



MANAGEMENT INFORMATION CIRCULAR

AND

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

MAGMA SILVER CORP.

TO BE HELD ON June 25, 2026

Dated: May 21, 2026



MAGMA SILVER CORP.

NOTICE OF ANNUAL GENERAL & SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the **Annual General & Special Meeting** (the “**Meeting**”) of **MAGMA SILVER CORP.** (the “**Company**”) will be held on **Thursday, June 25, 2026 at 10:00 a.m. PT** at the offices of the Company at #750 -1095 West Pender Street, Vancouver, BC V6E 2M6.

The Meeting will be held for the following purposes:

1. to receive the audited financial statements of the Company for the financial year ended December 31, 2025, together with the auditor’s reports thereon;
2. to fix the number of directors at four (4);
3. to elect directors for the ensuing year;
4. to appoint Saturna Group, Chartered Professional Accountants LLP, as the Company’s auditor for the ensuing year, and to authorize the directors to fix the remuneration to be paid to the auditor;
5. to consider and, if deemed appropriate, pass, with or without variation, a resolution to approve the Company’s Long Term Incentive Plan, as more fully described in the accompanying management information circular (the “**Circular**”); and
6. to transact such other business as may properly come before the Meeting or any adjournments thereof.

The accompanying Circular provides additional information relating to the matters to be dealt with at the Meeting and is deemed to form part of this Notice. Also accompanying this Notice are the (i) Form of Proxy or Voting Instruction Form, and (ii) Financial Statement Request Form. Any adjournment of the Meeting will be held at a time and place to be specified at the Meeting.

Only shareholders of record at the close of business on May 21, 2026, will be entitled to receive notice of and vote at the Meeting. Shareholders are entitled to vote at the Meeting either in person or by proxy and each shareholder of the Company entitled to vote on any matter at the Meeting shall be entitled to one vote for every such common share standing in such shareholder’s name on the record date of the Meeting.

Registered shareholders who are unable to attend the Meeting and who wish to ensure that their shares will be voted at the Meeting are requested to complete, date and sign the enclosed form of proxy, or another suitable form of proxy and deliver it in accordance with the instructions set out in the form of proxy and in the Circular.

Non-registered shareholders who plan to attend the Meeting must follow the instructions set out in the form of proxy or voting instruction form to ensure that their shares will be voted at the Meeting. If you hold your shares in a brokerage account, you are not a registered shareholder.

DATED at Vancouver, British Columbia, this 21st day of May 2026.

BY ORDER OF THE BOARD OF DIRECTORS:

Signed: “J. Stephen Barley”

J. STEPHEN BARLEY

Chairman, CEO & Director

MANAGEMENT INFORMATION CIRCULAR

IMPORTANT NOTICE ANNUAL GENERAL & SPECIAL MEETING OF SHAREHOLDERS OF MAGMA SILVER CORP.

NOTICE IS HEREBY GIVEN that an Annual General & Special Meeting (the "**Meeting**") of the holders (the "**Shareholders**") of common shares (the "**Common Shares**") of Magma Silver Corp. (the "**Company**") will be held at the offices of the Company, #750 -1095 West Pender Street, Vancouver, BC V6E 2M6 on Thursday, June 25, 2026 at 10:00 a.m. (Vancouver Time)

The information contained in this Management Information Circular (the "**Circular**"), unless otherwise indicated, is as of May 21, 2026.

SOLICITATION OF PROXIES

This Circular is furnished in connection with the solicitation of proxies by the management (the "**Management**") of Magma Silver Corp. (the "**Company**") for use at the Annual General & Special Meeting (the "**Meeting**") of the Company's shareholders ("**Shareholders**") to be held on Thursday, June 25, 2026, at the time and place and for the purposes set forth in the accompanying Notice of Meeting and at any adjournment thereof.

The enclosed form of proxy (the "**Proxy**") is solicited by Management. The solicitation will be primarily by mail; however, proxies may be solicited personally or by telephone by the regular officers and employees of the Company. The cost of solicitation will be borne by the Company.

The Company is not relying on the "**Notice and Access**" delivery procedures outlined in National Instrument 54-101 Communication with Beneficial Owners of Securities of a Reporting Issuer to distribute copies of proxy-related materials in connection with the Meeting by posting them on a website.

Section 1 - Voting

APPOINTMENT OF PROXYHOLDERS

The persons named in the Proxy are representatives of the Company.

A Shareholder entitled to vote at the Meeting 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 accompanying form of proxy. To exercise this right, a Shareholder shall strike out the names of the persons named in the accompanying form of proxy and insert the name of the Shareholder's nominee in the blank space provided, or complete another suitable form of proxy.

VOTING BY PROXYHOLDER

Manner of Voting

The common shares represented by the Proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for and, if the Shareholder specifies a choice on the Proxy with respect to any matter to be acted upon, the shares will be voted accordingly. On any poll, the persons named in the Proxy (the "**Proxyholders**") will vote the shares in respect of which they are appointed. Where directions are given by the Shareholder in respect of voting for or against any resolution, the Proxyholder will do so in accordance with such direction.

The Proxy, when properly signed, confers discretionary authority on the Proxyholder with respect to amendments or variations to the matters which may properly be brought before the Meeting. At the time of printing this Circular, Management is not aware that any such amendments, variations or other matters to be presented for action at the Meeting. However, if any other matters which are not now known to

Management should properly come before the Meeting, the proxies hereby solicited will be exercised on such matters in accordance with the best judgment of the Proxyholder.

In the absence of instructions to the contrary, the Proxyholders intend to vote the common shares represented by each Proxy, properly executed, in favour of the motions proposed to be made at the Meeting as stated under the headings in this Circular.

REVOCABILITY OF PROXY

A Shareholder who has given a Proxy may revoke it at any time before it is exercised. In addition to revocation in any other manner permitted by law, a Proxy may be revoked by instrument in writing executed by the Shareholder or by his or her attorney authorized in writing, or, if the Shareholder is a corporation, it must either be under its common seal or signed by a duly authorized officer and deposited with the Company's registrar and transfer agent, Endeavor Trust Corporation ("**Endeavor**") by hand or mail at 777 Hornby Street, #702, Vancouver, BC V6Z 1S4, Attention: Proxy Department, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or to the Chair of the Meeting on the day of the Meeting or any adjournment of it. A revocation of a Proxy does not affect any matter on which a vote has been taken prior to the revocation.

Voting Thresholds Required for Approval

In order to approve a motion proposed at the Meeting, a majority of not less than one-half of the votes cast will be required (an "**Ordinary Resolution**") unless the motion requires a special resolution (a "**Special Resolution**"), in which case a majority of not less than two-thirds of the votes cast will be required. In the event a motion proposed at the Meeting requires disinterested Shareholder approval, common shares held by Shareholders of the Company who are also "insiders", as such term is defined under applicable securities laws, will be excluded from the count of votes cast on such motion.

ADVICE TO REGISTERED SHAREHOLDERS

Shareholders whose names appear on the records of the Company as the registered holders of common shares in the capital of the Company (the "**Registered Shareholders**") may choose to vote by proxy whether or not they are able to attend the Meeting in person.

Registered Shareholders who choose to submit a Proxy may do so by completing, signing, dating and depositing the Proxy with Endeavor, by hand or mail at 777 Hornby Street, #702, Vancouver, BC V6Z 1S4, Attention: Proxy Department, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment thereof. The Proxy may be signed by the Shareholder or by his or her attorney in writing, or, if the Registered Shareholder is a corporation, it must either be under its common seal or signed by a duly authorized officer.

Alternatively, a registered shareholder may complete his or her form of proxy online at www.eproxy.ca by following the instructions provided on the form of proxy.

ADVICE TO BENEFICIAL SHAREHOLDERS

The information set forth in this section is of significant importance to many Shareholders as a substantial number of Shareholders do not hold shares in their own name.

Shareholders who do not hold their shares in their own name ("**Beneficial Shareholders**") should note that only proxies deposited by Registered Shareholders can be recognized and acted upon at the Meeting. If shares are listed in an account statement provided to a Shareholder by an intermediary, such as a brokerage firm, then, in almost all cases, those shares will not be registered in the Shareholder's name on the records of the Company. Such shares will more likely be registered under the name of the Shareholder's intermediary or an agent of that intermediary, and consequently the Shareholder will be a Beneficial Shareholder. In Canada, the vast majority of such shares are registered under the name CDS &

Co. (being the registration name for the Canadian Depositary for Securities, which acts as nominee for many Canadian brokerage firms). The shares held by intermediaries or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, an intermediary and its agents are prohibited from voting shares for the intermediary's clients. Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their shares are communicated to the appropriate person.

These proxy-related materials are being sent to both Registered Shareholders and Beneficial Shareholders of the Company. If you are a Beneficial Shareholder and the Company or its agent has sent these proxy-related materials directly to you, your name, address, and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding your securities on your behalf. By choosing to send these materials to you indirectly, the intermediary holding on your behalf has assumed responsibility for (i) delivering these materials to you and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purpose of voting shares registered in the name of their broker, agent or nominee, a Beneficial Shareholder may attend the Meeting as a Proxyholder for a Registered Shareholder and vote their shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their shares as Proxyholder for a Registered Shareholder should contact their broker, agent or nominee well in advance of the Meeting to determine the steps necessary to permit them to indirectly vote their shares as a Proxyholder.

There are two kinds of Beneficial Shareholders, those who object to their name being made known to the issuers of securities that they own ("**OBOs**" for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are ("**NOBOs**" for Non-Objecting Beneficial Owners).

Non-Objecting Beneficial Owners

Pursuant to National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), issuers can obtain a list of their NOBOs from intermediaries for distribution of proxy-related materials directly to NOBOs. This year, the Company will not be relying on those provisions of NI 54-101 that permit it to directly deliver proxy-related materials to its NOBOs. As a result, proxy materials are being sent to registered shareholders directly and to intermediaries to be forwarded to all NOBOs, who can expect to receive a voting instruction form ("**VIF**"). These VIFs are to be completed and returned in accordance with the mailing, and/or telephone voting, and/or internet voting instructions contained therein. Results of the VIFs received from NOBOs will be tabulated and appropriate instructions will be provided at the Meeting with respect to the shares represented by the VIFs received.

Objecting Beneficial Owners

Beneficial Shareholders who are OBOs should follow the instructions of their intermediary carefully to ensure that their shares are voted at the Meeting.

Applicable regulatory rules require intermediaries to seek voting instructions from OBOs in advance of Shareholders' meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by OBOs in order to ensure that their shares are voted at the Meeting. The purpose of the form of proxy or voting instruction form provided to an OBO by its broker, agent or nominee is limited to instructing the registered holder of the shares on how to vote such shares on behalf of the OBO.

The form of proxy provided to OBOs by intermediaries will be similar to the Proxy provided to Registered Shareholders. However, its purpose is limited to instructing the intermediary on how to vote your shares on your behalf. The majority of intermediaries now delegate responsibility for obtaining instructions from OBOs to Broadridge. Broadridge typically supplies voting instruction forms, mails those forms to OBOs,

and asks those OBOs to return the forms to Broadridge or follow specific telephonic or other voting procedures. Broadridge then tabulates the results of all instructions received by it and provides appropriate instructions respecting the voting of the shares to be represented at the Meeting. **An OBO receiving a voting instruction form from Broadridge cannot use that form to vote shares directly at the Meeting. Instead, the voting instruction form must be returned to Broadridge or the alternate voting procedures must be completed well in advance of the Meeting in order to ensure that such shares are voted.**

The Company does not intend to pay for Intermediaries to forward to objecting Beneficial Shareholders under NI 54-101 the proxy-related materials and Form 54-101F7 Request for Voting Instructions Made by Intermediary. An objecting Beneficial Shareholder will not receive such materials unless the objecting Beneficial Shareholder's Intermediary assumes the cost of delivery.

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

No person who has been a director or officer of the Company at any time since the beginning of the Company's last financial year, nor any proposed nominee for election as a director, nor any associate or affiliate of the foregoing persons, 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 other than the election of directors and the approval of the Company's Long Term Incentive Plan to the extent that such directors and/or officers hold Awards pursuant to the Long Term Incentive Plan.

NOTICE TO SHAREHOLDERS IN THE UNITED STATES

The solicitation of proxies involves securities of an issuer located in Canada and is being effected in accordance with the corporate laws of Canada and securities laws of the provinces of Canada. The proxy solicitation rules under the United States Securities Exchange Act of 1934, as amended, are not applicable to the Company or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the provinces of Canada differ from the disclosure requirements under United States securities laws. The enforcement by shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is incorporated under the *Business Corporations Act* (British Columbia), as amended (the "**Act**"), certain of its directors and its executive officers are residents of Canada and a substantial portion of its assets and the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

Section 2 – Voting Securities and Principal Holders Thereof

The Board of Directors of the Company (the "**Board**") has fixed May 21, 2026, as the record date (the "**Record Date**") for determining persons entitled to receive notice of the Meeting. Only Shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their common shares voted at the Meeting.

The Company is authorized to issue an unlimited number of common shares. As of the Record Date, there were 83,475,496 common shares without par value issued and outstanding, each carrying the right to one vote. No group of Shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the common shares.

To the knowledge of the directors and senior officers of the Company, no persons or companies beneficially own, or control or direct, directly or indirectly, Shares carrying 10% or more of the voting rights attached to all outstanding Shares of the Company.

Shareholder	No. of Common Shares	% of outstanding Common Shares
N/A		

Section 3 – Advance Notice Provisions

On October 14, 2016, Shareholders adopted New Articles, which included advance notice provisions (the “**Advance Notice Provisions**”) with respect to the election of directors, for the Company. Under the Advance Notice Provisions, advance notice to the Company must be made in circumstances where nominations of persons for election to the Board are made by Shareholders other than pursuant to a requisition of Shareholders or a proposal made in accordance with the *Business Corporations Act* (British Columbia).

Among other things, the Advance Notice Provisions require that: (a) in the case of an annual meeting of shareholders, notice to the Company must be made not less than 30 and not more than 65 days prior to the date of the annual meeting; provided, however, that 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 5:00 p.m. on the 10th day following such public announcement; and (b) in the case of a special meeting of shareholders (which is not also an annual meeting) called for the purpose of electing directors (whether or not called for other purposes), notice to the Company must be made not later than the 5:00 p.m. on the 15th day following the day on which the first public announcement of the date of the special meeting was made. The Advance Notice Provisions also set out the information that the shareholder notice must contain, for an effective nomination to occur.

No person will be eligible for election as a director of the Company unless nominated in accordance with the Advance Notice Provisions.

Section 4 – Statement of Executive Compensation

The following information regarding executive compensation is presented in accordance with National Instrument Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*. The objective of this disclosure is to communicate the compensation the Company paid, made payable, awarded, granted, gave or otherwise provided to each named executive officer and director for the financial year ended December 31, 2025, and the decision-making process relating to compensation.

Information contained in this Statement of Executive Compensation is as of December 31, 2025 unless indicated otherwise.

Currencies

Unless otherwise indicated herein, references in this Circular to “USD\$” are to the lawful currency of the United States and references to “CAD\$” are to the lawful currency of Canada.

