	nil	nil	nil	700,000
Jeff Parr	55,000	nil	496,000	nil	nil	nil	551,000
Moira Smith	45,000	nil	496,000	nil	nil	nil	541,000
Daniel Vickerman	50,000	nil	496,000	nil	nil	nil	546,000
Jennifer Wagner	45,000	nil	496,000	nil	nil	nil	541,000
Mark O'Dea ⁽³⁾	25,000	nil	496,000	nil	nil	nil	521,000
Tony Makuch ⁽⁴⁾	6,667	nil	401,000	nil	nil	nil	410,667

Notes:

- (1) Includes all fees awarded, earned, paid, or payable in cash for services as a director, including annual retainer fees, committee, chair, and meeting fees. The annual retainer for board members is \$35,000. The Chair of the Board receives an additional \$35,000, the Chair of the Audit Committee receives an additional \$15,000 while the Chairs of the other committees receive an additional \$10,000. Directors also receive an additional \$5,000 per committee of which they are a member. Chairs of the committees do not receive this additional \$5,000.
- (2) Option-based awards are calculated using the Black-Scholes option pricing model. Inputs resulted in a fair value of \$1.24 for the annual grant to the Board on January 5, 2022 and \$1.01 for the initial grant to Mr. Makuch on his appointment to the Board on April 11, 2022.

- (3) Includes all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company, or a subsidiary of the Company, to a director in any capacity, under any other arrangement, including all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given, or otherwise provided to the director for services provided, directly or indirectly, to the Company or a subsidiary of the Company.
- (4) Mark O’Dea did not stand for re-election at the Company’s annual general meeting on June 24, 2022.
- (5) Tony Makuch was appointed to the Board on April 11, 2022. On June 3, 2022, Mr. Makuch was appointed as Interim CEO. The fees above represent the two months Mr. Makuch was an independent director. Mr. Makuch was granted 400,000 stock options upon appointment as director and are included in the table above. Subsequent to his appointment as interim CEO, he did not earn any director fees. Note that these fees were paid in 2023 upon Mr. Makuch’s appointment as (non-interim) CEO.

Outstanding Share-Based Awards and Option-Based Awards

The following tables (presented in accordance with Form 51-102F6) sets forth for each director all awards outstanding at the end of the financial year ended December 31, 2022, including awards granted, but not necessarily vested, before December 31, 2022.

Name	OPTION-BASED AWARDS ⁽¹⁾				SHARE-BASED AWARDS		
	Number of securities underlying unexercised Options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money Options (\$) ⁽¹⁾	Number of RSUs and DSUs that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Murray John	500,000	\$2.05	Jan 5, 2027	Nil	Nil RSUs	\$nil	\$nil
	500,000	\$1.89	Jan 12, 2026	Nil	Nil DSUs	\$nil	\$nil
	200,000	\$0.47	Apr 27, 2025	\$180,000			
Jeff Parr	400,000	\$2.05	Jan 5, 2027	Nil	Nil RSUs	\$nil	\$nil
	400,000	\$1.89	Jan 12, 2026	Nil	Nil DSUs	\$nil	\$nil
	350,000	\$0.47	Apr 27, 2025	\$315,000			
	350,000	\$0.48	Aug 15, 2024	\$311,500			
Jennifer Wagner	400,000	\$2.05	Jan 5, 2027	Nil	Nil RSUs	\$nil	\$nil
	300,000	\$2.08	Mar 12, 2026	Nil	Nil DSUs	\$nil	\$nil
Moira Smith	400,000	\$2.05	Jan 5, 2027	Nil	Nil RSUs	\$nil	\$nil
	400,000	\$1.89	Jan 12, 2026	Nil	Nil DSUs	\$nil	\$nil
	350,000	\$0.47	Apr 27, 2025	\$315,000			
	350,000	\$0.48	Aug 15, 2024	\$311,500			
Daniel Vickerman	400,000	\$2.05	Jan 5, 2027	Nil	Nil RSUs	\$nil	\$nil
	250,000	\$1.89	Jan 12, 2026	Nil	Nil DSUs	\$nil	\$nil
	110,000	\$0.47	Apr 27, 2025	\$99,000			
	85,000	\$0.48	Aug 15, 2024	\$75,650			
Mark O’Dea ⁽²⁾	400,000	\$2.05	Jan 5, 2027	Nil	Nil RSUs	\$nil	\$nil
	400,000	\$1.89	Jan 12, 2026	Nil	Nil DSUs	\$nil	\$nil
	500,000	\$0.47	Apr 27, 2025	\$450,000			

Notes:

- (1) Based on the December 30, 2022, Common Share closing price of \$1.37 less the price of the Option, multiplied by the number of Options in that tranche.
- (2) Mark O’Dea did not stand for re-election at the Company’s annual general meeting on June 24, 2022.

Value Vested or Earned During the Year

The following table (presented in accordance with Form 51-102F6) sets forth details of the value vested or earned during the financial year ended December 31, 2022.

Name	Option-based Awards – Value vested during the year (\$)	Share-based Awards – Value vested during the year (\$)	Non-Equity Compensation Plan Compensation – Value earned during the year (\$) ⁽¹⁾
Murray John	\$160,000	\$Nil	\$Nil
Jeff Parr	\$112,000	\$Nil	\$Nil
Moira Smith	\$112,000	\$Nil	\$Nil
Daniel Vickerman	\$80,000	\$Nil	\$Nil
Jennifer Wagner	\$Nil	\$Nil	\$Nil
Mark O’Dea ⁽²⁾	\$160,000	\$Nil	\$Nil

Notes:

- (1) Comprised of cash bonus awarded at the discretion of the Compensation Committee, forming part of the total compensation for the financial year for the directors in question.
- (2) Mark O’Dea did not stand for re-election at the Company’s annual general meeting on June 24, 2022.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides details of compensation plans under which equity securities of the Company were authorized for issuance as of December 31, 2022:

Plan Category	Number of securities to be issued upon exercise of outstanding options, RSUs, or DSUs	Weighted-average price of outstanding options, RSUs, or DSUs (\$)	Number of securities remaining available for future issuance under equity compensation plans ⁽⁴⁾
Equity compensation plans approved by securityholders	20,590,017 Options ⁽¹⁾ 125,000 RSUs ⁽²⁾ Nil DSUs ⁽³⁾ Total: 20,715,017	\$1.46 for Options \$1.37 for RSUs \$Nil for DSUs	14,479,141
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	20,590,017 Options ⁽¹⁾ 125,000 RSUs ⁽²⁾ Nil DSUs ⁽³⁾ Total: 20,715,017	\$1.46 for Options \$1.37 for RSUs \$Nil for DSUs	14,479,141

Notes:

- (1) Represents the number of Common Shares reserved for issuance upon exercise of the denoted outstanding Options issued in accordance with the terms of the Stock Option Plan.
- (2) Represents the number of Common Shares reserved for issuance upon maturity of the denoted outstanding RSUs in accordance with the terms of the RSU Plan.
- (3) Represents the number of Common Shares reserved for issuance upon maturity of the denoted outstanding DSUs in accordance with the terms of the DSU Plan.
- (4) Based on the maximum aggregate number of Common Shares that were available for issuance under all equity compensation plans of the Company, collectively, being 35,194,158 Common Shares, or 10% of the 351,941,580 outstanding Common Shares as at December 31, 2022.

Subsequent to December 31, 2022, and to the date of this Circular, the Company issued an aggregate of 1,600,000 Options, 2,864,965 RSUs, and 1,080,025 DSUs, resulting in a total aggregate of 20,046,992 Options, 2,989,965 RSUs, and 1,080,025 DSUs issued and outstanding as of the date of this Circular. Further information on these equity compensation issuances is available on the Company's news release of January 27, 2023, and the Company's Annual Information Form for the year ended December 31, 2022, each of which are available under the Company's profile on SEDAR at www.sedar.com and on the Company's website at www.discoverysilver.com.

The Stock Option Plan, the RSU Plan, and the DSU Plan are consistent with current TSX policies and are summarized below.

EQUITY COMPENSATION PLANS

Stock Option Plan

The Company has adopted a stock option plan pursuant to which the Board may grant stock options (each, an “**Option**”) to directors, officers, employees, and consultants and employees of the Company or affiliated corporations.

The Option Plan was most recently re-approved by the Shareholders at the Company’s annual general meeting on June 24, 2022. On January 27, 2023, in connection with the Company’s graduation from the TSX Venture Exchange to the TSX, the Board authorized certain amendments to the Option Plan as set forth herein, subject to approval of the Shareholders at the Meeting. A resolution to approve the amended Option Plan will be presented to the Shareholders for approval at the Meeting.

A summary of the proposed revisions to the Option Plan is set out above in this Circular under “*Business of the Meeting – Approval and Adoption of Amendments to Equity Compensation Plans – Summary of Proposed Amendments to Option Plan*”, and the full text of the proposed revisions to the Option Plan is set out as Schedule B to this Circular.

The purpose of the Option Plan is to attract, retain, and motivate directors, officers, employees, and consultants by providing them with the opportunity, through options, to acquire an interest in the Company and benefit from the Company’s growth. Under the Option Plan, the maximum number of Common Shares reserved for issuance, including Options, RSUs, and DSUs currently outstanding, is equal to 10% of the Common Shares outstanding from time to time (the “**10% Maximum**”). The 10% Maximum is an “evergreen” provision, meaning that, following the exercise, termination, cancellation or expiration of any Options, a number of Common Shares equivalent to the number of options so exercised, terminated, cancelled or expired would automatically become reserved and available for issuance in respect of future Option, RSU, and DSU grants.

The number of Common Shares which may be the subject of Options on a yearly basis to any one person cannot exceed 5% percent of the number of issued and outstanding Common Shares at the time of the grant. Options may be granted to any employee, officer, director, consultant of the Company or of a subsidiary thereof, exercisable at a price which is not less than the market price of common shares of the Company on the date of the grant, with “market price” being subject to the requirements set out in the TSX Company Manual. The directors of the Company may, by resolution, determine the time period during which any Option may be exercised (the “**Exercise Period**”), provided that the Exercise Period does not contravene any rule or regulation of such exchange on which the Common Shares may be listed. All Options will terminate on the earliest to occur of (a) the expiry of their term; (b) the date of termination of an optionee’s employment, office or position as director, if terminated for just cause; (c) 90 days (or such other period of time as permitted by any rule or regulation of such exchange on which the Common Shares may be listed) following the date of termination of an optionee’s position as a director or officer, if terminated for any reason other than the optionee’s disability or death; (d) 30 days following the date of termination of an optionee’s position as a consultant engaged in investor relations activities, if terminated for any reason other than the optionee’s disability, death, or just cause; and (e) the date of any sale, transfer or assignment of the Option.

Options are non-assignable and are subject to early termination in the event of the death of a participant or in the event a participant ceases to be a director, officer, employee, or consultant of the Company or of a subsidiary thereof, as the case may be. Subject to the foregoing restrictions, and certain other restrictions set out in the Option Plan, the Board is authorized to provide for the granting of Options and the exercise and method of exercise of options granted under the Option Plan.

As of the date of this Circular, there are 20,046,992 Options outstanding under the Option Plan, representing approximately 5.7% of the Company's issued and outstanding Common Shares, 16,249,700 of which are held directly or indirectly by NEOs or directors of the Company.

The Option Plan was most recently approved by shareholders in June 2022. During the years ended December 31, 2022, December 31, 2021, and December 31, 2020, the Company's annual burn rate with respect to the Options granted under the Option Plan during these periods was 2.46%, 1.99%, and 2.12% respectively. The burn rate for Options under the Option Plan is equal to the maximum number of Common Shares subject to the Option awards, divided by the weighted average number of Common Shares outstanding as of December 31, 2022, December 31, 2021, and December 31, 2020, being 342,905,448, 324,466,655, and 255,839,116 respectively.

The Company has not granted any options in 2023 and is looking to phase out the use of stock options entirely over time so ensure proper alignment between the non-executive directors and shareholders.

Restricted Share Unit Plan

The Company has adopted the RSU Plan, pursuant to which the Board may grant restricted share units (each, an "RSU") to employees, officers, and consultants of the Company or affiliated corporations.

The RSU Plan was most recently re-approved by the Shareholders at the Company's annual general meeting on June 24, 2022. On January 27, 2023, in connection with the Company's graduation from the TSX Venture Exchange to the TSX, the Board authorized certain amendments to the RSU Plan as set forth herein, subject to approval of the Shareholders at the Meeting. A resolution to approve the amended RSU Plan will be presented to the Shareholders for approval at the Meeting.

A summary of the proposed revisions to the RSU Plan is set out above in this Circular under "*Business of the Meeting – Approval and Adoption of Amendments to Equity Compensation Plans – Summary of Proposed Amendments to RSU Plan*", and the full text of the proposed revisions to the RSU Plan is set out as Schedule C to this Circular.

The purpose of the RSU Plan is to allow for certain discretionary awards as an incentive and reward for selected eligible persons related to the achievement of long-term financial and strategic objectives of the Company and the resulting increases in Shareholder value. The RSU Plan is intended to promote a greater alignment of interests between the Shareholders and the selected eligible persons by providing an opportunity to participate in increases in the value of the Company. RSUs track the value of the underlying Common Shares but do not entitle the recipient to the actual underlying Common Shares until such RSUs vest. It is at the discretion of the Board whether the value of the RSUs on vesting is settled in common shares or cash. Under the RSU Plan, the maximum number of Common Shares reserved for issuance, including Options, RSUs, and DSUs currently outstanding, are subject to the 10% Maximum. The 10% Maximum is an "evergreen" provision, meaning that, following the exercise, termination, cancellation, or expiration of any Options, RSUs, or DSUs, a number of Common Shares equivalent to the number of options so exercised, terminated, cancelled, or expired would automatically become reserved and available for issuance in respect of future Option, RSU, or DSU grants.

The maximum number of Common Shares available for issuance upon the vesting of RSUs under the RSU Plan is the lower of 7,000,000 Common Shares, and, in combination with all security-based compensation arrangements of the Company (including the Option Plan and DSU Plan), 10% of the issued and outstanding Common Shares. The maximum number of Common Shares issuable under the Option Plan, the RSU Plan, the DSU Plan to any one person (a) shall not exceed 5% of the total number of issued and outstanding Common Shares on a non-diluted basis at the date of grant;

and (b) within any one-year period (i) to any one person shall not exceed 5% of the total number of issued and outstanding Common Shares on the grant date on a non-diluted basis; and (ii) to any one insider of the Company shall not exceed 10% of the total number of issued and outstanding Common Shares on the grant date on a non-diluted basis.

As of the date of this Circular, there are 2,989,965 RSUs outstanding under the RSU Plan, representing approximately 0.9% of the Company's issued and outstanding Common Shares, 2,684,859 of which are held directly or indirectly by NEOs or directors of the Company.

The RSU Plan was most recently approved by shareholders in June 2022. During the years ended December 31, 2022, December 31, 2021, and December 31, 2020, the Company's annual burn rate with respect to the RSUs granted under the RSU Plan during these periods was 0.07%, nil%, and nil% respectively (there were no RSUs granted during the years ended December 31, 2021 or 2020). The burn rate for RSUs under the RSU Plan is equal to the maximum number of Common Shares subject to the RSU awards divided by the weighted average number of Common Shares outstanding of December 31, 2022, December 31, 2021, and December 31, 2020, being 342,905,448, 324,466,655, and 255,839,116 respectively.

Deferred Share Unit Plan

The Company has adopted the DSU Plan, pursuant to which the Board may grant deferred share units (each, a "DSU") to non-employee directors of the Company or its subsidiaries, or to directors of the Company or its subsidiaries otherwise designated by the Board to be eligible for the DSU Plan.

The DSU Plan was most recently re-approved by the Shareholders at the Company's annual general meeting on June 24, 2022. On January 27, 2023, in connection with the Company's graduation from to the TSX, the Board authorized certain amendments to the DSU Plan as set forth herein, subject to approval of the Shareholders at the Meeting. A resolution to approve the amended DSU Plan will be presented to the Shareholders for approval at the Meeting.

A summary of the proposed revisions to the DSU Plan is set out above in this Circular under "*Business of the Meeting – Approval and Adoption of Amendments to Equity Compensation Plans – Summary of Proposed Amendments to DSU Plan*", and the full text of the proposed revisions to the DSU Plan is set out as Schedule D to this Circular.

The purpose of the DSU Plan is to provide eligible directors of the Company with the opportunity to acquire DSUs and enable them to participate in the long-term success of the Company and to promote a greater alignment of interests between directors of the Company and its Shareholders. A DSU essentially tracks the value of the underlying Common Shares but does not entitle the recipient to the actual underlying Common Shares until such DSUs vest. It is at the discretion of the Board whether the value of the DSUs on vesting is settled in common shares or cash. Under the DSU Plan, the maximum number of Common Shares reserved for issuance, including Options, RSUs, and DSUs currently outstanding, are subject to the 10% Maximum. The 10% Maximum is an "evergreen" provision, meaning that, following the exercise, termination, cancellation, or expiration of any Options, RSUs, or DSUs, a number of Common Shares equivalent to the number of options so exercised, terminated, cancelled, or expired would automatically become reserved and available for issuance in respect of future Option, RSU, or DSU grants.

The maximum number of Common Shares available for issuance upon the redemption of DSUs is limited to 3,000,000 Common Shares, and, in combination with all security-based compensation arrangements of the Company (including the Company's Option Plan and RSU Plan), will not exceed 10% of the issued and outstanding Common Shares. The maximum number of Common Shares issuable under the Option Plan, the RSU Plan, the DSU Plan to any one person (a) shall not exceed 5% of the total number of issued and outstanding Common Shares on a non-diluted basis at the date

of grant; and (b) within any one-year period (i) to any one person shall not exceed 5% of the total number of issued and outstanding Common Shares on the grant date on a non-diluted basis; and (ii) to any one insider of the Company shall not exceed 10% of the total number of issued and outstanding Common Shares on the grant date on a non-diluted basis.

As of the date of this Circular, there are 1,080,025 DSUs outstanding under the DSU Plan, representing approximately 0.3% of the Company's issued and outstanding Common Shares, 1,080,025 of which are held directly or indirectly by NEOs or directors of the Company.

The DSU Plan was most recently approved by shareholders in June 2022. During the years ended December 31, 2022, December 31, 2021, and December 31, 2020, the Company's annual burn rate with respect to the RSUs granted under the RSU Plan during these periods was nil%, nil%, and nil% respectively (there were no DSUs granted during the years ended December 31, 2022, 2021 or 2020). The burn rate for DSUs under the DSU Plan is equal to the maximum number of Common Shares subject to the DSU awards divided by the weighted average number of Common Shares outstanding of December 31, 2022, December 31, 2021, and December 31, 2020, being 342,905,448, 324,466,655, and 255,839,116 respectively.

ADDITIONAL MATTERS

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the Company's directors or executive officers, nor any associate of such director or executive officer is as at the date hereof, or has been, during the year ended December 31, 2022, indebted to the Company or any of its subsidiaries in connection with a purchase of securities or otherwise. In addition, no indebtedness of these individuals to another entity has been the subject of a guarantee, support agreement, letter of credit, or similar arrangement or understanding of the Company or any of its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person of the Company, nominee for election as a director of the Company, or any associate or affiliate of an informed person or nominee, has had any material interest, direct or indirect, in any transaction involving the Company, or in any proposed transaction which has materially affected or would materially affect the Company or its subsidiaries since January 1, 2022 and to the date Record Date.

MANAGEMENT CONTRACTS

Neither the Company nor any of its subsidiaries are parties to any agreements or arrangements whereby the management functions of the Company or any of its subsidiaries are to any substantial degree performed other than by the directors or executive officers of the Company.