Named Executive Officer

In this section, Named Executive Officer (“**NEO**”) means each of the following individuals:

- (a) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as a Chief Executive Officer (“**CEO**”), including an individual performing functions similar to a CEO;
- (b) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as a Chief Financial Officer (“**CFO**”), including an individual performing functions similar to a CFO;

- (c) in respect of the Company and its subsidiaries, the most highly compensated executive officer, other than individuals identified in paragraphs (a) and (b) above at the end of the most recently completed financial year whose total compensation was more than \$150,000 for that financial year; and
- (d) each individual who would be a NEO under paragraph I but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year.

Director and NEO Compensation

Director and NEO Compensation, Excluding Compensation Securities

The following table sets out all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company to each NEO, in any capacity, for the two most recently completed financial years:

Table of Compensation Excluding Compensation Securities							
Name and position	Year	Salary, consulting fee, retainer, or commission (USD\$)	Bonus (USD\$)	Committee or meeting fees (USD\$)	Value of perquisites (USD\$)	Value of all other compensation (USD\$)	Total compensation (USD\$)
Jack Stephen Barley ¹ Executive Chairman & Director, former CEO	2025	89,465	Nil	Nil	Nil	Nil	89,465
	2024	51,023	Nil	Nil	Nil	Nil	51,023
Jason Baker ² Director, CFO & Corp. Sec.	2025	41,869	Nil	Nil	Nil	Nil	41,869
	2024	7,289	Nil	Nil	Nil	Nil	7,289
Arndt Roehlig ³ Director	2025	Nil	Nil	Nil	Nil	Nil	Nil
	2024	Nil	Nil	Nil	Nil	Nil	Nil
Michael Townsend ⁴ Director	2025	44,732	Nil	Nil	Nil	Nil	44,732
	2024	Nil	Nil	Nil	Nil	Nil	Nil
Ramey Joe Sandberg ⁵ Former Director	2025	Nil	Nil	Nil	Nil	Nil	Nil
	2024	Nil	Nil	Nil	Nil	Nil	Nil
B. Yves Kabongo ⁶ Former CEO	2025	Nil	Nil	Nil	Nil	Nil	Nil
	2024	Nil	Nil	Nil	Nil	Nil	Nil
Shu Zhan ⁷ Former Director	2025	Nil	Nil	Nil	Nil	Nil	Nil
	2024	Nil	Nil	Nil	Nil	Nil	Nil

¹ Jack Stephen Barley was appointed President, CEO and director on October 20, 2017 until he resigned as President on May 2, 2018 when he was appointed Chairman. Subsequently, he resigned as CEO and Chairman on July 9, 2021 when he was appointed Executive Chairman. He was appointed Interim CEO on August 2, 2024 and CEO on June 24, 2025.

² Jason Baker was appointed CFO & Corporate Secretary on October 16, 2024 and was appointed a director on September 16, 2024

³ Arndt Roehlig was appointed as a director on August 2, 2024

⁴ Michael Townsend was appointed as a director on May 7, 2025

⁵ Ramey Joe Sandberg resigned as a director on May 7, 2025.

⁶ B. Yves Kabongo resigned on July 3, 2024.

⁷ Shu Zhan resigned on August 2, 2024.

Stock Options and Other Compensation Securities

The following table sets out all compensation securities granted or issued to each director and NEO by the Company or any subsidiary thereof in the financial year ended December 31, 2025 for services provided, to be provided, directly or indirectly, to the Company or any subsidiary thereof:

Name and position	Type of compensation security ⁽¹⁾	Number of compensation securities, number of underlying securities, and % of class	Date of issue or grant	Issue, conversion or exercise price (\$CAD)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
J. Stephen Barley ² <i>CEO, Executive Chairman & Director</i>	Stock Options Stock Options Stock Options	400,000 (5.97%) 800,000 (11.94%) 400,000 (5.97%)	May 6/25 Oct 9/25 Oct 23/25	\$0.16 \$0.20 \$0.25	\$0.16 \$0.20 \$0.25	\$0.34	May 6/30 Oct 9/30 Oct 23/30
Jason Baker ³ <i>CFO, Corporate Secretary, CFO & Director</i>	Stock Options Stock Options Stock Options	250,000 (3.73%) 150,000 (2.24%) 50,000 (0.75%)	May 6/25 Oct 9/25 Oct 23/25	\$0.16 \$0.20 \$0.25	\$0.16 \$0.20 \$0.25	\$0.34	May 6/30 Oct 9/30 Oct 23/30
Arndt Roehlig ⁴ <i>Director</i>	Stock Options Stock Options	250,000 (3.73%) 50,000 (0.75%)	May 6/25 Oct 23/25	\$0.16 \$0.25	\$0.16 \$0.25	\$0.34	May 6/30 Oct 23/30
Michael Townsend ⁵ <i>Director</i>	Stock Options Stock Options Stock Options	500,000 (7.46%) 337,500 (5.04%) 662,500 (9.89%)	May 6/25 Oct 9/25 Oct 23/25	\$0.16 \$0.20 \$0.25	\$0.16 \$0.20 \$0.25	\$0.34	May 6/30 Oct 9/30 Oct 23/30

¹ Each stock option entitles the holder to one Share upon exercise or release.

² J. Stephen Barley has a total of 1,600,000 stock options as at December 31, 2025.

³ Jason Baker has a total of 450,000 stock options as at December 31, 2025.

⁴ Arndt Roehlig has a total of 300,000 stock options as at December 31, 2025.

⁵ Michael Townsend has a total of 1,500,000 stock options as at December 31, 2025.

Exercise of Compensation Securities by Directors and NEOs

Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price & closing price on date of exercise (\$)	Total value on exercise date (\$)
N/A	N/A	Nil					

Approval of Long Term Incentive Plan

The Company's previous stock options plan, adopted by the Board of Directors on November 8, 2022 (the "**Prior Plan**") was most recently approved by Shareholders at the Company's annual general meeting held on September 16, 2024. On January 8, 2026, the Board of Directors approved and adopted a new Long Term Incentive Plan (the "**Current Plan**") to adopt a new "rolling up to 10% and fixed up to 8,000,000" plan, as defined in TSX Venture Policy 4.4 – *Security Based Compensation* ("**Policy 4.4**").

The Current Plan is a means by which to grant stock options ("**Options**"), as well as restricted share units ("**RSUs**"), performance share units ("**PSUs**"), deferred share units ("**DSUs**"), stock appreciation rights ("**SARs**") and together with the Options, (the "**Awards**") and without the Options ("**Incentive Awards**") to directors, officers, senior executives and other employees of the Company or a subsidiary, consultants and service providers providing ongoing services to the Company and its affiliates ("**Eligible Participants**"), and when such Eligible Participants are granted Awards, the ("**Participants**") in order to attract, retain and motivate such persons as individuals whose skills, performance and loyalty to the objectives and interests of the Company are necessary to the Company's success, to incentivize them to continue their services for the Company, and to align their interests with those of the Company.

A complete copy of the Current Plan is set out in Schedule "B" of this Circular, and a summary of the material provisions of the Current Plan are set out below.

Under Policy 4.4, "rolling up to 10% and fixed up to 8,000,000" plans must receive Shareholder approval yearly. Accordingly, the Company is required to seek Shareholder approval of the Current Plan at the Meeting.

Summary of the Current Plan

The following is a summary of the material provisions of the Current Plan. Capitalized terms used and not otherwise defined in this Circular have the meanings set forth in the Current Plan, attached as Schedule "B" to this Circular. The summary below is qualified in its entirety by the full text of the Current Plan.

<i>Adjustments</i>	The Current Plan may be adjusted if the number of outstanding Shares is increased or decreased as a result of a share split or consolidation, the Board may make appropriate adjustments, in accordance with the terms of the Current Plan, the policies of the Exchange, and applicable laws, to the number and price (or other basis upon which an Award is measured) of Awards credited to a Participant. Any adjustment, other than in connection with a share split or a consolidation of the Shares, to an Award granted or issued under the Current Plan will be subject to the prior acceptance of the TSXV.
<i>Administration</i>	The Current Plan is administered and interpreted by the Board of Directors. The Board of Directors shall have full authority to administer the Current Plan, including the authority to interpret and construe any provision of the Current Plan and to adopt, amend and rescind such rules and regulations for administering the Current Plan as the Board may deem necessary in order to comply with the requirements of the Current Plan. All the powers exercisable hereunder by the Board may, to the extent permitted by applicable law and as determined by resolution of the Board, be delegated to and exercised by the Committee or such other committee as the Board may determine.
<i>Amendments</i>	The Board of Directors may amend the Current Plan or any Award without consent of the Participants provided that the amendment shall: • not adversely alter or impair any Award previously granted; • be subject to any regulatory approvals; and • be subject to the approval of the Company's shareholders, where required, provided that the approval of the Company's shareholders is not required for the following amendments and the Board of Directors may make any changes which may include but are not limited to: (i) amendments to fix typographical errors; (ii) amendments to clarify existing provisions of the Current Plan that do not have the effect of altering the scope, nature and intent of such provisions; and (iii) a change or amendment required by the Exchange. The Board needs the approval of the Company's shareholders to make the following amendments: • any change to the persons eligible to be granted or issued Awards under the Current Plan; • any change to the maximum number of Shares issuable from treasury under the Current Plan; • any amendment to the participation limits set out in the Current Plan; • any amendment to the method for determining the exercise price of Options; • any amendment to the maximum term of an Award; • any amendment to the expiry and termination provisions applicable to Awards, including the addition of a blackout period; • the addition of a "net exercise" provision; and

	- any amendment to any method or formula for calculating prices, values or amounts under the Current Plan that may result in a benefit to a Participant. The Board needs the approval of the Company's disinterested shareholders to make the following amendments: - any Award grant or issue that would result in any of the participation limits set forth in the Current Plan being exceeded; - any amendment which reduces the exercise price or extends the term of any Award granted to a Person that is an Insider at the time of the proposed amendment; and - any amendment to an Award that results in a benefit to an Insider.
<i>Assignability</i>	Awards granted under the Current Plan are non-transferrable or assignable, other than in the event of death of the holder.
<i>Black-out Period</i>	If the expiration date of an Option falls within a black-out period or within the 10 business days following the end of the black-out period, then the expiration of the Option is extended to the 10th business day following the end of the black-out period.
<i>Cessation</i>	Cessation for any reason other than cause or death or disability — Forfeiture of all unvested Awards. All vested Awards as of the termination date shall: (i) in the case of an RSU or PSU, be settled in accordance with the terms of the Current Plan; and (ii) in the case of an Option, be exercised in accordance with the terms of the Current Plan, at any time during the period that terminates on the earlier of: (A) the Option's expiry date, and (B) the 90th day after the termination date. Any Option that remains unexercised shall be immediately forfeited upon the termination of such period. Termination for cause — Forfeiture of all vested and unvested Awards. Death or disability of a Participant — Acceleration of vesting of all unvested Awards be settled in accordance with the terms of the Current Plan; and in the case of an Option, be exercised in accordance with the terms of the Current Plan, at any time during the period that terminates on the earlier of: (A) the Option's expiry date, and (B) the first anniversary of the date of the death or disability of the Participant. Any Options that remain unexercised shall be immediately forfeited upon the termination of such period.
<i>Change of Control</i>	In the event of a "Change in Control", a reorganization of the Company, an amalgamation of the Company, an arrangement involving the Company, a take-over bid (as that term is defined in the <i>Securities Act</i> (British Columbia)) for all of the Shares or the sale or disposition of all or substantially all of the property and assets of the Company, the Board of Directors may make such provision for the protection of the rights of the Participants as the Board of Directors in its discretion considers appropriate in the circumstances. "Change in Control" means an event whereby (i) any person becomes the beneficial owner, directly or indirectly, of 50% or more of either the issued and outstanding Shares or the combined voting power of the Company's then outstanding voting securities entitled to vote generally; (ii) any person acquires, directly or indirectly, securities of the Company to which is attached the right to elect the majority of the

	directors of the Company; or (iii) the Company undergoes a liquidation or dissolution or sells all or substantially all of its assets.
<i>Shares Subject to the Current Plan</i>	Options - The total number of Shares reserved and available for grant and issuance pursuant to Options shall not exceed a number of Shares equal to 10% of the total issued and outstanding Shares of the Company at the time of granting of Awards (on a non-diluted basis). RSUs PSUs, DSUs & SARs - The total number of Shares reserved and available for grant and issuance pursuant to Incentive Awards shall not exceed 8,000,000 Shares (being 10% of the total issued and outstanding Shares of the Company at the effective date of the Plan).
<i>Eligibility</i>	The persons eligible to receive Awards are the Eligible Participants.
<i>Exchange Limits</i>	• The maximum number of Shares for which Awards may be issued to any one Participant under the Current Plan, together with any other security-based compensation arrangement of the Company, in any 12-month period shall not exceed 5% of the issued Shares, calculated on the date an Award is granted to the Participant. • The maximum number of Shares for which Awards may be issued to any one consultant in a 12-month period (in the aggregate) shall not exceed 2% of the issued Shares, calculated on the date an Award is granted to the Consultant. • The aggregate number of Options to all persons retained to provide investor relations activities must not exceed 2% of the issued Shares in any 12 month period calculated at the first such grant date (and including any Eligible Participant that performs investor relations activities and/or whose role or duties primarily consist of investor relations activities). No Incentive Awards may be granted under the Current Plan to persons retained to provide investor relations activities. • The aggregate number of Shares (i) issued to insiders under the Current Plan together with any other security-based compensation arrangement of the Company, within any one year period and (ii) issuable to insiders at any time under the Current Plan together with any other security-based compensation arrangement, shall in each case not exceed 10% of the issued and outstanding Shares. • Options granted to any Person retained to provide investor relations activities must vest in a period of not less than 12 months from the date of grant of the Options and with no more than 25% of the Options vesting in any three month period.
<i>Exercise Price</i>	Options — The option price for the Shares that are the subject of any Option shall be determined by the Board of Directors at the time the Option is granted but may not be less than the “discounted market price” (as defined in the Policies of the Exchange) of the Shares at the time of grant. RSUs, DSUs, SARs & PSUs — The purchase price of an Incentive Award is determined by the Board and may be zero.
<i>Term</i>	Options — The Board of Directors shall determine the period in which an Option is exercisable. An Option cannot expire later than 10 years from the date it is granted.