FINANCIAL INFORMATION AND NON-GAAP MEASURES

The Company has prepared its consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. As a result, they may not be comparable to financial statements prepared in accordance with other financial reporting frameworks, including generally acceptable accounting principles used in the US ("GAAP").

The Company has included certain non-GAAP performance measures as detailed below. In the mining industry, these are common performance measures but may not be comparable to similar measures presented by other issuers and the non-GAAP measures do not have any standardized meaning. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

The Company has provided an all-in sustaining costs performance measure that reflects all the expenditures that are required to produce an ounce of silver from operations. While there is no standardized meaning of the measure across the industry, the Company's definition conforms to the all-in sustaining cost definition as set out by the World Gold Council in its guidance dated June 27, 2013. The Company believes that this measure is useful to external users in assessing operating performance and the Company's ability to generate free cash flow from current operations. Subsequent amendments to the guidance have not materially affected the figures presented.

Free Cash Flow is a non-GAAP performance measure that is calculated as cash flows from operations net of cash flows invested in mineral property, plant, and equipment and exploration and evaluation assets. The Company believes that this measure is useful to the external users in assessing the Company's ability to generate cash flows from its mineral projects.

For more information regarding the non-IFRS measures used by the Company, please see the Financial Statements and MD&A for the year ended December 31, 2022 available under the Company's profile on SEDAR at www.sedar.com and on the its website at www.discoverysilver.com.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found under the Company's profile on SEDAR at www.sedar.com. Additional financial information is provided in the Company's audited consolidated financial statements for the year ended December 31, 2022, and accompanying MD&A, which can be found under the Company's profile on SEDAR at www.sedar.com or on the Company's website at www.discoverysilver.com. Shareholders may also request copies of these documents from the Chief Financial Officer by phone at 416-613-9410 or by email at info@discoverysilver.com.

BOARD OF DIRECTORS' APPROVAL

The contents of this Circular, the providing of this Circular by Notice-and-Access, and the providing of the Notice of Meeting and proxy to the Shareholders have been approved by the Board.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) *"Tony Makuch"*

Tony Makuch

President, Chief Executive Officer and Director

Toronto, Ontario

March 31, 2023

SCHEDULE A
PROPOSED AMENDMENT TO ARTICLES

1. INTERPRETATION

1.1 Definitions

In these Articles, unless the context otherwise requires:

- (1) “board of directors”, “directors” and “board” mean the directors or sole director of the Company for the time being;
- (2) “*Business Corporations Act*” means the *Business Corporations Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (3) “*Interpretation Act*” means the *Interpretation Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (4) “legal personal representative” means the personal or other legal representative of the shareholder;
- (5) “registered address” of a shareholder means the shareholder’s address as recorded in the central securities register;
- (6) “seal” means the seal of the Company, if any.

1.2 *Business Corporations Act* and *Interpretation Act* Definitions Applicable

The definitions in the *Business Corporations Act* and the definitions and rules of construction in the *Interpretation Act*, with the necessary changes, so far as applicable, and unless the context requires otherwise, apply to these Articles as if they were set out herein. If there is a conflict between a definition in the *Business Corporations Act* and a definition or rule in the *Interpretation Act* relating to a term used in these Articles, the definition in the *Business Corporations Act* will prevail in relation to the use of the term in these Articles. If there is a conflict between these Articles and the *Business Corporations Act*, the *Business Corporations Act* will prevail.

2. SHARES AND SHARE CERTIFICATES

2.1 Authorized Share Structure

The authorized share structure of the Company consists of shares of the class or classes and series, if any, described in the Notice of Articles of the Company.

2.2 Form of Share Certificate

Each share certificate issued by the Company must comply with, and be signed as required by, the *Business Corporations Act*.

2.3 Shareholder Entitled to Certificate or Acknowledgment

Each shareholder is entitled, without charge, to (a) one share certificate representing the shares of each class or series of shares registered in the shareholder’s name or (b) a non-transferable written acknowledgment of the shareholder’s

right to obtain such a share certificate, provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate and delivery of a share certificate to one of several joint shareholders or to one of the shareholders' duly authorized agents will be sufficient delivery to all.

2.4 Delivery by Mail

Any share certificate or non-transferable written acknowledgment of a shareholder's right to obtain a share certificate may be sent to the shareholder by mail at the shareholder's registered address and neither the Company nor any director, officer or agent of the Company is liable for any loss to the shareholder because the share certificate or acknowledgment is lost in the mail or stolen.

2.5 Replacement of Worn Out or Defaced Certificate or Acknowledgement

If the directors are satisfied that a share certificate or a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate is worn out or defaced, they must, on production to them of the share certificate or acknowledgment, as the case may be, and on such other terms, if any, as they think fit:

- (1) order the share certificate or acknowledgment, as the case may be, to be cancelled; and
- (2) issue a replacement share certificate or acknowledgment, as the case may be.

2.6 Replacement of Lost, Stolen or Destroyed Certificate or Acknowledgment

If a share certificate or a non-transferable written acknowledgment of a shareholder's right to obtain a share certificate is lost, stolen or destroyed, a replacement share certificate or acknowledgment, as the case may be, must be issued to the person entitled to that share certificate or acknowledgment, as the case may be, if the directors receive:

- (1) proof satisfactory to them that the share certificate or acknowledgment is lost, stolen or destroyed; and
- (2) any indemnity the directors consider adequate.

2.7 Splitting Share Certificates

If a shareholder surrenders a share certificate to the Company with a written request that the Company issue in the shareholder's name two or more share certificates, each representing a specified number of shares and in the aggregate representing the same number of shares as the share certificate so surrendered, the Company must cancel the surrendered share certificate and issue replacement share certificates in accordance with that request.

2.8 Certificate Fee

There must be paid as a fee to the Company for issuance of any share certificate under Articles 2.5, 2.6 or 2.7, the amount, if any determined by the directors, which must not exceed the amount prescribed under the *Business Corporations Act*.

2.9 Recognition of Trusts and Partial Interests in Shares

Except as required by law or statute or these Articles, no person will be recognized by the Company as holding any share upon any trust, and the Company is not bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or fraction of a share or (except as by law or statute or these Articles provided or as ordered by a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in the shareholder.

3. ISSUE OF SHARES

3.1 Directors Authorized

Subject to the *Business Corporations Act* and the rights of the holders of issued shares of the Company, the Company may issue, allot, sell or otherwise dispose of the unissued shares, and issued shares held by the Company, at the times, to the persons, including directors, in the manner, on the terms and conditions and for the issue prices (including any premium at which shares with par value may be issued) that the directors may determine. The issue price for a share with par value must be equal to or greater than the par value of the share.

3.2 Commissions and Discounts

The Company may at any time, pay a reasonable commission or allow a reasonable discount to any person in consideration of that person purchasing or agreeing to purchase shares of the Company from the Company or any other person or procuring or agreeing to procure purchasers for shares of the Company.

3.3 Brokerage

The Company may pay such brokerage fee or other consideration as may be lawful for or in connection with the sale or placement of its securities.

3.4 Conditions of Issue

Except as provided for by the *Business Corporations Act*, no share may be issued until it is fully paid. A share is fully paid when:

- (1) consideration is provided to the Company for the issue of the share by one or more of the following:
 - (a) past services performed for the Company;
 - (b) property;
 - (c) money; and
- (2) the directors in their discretion have determined that the value of the consideration received by the Company is equal to or greater than the issue price set for the share under Article 3.1.

3.5 Share Purchase Warrants and Rights

Subject to the *Business Corporations Act*, the Company may issue share purchase warrants, options, convertible debentures and rights upon such terms and conditions as the directors determine, which share purchase warrants, options, convertible debentures and rights may be issued alone or in conjunction with debentures, debenture stock, bonds, shares or any other securities issued or created by the Company from time to time.

4. SHARE REGISTERS

4.1 Central Securities Register and any Branch Securities Register

As required by and subject to the *Business Corporations Act*, the Company must maintain a central securities register and may maintain a branch securities register. The directors may, subject to the *Business Corporations Act*, appoint an agent to maintain the central securities register or any branch securities register. The directors may also appoint one or more agents, including the agent which keeps the central securities register, as transfer agent for its shares or any class

or series of its shares, as the case may be, and the same or another agent as registrar for its shares or such class or series of its shares, as the case may be. The directors may terminate such appointment of any agent at any time and may appoint another agent in its place.

4.2 Closing Register

The Company must not at any time close its central securities register.

5. SHARE TRANSFERS

5.1 Registering Transfers

A transfer of a share of the Company must not be registered unless:

- (1) a duly signed instrument of transfer in respect of the share has been received by the Company;
- (2) if a share certificate has been issued by the Company in respect of the share to be transferred, that share certificate has been surrendered to the Company; and
- (3) if a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate has been issued by the Company in respect of the share to be transferred, that acknowledgment has been surrendered to the Company.

For the purpose of this Article, delivery or surrender to the agent which maintains the Company's central securities register or a branch securities register, if applicable, will constitute receipt by or surrender to the Company.

5.2 Form of Instrument of Transfer

The instrument of transfer in respect of any share of the Company must be either in the form, if any, on the back of the Company's share certificates or in any other form that may be approved by the directors from time to time.

5.3 Transferor Remains Shareholder

Except to the extent that the *Business Corporations Act* otherwise provides, the transferor of shares is deemed to remain the holder of the shares until the name of the transferee is entered in a securities register of the Company in respect of the transfer.

5.4 Signing of Instrument of Transfer

If a shareholder, or his or her duly authorized attorney, signs an authorized instrument of transfer in respect of shares registered in the name of the shareholder, the signed instrument of transfer constitutes a complete and sufficient authority to the Company and its directors, officers and agents to register the number of shares specified in the instrument of transfer or specified in any other manner, or, if no number is specified, all the shares represented by the share certificates or set out in the written acknowledgments deposited with the instrument of transfer:

- (1) in the name of the person named as transferee in that instrument of transfer; or
- (2) if no person is named as transferee in that instrument of transfer, in the name of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered.

5.5 Enquiry as to Title Not Required

Neither the Company nor any director, officer or agent of the Company is bound to inquire into the title of the person named in the instrument of transfer as transferee or, if no person is named as transferee in the instrument of transfer, of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered or is liable for any claim related to registering the transfer by the shareholder or by any intermediate owner or holder of the shares, of any interest in the shares, of any share certificate representing such shares or of any written acknowledgment of a right to obtain a share certificate for such shares.

5.6 Transfer Fee

There must be paid as a fee to the Company, registration of any transfer, the amount, if any, determined by the directors.

6. TRANSMISSION OF SHARES

6.1 Legal Personal Representative Recognized on Death

In case of the death of a shareholder, the legal personal representative, or if the shareholder was a joint holder, the surviving joint holder, will be the only person recognized by the Company as having any title to the shareholder's interest in the shares. Before recognizing a person as a legal personal representative, the directors may require a declaration of transmission made by the legal personal representative stating the particulars of the transmission, proof of appointment by a court of competent jurisdiction, a grant of letters probate, letters of administration or such other evidence or documents as the directors consider appropriate.

6.2 Rights of Legal Personal Representative

The legal personal representative has the same rights, privileges and obligations with respect to the shares as were held by the shareholder, including the right to transfer the shares in accordance with these Articles, provided the documents required by the *Business Corporations Act* and the directors have been deposited with the Company.

7. PURCHASE OF SHARES

7.1 Company Authorized to Purchase Shares

Subject to Article 7.2, the special rights and restrictions attached to the shares of any class or series and the *Business Corporations Act*, the Company may, if authorized by resolution of the directors, purchase, redeem or otherwise acquire any of its shares at the price and upon the terms specified in such resolution.

7.2 Purchase When Insolvent

The Company must not make a payment or provide any other consideration to purchase, redeem or otherwise acquire any of its shares if there are reasonable grounds for believing that:

- (1) the Company is insolvent; or
- (2) making the payment or providing the consideration would render the Company insolvent.

7.3 Redemption of Shares

If the Company proposes to redeem some but not all of the shares of any class, the Directors may, subject to any special rights and restrictions attached to such class of shares, decide the manner in which the shares to be redeemed shall be selected.

7.4 Sale and Voting of Purchased Shares

If the Company retains a share which it has redeemed, purchased or otherwise acquired, the Company may sell, gift or otherwise dispose of the share, but, while such share is held by the Company, it:

- (1) is not entitled to vote the share at a meeting of its shareholders;
- (2) must not pay a dividend in respect of the share; and
- (3) must not make any other distribution in respect of the share.

8. BORROWING POWERS

8.1 Powers of Company

The Company, if authorized by the directors, may:

- (1) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that the directors consider appropriate;
- (2) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person and at such discounts or premiums and on such other terms as they consider appropriate;
- (3) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and
- (4) mortgage, charge, whether by way of specific or floating charge, grant a security interest in, or give other security on, the whole or any part of the present and future assets and undertaking of the Company.

8.2 Bonds, Debentures, Debt

Any bonds, debentures or other debt obligations of the Company may be issued at a discount, premium or otherwise, or with special privileges as to redemption, surrender, drawing, allotment of or conversion into or exchange for shares or other securities, attending and voting at general meetings of the Company, appointment of Directors or otherwise and may, by their terms, be assignable free from any equities between the Company and the person to whom they were issued or any subsequent holder thereof, all as the Directors may determine.

9. ALTERATIONS

9.1 Alteration of Authorized Share Structure

Subject to Article 9.2 and the *Business Corporations Act*, the Company may:

- (1) by directors' resolution or by ordinary resolution, in each case as determined by the directors:
 - (a) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;

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- (b) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;
 - (c) subdivide or consolidate all or any of its unissued, or fully paid issued, shares;
 - (d) if the Company is authorized to issue shares of a class of shares with par value:
 - (i) decrease the par value of those shares; or
 - (ii) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;
 - (e) change all or any of its unissued shares with par value into shares without par value or any of its unissued shares without par value into shares with par value or change all or any of its fully paid issued shares with par value into shares without par value; or
 - (f) alter the identifying name of any of its shares; and
- (2) by ordinary resolution otherwise alter its shares or authorized share structure.

9.2 Special Rights and Restrictions

Subject to the *Business Corporations Act*, the Company may:

- (1) by directors' resolution or by ordinary resolution, in each case as determined by the directors, create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, if none of those shares have been issued; or vary or delete any special rights or restrictions attached to the shares of any class or series of shares, if none of those shares have been issued; and
- (2) by special resolution of the shareholders of the class or series affected, do any of the acts in (1) above if any of the shares of the class or series of shares have been issued.

9.3 Change of Name

The Company may by resolution of its directors or by ordinary resolution, in each case as determined by the directors, authorize an alteration of its Notice of Articles in order to change its name.

9.4 Other Alterations

The Company, save as otherwise provided by these Articles and subject to the *Business Corporations Act*, may:

- (1) by directors' resolution or by ordinary resolution, in each case as determined by the directors, authorize alterations to the Articles that are procedural or administrative in nature or are matters that pursuant to these Articles are solely within the directors' powers, control or authority; and
- (2) if the *Business Corporations Act* does not specify the type of resolution and these Articles do not specify another type of resolution, by ordinary resolution alter these Articles.

10. MEETINGS OF SHAREHOLDERS

10.1 Annual General Meetings

Unless an annual general meeting is deferred or waived in accordance with the *Business Corporations Act*, the Company must hold its first annual general meeting within 18 months after the date on which it was recognized, and after that must hold an annual general meeting at least once in each calendar year and not more than 15 months after the last annual reference date at such time and place as may be determined by the directors.

10.2 Resolution Instead of Annual General Meeting

If all the shareholders who are entitled to vote at an annual general meeting consent by a unanimous resolution under the *Business Corporations Act* to all of the business that is required to be transacted at that annual general meeting, the annual general meeting is deemed to have been held on the date of the unanimous resolution. The shareholders must, in any unanimous resolution passed under this Article 10.2, select as the Company's annual reference date a date that would be appropriate for the holding of the applicable annual general meeting.

10.3 Calling of Meetings of Shareholders

The directors may, whenever they think fit, call a meeting of shareholders.

10.4 Location of Meetings of Shareholders

A meeting of the Company may be held:

- (1) in the Province of British Columbia;
- (2) at another location outside British Columbia if that location is:
 - (a) approved by resolution of the directors before the meeting is held; or
 - (b) approved in writing by the Registrar of Companies before the meeting is held.

10.5 Notice for Meetings of Shareholders

Subject to Article 10.2, the Company must send notice of the date, time and location of any meeting of shareholders, in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by directors' resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled to attend the meeting, to each director and to the auditor of the Company, unless these Articles otherwise provide, at least the following number of days before the meeting:

- (1) if and for so long as the Company is a public company, 21 days;
- (2) otherwise, 10 days.

10.6 Record Date

The directors may set a date as the record date for the purpose of determining shareholders entitled to notice of and to vote at any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. The record date must not precede the date on which the meeting is held by fewer than:

- (1) if and for so long as the Company is a public company, 21 days;
- (2) otherwise, 10 days.

If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

10.7 Failure to Give Notice and Waiver of Notice

The accidental omission to send notice of any meeting to, or the non-receipt of any notice by, any of the persons entitled to notice does not invalidate any proceedings at that meeting. Any person entitled to notice of a meeting of shareholders may, in writing or otherwise, waive or reduce the period of notice of such meeting.

10.8 Notice of Special Business at Meetings of Shareholders

If a meeting of shareholders is to consider special business within the meaning of Article 11.1, the notice of meeting or a circular prepared in connection with the meeting must:

- (1) state the general nature of the special business; and
- (2) if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state that a copy of the document :
 - (a) will be available for inspection by shareholders at the Company's head office, or at such other reasonably accessible location in British Columbia as is specified in the notice during statutory business hours on any one or more specified days before the day set for the holding of the meeting; and
 - (b) may provide that the document is available by request from the Company or accessible electronically or on a website as determined by the directors.

11. PROCEEDINGS AT MEETINGS OF SHAREHOLDERS

11.1 Special Business

At a meeting of shareholders, the following business is special business:

- (1) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting;
- (2) at an annual general meeting, all business is special business except for the following:
 - (a) business relating to the conduct of or voting at the meeting;
 - (b) consideration of any financial statements of the Company presented to the meeting;
 - (c) consideration of any reports of the directors or auditor;
 - (d) the setting or changing of the number of directors;
 - (e) the election or appointment of directors;

- (f) the appointment of an auditor;
- (g) the setting of the remuneration of an auditor;
- (h) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution;
- (i) any other business which, under these Articles or the *Business Corporations Act*, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

11.2 Special Majority

The majority of votes required for the Company to pass a special resolution (when such resolution is required by law) at a meeting of shareholders is two-thirds of the votes cast on the resolution.

11.3 Quorum

Subject to the special rights and restrictions attached to the shares of any class or series of shares, the quorum for the transaction of business at a meeting of shareholders is ~~one person present in person or two persons who are, or who represent~~ by proxy, shareholders who, in the aggregate hold at least 25% of the issued shares entitled to be voted at the meeting.

11.4 Other Persons May Attend

The directors, the president (if any), the secretary (if any), the assistant secretary (if any), any lawyer for the Company, the auditor of the Company and any other persons invited by the directors are entitled to attend any meeting of shareholders, but if any of those persons does attend a meeting of shareholders, that person is not to be counted in the quorum and is not entitled to vote at the meeting unless that person is a shareholder or proxy holder entitled to vote at the meeting.

11.5 Requirement of Quorum

No business, other than the election of a chair of the meeting and the adjournment of the meeting, may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the meeting, but such quorum need not be present throughout the meeting.

11.6 Lack of Quorum

If, within one-half hour from the time set for the holding of a meeting of shareholders, a quorum is not present:

- (1) in the case of a general meeting requisitioned by shareholders, the meeting is dissolved, and
- (2) in the case of any other meeting of shareholders, the meeting stands adjourned to the same day in the next week at the same time and place.