	RSUs & PSUs — RSUs shall be subject to such restrictions as the Board, in its sole discretion, may establish, which restrictions may lapse separately or in combination at such time or times and on such terms, conditions and satisfaction of objectives as the Board may, in its discretion, determine at the time an Award is granted. All PSUs will vest and become payable to the extent that the performance criteria set forth in the award agreement are satisfied for the performance cycle, the determination of which shall be made by the Board. The Board of Directors also sets a date upon which it is determined whether the vesting conditions with respect to RSUs or PSUs have been met (the "RSU or PSU Vesting Determination Date"). This then establishes the number of RSUs or PSUs that become vested. The RSU or PSU Vesting Determination Date cannot fall outside the period (the "Restricted Period") that ends on December 31 of the year that is three years after the calendar year in which the grant of RSUs or PSUs was made. Any RSU or PSU that remains unvested on the RSU or PSU Vesting Determination or at the end of the Restricted Period, whichever is earlier, is cancelled. SARs — SARs cannot expire later than 10 years from the date it is granted.
<i>Vesting</i>	Options — The Board of Directors shall, from time to time by resolution, determine the vesting provisions of the Options. RSUs, PSUs, DSUs, & SARs — The relevant conditions and vesting provisions of Incentive Awards are determined by the Board of Directors (including the performance period and criteria, if any). Vesting may be accelerated by the Board in its sole discretion for Awards held by a Participant who dies or who ceases to be an Eligible Person under the Current Plan in connection with a change of control, take-over bid, reverse takeover or other similar transaction as permitted by section 4.6 of the TSX Venture Exchange. In making its determination regarding the vesting requirements applicable to any RSUs, PSUs, DSUs or SARs, the Board of Directors shall ensure that such requirements are not considered a "salary deferral arrangement" for purposes of applicable legislation. No RSU, PSU, DSU or SAR issued pursuant to the Current Plan may vest before the date that is one year following the date of grant.

Unless otherwise directed, the directors or officers named in the Proxy intend to vote FOR ratifying and approving the Current Plan.

Accordingly, the shareholders of the Company will be asked to consider and, if deemed appropriate, to pass with or without variation, an ordinary resolution, subject to such amendments, variations or additions as may be approved at the Meeting, to ratify and approve the Current Plan attached to this Circular as Schedule "B". The text of the resolution is:

"BE IT RESOLVED as an ordinary resolution that:

1. the Long Term Incentive Plan of Magma Silver Corp. (the "**Company**"), substantially in the form as attached as Schedule "B" to the management information circular of the Company dated May 21, 2025, (the "**Current Plan**") with such other conforming changes as the board of directors of the Company considers necessary or appropriate, is hereby ratified, confirmed and approved;
2. the reservation for issuance from treasury pursuant to options under the Current Plan and under any other security based compensation arrangements adopted by the Company of up to 10% of

the issued and outstanding common shares of the Company from time to time is hereby ratified, confirmed and approved;

3. the reservation of up to 8,000,000 common shares of the Company for issuance from treasury pursuant to restricted share units under the Current Plan is hereby ratified, confirmed and approved;
4. the form of the Current Plan may be amended in order to satisfy the requirements or requests of any regulatory authority or stock exchange without requiring further approval of the shareholders;
5. the shareholders of the Company hereby expressly authorize the board of directors of the Company, in its discretion, to revoke this resolution before it is acted upon without requiring further approval of the shareholders in that regard; and
6. any one (or more) director or officer of the Company is authorized and directed, on behalf of the Company, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under corporate seal of the Company or otherwise) that may be necessary or desirable to give effect to this ordinary resolution."

In order to be passed, the above ordinary resolution must be approved by a majority of the aggregate votes cast by the holders of Shares at the Meeting. **Management recommends that the Company's shareholders vote "FOR" the above resolution.**

Shareholder approval of the Long Term Incentive Plan is required by the terms of the Long Term Incentive Plan and the rules of the Exchange.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table sets out information with respect to all compensation plans under which equity securities are authorized for issuance as of December 31, 2025:

Equity Compensation Plan Information			
Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by Securityholders	6,700,000	\$0.21	1,300,060
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	6,700,000	N/A	1,300,060 ¹

- 1 Represents the number of common shares available for issuance under the Prior Plan, a stock option plan, which reserves a number of common shares for issuance, pursuant to the exercise of stock options, that is equal to 10% of the issued and outstanding common shares from time to time.

Employment, Consulting and Management Agreements

Management functions of the Company are not, to any substantial degree, performed other than by directors or NEOs of the Company. Except as disclosed below, during the financial year ended December 31, 2025, there were no other agreements or arrangements that provided for compensation to NEOs or directors of the Company, or that provided for payments to a NEO or director at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, severance, a change of control in the Company or a change in the NEO or director's responsibilities.

Chief Executive Officer

The Company initially entered into a management agreement with CHM Financial Services Inc. ("**CHM**"), a private company solely owned by J. Stephen Barley, Chairman, on November 1, 2025, to provide CEO services to the Company. The Company subsequently entered into a new management agreement with CHM on May 1, 2026 (the "**CHM Agreement**"), which superseded the prior agreement.

Under the terms of the CHM Agreement, CHM has agreed to provide CEO services to the Company for a fee of CAD \$15,000 per month, equal to a fee of \$180,000 annually.

The Company may terminate the CHM Agreement at any time by giving one hundred eighty (180) days advance notice in writing to the consultant and paying to the consultant an amount equal to \$90,000.

In the event of a Change of Control¹, CHM has the right to terminate the agreement within 90 days of the date of any Change of Control by giving the Company one month's written notice of such termination. In the event of such termination of the consulting agreement:

- (a) the Company will pay to the consultant an amount equal to CAD \$360,000; and
- (b) any unvested equity shall vest immediately upon the consultant's termination of employment.

Chief Financial Officer

The Company initially entered into a management agreement with Jason Baker on November 1, 2025 to provide CFO services to the Company. The Company subsequently entered into a new management agreement with Mr. Baker on May 1, 2026 (the "**Baker Agreement**"), which superseded the prior agreement.

Jason Baker, under the terms of the Baker Agreement, has agreed to act as Chief Financial Officer and Corporate Secretary of the Company for a fee of CAD \$7,000 per month, equal to a fee of \$84,000 annually.

The agreement can be terminated by giving one hundred eighty (180) days advance notice in writing to the consultant and paying an amount equal to \$42,000.

In the event of a Change of Control¹, the consultant has the right to terminate the Baker Agreement within 90 days of the date of any Change of Control by giving the Company one month's written notice of such termination. In the event of such termination of the consulting agreement:

¹ "**Change of Control**" means:

- (i) the sale, transfer or disposition of the Company's assets in complete liquidation or dissolution of the Company;
- (ii) the Company amalgamates, merges or enters into a plan of arrangement with another company at arm's length to the Group, other than an amalgamation, merger or plan of arrangement that would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving or resulting entity) more than 50% of the combined voting power of the surviving or resulting entity outstanding immediately after such amalgamation, merger or plan of arrangement; or
- (iii) any Person or combination of persons at arm's length to the Group acquires or becomes the beneficial owner of, directly or indirectly, more than 35% of the voting securities of the Company, whether through the acquisition of previously issued and outstanding voting securities, or of voting securities that have not been previously issued, or any combination thereof, or any other transaction having a similar effect, and such Person or combination of Persons exercise(s) the voting power attached to such securities in a manner that causes the Incumbent Directors to cease to constitute a majority of the Board.

- (a) the Company will pay to the consultant an amount equal to CAD \$168,000; and
- (b) any unvested equity shall vest immediately upon the consultant's termination of employment.

Oversight and Description of Director and NEO Compensation

Compensation of Directors

Compensation of directors of the Company is reviewed annually and determined by the Board. The level of compensation for directors is determined after consideration of various relevant factors, including 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.

The Company had no arrangements, standard or otherwise, pursuant to which directors were compensated by the Company for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as a consultant or expert during the financial year ended December 31, 2025, or subsequently, up to and including the date of this Circular with the exception of stock-based compensation as detailed in this Circular.

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 grants to directors under the Company's Long Term Incentive Plan from time to time, the Board does not employ a prescribed methodology when determining the grant or allocation of stock options. Other than the Long Term Incentive 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.

Compensation of NEOs

Compensation of NEOs is reviewed annually and determined by the Board. The level of compensation for NEOs is determined after consideration of various relevant factors, including 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, during the financial year ended December 31, 2025, there was no need for the Company to design or implement a formal compensation program for NEOs.

Elements of NEO Compensation

As discussed above, the Company provides a Long Term Incentive Plan to motivate NEOs by providing them with the opportunity, through Options, RSUs, PSUs or SARs, to acquire an interest in the Company and benefit from the Company's growth. The Board does not employ a prescribed methodology when determining the grant or allocation of stock options to NEOs. Other than the Long Term Incentive Plan, the Company does not offer any share compensation plans, retirement plans, pension plans, or any other such benefit programs for NEOs.

Pension Plan Benefits

No pension, retirement or deferred compensation plans, including defined contribution plans, have been instituted by the Company and none are proposed at this time.

Section 5 – Corporate Governance

General

This section sets out the Company's approach to corporate governance pursuant to National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("**NI 58-101**"), which requires issuers to disclose their corporate governance practices, and addresses the Company's compliance with National Policy 58-

201 - *Corporate Governance Guidelines* ("NP 58-201"), which provides guidance on corporate governance practices.

Corporate governance refers to the policies and structure of the board of directors of a company, whose members are elected by and are accountable to a company's shareholders. Corporate governance encourages establishing a reasonable degree of independence of the board of directors from executive management and the adoption of policies to ensure the board of directors recognizes the principles of good management.

The Board is committed to sound corporate governance practices as such practices are both in the interests of Shareholders and help to contribute to effective and efficient decision-making.

Board of Directors

The Board is responsible for managing and supervising the management of the business and affairs of the Company and it supervises the CEO and CFO, both of whom are required to act in accordance with the scope of authority provided to them by the Board. Management was delegated the responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Company's business in the ordinary course, managing cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board facilitates its independent supervision over management through frequent meetings of the Board and by reviewing and approving long-term strategic, business and capital plans, material contracts and business transactions, and all debt and equity financing transactions. Through its audit committee, the Board examines the effectiveness of the Company's internal control processes and management information systems. The Board reviews executive compensation and recommends stock option grants.

Each year, the Board reviews the relationship that each director has with the Company in order to satisfy itself that relevant independence criteria have been met.

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

Director Independence

As at the date of the Circular, the Board consists of J. Stephen Barley, Jason Baker, Arndt Roehlig and Michael Townsend. Messrs. Roehlig and Townsend are considered to be independent directors of the Company as they are free from any interest which could reasonably interfere with their exercise of independent judgment as a director of the Company.

Mr. Barley, who also serves the Company as Chairman and CEO, and Jason Baker, who serves as the Company's CFO, are considered management and, as such, are not considered to be "independent".

Mandate of the Board

The Board is elected by and accountable to the shareholders of the Company. The mandate of the Board is to continually govern the Company and to protect and enhance the assets of the Company in the long-term best interests of the Shareholders. The Board will annually assess and approve a strategic plan which takes into account, among other things, the opportunities and the identification of the principal risks of the issuer's business, and ensuring the implementation of appropriate systems to manage these risks.

Directorships

In addition to the position on the Board of Directors, the following directors also serve as a director of the following reporting issuers or reporting issuer equivalents:

Name of Director	Name of Reporting Issuer or Equivalent	Exchange or Market
Michael Townsend	Altus Copper Corp. Scorpio Gold Corporation Nation Gold Corp.	Delisted TSX Venture Exchange CSE
Jason Baker	Altus Copper Corp. Graycliff Exploration Limited Advanced Gold Exploration Limited	Delisted CSE CSE
Arndt Roehlig	Altus Copper Corp. Spectre Capital Corp. Advanced Gold Exploration Limited Graycliff Exploration Limited	Delisted TSX Venture Exchange CSE CSE

Orientation and Continuing Education

The Board does not currently have a formal orientation program for new Board members and orientation is done on an informal basis. New Board members are provided with such information as is considered necessary to ensure that they are familiar with the Company's business and understand the responsibilities of the Board.

The Board does not have a formal program for the continuing education of its directors. The Company expects its directors to pursue such continuing education opportunities as may be required to ensure that they maintain the skill and knowledge necessary to fulfill their duties as members of the Board. Directors can consult with the Company's professional advisors regarding their duties and responsibilities, as well as recent developments relevant to the Company and the Board.

Ethical Business Conduct

Each director and officer, in the exercise of his or her duties and responsibilities, must act honestly and in good faith in the best interest of the Company and in compliance with applicable laws, rules and regulations. In addition, the Board must comply with conflict of interest provisions in Canadian corporate law, including relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest.

The Board has not, to date, adopted a formal written code of ethical business conduct. The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law, and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest, have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company. Additionally, the Board expects that such persons will treat each other, security holders of the Company and all other persons with goodwill, fairness and respect. The Board strives to create a culture in the Company that values honesty, high ethical standards and compliance with laws rules and regulations. The Board is aware of the recommendation in NP 58-201 to adopt a written code of business conduct and ethics, has reviewed different standards that may be appropriate for the Company to adopt, and intends to adopt a written code of business conduct and ethics.

Nomination of Directors

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

The identification of potential candidates for nomination as directors of the Company is a function performed by the Board with assistance from the CEO as the entire management team is encouraged to

participate in the identification and recruitment of new directors. Potential candidates are primarily identified through referrals by business contacts.

Compensation

The compensation of directors and the Chairman and CEO is determined by the Board as a whole, pursuant to recommendations made by the Compensation and Corporate Governance Committee of the Company. Such compensation is determined after consideration of various relevant factors, including 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.

Directors are not currently paid any compensation for acting as directors and compensation is not contemplated at this time, but may be implemented in the future. The quantity and quality of Board compensation is reviewed on an annual basis. At present, the Board is satisfied that the current compensation arrangements adequately reflect the responsibilities and risks involved in being an effective director of the Company. The number of options to be granted to any director or officer is determined by the Board as a whole, thereby providing independent directors with significant input into compensation decisions. Given the current size and scope of operations of the Company, the Board has formally appointed a Compensation and Corporate Governance Committee composed of a majority of independent directors.

Other Board Committees

In addition to the Audit Committee and Compensation and Corporate Governance Committee, the Board has formally appointed a Health and Safety Committee and a Disclosure Committee.

The functions of the Health and Safety Committee include facilitating co-operation between the Company and workers to instigate, develop and carry out measures to ensure the health and safety of workers and assisting in developing health and safety policies, procedures and systems for the workplace.

The functions of the Disclosure Committee include assisting officers and directors fulfill the Company's and their individual responsibilities regarding (i) the identification and disclosure of material information about the Company and the accuracy, completeness and timeliness of the Company's financial reports, (ii) promoting compliance with disclosure controls and procedures, and (iii) providing relevant, timely and effective communications to the Company's stakeholders.

Assessments

The Board does not have any formal process for assessing the effectiveness of the Board, its committees, or individual directors. Such assessments are done on an informal basis by the CEO and the Board as a whole.

The Board monitors the adequacy of information given to directors, communication between the Board and management, and the strategic direction and processes of the Board and the audit committee on an ongoing basis.

Section 6 – Audit Committee

The Company is a venture issuer as defined under National Instrument 52-110 - *Audit Committees* ("NI 52-110") and each venture issuer is required to disclose annually in its Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth below.

Audit Committee Charter

The audit committee has a charter as adopted by the Board, a copy of which is attached to this Circular as Schedule "A", and is specifically incorporated by reference into, and forms an integral part of this Circular.

Composition of the Audit Committee

NI 52-110 provides that a member of an audit committee is "independent" if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board, reasonably interfere with the exercise of the member's independent judgment.