11.7 Lack of Quorum at Succeeding Meeting

If, at the meeting to which the meeting referred to in Article 11.7(2) was adjourned, a quorum is not present within one-half hour from the time set for the holding of the meeting, the person or persons present and being, or representing by proxy, one or more shareholders entitled to attend and vote at the meeting shall constitute a quorum.

11.8 Chair

The following individual is entitled to preside as chair at a meeting of shareholders:

- (1) the chair of the board, if any; or
- (2) if the chair of the board is absent or unwilling to act as chair of the meeting, the president, if any.

11.9 Selection of Alternate Chair

If, at any meeting of shareholders, there is no chair of the board or president willing to act as chair of the meeting or present within 15 minutes after the time set for holding the meeting, or if the chair of the board and the president have advised the secretary, if any, or any director present at the meeting, that they will not be present at the meeting, the directors present must choose a director, officer or corporate counsel to be chair of the meeting or if none of the above persons are present or if they decline to take the chair, the shareholders entitled to vote at the meeting who are present in person or by proxy may choose any person present at the meeting to chair the meeting.

11.10 Adjournments

The chair of a meeting of shareholders may, and if so directed by the meeting must, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

11.11 Notice of Adjourned Meeting

It is not necessary to give any notice of an adjourned meeting or of the business to be transacted at an adjourned meeting of shareholders except that, when a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of the original meeting.

11.12 Decisions by Show of Hands or Poll

Subject to the *Business Corporations Act*, every motion put to a vote at a meeting of shareholders will be decided on a show of hands unless a poll, before or on the declaration of the result of the vote by show of hands, is directed by the chair or demanded by at least one shareholder entitled to vote who is present in person or by proxy.

11.13 Declaration of Result

The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands or the poll, as the case may be, and that decision must be entered in the minutes of the meeting. A declaration of the chair that a resolution is carried by the necessary majority or is defeated is, unless a poll is directed by the chair or demanded under Article 11.12, conclusive evidence without proof of the number or proportion of the votes recorded in favour of or against the resolution.

11.14 Motion Need Not be Seconded

No motion proposed at a meeting of shareholders need be seconded unless the chair of the meeting rules otherwise, and the chair of any meeting of shareholders is entitled to propose or second a motion.

11.15 Casting Vote

In case of an equality of votes, the chair of a meeting of shareholders, either on a show of hands or on a poll, has a second or casting vote in addition to the vote or votes to which the chair may be entitled as a shareholder.

11.16 Manner of Taking Poll

Subject to Article 11.17, if a poll is duly demanded at a meeting of shareholders:

- (1) the poll must be taken:
 - (a) at the meeting, or within seven days after the date of the meeting, as the chair of the meeting directs; and
 - (b) in the manner, at the time and at the place that the chair of the meeting directs;
- (2) the result of the poll is deemed to be the decision of the meeting at which the poll is demanded; and
- (3) the demand for the poll may be withdrawn by the person who demanded it.

11.17 Demand for Poll on Adjournment

A poll demanded at a meeting of shareholders on a question of adjournment must be taken immediately at the meeting.

11.18 Chair Must Resolve Dispute

In the case of any dispute as to the admission or rejection of a vote given on a poll, the chair of the meeting must determine the dispute, and his or her determination made in good faith is final and conclusive.

11.19 Casting of Votes

On a poll, a shareholder entitled to more than one vote need not cast all the votes in the same way.

11.20 Demand for Poll

No poll may be demanded in respect of the vote by which a chair of a meeting of shareholders is elected.

11.21 Demand for Poll Not to Prevent Continuance of Meeting

The demand for a poll at a meeting of shareholders does not, unless the chair of the meeting so rules, prevent the continuation of a meeting for the transaction of any business other than the question on which a poll has been demanded.

11.22 Retention of Ballots and Proxies

The Company must, for at least three months after a meeting of shareholders, keep each ballot cast on a poll and each proxy voted at the meeting, and, during that period, make them available for inspection during normal business hours by any shareholder or proxy holder entitled to vote at the meeting. At the end of such three month period, the Company may destroy such ballots and proxies.

12. VOTES OF SHAREHOLDERS

12.1 Number of Votes by Shareholder or by Shares

Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint shareholders under Article 12.3:

- (1) on a vote by show of hands, every person present who is a shareholder or proxy holder and entitled to vote on the matter has one vote; and

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- (2) on a poll, every shareholder entitled to vote on the matter has one vote in respect of each share entitled to be voted on the matter and held by that shareholder and may exercise that vote either in person or by proxy.

12.2 Votes of Persons in Representative Capacity

A person who is not a shareholder may vote at a meeting of shareholders, whether on a show of hands or on a poll, and may appoint a proxy holder to act at the meeting, if, before doing so, the person satisfies the chair of the meeting, or the directors, that the person is a legal personal representative or a trustee in bankruptcy for a shareholder who is entitled to vote at the meeting.

12.3 Votes by Joint Holders

If there are joint shareholders registered in respect of any share:

- (1) any one of the joint shareholders may vote at any meeting, either in person or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or
- (2) if more than one of the joint shareholders is present at any meeting, personally or by proxy, and more than one of them votes in respect of that share, then only the vote of the joint shareholder present whose name stands first on the central securities register in respect of the share will be counted.

12.4 Legal Personal Representatives as Joint Shareholders

Two or more legal personal representatives of a shareholder in whose sole name any share is registered are, for the purposes of Article 12.3, deemed to be joint shareholders.

12.5 Representative of a Corporate Shareholder

If a corporation, that is not a subsidiary of the Company, is a shareholder, that corporation may appoint a person to act as its representative at any meeting of shareholders of the Company, and:

- (1) for that purpose, the instrument appointing a representative must:
 - (a) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice for the receipt of proxies, or if no number of days is specified, two business days before the day set for the holding of the meeting; or
 - (b) at the discretion of the chair, be provided at the meeting to the chair of the meeting or to a person designated by the chair of the meeting;
- (2) if a representative is appointed under this Article 12.5:
 - (a) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder; and
 - (b) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

Evidence of the appointment of any such representative may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages. Notwithstanding the foregoing, a corporation that is a shareholder may appoint a proxy holder.

12.6 Proxy Provisions Do Not Apply to All Companies

Articles 12.7 to 12.15 do not apply to the Company if and for so long as it is a public company or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply.

12.7 Appointment of Proxy Holders

Every shareholder of the Company, including a corporation that is a shareholder but not a subsidiary of the Company, entitled to vote at a meeting of shareholders of the Company may, by proxy, appoint up to two proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy.

12.8 Alternate Proxy Holders

A shareholder may appoint one or more alternate proxy holders to act in the place of an absent proxy holder.

12.9 When Proxy Holder Need Not Be Shareholder

A person must not be appointed as a proxy holder unless the person is a shareholder, although a person who is not a shareholder may be appointed as a proxy holder if:

- (1) the person appointing the proxy holder is a corporation or a representative of a corporation appointed under Article 12.5;
- (2) the Company has at the time of the meeting for which the proxy holder is to be appointed only one shareholder entitled to vote at the meeting; or
- (3) the shareholders present in person or by proxy at and entitled to vote at the meeting for which the proxy holder is to be appointed, by a resolution on which the proxy holder is not entitled to vote but in respect of which the proxy holder is to be counted in the quorum, permit the proxy holder to attend and vote at the meeting.

12.10 Deposit of Proxy

A proxy for a meeting of shareholders must:

- (1) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice, or if no number of days is specified, two business days before the day set for the holding of the meeting; or
- (2) unless the notice provides otherwise, be provided, at the meeting, to the chair of the meeting or to a person designated by the chair of the meeting.

A proxy may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

12.11 Validity of Proxy Vote

A vote given in accordance with the terms of a proxy is valid notwithstanding the death or incapacity of the shareholder giving the proxy and despite the revocation of the proxy or the revocation of the authority under which the proxy is given, unless notice in writing of that death, incapacity or revocation is received:

- (1) at the registered office of the Company, at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used; or
- (2) by the chair of the meeting, before the vote is taken.

12.12 Form of Proxy

A proxy, whether for a specified meeting or otherwise, must be either in the following form or in any other form approved by the directors or the chair of the meeting:

[name of company]
(the "Company")

The undersigned, being a shareholder of the Company, hereby appoints [name] or, failing that person, [name], as proxy holder for the undersigned to attend, act and vote for and on behalf of the undersigned at the meeting of shareholders of the Company to be held on [month, day, year] and at any adjournment of that meeting.

Number of shares in respect of which this proxy is given (if no number is specified, then this proxy is given in respect of all shares registered in the name of the shareholder):

Signed [month, day, year]

[Signature of shareholder]

[Name of shareholder—printed]

12.13 Revocation of Proxy

Subject to Article 12.14, every proxy may be revoked by an instrument in writing that is:

- (1) received at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used; or
- (2) provided, at the meeting, to the chair of the meeting.

12.14 Revocation of Proxy Must Be Signed

An instrument referred to in Article 12.13 must be signed as follows:

- (1) if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or his or her legal personal representative or trustee in bankruptcy;

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- (2) if the shareholder for whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation under Article 12.5.

12.15 Production of Evidence of Authority to Vote

The chair of any meeting of shareholders may, but need not, inquire into the authority of any person to vote at the meeting and may, but need not, demand from that person production of evidence as to the existence of the authority to vote.

12.16 Electronic Meetings and Voting

The directors may determine that a meeting of shareholders shall be held entirely by means of a telephonic, electronic or other communication facility that permits all participants to communicate with each other during the meeting, and any vote at that meeting of shareholders shall be held entirely by means of that communication facility. A meeting of shareholders may also be held at which some, but not all, persons entitled to attend may participate and vote by means of such a communication facility, if the directors determine to make one available. A person participating in a meeting by such means is deemed to be present at the meeting. Any vote at a meeting of shareholders may be also held entirely by means of a telephonic, electronic or other communication facility, if the directors determine to make one available, even if none of the persons entitled to attend otherwise participates in the meeting by means of a communication facility. For the purpose of voting, a communication facility that is made available by the Company must enable the votes to be gathered in a manner that adequately discloses the intentions of the shareholders and permits a proper tally of the votes to be presented to the Company. The instructing of proxy holders may be carried out by means of telephonic, electronic or other communication facility in addition to or in substitution for instructing proxy holders by mail.

13. DIRECTORS

13.1 Number of Directors

The number of directors shall be determined from time to time by the board of directors but shall not be fewer than three (3) directors if the Company is a public company.

13.2 Change in Number of Directors

If the number of directors is set under Articles 13.1(2) or 13.1(3):

- (1) the shareholders may elect or appoint the directors needed to fill any vacancies in the board of directors up to that number;
- (2) if the shareholders do not elect or appoint the directors needed to fill any vacancies in the board of directors up to that number contemporaneously with the setting of that number, then the directors may appoint, or the shareholders may elect or appoint, directors to fill those vacancies.

13.3 Directors' Acts Valid Despite Vacancy

An act or proceeding of the directors is not invalid merely because fewer than the number of directors set or otherwise required under these Articles is in office.

13.4 Qualifications of Directors

A director is not required to hold a share in the capital of the Company as qualification for his or her office but must be qualified as required by the *Business Corporations Act* to become, act or continue to act as a director.

13.5 Remuneration of Directors

The directors are entitled to the remuneration for acting as directors, if any, as the directors may from time to time determine. If the directors so decide, the remuneration of the directors, if any, will be determined by the shareholders. That remuneration may be in addition to any salary or other remuneration paid to any officer or employee of the Company as such, who is also a director.

13.6 Reimbursement of Expenses of Directors

The Company must reimburse each director for the reasonable expenses that he or she may incur in and about the business of the Company.

13.7 Special Remuneration for Directors

If any director performs any professional or other services for the Company that in the opinion of the directors are outside the ordinary duties of a director, or if any director is otherwise specially occupied in or about the Company's business, he or she may be paid remuneration fixed by the directors, or, at the option of that director, fixed by ordinary resolution, and such remuneration may be either in addition to, or in substitution for, any other remuneration that he or she may be entitled to receive.

13.8 Gratuity, Pension or Allowance on Retirement of Director

Unless otherwise determined by ordinary resolution, the directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any director or to his or her spouse or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

14. ELECTION AND REMOVAL OF DIRECTORS

14.1 Election at Annual General Meeting

At every annual general meeting and in every unanimous resolution contemplated by Article 10.2:

- (1) the shareholders entitled to vote at the annual general meeting for the election of directors must elect, or in the unanimous resolution appoint, a board of directors consisting of the number of directors for the time being set under these Articles; and
- (2) those directors whose term of office expires at the annual general meeting cease to hold office immediately before the election or appointment of directors under paragraph (1), but are eligible for re-election or re-appointment.

14.2 Consent to be a Director

No election, appointment or designation of an individual as a director is valid unless:

- (1) that individual consents to be a director in the manner provided for in the *Business Corporations Act*; or
- (2) that individual is elected or appointed at a meeting at which the individual is present and the individual does not refuse, at the meeting, to be a director.

14.3 Failure to Elect or Appoint Directors

If:

- (1) the Company fails to hold an annual general meeting, and all the shareholders who are entitled to vote at an annual general meeting fail to pass the unanimous resolution contemplated by Article 10.2, on or before the date by which the annual general meeting is required to be held under the *Business Corporations Act*; or
- (2) the shareholders fail, at the annual general meeting or in the unanimous resolution contemplated by Article 10.2, to elect or appoint any directors;

then each director then in office continues to hold office until the earlier of:

- (3) the date on which his or her successor is elected or appointed; and
- (4) the date on which he or she otherwise ceases to hold office under the *Business Corporations Act* or these Articles.

14.4 Places of Retiring Directors Not Filled

If, at any meeting of shareholders at which there should be an election of directors, the places of any of the retiring directors are not filled by that election, those retiring directors who are not re-elected and who are asked by the newly elected directors to continue in office will, if willing to do so, continue in office to complete the number of directors for the time being set pursuant to these Articles until further new directors are elected at a meeting of shareholders convened for that purpose. If any such election or continuance of directors does not result in the election or continuance of the number of directors for the time being set pursuant to these Articles, the number of directors of the Company is deemed to be set at the number of directors actually elected or continued in office.

14.5 Directors May Fill Casual Vacancies

Any casual vacancy occurring in the board of directors may be filled by the directors.

14.6 Remaining Directors Power to Act

The directors may act notwithstanding any vacancy in the board of directors, but if the Company has fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the directors may only act for the purpose of appointing directors up to that number or of summoning a meeting of shareholders for the purpose of filling any vacancies on the board of directors or, subject to the *Business Corporations Act*, for any other purpose.

14.7 Shareholders May Fill Vacancies

If the Company has no directors or fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the shareholders may elect or appoint directors to fill any vacancies on the board of directors.

14.8 Additional Directors

Notwithstanding Articles 13.1 and 13.2, between annual general meetings or unanimous resolutions contemplated by Article 10.2, the directors may appoint one or more additional directors, but the number of additional directors appointed under this Article 14.8 must not at any time exceed one-third of the number of the current directors who were elected or appointed as directors other than under this Article 14.8.

Any director so appointed ceases to hold office immediately upon the next election or appointment of directors under Article 14.1(1), but is eligible for re-election or re-appointment.

14.9 Ceasing to be a Director

A director ceases to be a director when:

- (1) the term of office of the director expires;
- (2) the director dies;
- (3) the director resigns as a director by notice in writing provided to the Company or a lawyer for the Company; or
- (4) the director is removed from office pursuant to Articles 14.10 or 14.11.

14.10 Removal of Director by Shareholders

The Company may remove any director before the expiration of his or her term of office by special resolution. In that event, the shareholders may elect, or appoint by ordinary resolution, a director to fill the resulting vacancy. If the shareholders do not elect or appoint a director to fill the resulting vacancy contemporaneously with the removal, then the directors may appoint or the shareholders may elect, or appoint by ordinary resolution, a director to fill that vacancy.

14.11 Removal of Director by Directors

The directors may remove any director before the expiration of his or her term of office if the director is convicted of an indictable offence, or if the director ceases to be qualified to act as a director of a company and does not promptly resign, and the directors may appoint a director to fill the resulting vacancy.

15. ALTERNATE DIRECTORS

~~15.1 Appointment of Alternate Director~~

~~Any director (an "appointor") may by notice in writing received by the Company appoint any person (an "appointee") who is qualified to act as a director to be his or her alternate to act in his or her place at meetings of the directors or committees of the directors at which the appointor is not present unless (in the case of an appointee who is not a director) the directors have reasonably disapproved the appointment of such person as an alternate director and have given notice to that effect to his or her appointor within a reasonable time after the notice of appointment is received by the Company.~~

~~15.2 Notice of Meetings~~

~~Every alternate director so appointed is entitled to notice of meetings of the directors and of committees of the directors of which his or her appointor is a member and to attend and vote as a director at any such meetings at which his or her appointor is not present.~~

~~15.3 Alternate for More Than One Director Attending Meetings~~

~~A person may be appointed as an alternate director by more than one director, and an alternate director:~~

- ~~(1) will be counted in determining the quorum for a meeting of directors once for each of his or her appointors and, in the case of an appointee who is also a director, once more in that capacity;~~

~~(2) has a separate vote at a meeting of directors for each of his or her appointors and, in the case of an appointee who is also a director, an additional vote in that capacity;~~

~~(3) will be counted in determining the quorum for a meeting of a committee of directors once for each of his or her appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a director, once more in that capacity;~~

~~(4) has a separate vote at a meeting of a committee of directors for each of his or her appointors who is a member of that committee and, in the case of an appointee who is~~

~~also a member of that committee as a director, an additional vote in that capacity.~~

~~15.4 Consent Resolutions~~Intentionally deleted.

~~Every alternate director, if authorized by the notice appointing him or her, may sign in place of his or her appointor any resolutions to be consented to in writing.~~

~~15.5 Alternate Director Not an Agent~~

~~Every alternate director is deemed not to be the agent of his or her appointor.~~

~~15.6 Revocation of Appointment of Alternate Director~~

~~An appointor may at any time, by notice in writing received by the Company, revoke the appointment of an alternate director appointed by him or her.~~

~~15.7 Ceasing to be an Alternate Director~~

~~The appointment of an alternate director ceases when:~~

~~(1) his or her appointor ceases to be a director and is not promptly re-elected or re-appointed;~~

~~(2) the alternate director dies;~~

~~(3) the alternate director resigns as an alternate director by notice in writing provided to the Company or a lawyer for the Company;~~

~~(4) the alternate director ceases to be qualified to act as a director; or~~

~~(5) his or her appointor revokes the appointment of the alternate director.~~

~~15.8 Remuneration and Expenses of Alternate Director~~

~~The Company may reimburse an alternate director for the reasonable expenses that would be properly reimbursed if he or she were a director, and the alternate director is entitled to receive from the Company such proportion, if any, of the remuneration otherwise payable to the appointor as the appointor may from time to time direct.~~

16. POWERS AND DUTIES OF DIRECTORS

16.1 Powers of Management

The directors must, subject to the *Business Corporations Act* and these Articles, manage or supervise the management of the business and affairs of the Company and have the authority to exercise all such powers of the Company as are not, by the *Business Corporations Act* or by these Articles, required to be exercised by the shareholders of the Company.

16.2 Appointment of Attorney of Company

The directors may from time to time, by power of attorney or other instrument, under seal if so required by law, appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles and excepting the power to fill vacancies in the board of directors, to remove a director, to change the membership of, or fill vacancies in, any committee of the directors, to appoint or remove officers appointed by the directors and to declare dividends) and for such period, and with such remuneration and subject to such conditions as the directors may think fit. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the directors think fit. Any such attorney may be authorized by the directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him or her.

16.3 Remuneration of Auditors

The directors may set the remuneration of the auditors. If the directors so decide, the remuneration of the auditors will be determined by the shareholders.