NI 52-110 provides that an individual is "financially literate" if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

The current members of the Audit Committee are J. Stephen Barley, Michael Townsend and Arndt Roehlig as chair, all of whom are financially literate as defined by NI 52-110, and Messrs. Townsend and Roehlig are considered to be independent.

Composition of the Audit Committee

The following are members of the Audit Committee as at May 21, 2026

	Indepen dent ⁽¹⁾	Financially Literate ⁽²⁾	
Arndt Roehlig	Y	Y	Arndt Roehlig is an independent director who has served on numerous Canadian public company boards operating in the resource and technology sectors. As president and chief executive officer of various companies, Mr. Roehlig has raised millions of dollars for TSX Venture Exchange listed companies. He specializes in negotiation and reorganizing publicly traded companies.
J. Stephen Barley	N	Y	J. Stephen Barley has over 40 years of experience in the public corporate arena assisting in the structuring of mergers and acquisitions and providing corporate finance advice. After 15 years of private practice as a corporate finance and securities lawyer, Mr. Barley left the practice of law in 1997 to become president of CHM Financial Services Inc., a private company offering advice to and investing in numerous public companies engaged in the resource and technology sector. Mr. Barley was a member in good standing of the law societies of British Columbia and Alberta and holds a BCom. degree from Mount Allison University and an LLB from Dalhousie University.
Michael Townsend	Y	Y	Managing Partner of Altus Capital Partners since April 2017 and significant public company experience.

(1) A member of the Audit Committee is independent if he has no direct or indirect 'material relationship' with the Company. A material relationship is a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment. An executive officer of the Company, such as the CEO, is deemed to have a material relationship with the Company.

(2) A member of the Audit Committee is financially literate if he has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements

Audit Committee Oversight

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

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on certain exemptions set out in NI 52-110, namely section 2.4 (*De Minimis Non-audit Services*), subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*), subsection 6.1.1(5) (*Events Outside Control of Member*), subsection 6.1.1(6) (*Death, Incapacity or Resignation*), and any exemption, in whole or in part, in Part 8 (*Exemption*).

Pre-Approval Policies and Procedures

The Audit Committee has not adopted formal policies and procedures for the engagement of non-audit services. Subject to the requirements of the NI 52-110, the engagement of non-audit services is considered by, as applicable, the Board and the Audit Committee, on a case by case basis.

External Auditor Service Fees (By Category)

The aggregate fees billed by the Company's external auditors for the financial year ended December 31, 2025, for audit fees are as follows:

Financial Year Ending	Audit Fees ¹ (USD\$)	Audit Related Fees ² (USD\$)	Tax Fees ³ (USD\$)	All Other Fees ⁴ (USD\$)
2025	16,640	Nil	1,760 (est)	Nil
2024	14,432	Nil	1,734 (est)	Nil

- 1 The aggregate audit fees billed.
- 2 The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements that are not included under the heading "Audit Fees".
- 3 The aggregate fees billed for professional services rendered for tax compliance, tax advice and tax planning.
- 4 The aggregate fees billed for products and services other than as set out under the headings "Audit Fees", "Audit Related Fees" and "Tax Fees".

Exemption

During the most recently completed financial year, the Company relied on the exemption set out in section 6.1 of NI 52-110 with respect to compliance with the requirements of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*).

Section 7 – Particulars of Matters to be Acted Upon

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein. If there are more nominees for election as directors or appointment of the Company's auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

1. Presentation of Financial Statements

The audited financial statements of the Company for the financial year ended December 31, 2025 (the "**Financial Statements**") and the auditor's report thereon (the "**Auditor's Report**"), will be presented to Shareholders at the Meeting.

The Financial Statements, Auditor's Report, and related management's discussion and analysis for the financial year ended December 31, 2025, are available under the Company's profile on SEDAR+ (www.sedarplus.ca).

Management will review the Company's financial results at the Meeting and Shareholders and proxyholders will be given an opportunity to discuss these results with management. **No approval or other action needs to be taken at the Meeting in respect of these documents.**

2. Fixing the Number of Directors

There are currently four (4) directors on the Company's board. At the Meeting, it is proposed that the number of directors to be elected to hold office until the next annual meeting of Shareholders or until their successors are elected or appointed be set at four (4).

Unless otherwise directed, it is the intention of management to vote proxies IN FAVOUR of setting the number of directors to be elected at four (4).

3. Election of Directors

Each director of the Company is elected annually and holds office until the next annual general meeting of Shareholders or until his successor is duly elected, unless his office is earlier vacated, in accordance with the Articles of the Company.

In the absence of instructions to the contrary, the shares represented by Proxy will be voted for the nominees herein listed. Management does not contemplate that any of the nominees will be unable to serve as a Director.

Information Concerning Nominees Submitted by Management

The following table sets out the names of the persons proposed to be nominated by Management for election as a Director, the province or state and country in which he is ordinarily resident, the positions and offices which each presently holds with the Company, the period of time for which he has been a director of the Company, the respective principal occupations or employment during the past five years if such nominee is not presently an elected director and the number of shares of the Company which each beneficially owns, directly or indirectly, or over which control or direction is exercised as of the date of this Circular. Two of the nominees are currently directors of the Company.

Pursuant to the Articles of the Company, any additional director nominations for the Meeting must have been received by the Company in accordance with the Advance Notice provisions therein. As no such nominations were received by the Company, management's nominees for election as directors set forth below shall be the only nominees eligible to stand for election at the Meeting.

Name, province and country of ordinary residence, and positions held with the Company	Principal occupation, business or employment ¹	Period serving as a director of the Company	Number of common shares beneficially owned or controlled ²
J. Stephen Barley ^{3,4,5,6} Ontario, Canada Executive Chairman & Director, CEO	President, CHM Financial Services Inc., 2001 to present	October 20, 2017	447,881

Name, province and country of ordinary residence, and positions held with the Company	Principal occupation, business or employment ¹	Period serving as a director of the Company	Number of common shares beneficially owned or controlled ²
Michael Townsend ³ Vancouver, Canada Director	Managing Partner of Altus Capital Partners since April 2017.	May 7, 2025	2,952,950
Arndt Roehlig ^{3,4,5,6} British Columbia, Canada Director	President of Raincoast Capital Inc. since May 2007. President and CEO of Graycliff Exploration Limited since December 2025.	August 2, 2024	1,045,567
Jason Baker ^{4,5,6} British Columbia, Canada Director, CFO & Corp. Sec.	CFO of the Company since 2024. Senior Associate at Altus Capital since 2023 – Present; Student - UBC Sauder School of Business - 2021-2023; Senior Accountant at Gooseneck Hospitality from 2019 until 2022.	September 16, 2024	387,500

1 The information as to principal occupation, business or employment of director nominees is not within the knowledge of management of the Company and has been furnished by the respective nominees.

2 The information as to common shares of the Company beneficially owned or controlled as at the Record Date is not within the knowledge of management of the Company and has been furnished by the respective nominees or from the records contained in the System for Electronic Disclosure by Insiders (SEDI) at www.sedi.ca.

3 Member of Audit Committee.

4 Member of Compensation and Corporate Governance Committee.

5 Member of Disclosure Committee.

6 Member of Health and Safety Committee.

Cease Trade Orders, Corporate and Personal Bankruptcies, Penalties and Sanctions

For purposes of the disclosure in this section, an “order” means 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, in each case that was in effect for a period of more than 30 consecutive days; and for purposes of item (a)(i) below, specifically includes a management cease trade order which applies to directors or executive officers of a relevant company that was in effect for a period of more than 30 consecutive days whether or not the proposed director was named in the order.

Except as disclosed herein, none of the proposed directors, including any personal holding company of a proposed director:

- (a) is, as at the date of this Circular, or has been, within the 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:
 - (i) was subject to an order that was issued while the proposed director was acting in the capacity as a director, chief executive officer or chief financial officer of the company; or
 - (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer of the company; or

- (b) is, as at the date of this Circular, or has been, within the 10 years before the date of this Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets;
- (c) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director;
- (d) has been subject to 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 since December 31, 2000, or before December 31, 2000, if the disclosure of which would likely be important to a reasonable security holder in deciding whether to vote for a proposed director, or
- (e) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

J. Stephen Barley is a director, Chairman and CEO of the Company. On July 3, 2024, the British Columbia Securities Commission (the "BCSC") issued a cease trade order against the Company for failure to file its audited financial statements and management's discussion & analysis and related certifications for the year ended December 31, 2023, and interim financial statements and management's discussion and analysis for the period ended March 31, 2024, and related certifications. The cease trade order was subsequently revoked.

Arndt Roehlig and Michael Townsend are both directors of Altus Copper Corp. ("Altus"). On July 10, 2023 Altus was delisted from CBOE Canada and subsequently in December 2023, the BCSC issued a cease trade order against Altus for failure to file its audited financial statements and management's discussion & analysis and related certifications for the year ended December 31, 2023.

4. Appointment and Remuneration of Auditor

At the Meeting, Saturna Group, Chartered Professional Accountants, located at PricewaterhouseCoopers Place, 250 Howe Street, Suite 1400, Vancouver BC V6C 3S7, the independent registered certified auditor of the Company, will be recommended by management and the Board of directors for re-appointment as auditor of the Company at a remuneration to be fixed by the directors. See *Section 6 - Audit Committee – External Service Fees*.

The Company's management recommends that the shareholders vote in favour of the appointment of Saturna Group, Chartered Professional Accountants, as the Company's auditor for the ensuing year and grant the Board of directors the authority to determine the remuneration to be paid to the auditor. Unless you give instructions otherwise, the Management Proxyholders intend to vote FOR the appointment of Saturna Group, Chartered Professional Accountants, to act as the Company's auditor until the close of its next annual general meeting and also intend to vote FOR the proposed resolution to authorize the Board of directors to fix the remuneration to be paid to the auditor.

4. Long Term Incentive Plan

The Company is seeking the approval of its Long Term Incentive Plan dated January 8, 2026, (the "**Plan**"). The Plan is a "rolling up to 10% and fixed up to 10%" plan, as defined in TSX Venture Policy 4.4 – *Security*

Based Compensation ("Policy 4.4"). In the absence of instructions to the contrary, Common Shares represented by proxies received by management will be voted **FOR** the plan resolution.

The maximum number of Common Shares reserved and available for grant and issuance pursuant to RSUs, PSUs, DSUs and SARs under the Plan, together with any similar performance-based awards under any proposed or established share compensation arrangement, is currently 8,000,000 Common Shares.

The purpose of the Plan is to advance the interests of the Company by encouraging equity participation in the Company through the acquisition of Common Shares of the Company.

As at May 21, 2026, there were 6,850,000 stock options outstanding.

Shareholder Approval

The Plan is subject to receipt of the annual acceptance from the Exchange to its filing. Shareholders will be asked to consider, and if thought fit, pass, an ordinary resolution approving the Company's Plan. The text of the proposed resolution is as follows:

"BE IT RESOLVED, AS AN ORDINARY RESOLUTION OF THE SHAREHOLDERS AND SUBJECT TO REGULATORY APPROVAL, THAT:

1. the Company's Long Term Incentive Plan (the "**Plan**"), dated January 8, 2026 be and is hereby confirmed, ratified and approved.
2. the reservation for issuance from treasury pursuant to Options under the Current Plan and under any other security based compensation arrangements adopted by the Company of up to 10% of the issued and outstanding common shares of the Company from time to time is hereby ratified, confirmed and approved;
3. the reservation of up to 8,000,000 common shares of the Company for issuance from treasury pursuant to Award Incentives under the Plan is hereby ratified, confirmed and approved;
4. the Board be authorized in its absolute discretion to administer the Plan and amend or modify the Plan in accordance with its terms and conditions and the policies of the TSXV Exchange; and
5. any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Company or otherwise, all such deeds, documents, instruments and assurances as in his or her opinion may be necessary or desirable to give effect to the foregoing resolutions, including, without limitation, making any changes to the Plan required by the TSXV Exchange or applicable securities regulatory authorities and to complete all transactions in connection with the administration of the Plan."

The resolution may be passed by a simple majority of the shares voted by shareholders of the Company who vote on the matter in person via teleconference or by proxy.

Accordingly, the Board recommends that shareholders vote in favour of the resolution approving the Plan. In the absence of instructions to the contrary, the shares represented by proxy will be voted FOR the confirmation, ratification, and approval of the Plan.

Other Business

The Company will consider and transact such other business as may properly come before the Meeting or any adjournment or adjournments thereof. As of the date of the Circular, Management knows of no other matters to be acted upon at the Meeting other than those referred to in the Notice of Meeting. Should any other matters properly come before the Meeting the common shares represented by the proxy solicited hereby will be voted on such matter in accordance with the best judgement of the persons voting the common shares represented by the proxy.

Section 8 – Other Information

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As of the date hereof, other than indebtedness that has been entirely repaid on or before the date of this Circular or “routine indebtedness”, as that term is defined in Form 51-102F5 of National Instrument 51-102 - *Continuous Disclosure Obligations*, none of:

- (a) the individuals who are, or at any time since the beginning of the last financial year of the Company were, a director or officer;
- (b) the proposed nominees for election as directors; or
- (c) any associates of the foregoing persons,

is, or at any time since the beginning of the most recently completed financial year has been, indebted to the Company or any subsidiary of the Company (a “**Subsidiary**”), or is a person whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any Subsidiary.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

For purposes of the following discussion, “**Informed Person**” means:

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

Except as disclosed below, elsewhere herein or in the Notes to the Company's financial statements for the financial year ended December 31, 2025, none of

- (a) the Informed Persons of the Company;
- (b) the proposed nominees for election as a Director; or
- (c) any associate or affiliate of the foregoing persons,

has any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in a proposed transaction which has materially affected or would materially affect the Company or any subsidiary of the Company.

MANAGEMENT CONTRACTS

The management functions of the Company are not, to any substantial degree, performed by persons other than the directors or officers of the Company. See *Section 4 – Statement of Executive Compensation* for information regarding Company's management contracts.

ADDITIONAL INFORMATION

Additional information regarding the Company and its business activities is available under the Company's profile on the SEDAR+ website located at www.sedarplus.ca. The Company's financial information is

provided in the Company's comparative financial statements for its financial year ended December 31, 2025. Shareholders may request copies of the Company's financial statements by contacting the Company's Chief Financial Officer at jason@altuscapital.ca.

DIRECTOR APPROVAL

The contents of this Circular and the sending thereof to Shareholders have been approved by the Directors of the Company.

DATED at Vancouver, British Columbia, this 21st day of May 2026.