17. DISCLOSURE OF INTEREST OF DIRECTORS

17.1 Obligation to Account for Profits

A director or senior officer who holds a disclosable interest (as that term is used in the *Business Corporations Act*) in a contract or transaction into which the Company has entered or proposes to enter is liable to account to the Company for any profit that accrues to the director or senior officer under or as a result of the contract or transaction only if and to the extent provided in the *Business Corporations Act*.

17.2 Restrictions on Voting by Reason of Interest

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter is not entitled to vote on any directors' resolution to approve that contract or transaction, unless all the directors have a disclosable interest in that contract or transaction, in which case any or all of those directors may vote on such resolution.

17.3 Interested Director Counted in Quorum

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter and who is present at the meeting of directors at which the contract or transaction is considered for approval may be counted in the quorum at the meeting whether or not the director votes on any or all of the resolutions considered at the meeting.

17.4 Disclosure of Conflict of Interest or Property

A director or senior officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director or senior officer, must disclose the nature and extent of the conflict as required by the *Business Corporations Act*.

17.5 Director Holding Other Office in the Company

A director may hold any office or place of profit with the Company, other than the office of auditor of the Company, in addition to his or her office of director for the period and on the terms (as to remuneration or otherwise) that the directors may determine.

17.6 No Disqualification

No director or intended director is disqualified by his or her office from contracting with the Company either with regard to the holding of any office or place of profit the director holds with the Company or as vendor, purchaser or otherwise, and no contract or transaction entered into by or on behalf of the Company is invalid merely because:

- (1) a director or senior officer of the company has an interest, direct or indirect, in the contract or transaction;
- (2) a director or senior officer of the company has not disclosed an interest he or she has in the contract or transaction; or
- (3) the directors or shareholders of the company have not approved the contract or transaction in which a director or senior officer of the company has an interest.

17.7 Professional Services by Director or Officer

Subject to the *Business Corporations Act*, a director or officer, or any person in which a director or officer has an interest, may act in a professional capacity for the Company, except as auditor of the Company, and the director or officer or such person is entitled to remuneration for professional services as if that director or officer were not a director or officer.

17.8 Director or Officer in Other Corporations

A director or officer may be or become a director, officer or employee of, or otherwise interested in, any person in which the Company may be interested as a shareholder or otherwise, and, subject to the *Business Corporations Act*, the director or officer is not accountable to the Company for any remuneration or other benefits received by him or her as director, officer or employee of, or from his or her interest in, such other person.

18. PROCEEDINGS OF DIRECTORS

18.1 Meetings of Directors

The directors may meet together for the conduct of business, adjourn and otherwise regulate their meetings as they think fit, and meetings of the directors held at regular intervals may be held at the place, at the time and on the notice, if any, as the directors may from time to time determine.

18.2 Voting at Meetings

Questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting has a second or casting vote.

18.3 Chair of Meetings

The following individual is entitled to preside as chair at a meeting of directors:

- (1) the chair of the board, if any;
- (2) in the absence of the chair of the board or if designated by the chair, the president, a director or other officer; or
- (3) any other director or officer chosen by the directors if:
 - (a) neither the chair of the board nor the president is present at the meeting within 15 minutes after the time set for holding the meeting;
 - (b) neither the chair of the board nor the president is willing to chair the meeting; or
 - (c) the chair of the board and the president have advised the secretary, if any, or any other director, that they will not be present at the meeting.

18.4 Meetings by Telephone or Other Communications Medium

A director may participate in a meeting of the directors or of any committee of the directors in person or by telephone if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other. A director may participate in a meeting of the directors or of any committee of the directors by a communications medium other than telephone if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other and if all directors who wish to participate in the meeting agree to such participation. A director who participates in a meeting in a manner contemplated by this Article 18.4 is deemed for all purposes of the *Business Corporations Act* and these Articles to be present at the meeting and to have agreed to participate in that manner.

18.5 Calling of Meetings

A director may, and the secretary or an assistant secretary of the Company, if any, on the request of a director must, call a meeting of the directors at any time.

18.6 Notice of Meetings

Other than for meetings held at regular intervals as determined by the directors pursuant to Article 18.1, reasonable notice of each meeting of the directors, specifying the place, day and time of that meeting must be given to each of the directors and the alternate directors by any method set out in Article 24.1 or orally or by telephone.

18.7 When Notice Not Required

It is not necessary to give notice of a meeting of the directors to a director or an alternate director if:

- (1) the meeting is to be held immediately following a meeting of shareholders at which that director was elected or appointed, or is the meeting of the directors at which that director is appointed; or
- (2) the director or alternate director, as the case may be, has waived notice of the meeting.

18.8 Meeting Valid Despite Failure to Give Notice

The accidental omission to give notice of any meeting of directors to, or the non-receipt of any notice by, any director or alternate director, does not invalidate any proceedings at that meeting.

18.9 Waiver of Notice of Meetings

Any director or alternate director may send to the Company a document signed by him or her waiving notice of any past, present or future meeting or meetings of the directors and may at any time withdraw that waiver with respect to meetings held after that withdrawal. After sending a waiver with respect to all future meetings and until that waiver is withdrawn, no notice of any meeting of the directors need be given to that director and, unless the director otherwise requires by notice in writing to the Company, to his or her alternate director, and all meetings of the directors so held are deemed not to be improperly called or constituted by reason of notice not having been given to such director or alternate director.

18.10 Quorum

The quorum necessary for the transaction of the business of the directors may be set by the directors and, if not so set, is deemed to be set at a majority of directors or, if the number of directors is set at one, is deemed to be set at one director, and that director may constitute a meeting.

18.11 Validity of Acts Where Appointment Defective

Subject to the *Business Corporations Act*, an act of a director or officer is not invalid merely because of an irregularity in the election or appointment or a defect in the qualification of that director or officer.

18.12 Consent Resolutions in Writing

A resolution of the directors or of any committee of the directors consented to in writing by all of the directors entitled to vote on it, whether by signed document, fax, email or any other method of transmitting legibly recorded messages, is as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors duly called and held. Such resolution may be in two or more counterparts which together are deemed to constitute one resolution in writing. A resolution passed in that manner is effective on the date stated in the resolution or on the latest date stated on any counterpart. A resolution of the directors or of any committee of the directors passed in accordance with this Article 18.12 is deemed to be a proceeding at a meeting of directors or of the committee of the directors and to be as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors that satisfies all the requirements of the *Business Corporations Act* and all the requirements of these Articles relating to meetings of the directors or of a committee of the directors.

19. EXECUTIVE AND OTHER COMMITTEES**19.1 Appointment and Powers of Executive Committee**

The directors may, by resolution, appoint an executive committee consisting of the director or directors that they consider appropriate, and this committee has, during the intervals between meetings of the board of directors, all of the directors' powers, except:

- (1) the power to fill vacancies in the board of directors;
- (2) the power to remove a director;
- (3) the power to change the membership of, or fill vacancies in, any committee of the directors; and

- (4) such other powers, if any, as may be set out in the resolution or any subsequent directors' resolution.

19.2 Appointment and Powers of Other Committees

The directors may, by resolution:

- (1) appoint one or more committees (other than the executive committee) consisting of the director or directors that they consider appropriate;
- (2) delegate to a committee appointed under paragraph (1) any of the directors' powers, except:
 - (a) the power to fill vacancies in the board of directors;
 - (b) the power to remove a director;
 - (c) the power to change the membership of, or fill vacancies in, any committee of the directors; and
 - (d) the power to appoint or remove officers appointed by the directors; and
- (3) make any delegation referred to in paragraph (2) subject to the conditions set out in the resolution or any subsequent directors' resolution.

19.3 Obligations of Committees

Any committee appointed under Articles 19.1 or 19.2, in the exercise of the powers delegated to it, must:

- (1) conform to any rules that may from time to time be imposed on it by the directors; and
- (2) report every act or thing done in exercise of those powers at such times and in such manner and form as the directors may require.

19.4 Powers of Board

The directors may, at any time, with respect to a committee appointed under Articles 19.1 or 19.2:

- (1) revoke or alter the authority given to the committee, or override a decision made by the committee, except as to acts done before such revocation, alteration or overriding;
- (2) terminate the appointment of, or change the membership of, the committee; and
- (3) fill vacancies in the committee.

19.5 Committee Meetings

Subject to Article 19.3(1) and unless the directors otherwise provide in the resolution appointing the committee or in any subsequent resolution, with respect to a committee appointed under Articles 19.1 or 19.2:

- (1) the committee may meet and adjourn as it thinks proper;

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- (2) the committee may elect a chair of its meetings but, if no chair of a meeting is elected, or if at a meeting the chair of the meeting is not present within 15 minutes after the time set for holding the meeting, the directors present who are members of the committee may choose one of their number to chair the meeting;
 - (3) a majority of the members of the committee constitutes a quorum of the committee; and
 - (4) questions arising at any meeting of the committee are determined by a majority of votes of the members present, and in case of an equality of votes, the chair of the meeting does not have a second or casting vote.

20. OFFICERS

20.1 Directors May Appoint Officers

The directors may, from time to time, appoint such officers, if any, as the directors determine and the directors may, at any time, terminate any such appointment.

20.2 Functions, Duties and Powers of Officers

The directors may, for each officer:

- (1) determine the functions and duties of the officer;
- (2) entrust to and confer on the officer any of the powers exercisable by the directors on such terms and conditions and with such restrictions as the directors think fit; and
- (3) revoke, withdraw, alter or vary all or any of the functions, duties and powers of the officer.

20.3 Qualifications

No officer may be appointed unless that officer is qualified in accordance with the *Business Corporations Act*. One person may hold more than one position as an officer of the Company. Any person appointed as the chair of the board or as the managing director must be a director. Any other officer need not be a director.

20.4 Remuneration and Terms of Appointment

All appointments of officers are to be made on the terms and conditions and at the remuneration (whether by way of salary, fee, commission, participation in profits or otherwise) that the directors thinks fit and are subject to termination at the pleasure of the directors, and an officer may in addition to such remuneration be entitled to receive, after he or she ceases to hold such office or leaves the employment of the Company, a pension or gratuity.

21. INDEMNIFICATION

21.1 Definitions

In this Article 21, “expenses” has the meaning set out in the *Business Corporations Act*.

21.2 Mandatory Indemnification of Directors and Officers

The directors must cause the Company to indemnify its directors and officers, and former directors and officers, and alternate directors, and their respective heirs and personal or other legal representatives to the greatest extent permitted by the *Business Corporations Act*. Each director and officer is deemed to have contracted with the Company on the terms of the indemnity contained in this section.

21.3 Mandatory Payment of Expenses of Directors and Officers

The directors must cause the Company to pay the expenses reasonably and actually incurred by its directors and officers, and former directors and officers, and alternate directors, and their respective heirs and personal or other legal representatives to the greatest extent permitted by the *Business Corporations Act*. Each director and officer is deemed to have contracted with the Company on the terms of the indemnity referred to in this section.

21.4 Indemnification

Subject to any restrictions in the *Business Corporations Act* and these Articles, the Company may indemnify any other person.

21.5 Non-Compliance with *Business Corporations Act*

The failure of a director, alternate director or officer of the Company to comply with the *Business Corporations Act* or these Articles does not invalidate any indemnity to which he or she is entitled under this Part.

21.6 Company May Purchase Insurance

The Company may purchase and maintain insurance for the benefit of any person (or his or her heirs or legal personal representatives) who:

- (1) is or was a director, alternate director, officer, employee or agent of the Company;
- (2) is or was a director, alternate director, officer, employee or agent of a corporation at a time when the corporation is or was an affiliate of the Company;
- (3) at the request of the Company, is or was a director, alternate director, officer, employee or agent of a corporation or of a partnership, trust, joint venture or other unincorporated entity;
- (4) at the request of the Company, holds or held a position equivalent to that of a director, alternate director or officer of a partnership, trust, joint venture or other unincorporated entity;

against any liability incurred by him or her as such director, alternate director, officer, employee or agent or person who holds or held such equivalent position.

22. DIVIDENDS

22.1 Payment of Dividends Subject to Special Rights

The provisions of this Article 22 are subject to the rights, if any, of shareholders holding shares with special rights as to dividends.

22.2 Declaration of Dividends

Subject to the *Business Corporations Act*, the directors may from time to time declare and authorize payment of such dividends as they may deem advisable.

22.3 No Notice Required

The directors need not give notice to any shareholder of any declaration under Article 22.2.

22.4 Record Date

The directors may set a date as the record date for the purpose of determining shareholders entitled to receive payment of a dividend. The record date must not precede the date on which the dividend is to be paid by more than two months. If no record date is set, the record date is 5 p.m. on the date on which the directors pass the resolution declaring the dividend.

22.5 Manner of Paying Dividend

A resolution declaring a dividend may direct payment of the dividend wholly or partly by the distribution of specific assets or of fully paid shares or of bonds, debentures or other securities of the Company, or in any one or more of those ways.

22.6 Settlement of Difficulties

If any difficulty arises in regard to a distribution under Article 22.5, the directors may settle the difficulty as they deem advisable, and, in particular, may:

- (1) set the value for distribution of specific assets;
- (2) determine that cash payments in substitution for all or any part of the specific assets to which any shareholders are entitled may be made to any shareholders on the basis of the value so fixed in order to adjust the rights of all parties; and
- (3) vest any such specific assets in trustees for the persons entitled to the dividend.

22.7 When Dividend Payable

Any dividend may be made payable on such date as is fixed by the directors.

22.8 Dividends to be Paid in Accordance with Number of Shares

All dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.

22.9 Receipt by Joint Shareholders

If several persons are joint shareholders of any share, any one of them may give an effective receipt for any dividend, bonus or other money payable in respect of the share.

22.10 Dividend Bears No Interest

No dividend bears interest against the Company.

22.11 Fractional Dividends

If a dividend to which a shareholder is entitled includes a fraction of the smallest monetary unit of the currency of the dividend, that fraction may be disregarded in making payment of the dividend and that payment represents full payment of the dividend.

22.12 Payment of Dividends

Any dividend or other distribution payable in cash in respect of shares may be paid by cheque, made payable to the order of the person to whom it is sent, and mailed to the address of the shareholder, or in the case of joint shareholders,

to the address of the joint shareholder who is first named on the central securities register, or to the person and to the address the shareholder or joint shareholders may direct in writing. The mailing of such cheque will, to the extent of the sum represented by the cheque (plus the amount of the tax required by law to be deducted), discharge all liability for the dividend unless such cheque is not paid on presentation or the amount of tax so deducted is not paid to the appropriate taxing authority.

22.13 Capitalization of Surplus

Notwithstanding anything contained in these Articles, the directors may from time to time capitalize any surplus of the Company and may from time to time issue, as fully paid, shares or any bonds, debentures or other securities of the Company as a dividend representing the surplus or any part of the surplus.

23. DOCUMENTS, RECORDS AND REPORTS

23.1 Recording of Financial Affairs

The directors must cause adequate accounting records to be kept to record properly the financial affairs and condition of the Company and to comply with the *Business Corporations Act*.

23.2 Inspection of Accounting Records

Unless the directors determine otherwise, or unless otherwise determined by ordinary resolution, no shareholder of the Company is entitled to inspect or obtain a copy of any accounting records of the Company.

24. NOTICES

24.1 Method of Giving Notice

Unless the *Business Corporations Act* or these Articles provides otherwise, a notice, statement, report or other record required or permitted by the *Business Corporations Act* or these Articles to be sent by or to a person may be sent by any one of the following methods:

- (1) mail addressed to the person at the applicable address for that person as follows:
 - (a) for a record mailed to a shareholder, the shareholder's registered address;
 - (b) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class;
 - (c) in any other case, the mailing address of the intended recipient;
- (2) delivery at the applicable address for that person as follows, addressed to the person:
 - (a) for a record delivered to a shareholder, the shareholder's registered address;
 - (b) for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class;
 - (c) in any other case, the delivery address of the intended recipient;

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- (3) sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;
 - (4) sending the record by email to the email address provided by the intended recipient for the sending of that record or records of that class;
 - (5) physical delivery to the intended recipient.

24.2 Deemed Receipt of Mailing

A record that is mailed to a person by ordinary mail to the applicable address for that person referred to in Article 24.1 is deemed to be received by the person to whom it was mailed on the day, Saturdays, Sundays and holidays excepted, following the date of mailing.

24.3 Certificate of Sending

A certificate signed by the secretary, if any, or other officer of the Company or of any other corporation acting in that behalf for the Company stating that a notice, statement, report or other record was addressed as required by Article 24.1, prepaid and mailed or otherwise sent as permitted by Article 24.1 is conclusive evidence of that fact.

24.4 Notice to Joint Shareholders

A notice, statement, report or other record may be provided by the Company to the joint shareholders of a share by providing the notice to the joint shareholder first named in the central securities register in respect of the share.

24.5 Notice to Trustees

A notice, statement, report or other record may be provided by the Company to the persons entitled to a share in consequence of the death, bankruptcy or incapacity of a shareholder by:

- (1) mailing the record, addressed to them:
 - (a) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and
 - (b) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or
- (2) if an address referred to in paragraph (1)(b) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

25. SEAL

25.1 Who May Attest Seal

Except as provided in Articles 25.2 and 25.3, the Company's seal, if any, must not be impressed on any record except when that impression is attested by the signatures of:

- (1) any two directors;
- (2) any officer, together with any director;

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- (3) if the Company only has one director, that director; or
 - (4) any one or more directors or officers or persons as may be determined by the directors.

25.2 Sealing Copies

For the purpose of certifying under seal a certificate of incumbency of the directors or officers of the Company or a true copy of any resolution or other document, despite Article 25.1, the impression of the seal may be attested by the signature of any director or officer.

25.3 Mechanical Reproduction of Seal

The directors may authorize the seal to be impressed by third parties on share certificates or bonds, debentures or other securities of the Company as they may determine appropriate from time to time. To enable the seal to be impressed on any share certificates or bonds, debentures or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the directors or officers of the Company are, in accordance with the *Business Corporations Act* or these Articles, printed or otherwise mechanically reproduced, there may be delivered to the person employed to engrave, lithograph or print such definitive or interim share certificates or bonds, debentures or other securities one or more unmounted dies reproducing the seal and the chair of the board or any senior officer together with the secretary, treasurer, secretary-treasurer, an assistant secretary, an assistant treasurer or an assistant secretary-treasurer may in writing authorize such person to cause the seal to be impressed on such definitive or interim share certificates or bonds, debentures or other securities by the use of such dies. Share certificates or bonds, debentures or other securities to which the seal has been so impressed are for all purposes deemed to be under and to bear the seal impressed on them.

26. PROHIBITIONS

26.1 Definitions

In this Article 26:

- (1) “designated security” means:
 - (a) a voting security of the Company;
 - (b) a security of the Company that is not a debt security and that carries a residual right to participate in the earnings of the Company or, on the liquidation or winding up of the Company, in its assets; or
 - (c) a security of the Company convertible, directly or indirectly, into a security described in paragraph (a) or (b);
- (2) “security” has the meaning assigned in the *Securities Act* (British Columbia);
- (3) “voting security” means a security of the Company that:
 - (a) is not a debt security, and
 - (b) carries a voting right either under all circumstances or under some circumstances that have occurred and are continuing.

26.2 Application

Article 26.3 does not apply to the Company if and for so long as it is a public company or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply.

26.3 Consent Required for Transfer of Shares or Designated Securities

No share or designated security may be sold, transferred or otherwise disposed of without the consent of the directors and the directors are not required to give any reason for refusing to consent to any such sale, transfer or other disposition.

SCHEDULE B
PROPOSED AMENDMENT TO OPTION PLAN

(As attached.)

SCHEDULE C
PROPOSED AMENDMENT TO RSU PLAN

(As attached.)

SCHEDULE D
PROPOSED AMENDMENT TO DSU PLAN

(As attached.)

SCHEDULE E
ADVANCE NOTICE POLICY

(As attached.)