BY ORDER OF THE BOARD

/signed/ "J. Stephen Barley"

J. Stephen Barley
Chairman, CEO, and Director

SCHEDULE "A"
MAGMA SILVER CORP.
(the "Company")

CHARTER FOR THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

1. Purpose

- 1.1 The Audit Committee's primary function is assisting the Company's Board of Directors in fulfilling its oversight responsibilities to shareholders. The Committee is ultimately responsible for the policies and practices relating to integrity of financial and regulatory reporting, as well as internal controls to achieve the objectives of safeguarding of corporate assets; reliability of information; and compliance with policies and laws. Within this mandate, the Audit Committee's role is to:
- a. oversee the work and enhance the independence of the external auditor;
 - b. facilitate effective communications between management and the external auditor and provide a link between the external auditor and the Board of Directors;
 - c. increase the credibility and objectivity of the Company's financial reports and public disclosure; and
 - d. review the Company's annual financial statements prior to approval thereof by the Board of Directors.
- 1.2 The Audit Committee will make recommendations to the Board of Directors regarding items relating to financial and regulatory reporting and the system of internal controls following the execution of the Committee's responsibilities as described herein.
- 1.3 The Audit Committee will undertake those specific duties and responsibilities listed below and such other duties as the Board of Directors from time to time prescribe.

2. Membership

- 2.1 Each member of the Audit Committee must be a director of the Company.
- 2.2 The Audit Committee will consist of at least three members, the majority of whom are neither officers, employees or Control Persons (as that term is defined by the policies of the TSX Venture Exchange) of the Company or any of its affiliates, and the majority of whom must be "independent" and "financially literate" as those terms are defined by, and subject to the provisions of, National Instrument 52-110 – Audit Committees as adopted by the Canadian Securities Administrators, as such Instrument is revised or replaced from time to time.
- 2.3 The members of the Audit Committee will be appointed annually by and will serve at the discretion of the Board of Directors.

3. Authority

- 3.1 In addition to all authority required to carry out the duties and responsibilities included in this charter, the Audit Committee has specific authority to:

- (a) engage and terminate, and set and pay the compensation for, independent counsel and other advisors as it determines necessary to carry out its duties and responsibilities;
- (b) communicate directly with management and any internal auditor, and with the external auditor without management involvement; and
- (c) approve interim financial statements and interim MD&A on behalf of the Board of Directors.

4. Duties and Responsibilities

4.1 The duties and responsibilities of the Audit Committee include:

- (a) recommending to the Board of Directors the external auditor to be nominated by the Board of Directors for appointment by shareholders;
- (b) recommending to the Board of Directors the terms of engagement for and compensation of the external auditor;
- (c) reviewing the external auditor's audit plan, fee schedule and any related services proposals;
- (d) overseeing the work of the external auditor;
- (e) ensuring that the external auditor is in good standing with the Canadian Public Accountability Board and enquiring if there are any sanctions imposed by the CPAB on the external auditor;
- (f) ensuring that the external auditor meets the rotation requirements for partners and staff on the Company's audits;
- (g) where there is to be a change in external auditor, reviewing the issues related to the change and the information to be included in the required notice to be filed with securities regulators with respect to such change;
- (h) reviewing and discussing with management and the external auditor the annual audited financial statements, including discussion of material transactions with related parties, accounting policies, as well as the external auditor's written communications to the Committee and to management;
- i. reviewing any disagreements in financial reporting between the external auditor and the Company's management;
- (j) reviewing the external auditor's report, audit results and financial statements prior to approval of same by the Board of Directors;

- (k) reporting on and recommending to the Board of Directors the annual financial statements and the external auditor's report on those financial statements prior to Board approval and dissemination of annual financial statements to shareholders and the public;
- (l) reviewing the Company's financial statements, MD&A and annual and interim earnings press releases prior to public disclosure of this information by the Company;
- (m) ensuring adequate procedures are in place for review of all public disclosure of financial information by the Company prior to its dissemination to the public;
- (n) overseeing the adequacy of the Company's system of internal accounting controls and internal audit process and obtaining from the external auditor summaries and recommendations for improvement of such internal accounting controls;
- (o) ensuring the integrity of the Company's disclosure controls and internal controls over financial reporting;
- (p) resolving disputes between management and the external auditor regarding financial reporting;
- (q) reviewing the external auditor's internal quality control procedures and any material issues raised with respect thereto by any peer, governmental or professional authority review and the steps taken to deal with those issues; and examining all relationships between the external auditor and the Company, in order to assess and ensure the external auditor's independence;
- (r) reviewing risk management policies and procedures (for example, hedging, litigation and insurance), as well as current areas of financial risk and whether management is managing these effectively;
- (s) establishing procedures for:
 - (i) the receipt, retention and treatment of complaints received by the Company from employees and others regarding accounting, internal accounting controls or auditing matters and questionable practices relating thereto; and
 - (ii) the confidential, anonymous submission by employees of the Company or concerns regarding questionable accounting or auditing matters;
- (t) reviewing and approving the Company's hiring policies with respect to partners or employees (or former partners or employees) of either a former or the present external auditor;
- (u) pre-approving all non-audit services to be provided by the Company's external auditor to the Company or any of its subsidiaries and, in this regard, considering whether the external auditor's performance of any such non-audit services is compatible with the external auditor's independence; and
- (v) overseeing compliance with regulatory authority requirements for disclosure of external auditor services and fees and Audit Committee activities.

- 4.2 The Audit Committee will report, at least annually, to the Board regarding the Committee's examinations and recommendations.

5. Meetings

- 5.1 The quorum for a meeting of the Audit Committee is a majority of the members of the Committee who are not officers or employees of the Company or of an affiliate of the Company.
- 5.2 The members of the Audit Committee must elect a chair from among their number and may determine their own procedures.
- 5.3 The Audit Committee may establish its own schedule that it will provide to the Board of Directors in advance.
- 5.4 The external auditor is entitled to receive reasonable notice of every meeting of the Audit Committee and to attend and be heard thereat.
- 5.5 A member of the Audit Committee or the external auditor may call a meeting of the Audit Committee.
- 5.6 The Audit Committee will meet separately with the President and separately with the Chief Financial Officer of the Company at least annually to review the financial affairs of the Company.
- 5.7 The Audit Committee will meet with the external auditor of the Company at least once each year, at such time(s) as it deems appropriate, to review the external auditor's examination and report.
- 5.8 The chair of the Audit Committee must convene a meeting of the Audit Committee at the request of the external auditor, to consider any matter that the auditor believes should be brought to the attention of the Board of Directors or the shareholders.

6. Reports

- 6.1 The Audit Committee will record its recommendations to the Board in written form which will be incorporated as a part of the minutes of the Board of Directors' meeting at which those recommendations are presented.

7. Minutes

- 7.1 The Audit Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board of Directors.

SCHEDULE "B"
MAGMA SILVER CORP.
(the "Company")

Long Term Incentive Plan

MAGMA SILVER CORP.
(the "Company")

Long-Term Incentive Plan

SECTION 1 ESTABLISHMENT AND PURPOSE OF THE PLAN

The Company wishes to establish this long-term incentive plan ("**Plan**"). The purpose of this Plan is to promote the long-term success of the Company and the creation of shareholder value by: (a) encouraging the attraction and retention of Eligible Persons; (b) encouraging such Eligible Persons to focus on critical long-term objectives; and (c) promoting greater alignment of the interests of such Eligible Persons with the interests of the Company, in each case as applicable to the type of Eligible Person to whom an Award is granted.

This Plan provides for the grant of Restricted Share Units, Performance Share Units, Deferred Share Units, Stock Appreciation Rights and Options to Eligible Persons, as further described herein.

This Plan and the Restricted Share Units, Performance Share Units, Deferred Share Units, Stock Appreciation Rights and Options issuable under the Plan are subject to Policy 4.4 – *Security Based Compensation* of the TSX Venture Exchange (the "**Policy**").

This Plan is a "**rolling up to 10% and fixed up to 8,000,000**" security based compensation plan, as such term is used in the Policy, permitting (i) outstanding Options in a maximum aggregate amount that is equal to ten percent (10%) of the issued and outstanding Shares at the date of any Award and (ii) Restricted Share Units, Performance Share Units, Deferred Share Units and Stock Appreciation Rights in a maximum aggregate amount that is equal to the fixed number set out in this Plan.

SECTION 2 DEFINITIONS

As used in this Plan, the following terms shall have the meanings set forth below:

- (a) "**Award**" means any award of RSUs, PSUs, DSUs, Options or SARs granted under this Plan or, in the case of Options, any pre-existing stock option plan of the Company;
- (b) "**Award Agreement**" means any written agreement, contract, or other instrument or document, including an electronic communication, as may from time to time be designated by the Company as evidencing any Award granted under this Plan;
- (c) "**Board**" means the board of directors of the Company;
- (d) "**Blackout Period**" means an interval of time during which the Company has determined that one or more Participants may not trade any securities of the Company because they may be in possession of publicly undisclosed confidential material information pertaining to the Company;
- (e) "**Cessation Date**" means the effective date on which a Participant ceases to be an Eligible Person for any reason;
- (f) "**Change of Control**" means the occurrence of any one or more of the following events:
 - (i) a reorganization, amalgamation, merger, acquisition or other business combination (or a plan of arrangement in connection with any of the foregoing), other than solely involving the Company and any one or more of its affiliates, with respect to which all or substantially all of the persons who were the beneficial owners of the Shares and other securities of the Company immediately prior to such reorganization, amalgamation,

merger, acquisition, business combination or plan of arrangement do not, following the completion of such reorganization, amalgamation, merger, acquisition, business combination or plan of arrangement, beneficially own, directly or indirectly, more than 50% of the resulting voting rights (on a fully-diluted basis) of the Company or its successor;

- (ii) the sale, exchange or other disposition to a person other than an affiliate of the Company of all, or substantially all of the Company's assets;
- (iii) a resolution is adopted to wind-up, dissolve or liquidate the Company;
- (iv) a change in the composition of the Board, which occurs at a single meeting of the shareholders of the Company or upon the execution of a shareholders' resolution, such that individuals who are members of the Board immediately prior to such meeting or resolution cease to constitute a majority of the Board, without the Board, as constituted immediately prior to such meeting or resolution, having approved of such change; or
- (v) any person, entity or group of persons or entities acting jointly or in concert (an "**Acquiror**") acquires or acquires control (including, without limitation, the right to vote or direct the voting) of Voting Securities of the Company which, when added to the Voting Securities owned of record or beneficially by the Acquiror or which the Acquiror has the right to vote or in respect of which the Acquiror has the right to direct the voting, would entitle the Acquiror and/or associates and/or affiliates of the Acquiror to cast or to direct the casting of 20% or more of the votes attached to all of the Company's outstanding Voting Securities which may be cast to elect directors of the Company or the successor Company (regardless of whether a meeting has been called to elect directors);

For the purposes of the foregoing, "**Voting Securities**" means Shares and any other shares entitled to vote for the election of directors and shall include any security, whether or not issued by the Company, which are not shares entitled to vote for the election of directors but are convertible into or exchangeable for shares which are entitled to vote for the election of directors including any options or rights to purchase such shares or securities;

- (g) "**Committee**" means such committee of the Board performing functions in respect of compensation as may be determined by the Board from time to time;
- (h) "**Company**" means Magma Silver Corp., a company incorporated under the *Business Corporations Act* (British Columbia), and any of its successors;
- (i) "**Consultant**" means a "Consultant" as defined in the Policy;
- (j) "**Deferred Share Unit**" or "**DSU**" means a right to receive on a deferred basis, in the Board's discretion, a payment in Shares or cash as provided in Subsection 5.3 hereof and subject to the terms and conditions of this Plan and the applicable Award Agreement;
- (k) "**Determination Date**" means a date determined by the Board in its sole discretion but not later than 90 days after the expiry of a Performance Cycle;
- (l) "**Director**" means a "Director" as defined in the Policy;
- (m) "**Disability**" means any disability with respect to a Participant which the Board, in its sole and unfettered discretion, considers likely to prevent permanently the Participant from:

- (i) being employed or engaged by the Company, its subsidiaries or another employer, in a position the same as or similar to that in which he was last employed or engaged by the Company or its subsidiaries; or
- (ii) acting as a Director or Officer;
- (n) **"Discounted Market Price"** means "Discounted Market Price" as defined in Policy 1.1 – *Interpretation* of the TSX Venture Exchange;
- (o) **"DSU Payment Date"** has the meaning set out in Subsection 5.3.5;
- (p) **"Effective Date"** has the meaning set out in Section 8;
- (q) **"Election Form"** means the form to be completed by a Director specifying the amount of Fees he or she wishes to receive in DSUs under this Plan;
- (r) **"Eligible Person"** means a Director, Officer, Employee, Management Company Employee or Consultant of the Company or a subsidiary of the Company, or an Eligible Charitable Organization;
- (s) **"Employee"** means an "Employee" as defined in the Policy;
- (t) **"Exchange"** means the TSX Venture Exchange and, if applicable, any other stock exchange on which the Shares are listed;
- (u) **"Exchange Hold Period"** means "Exchange Hold Period" as defined in Policy 1.1 – *Interpretation* of the TSX Venture Exchange;
- (v) **"Extension Period"** has the meaning set out in Section 5.4.5;
- (w) **"Fees"** means the annual board retainer, chair fees, meeting attendance fees or any other fees payable to a Director by the Company;
- (x) **"Grant Date"** means, for any Award, the date specified in an Award Agreement as the date on which an Award is granted;
- (y) **"Incentive Securities"** means the Options, DSUs, RSUs, PSUs and SARs issuable to any Participant under this Plan or, in the case of Options, any pre-existing stock option plan of the Company;
- (z) **"Insider"** means an "Insider" as defined in Policy 1.1 – *Interpretation* of the TSX Venture Exchange;
- (aa) **"Investor Relations Activities"** means "Investor Relations Activities" as defined in Policy 1.1 – *Interpretation* of the TSX Venture Exchange;
- (bb) **"Investor Relations Service Provider"** means "Investor Relations Service Provider" as defined in the Policy;
- (cc) **"Management Company Employee"** means a "Management Company Employee" as defined in the Policy;

- (dd) **"Market Price"** of Shares at any Grant Date means the market price per Share as determined by the Board, provided that if the Company is listed on an Exchange, such price shall not be less than the market price determined in accordance with the rules of such Exchange;
- (ee) **"Officer"** means an "Officer" as defined in the Policy;
- (ff) **"Option"** means an option to purchase Shares granted pursuant to, or governed by, this Plan and any pre-existing stock option plan of the Company;
- (gg) **"Option Plan"** means the Company's Stock Option Plan dated March 26, 2025, as may be amended or restated from time to time;
- (hh) **"Participant"** means any Eligible Person to whom Awards are granted;
- (ii) **"Participant's Account"** means a notional account maintained for each Participant's participation in this Plan which will show any Incentive Securities credited to a Participant from time to time;
- (jj) **"Performance Criteria"** means criteria established by the Board which, without limitation, may include criteria based on the Participant's personal performance and/or financial performance of the Company and its Subsidiaries, and that are to be used to determine the vesting of the PSUs;
- (kk) **"Performance Cycle"** means the applicable performance cycle of the PSUs as may be specified by the Board in the applicable Award Agreement;
- (ll) **"Performance Share Unit" or "PSU"** means a right awarded to a Participant to receive a payment in Shares as provided in Section 5.2 hereof and subject to the terms and conditions of this Plan and the applicable Award Agreement;
- (mm) **"Person"** means any individual, corporation, partnership, association, joint-stock company, trust, unincorporated organization, or governmental authority or body;
- (nn) **"Restriction Period"** means the time period between the Grant Date and the Vesting Date of an Award of RSUs specified by the Board in the applicable Award Agreement, which is subject to the requirements of this Plan with respect to vesting;
- (oo) **"Restricted Share Unit" or "RSU"** means a right awarded to a Participant to receive a payment in Shares as provided in Subsection 5.1 hereof and subject to the terms and conditions of this Plan and the applicable Award Agreement;
- (pp) **"Retirement"** means retirement from active employment with the Company or a subsidiary of the Company with the consent of an Officer;
- (qq) **"Security Based Compensation"** means "Security Based Compensation" as defined in the Policy;
- (rr) **"Security Based Compensation Plans"** has the meaning set out in Subsection 4.1.1;
- (ss) **"Stock Appreciation Right" or "SAR"** means a right awarded to a Participant to receive a payment in Shares as provided in Subsection 5.5 hereof and subject to the terms and conditions of this Plan and the applicable Award Agreement;

- (tt) **"SAR Amount"** has the meaning set out in Subsection 5.5.3;
- (uu) **"SAR Grant Price"** has the meaning set out in Subsection 5.5.2;
- (vv) **"Securities Act"** means the *Securities Act* (British Columbia), as amended from time to time;
- (ww) **"Shares"** means the common shares of the Company;
- (xx) **"Trading Day"** means any date on which the TSX Venture Exchange (or other Exchange if the Shares are not listed on the TSX Venture Exchange) is open for trading;
- (yy) **"Vesting Date"** means, for any Award, the date when the Award is fully vested in accordance with the provisions of this Plan and the applicable Award Agreement; and
- (zz) **"VWAP"** means the volume weighted average trading price of the Shares on the TSX Venture Exchange (or other Exchange if the Shares are not listed on the TSX Venture Exchange) calculated by dividing the total value by the total volume of such securities traded for the five Trading Days immediately preceding the exercise of the subject Option, provided that where appropriate, the TSX Venture Exchange (or other Exchange if the Shares are not listed on the TSX Venture Exchange) may exclude internal crosses and certain other special terms trades from the calculation.

SECTION 3 ADMINISTRATION

- 3.1 **BOARD TO ADMINISTER PLAN.** Except as otherwise provided herein, this Plan shall be administered by the Board and the Board shall have full authority to administer this Plan, including the authority to interpret and construe any provision of this Plan and to adopt, amend and rescind such rules and regulations for administering this Plan as the Board may deem necessary in order to comply with the requirements of this Plan.
- 3.2 **DELEGATION TO COMMITTEE.** All the powers exercisable hereunder by the Board may, to the extent permitted by applicable law and as determined by resolution of the Board, be delegated to and exercised by the Committee or such other committee as the Board may determine.
- 3.3 **INTERPRETATION.** All actions taken and all interpretations and determinations made or approved by the Board in good faith shall be final and conclusive and shall be binding on the Participants and the Company, subject to any required approval of the Exchange.
- 3.4 **NO LIABILITY.** No Director shall be personally liable for any action taken or determination or interpretation made or approved in good faith in connection with this Plan and the Directors shall, in addition to their rights as Directors, be fully protected, indemnified and held harmless by the Company with respect to any such action taken or determination or interpretation made. The appropriate officers of the Company are hereby authorized and empowered to do all things and execute and deliver all instruments, undertakings and applications and writings as they, in their absolute discretion, consider necessary for the implementation of this Plan and of the rules and regulations established for administering this Plan. All costs incurred in connection with this Plan shall be for the account of the Company.

SECTION 4 SHARES AVAILABLE FOR AWARDS

4.1 LIMITATIONS ON SHARES AVAILABLE FOR ISSUANCE.

- 4.1.1 The maximum aggregate number of Shares issuable in respect of all Options granted or issued under this Plan and all of the Company's other previously established or proposed Security Based Compensation plans to which these limitations apply under Exchange policies (collectively, "**Security Based Compensation Plans**"), at any point in time, shall not exceed ten percent (10%) of the total number of issued and outstanding Shares on a non-diluted basis at such point in time.
- 4.1.2 The maximum aggregate number of Shares issuable in respect of all Incentive Securities, other than Options, granted or issued under this Plan and all of the Company's other previously established or proposed Security Based Compensation Plans shall not exceed **8,000,000** Shares
- 4.1.3 The maximum aggregate number of Shares issuable to any one Consultant in any twelve (12) month period in respect of all Incentive Securities granted or issued under Security Based Compensation Plans shall not exceed two percent (2%) of the issued and outstanding Shares on a non-diluted basis on the Grant Date.
- 4.1.4 The maximum aggregate number of Shares issuable to any one Participant in any twelve (12) month period in respect of all Incentive Securities granted or issued under Security Based Compensation Plans shall not exceed five percent (5%) of the issued and outstanding Shares on a non-diluted basis on the Grant Date, unless the Company has obtained the requisite disinterested shareholder approval pursuant to the Policy.
- 4.1.5 The maximum aggregate number of Shares issuable to all Insiders (as a group) at any point in time in respect of all Incentive Securities granted or issued under Security Based Compensation Plans shall not exceed ten percent (10%) of the issued and outstanding Shares on a non-diluted basis at such point in time.
- 4.1.6 The maximum aggregate number of Shares issuable to all Insiders (as a group) in any twelve (12) month period in respect of all Incentive Securities granted or issued under Security Based Compensation Plans shall not exceed ten percent (10%) of the issued and outstanding Shares on a non-diluted basis on the Grant Date, unless the Company has obtained the requisite disinterested shareholder approval pursuant to the Policy.
- 4.1.7 Eligible Persons who are Investor Relations Service Providers may only receive Options as Awards under this Plan if the Shares are listed on the TSX Venture Exchange at the time of issuance or grant, and the maximum aggregate number of Shares issuable to all Investor Relations Service Providers in any twelve (12) month period pursuant to the exercise of Options shall not exceed two percent (2%) of the issued and outstanding Shares on a non-diluted basis on the Grant Date.
- 4.1.8 Eligible Persons who are Eligible Charitable Organizations may only receive Options as Awards under this Plan if the Shares are listed on the TSX Venture Exchange at the time of issuance or grant, and the maximum aggregate number of Shares issuable to all Eligible Charitable Organizations at any point in time in respect of all Incentive Securities granted or issued under Security Based Compensation Plans shall not exceed one percent (1%) of the issued and outstanding Shares on a non-diluted basis at such point in time. Notwithstanding any other provisions of this Plan, Options granted to Eligible Charitable Organizations will not be included in the other limits set out in this Section 4 or elsewhere in this Plan.

4.2 ACCOUNTING FOR AWARDS. The number of Shares underlying an Award, or to which such Award relates, shall be counted on the Grant Date of such Award against the aggregate number of Shares available for

granting or issuing Awards under this Plan. As this Plan is a “rolling up to 10% and fixed up to 8,000,000” Security Based Compensation plan, as such term is used in the Policy, the number of Options issuable under this Plan will replenish in an amount equal to the number of Shares issued pursuant to the exercise or vesting, as applicable, of such Options at any point in time. Notwithstanding anything herein to the contrary, any Shares related to Awards which have been settled in cash, cancelled, surrendered, forfeited, expired or otherwise terminated without the issuance of such Shares shall be available again for granting Awards under this Plan.

- 4.3 ADJUSTMENTS FOR SHARE SPLITS AND CONSOLIDATIONS. If the number of outstanding Shares is increased or decreased as a result of a Share split or consolidation, the Board may make appropriate adjustments, in accordance with the terms of this Plan, the policies of the Exchange, and applicable laws, to the number and price (or other basis upon which an Award is measured) of Incentive Securities credited to a Participant. Any determinations by the Board as to the required adjustments shall be made in its sole discretion and all such adjustments shall be conclusive and binding for all purposes under this Plan.
- 4.4 OTHER ADJUSTMENTS. Any adjustment, other than as noted in section 4.3, to an Award granted or issued under this Plan must be subject to the prior acceptance of the Exchange, including adjustments related to an amalgamation, merger, arrangement, reorganization, recapitalization, spin-off, dividend or other distribution. Any increase in the number of Shares underlying outstanding Awards as a result of the adjustment provisions provided in section 4.3 or 4.4 is subject to compliance with the limits set out in section 4.1 and, if any increase in the number of Shares underlying outstanding Awards as a result of the adjustment provisions provided in section 4.3 or 4.4 would result in any limit set out in section 4.1 being exceeded, then the Company may, if determined by the Board in its sole and unfettered discretion (subject to the prior approval of the Exchanges, if applicable), make payment in cash to the Participant in lieu of increasing the number of Shares underlying outstanding Awards in order to properly reflect any diminution in value of the underlying Shares as a result of the event that triggers the adjustment.
- 4.5 VESTING REQUIREMENT. No Award granted or issued under this Plan, other than Options, may vest before the date that is one year following the date it is granted or issued. Notwithstanding this provision, subject to the approval of the Exchange with respect to Awards held by Investor Relations Service Providers, vesting may be accelerated by the Board in its sole discretion for Awards held by a Participant who dies or who ceases to be an Eligible Person under this Plan in connection with a change of control, take-over bid, reverse takeover or other similar transaction as permitted by section 4.6 of the Policy. All Options granted to Investor Relations Service Providers must vest and become exercisable in stages over a period of not less than twelve (12) months, with no more than one-quarter (1/4) of such Options vesting sooner than three (3) months after the Options were granted and no more than another one-quarter (1/4) of the Options becoming exercisable in any following three (3) month period.
- 4.6 OPTION PLAN. As of the Effective Date, Options which are outstanding under the Option Plan shall continue to be exercisable and shall be deemed to be governed by and be subject to the terms and conditions of this Plan, except to the extent that the terms of this Plan are more restrictive than the terms of the Option Plan under which such Options were originally granted, in which case the Option Plan shall govern, provided that such Options must comply with the Policy.
- 4.7 RESALE RESTRICTIONS. All Incentive Securities shall be subject to any applicable resale restrictions pursuant to applicable securities laws. In addition, Incentive Securities and Shares underlying Incentive Securities that are subject to the Exchange Hold Period pursuant to Exchange Policy 1.1 must contain a legend with the Exchange Hold Period commencing on the Grant Date, and the Award Agreement shall contain any applicable resale restriction or Exchange Hold Period.

- 4.8 BONA FIDE PARTICIPANTS. In respect of Awards granted to Employees, Consultants, Consultant Companies or Management Company Employees, the Company and the Participant is representing herein and in the applicable Award Agreement that the Participant is a bona fide Employee, Consultant, Consultant Company or Management Company Employee of the Company or a subsidiary of the Company. The execution of an Award Agreement shall constitute conclusive evidence that it has been completed in compliance with this Plan.

SECTION 5 AWARDS

5.1 RESTRICTED SHARE UNITS

- 5.1.1 ELIGIBILITY AND PARTICIPATION. Subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant Awards of RSUs to Eligible Persons. RSUs granted to a Participant shall be credited, as of the Grant Date, to the Participant's Account. The number of RSUs to be credited to each Participant shall be determined by the Board in its sole discretion in accordance with this Plan. Each RSU shall, contingent upon the lapse of any restrictions, represent one (1) Share, unless otherwise specified in the applicable Award Agreement. The number of RSUs granted pursuant to an Award and the Restriction Period in respect of such RSUs shall be specified in the applicable Award Agreement.
- 5.1.2 RESTRICTIONS. RSUs shall be subject to such restrictions as the Board, in its sole discretion, may establish in the applicable Award Agreement, which restrictions may lapse separately or in combination at such time or times and on such terms, conditions and satisfaction of objectives as the Board may, in its discretion, determine at the time an Award is granted.
- 5.1.3 VESTING. All RSUs will vest and become payable by the issuance of Shares at the end of the Restriction Period if all applicable restrictions have lapsed, as such restrictions may be specified in the Award Agreement.
- 5.1.4 CHANGE OF CONTROL. Unless otherwise determined by the Board, in the event of a Change of Control, all restrictions upon any RSUs shall lapse immediately and all such RSUs shall become fully vested in the Participant and will accrue to the Participant in accordance with Subsection 5.1.9, provided that no acceleration of vesting of RSUs upon a Change of Control can occur prior to the date that is one year from the date of grant of such RSUs unless the Participant ceases to be an Eligible Person in connection with such Change of Control.
- 5.1.5 DEATH. Other than as may be set forth in the applicable Award Agreement, upon the death of a Participant, any RSUs granted to such Participant which, prior to the Participant's death, have not vested, will be immediately and automatically forfeited and cancelled without further action and without any cost or payment, and the Participant or his or her estate, as the case may be, shall have no right, title or interest therein whatsoever. Any RSUs granted to such Participant which, prior to the Participant's death, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant's estate in accordance with Subsection 5.1.9 hereof.
- 5.1.6 TERMINATION OF EMPLOYMENT OR SERVICE.
- (a) Where a Participant's employment is terminated by the Company or a subsidiary of the Company for cause, or where a Participant's consulting agreement is terminated as a result of the Participant's breach, all RSUs granted to the Participant under this Plan will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the date of termination determined by the Board.

- (b) Where a Participant's employment is terminated by the Company or a subsidiary of the Company without cause, by voluntary termination or due to Retirement by the Participant, or where a Participant's consulting agreement is terminated for a reason other than the Participant's breach, unless the applicable Award Agreement provides otherwise and subject to the provisions below, all RSUs granted to the Participant under this Plan that have not vested will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the date of termination determined by the Board, provided, however, that any RSUs granted to such Participant which, prior to the Participant's termination without cause, voluntary termination, Retirement or breach of agreement, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant in accordance with Subsection 5.1.9 hereof.

5.1.7 **DISABILITY.** Where a Participant becomes afflicted by a Disability, all RSUs granted to the Participant under this Plan will continue to vest in accordance with the terms of such RSUs, provided, however, that no RSUs may be redeemed during a leave of absence. Where a Participant's employment or consulting agreement with the Company or a subsidiary of the Company is terminated due to Disability, unless the applicable Award Agreement provides otherwise and subject to the provisions below, all RSUs granted to the Participant under this Plan that have not vested will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the date of termination determined by the Board, provided, however, that any RSUs granted to such Participant that, prior to the Participant's termination due to Disability, had vested pursuant to term of the applicable Award Agreement will accrue to the Participant in accordance with Subsection 5.1.9 hereof.

5.1.8 **CESSATION OF DIRECTORSHIP.** Where, in the case of Directors, a Participant ceases to be a Director for any reason, any RSUs granted to the Participant under this Plan that have not yet vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Cessation Date, provided, however, that any RSUs granted to such Participant which, prior to the Cessation Date for any reason, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant in accordance with Subsection 5.1.9 hereof.

5.1.9 **PAYMENT OF AWARD.** As soon as practicable after each Vesting Date of an Award of RSUs, and subject to the applicable Award Agreement, the Company shall issue from treasury to the Participant, or if Subsection 5.1.5 applies, to the Participant's estate, a number of Shares equal to the number of RSUs credited to the Participant's Account that become payable on the Vesting Date. As of the Vesting Date, the RSUs in respect of which such Shares are issued shall be cancelled and no further payments shall be made to the Participant under this Plan in relation to such RSUs. Such payments shall be made entirely in Shares, unless otherwise provided for in the applicable Award Agreement.

5.2 PERFORMANCE SHARE UNITS

5.2.1 **ELIGIBILITY AND PARTICIPATION.** Subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant Awards of PSUs to Eligible Persons. PSUs granted to a Participant shall be credited, as of the Grant Date, to the Participant's Account. The number of PSUs to be credited to each Participant shall be determined by the Board, in its sole discretion, in accordance with this Plan. Each PSU shall, contingent upon the attainment of the Performance Criteria within the Performance Cycle, represent one (1) Share, unless otherwise specified in the applicable Award Agreement. The

number of PSUs granted pursuant to an Award, the Performance Criteria that must be satisfied in order for the PSUs to vest and the Performance Cycle in respect of such PSUs shall be specified in the applicable Award Agreement.

- 5.2.2 **PERFORMANCE CRITERIA.** The Board will select, settle and determine the Performance Criteria (including without limitation the attainment thereof), for purposes of the vesting of the PSUs, in its sole discretion. An Award Agreement may provide the Board with the right, during a Performance Cycle or after it has ended, to revise the Performance Criteria and the Award amounts if unforeseen events (including, without limitation, changes in capitalization, an equity restructuring, an acquisition or a divestiture) occur which have a substantial effect on the financial results and which in the sole judgment of the Board make the application of the original Performance Criteria unfair or inappropriate unless a revision is made. Notices will be provided by the Company to the Exchange, if required, with respect to the foregoing.
- 5.2.3 **VESTING.** All PSUs will vest and become payable to the extent that the Performance Criteria set forth in the Award Agreement are satisfied for the Performance Cycle, the determination of which shall be made by the Board on the Determination Date.
- 5.2.4 **CHANGE OF CONTROL.** Unless otherwise determined by the Board, in the event of a Change of Control, all PSUs granted to a Participant shall become fully vested in such Participant (without regard to the attainment of any Performance Criteria) and shall become payable to the Participant in accordance with Subsection 5.2.9 hereof, provided that no acceleration of vesting of PSUs upon a Change of Control can occur prior to the date that is one year from the date of grant of such PSUs unless the Participant ceases to be an Eligible Person in connection with such Change of Control.
- 5.2.5 **DEATH.** Other than as may be set forth in the applicable Award Agreement and below, upon the death of a Participant, all PSUs granted to the Participant which, prior to the Participant's death, have not vested, will immediately and automatically be forfeited and cancelled without further action and without any cost or payment, and the Participant or his or her estate, as the case may be, shall have no right, title or interest therein whatsoever, provided, however, the Board may determine, in its sole discretion, the number of the Participant's PSUs that will vest based on the extent to which the applicable Performance Criteria set forth in the Award Agreement have been satisfied in that portion of the Performance Cycle that has lapsed. The PSUs that the Board determines to have vested shall become payable in accordance with Subsection 5.2.9 hereof.
- 5.2.6 **TERMINATION OF EMPLOYMENT OR SERVICE.**
- (a) Where a Participant's employment is terminated by the Company or a subsidiary of the Company for cause, or where a Participant's consulting agreement is terminated as a result of the Participant's breach, all PSUs granted to the Participant under this Plan will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the date of termination determined by the Board.
 - (b) Where a Participant's employment is terminated by the Company or a subsidiary of the Company without cause, by voluntary termination or due to Retirement by the Participant, or where a Participant's consulting agreement is terminated for a reason other than the Participant's breach, unless the applicable Award Agreement provides otherwise and subject to the provisions below, all PSUs granted to the Participant which, prior to the Participant's termination, have not vested, will immediately and automatically be forfeited and cancelled without further action and without any cost or payment, and the Participant shall have no right, title or interest therein whatsoever

as of the date of termination determined by the Board, provided, however, the Board may determine, in its sole discretion, the number of the Participant's PSUs that will vest based on the extent to which the applicable Performance Criteria set forth in the Award Agreement have been satisfied in that portion of the Performance Cycle that has lapsed. The PSUs that the Board determines to have vested shall become payable in accordance with Subsection 5.2.9 hereof.

- 5.2.7 **DISABILITY.** Where a Participant becomes afflicted by a Disability, all PSUs granted to the Participant under this Plan will continue to vest in accordance with the terms of such PSUs, provided, however, that no PSUs may be redeemed during a leave of absence. Where a Participant's employment or consulting agreement with the Company or a subsidiary of the Company is terminated due to Disability, unless the applicable Award Agreement provides otherwise and subject to the provisions below, all PSUs granted to the Participant under this Plan that have not vested will immediately and automatically be forfeited and cancelled without further action and without any cost or payment, and the Participant shall have no right, title or interest therein whatsoever as of the date of termination determined by the Board, provided, however, that the Board may determine, in its sole discretion, the number of the Participant's PSUs that will vest based on the extent to which the applicable Performance Criteria set forth in the Award Agreement have been satisfied in that portion of the Performance Cycle that has lapsed. The PSUs that the Board determines to have vested shall become payable in accordance with Subsection 5.2.9 hereof.
- 5.2.8 **CESSATION OF DIRECTORSHIP.** Where, in the case of Directors, a Participant ceases to be a Director for any reason, any PSUs granted to the Participant under this Plan that have not yet vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Cessation Date, provided, however, that the Board may determine, in its sole discretion, the number of the Participant's PSUs that will vest based on the extent to which the applicable Performance Criteria set forth in the Award Agreement have been satisfied in that portion of the Performance Cycle that has lapsed. The PSUs that the Board determines to have vested shall become payable in accordance with Subsection 5.2.9 hereof.
- 5.2.9 **PAYMENT OF AWARD.** Subject to the applicable Award Agreement, payment to Participants in respect of vested PSUs shall be made after the Determination Date for the applicable Award and in any case within ninety (90) days after the last day of the Performance Cycle to which such Award relates. Such payments shall be made entirely in Shares, unless otherwise provided for in the applicable Award Agreement. The Company shall issue from treasury to the Participant, or if Subsection 5.2.5 applies, to the Participant's estate, a number of Shares equal to the number of PSUs that have vested. As of the Vesting Date, the PSUs in respect of which such Shares are issued shall be cancelled and no further payments shall be made to the Participant under this Plan in relation to such PSUs.
- 5.2.10 **PERFORMANCE EVALUATION; ADJUSTMENT OF GOALS.** At the time that a PSU is first issued, the Board, in the Award Agreement or in another written document, may specify whether performance will be evaluated including or excluding the effect of any of the following events that occur during the Performance Cycle or Restriction Period, as the case may be: (A) judgments entered or settlements reached in litigation; (B) the write down of assets; (C) the impact of any reorganization or restructuring; (D) the impact of changes in tax laws, accounting principles, regulatory actions or other laws affecting reported results; (E) extraordinary non-recurring items as may be described in the Company's management's discussion and analysis of financial condition and results of operations for the applicable financial year; (F) the impact of any mergers, acquisitions, spin-offs or other divestitures; (G) foreign exchange gains and losses; and

(H) other extraordinary events having a similar impact on a Participant's ability to satisfy Performance Criteria, as determined in the discretion of the Board.

- 5.2.11 ADJUSTMENT OF PERFORMANCE SHARE UNITS. The Board shall have the sole discretion to adjust the determination of the degree of attainment of the pre-established Performance Criteria or restrictions, as the case may be, as may be set out in the applicable Award Agreement governing the relevant PSU. Notwithstanding any provision herein to the contrary, the Board may not make any adjustment or take any other action with respect to any PSU that will increase the amount payable under any such PSU. The Board shall retain the sole discretion to adjust PSUs downward or to otherwise reduce the amount payable with respect to any Award of PSUs.

5.3 DEFERRED SHARE UNITS

- 5.3.1 ELIGIBILITY AND PARTICIPATION. Subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant Awards of DSUs to Eligible Persons. DSUs granted to a Participant shall be credited, as of the Grant Date, to the Participant's Account. The number of DSUs to be credited to each Participant shall be determined by the Board in its sole discretion in accordance with this Plan. Each DSU shall, contingent upon the occurrence of the applicable vesting criteria, represent one (1) Share. Each DSU grant shall be evidenced by an Award Agreement that shall specify the number of DSUs granted pursuant to an Award and the vesting criteria in respect of such DSUs, and any other provisions as the Board shall determine, including, but not limited to the specification that the Board will pay cash equal to the value of the vested Shares upon settlement of the Award in lieu of any settlement by issuance of Shares pursuant to Subsection 5.3.5. In the absence of any specification of the method of settlement in the Award Agreement, any Award of DSUs may be settled in either Shares or cash in the Board's discretion.
- 5.3.2 ELECTION BY DIRECTORS. Each Director may elect to receive any part or all of his or her Fees in DSUs under this Plan. Elections by Participants regarding the amount of their Fees that they wish to receive in DSUs shall be made no later than 90 days after this Plan is adopted by the Board, and thereafter no later than December 31 of any given year with respect to Fees for the following year. Any Director who becomes a Participant during a fiscal year and wishes to receive an amount of his or her Fees for the remainder of that year in DSUs must make his or her election within 60 days of becoming a Director.
- 5.3.3 CALCULATION. In the case of an election by a Director, the number of DSUs to be credited to the Participant's Account shall be calculated by dividing the amount of Fees selected by an Director in the applicable Election Form by the Market Price on the Grant Date, or if more appropriate, another trading range that best represents the period for which the award was earned (subject to minimum pricing requirements under Exchange policies). If, as a result of the foregoing calculation, a Participant shall become entitled to a fractional DSU, the Participant shall only be credited with a full number of DSUs (rounded down) and no payment or other adjustment will be made with respect to the fractional DSU.
- 5.3.4 CHANGE OF CONTROL. Unless otherwise determined by the Board, in the event of a Change of Control, all DSUs granted to a Participant shall become fully vested in such Participant and shall become payable to the Participant in accordance with Subsection 5.3.5 hereof, provided that no acceleration of vesting of DSUs upon a Change of Control can occur prior to the date that is one year from the date of grant of such DSUs unless the Participant ceases to be an Eligible Person in connection with such Change of Control.

- 5.3.5 **PAYMENT OF AWARD.** After the effective date that the Participant ceases to be an Eligible Person for any reason or any earlier vesting period(s) as may be set forth in the applicable Award Agreement, each Participant shall be entitled to receive on the DSU Payment Date that number of Shares equal to the number of DSUs credited to the Participant's Account, such Shares to be issued from treasury of the Company, or, as determined by the Board, a cash amount equal to the value of the vested Shares. The aforementioned payment will occur on the date (the “**DSU Payment Date**”) that is one of two (2) dates designated by the Participant and communicated to the Company by the Participant in writing at least fifteen (15) days prior to the designated day (or such earlier date as the Participant and the Company may agree, which dates shall be no earlier than the ninetieth (90) day following the year of the Cessation Date and no later than the end of the calendar year following the year of the Cessation Date, or any earlier period in which the DSUs vested, as the case may be) and if no such notice is given, then on the first anniversary of the Cessation Date or any earlier period on which the DSUs vested, as the case may be, at the sole discretion of the Participant.
- 5.3.6 **DEATH.** Upon death of a Participant, the Participant's estate shall be entitled to receive, within 120 days after the Participant's death and at the sole discretion of the Board, such Shares that would have otherwise been payable in accordance with Subsection 5.3.5 hereof to the Participant upon such Participant ceasing to be an Eligible Person.

5.4 OPTIONS

- 5.4.1 **ELIGIBILITY AND PARTICIPATION.** Subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant Awards of Options to Eligible Persons. Options granted to a Participant shall be credited, as of the Grant Date, to the Participant's Account. The number of Options to be credited to each Participant shall be determined by the Board in its sole discretion in accordance with this Plan. Each vested Option shall represent the right to purchase one (1) Share in accordance with its terms and the terms of this Plan. The number of Options granted pursuant to an Award shall be specified in the applicable Award Agreement.
- 5.4.2 **EXERCISE PRICE.** The exercise price of the Options shall be determined by the Board at the time the Option is granted. In no event shall such exercise price be lower than the discounted Market Price permitted by the Exchange, which shall be the Discounted Market Price if the Shares are listed on the TSX Venture Exchange at the time of grant. The Board shall not reprice any Options granted under this Plan, except in accordance with the rules and policies of the Exchange. For greater certainty, the Company will be required to obtain disinterested shareholder approval in accordance with the Policy in respect of any extension or reduction in the exercise price of Options granted to any Participant if the Participant is an Insider at the time of the proposed reduction or extension.
- 5.4.3 **TIME AND CONDITIONS OF EXERCISE.** The Board shall determine the time or times at which an Option may be exercised in whole or in part, provided that the term of any Option granted under this Plan shall not exceed ten years. In the case of an Option granted to an Eligible Charitable Organization, such Option must be exercised on or before the earlier of (a) ten years from the date of grant and (b) the 90th day following the date that the holder ceases to be an Eligible Charitable Organization. The Board shall also determine the vesting, performance and/or other conditions, if any, that must be satisfied before all or part of an Option may be exercised. Vesting provisions applied to Options granted to Participants who are Investor Relations Service Providers must be in compliance with Section 4.5.
- 5.4.4 **EVIDENCE OF GRANT.** All Options shall be evidenced by a written Award Agreement. The Award Agreement shall reflect the Board's determinations regarding the exercise price, time and

conditions of exercise (including vesting provisions) and such additional provisions as may be specified by the Board.

5.4.5 EXERCISE. The exercise of any Option will be contingent upon receipt by the Company of a written notice of exercise in the manner and in the form set forth in the applicable Award Agreement, which written notice shall specify the number of Shares with respect to which the Option is being exercised, and which shall, subject to Subsections 5.4.5(a) and (b), be accompanied by a cheque, bank draft or other method of cash payment as is acceptable to the Company for the full purchase price of such Shares with respect to which the Option is exercised. Certificates for such Shares shall be issued and delivered to the Participant within a reasonable time following the receipt of such notice and payment. Neither the Participants nor their legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any Shares unless and until the certificates for the Shares issuable pursuant to Options under this Plan are issued to such Participants under the terms of this Plan. In the event that the expiry date of an Option falls during a Blackout Period, the expiry date of such Option shall automatically be extended to a date which is ten (10) business days following the end of such Blackout Period (the “**Extension Period**”), subject to no cease trade order being in place under applicable securities laws; provided that if an additional Blackout Period is subsequently imposed by the Company during the Extension Period, then such Extension Period shall be deemed to commence following the end of such additional Blackout Period to enable the exercise of such Option within ten (10) business days following the end of the last imposed Blackout Period. Notwithstanding the foregoing methods of Option exercise, the Committee may, in its sole discretion, permit the exercise of an Option through either:

- (a) a cashless exercise (“**Cashless Exercise**”) mechanism, whereby the Company has an arrangement with a brokerage firm pursuant to which the brokerage firm:
 - (i) agrees to loan money to a Participant to purchase the Shares underlying the Options to be exercised by the Participant;
 - (ii) then sells a sufficient number of Shares to cover the exercise price of the Options in order to repay the loan made to the Participant; and
 - (iii) receives an equivalent number of Shares from the exercise of the Options and the Participant receives the balance of Shares pursuant to such exercise, or the cash proceeds from the sale of the balance of such Shares (or in such other portion of Shares and cash as the broker and Participant may otherwise agree); or
- (b) a net exercise (“**Net Exercise**”) mechanism, whereby Options, excluding Options held by any Investor Relations Service Provider, are exercised without the Participant making any cash payment so the Company does not receive any cash from the exercise of the subject Options, and instead the Participant receives only the number of underlying Shares that is equal to the quotient obtained by dividing:
 - (i) the product of the number of Options being exercised multiplied by the difference between the VWAP of the underlying Shares and the exercise price of the subject Options; by
 - (ii) the VWAP of the underlying Shares.

In the event of a Cashless Exercise or Net Exercise, the number of Options exercised, surrendered or converted, and not the number of Shares actually issued by the Company, must be included in calculating the limits set forth in section 4.1.

- 5.4.6 CHANGE OF CONTROL. In the event of a Change of Control, each outstanding Option, to the extent that it has not otherwise become vested and exercisable, and subject to the applicable Award Agreement, shall automatically become fully and immediately vested and exercisable, without regard to any other applicable vesting requirement, subject to the Policy. For greater certainty, any acceleration of vesting of Options held by a Participant who is an Investor Relations Servicer Provider is subject to prior Exchange acceptance.
- 5.4.7 DEATH. Where a Participant shall die, any Option held by such Participant at the date of death shall be exercisable in whole or in part only by the person or persons to whom the rights of the Participant under the Option shall pass by the will of the Participant or the laws of descent and distribution for a period of 120 days after the date of death of the Participant or prior to the expiration of the Option, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the Option at the date of death of such Participant.
- 5.4.8 TERMINATION OF EMPLOYMENT OR SERVICE.
- (a) Where a Participant's employment is terminated by the Company or a subsidiary of the Company for cause, or where a Participant's consulting agreement is terminated as a result of the Participant's breach, no Option held by such Participant shall be exercisable from the date of termination determined by the Board.
 - (b) Where a Participant's employment is terminated by the Company or a subsidiary of the Company without cause, by voluntary termination or due to Retirement by the Participant, or where a Participant's consulting agreement is terminated for a reason other than the Participant's breach, any Option held by such Participant at such time shall remain exercisable in full at any time, and in part from time to time, for a period of 90 days after the date of termination determined by the Board (subject to any longer period set out in the applicable Award Agreement, which period shall not, in any event, exceed twelve (12) months from the date of termination determined by the Board) or prior to the expiration of the Option, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the Option at the date of termination determined by the Board.
 - (c) Where a Participant becomes afflicted by a Disability, all Options granted to the Participant under this Plan will continue to vest in accordance with the terms of such Options. Where a Participant's employment or consulting agreement with the Company or a subsidiary of the Company is terminated due to Disability, unless the applicable Award Agreement provides otherwise and subject to the provisions below, any Option held by such Participant shall remain exercisable for a period of 120 days after the date of termination determined by the Board (subject to any longer period set out in the applicable Award Agreement, which period shall not, in any event, exceed twelve (12) months from the date of termination determined by the Board) or prior to the expiration of the Option, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the Option at the date of termination determined by the Board.
- 5.4.9 CESSATION OF DIRECTORSHIP. Where, in the case of Directors, a Participant ceases to be a Director for any reason, any Option held by such Participant at such time shall, subject to the applicable Award Agreement and the provisions below, remain exercisable in full at any time,

and in part from time to time, for a period of 90 days after the Cessation Date (subject to any longer period set out in the applicable Award Agreement, which period shall not, in any event, exceed twelve (12) months from the Cessation Date) or prior to the expiration of the Option, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the Option as of the Cessation Date. Where, in the case of Directors, a Participant becomes afflicted by a Disability, all Options granted to the Participant under this Plan will continue to vest in accordance with the terms of such Options, provided that if a Participant ceases to be a Director due to Disability, subject to the applicable Award Agreement, any Option held by such Participant shall remain exercisable for a period of 120 days after the Cessation Date (subject to any longer period set out in the applicable Award Agreement, which period shall not, in any event, exceed twelve (12) months from the Cessation Date) or prior to the expiration of the Option, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the Option as of the Cessation Date.

5.5 STOCK APPRECIATION RIGHTS

5.5.1 ELIGIBILITY AND PARTICIPATION. Subject to the provisions of this Plan and such other terms and conditions as the Board may determine, the Board may, from time to time, in its discretion, grant Awards of SARs to Eligible Persons. SARs granted to a Participant shall be credited, as of the Grant Date, to the Participant's Account. The number of SARs to be credited to each Participant shall be determined by the Board in its sole discretion in accordance with this Plan. The number of SARs granted pursuant to an Award shall be specified in the applicable Award Agreement.

5.5.2 SAR GRANT PRICE. The exercise price of the SAR (the "**SAR Grant Price**") shall be determined by the Board at the time the SAR is granted. In no event shall the SAR Grant Price be lower than the discounted Market Price permitted by the Exchange, which shall be the Discounted Market Price if the Shares are listed on the TSX Venture Exchange at the time of grant. The Board shall not reprice the SAR Grant Price of any SAR granted under this Plan, except in accordance with the rules and policies of the Exchange. For greater certainty, the Company will be required to obtain disinterested shareholder approval in accordance with the Policy in respect of any reduction in the SAR Grant Price applicable to SARs granted to any Participant if the Participant is an Insider at the time of the proposed reduction.

5.5.3 PAYMENT.

(a) Subject to the provisions hereof, a SAR is the right to receive a payment in Shares equal to the excess, if any, of:

(i) the Market Price at the date such SAR is exercised; *over*

(ii) the SAR Grant Price,

multiplied by the number of Shares in respect of which the SAR is being exercised (less any amount required to be withheld for taxes by applicable law) (the "**SAR Amount**").

(b) For greater clarity, the actual number of Shares to be granted to the Participant pursuant to Subsection 5.5.3(a) shall be equal to the aggregate SAR Amount divided by the Market Price at the time of exercise.

- (c) Notwithstanding the foregoing, in the sole discretion of the Board, the Award Agreement may provide that the Company may elect to satisfy the exercise of a SAR (in whole or in part) by paying to the Participant cash in an amount equal to the SAR Amount in lieu of Shares.
- 5.5.4 TERMS OF SARs. SARs shall be granted on such terms as shall be determined by the Board and set out in the Award Agreement (including any terms pertaining to vesting and settlement), provided the term of any SAR granted under this Plan shall not exceed ten (10) years.
- 5.5.5 EXERCISE. The exercise of any SAR will be contingent upon receipt by the Company of a written notice of exercise in the manner and in the form set forth in the applicable Award Agreement, which written notice shall specify the number of Shares with respect to which the SAR is being exercised. If the Participant is to receive Shares, certificates for such Shares shall be issued and delivered to the Participant within a reasonable time following the receipt of such notice. Neither the Participant nor his legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any Shares unless and until the certificates for the Shares issuable pursuant to SARs under this Plan are issued to such Participant under the terms of this Plan. In the event that the expiry date of a SAR falls during a Blackout Period, the expiry date of such SAR shall automatically be extended to the Extension Period, subject to no cease trade order being in place under applicable securities laws; provided that if an additional Blackout Period is subsequently imposed by the Company during the Extension Period, then such Extension Period shall be deemed to commence following the end of such additional Blackout Period to enable the exercise of such SAR within ten (10) business days following the end of the last imposed Blackout Period.
- 5.5.6 CHANGE OF CONTROL. Unless otherwise determined by the Board, in the event of a Change of Control, all SAR's granted to a Participant shall become fully vested in such Participant and shall become exercisable by the Participant in accordance with Subsection 5.5.5 hereof, provided that no acceleration of vesting of SARs upon a Change of Control can occur prior to the date that is one year from the date of grant of such SARs unless the Participant ceases to be an Eligible Person in connection with such Change of Control.
- 5.5.7 DEATH. Where a Participant shall die while holding a SAR, any SAR held by such Participant at the date of death shall be exercisable in whole or in part only by the person or persons to whom the rights of the Participant under the SAR shall pass by the will of the Participant or the laws of descent and distribution for a period of 120 after the date of death of the Participant or prior to the expiration of the exercise period in respect of the SAR, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the SAR at the date of death of such Participant.
- 5.5.8 TERMINATION OF EMPLOYMENT OR SERVICE.
 - (a) Where a Participant's employment is terminated by the Company or a subsidiary of the Company for cause, or where a Participant's consulting agreement is terminated as a result of the Participant's breach, no SAR held by such Participant shall be exercisable from the date of termination determined by the Board.
 - (b) Where a Participant's employment is terminated by the Company or a subsidiary of the Company without cause, by voluntary termination or due to Retirement by the Participant, or where a Participant's consulting agreement is terminated for a reason other than the Participant's breach, any SAR held by such Participant at such time shall remain exercisable in full at any time, and in part from time to time, for a period of 90 days after the date of termination determined by the Board (subject to any longer

period set out in the applicable Award Agreement, which period shall not, in any event, exceed twelve (12) months from the date of termination determined by the Board) or prior to the expiration of the exercise period in respect of the SAR, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the SAR at the date of termination determined by the Board.

- (c) Where a Participant becomes afflicted by a Disability, all SARs granted to the Participant under this Plan will continue to vest in accordance with the terms of such SARs. Where a Participant's employment or consulting agreement with the Company or a subsidiary of the Company is terminated due to Disability, subject to the applicable Award Agreement, any SAR held by such Participant shall remain exercisable for a period of 120 days after the date of termination determined by the Board (subject to any longer period set out in the applicable Award Agreement, which period shall not, in any event, exceed twelve (12) months from the date of termination determined by the Board) or prior to the expiration of the exercise period in respect of the SAR, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the SAR at the date of termination determined by the Board.

5.5.9 CESSATION OF DIRECTORSHIP. Where, in the case of Directors, a Participant ceases to be a Director for any reason, any SAR held by such Participant at such time shall, subject to the applicable Award Agreement and the provisions below, remain exercisable in full at any time, and in part from time to time, for a period of 90 days after the Cessation Date or prior to the expiration of the exercise period in respect of the SAR, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the SAR as of the Cessation Date. Where, in the case of Directors, a Participant becomes afflicted by a Disability, all SARs granted to the Participant under this Plan will continue to vest in accordance with the terms of such SARs, provided that if a Participant ceases to be a Director due to Disability, subject to the applicable Award Agreement, any SAR held by such Participant shall remain exercisable for a period of 120 days after the Cessation Date or prior to the expiration of the exercise period in respect of the SAR, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the SAR as of the Cessation Date.

5.6 GENERAL TERMS APPLICABLE TO AWARDS

5.6.1 FORFEITURE EVENTS. The Board will specify in an Award Agreement at the time of the Award that the Participant's rights, payments and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture or recoupment upon the occurrence of certain specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Such events shall include, but shall not be limited to, termination of employment for cause, violation of material Company policies, fraud, breach of noncompetition, confidentiality or other restrictive covenants that may apply to the Participant or other conduct by the Participant that is detrimental to the business or reputation of the Company.

5.6.2 AWARDS MAY BE GRANTED SEPARATELY OR TOGETHER. Without limiting Subsection 5.5, Awards may, in the discretion of the Board, be granted either alone or in addition to, in tandem with, or in substitution for any other Award. Awards granted in addition to or in tandem with other Awards, may be granted either at the same time as or at a different time from the grant of such other Awards or awards.

5.6.3 NON-TRANSFERABILITY OF AWARDS. No Award and no right under any such Award, shall be assignable, alienable, saleable, or transferable by a Participant otherwise than by will or by the laws of descent and distribution. No Award and no right under any such Award, may be pledged,

alienated, attached, or otherwise encumbered, and any purported pledge, alienation, attachment, or encumbrance thereof shall be void and unenforceable against the Company. The Company does not intend to make Awards assignable or transferable, except where required by law or in certain estate proceedings described herein.

- 5.6.4 **CONDITIONS AND RESTRICTIONS UPON SECURITIES SUBJECT TO AWARDS.** The Board may provide that the Shares issued under an Award shall be subject to such further agreements, restrictions, conditions or limitations as the Board in its sole discretion may specify, including without limitation, conditions on vesting or transferability and forfeiture or repurchase provisions or provisions on payment of taxes arising in connection with an Award. Without limiting the foregoing, such restrictions may address the timing and manner of any resales by the Participant or other subsequent transfers by the Participant of any Shares issued under an Award, including without limitation: (A) restrictions under an insider trading policy or pursuant to applicable law; (B) restrictions designed to delay and/or coordinate the timing and manner of sales by Participant; (C) restrictions as to the use of a specified brokerage firm for such resales or other transfers; and (D) provisions requiring Shares to be sold on the open market or to the Company in order to satisfy tax withholding or other obligations.
- 5.6.5 **SHARE CERTIFICATES.** All Shares delivered under this Plan pursuant to any Award shall be subject to such stop transfer orders and other restrictions as the Board may deem advisable under this Plan or the rules, regulations, and other requirements of any securities commission, the Exchange, and any applicable securities legislation, regulations, rules, policies or orders, and the Board may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.
- 5.6.6 **CONFORMITY TO PLAN.** In the event that an Award is granted which does not conform in all particulars with the provisions of this Plan, or purports to grant an Award on terms different from those set out in this Plan, the Award shall not be in any way void or invalidated, but the Award shall be adjusted by the Board to become, in all respects, in conformity with this Plan.
- 5.6.7 **EXPIRY FOLLOWING TERMINATION.** Notwithstanding any other provision of this Plan, any Award granted or issued to any Participant who is a Director, Officer, Employee, Consultant or Management Company Employee must expire within a reasonable period, not exceeding 12 months, following the Cessation Date.

SECTION 6 AMENDMENT AND TERMINATION

- 6.1 **SHAREHOLDER APPROVAL OF PLAN.** This Plan is subject to annual shareholder approval in accordance with the Policy. The initial shareholder approval requirements and related matters are set out in section 8.1 of this Plan.
- 6.2 **AMENDMENTS AND TERMINATION OF THIS PLAN.** The Board may at any time or from time to time, in its sole and absolute discretion, amend, suspend, terminate or discontinue this Plan and may amend the terms and conditions of any Awards granted hereunder, subject to (a) any required approval of any applicable regulatory authority or Exchange, and (b) any required approval of shareholders of the Company in accordance with the Policy or applicable law. Without limitation, shareholder approval shall not be required for the following amendments:
 - 6.2.1 amendments to fix typographical errors;
 - 6.2.2 amendments to clarify existing provisions of the Plan that do not have the effect of altering the scope, nature and intent of such provisions; and

- 6.2.3 amendments that are necessary to comply with applicable law or the requirements of the Exchange.

If this Plan is terminated, Awards granted or issued prior to the date of termination shall remain outstanding and in effect in accordance with their applicable terms and conditions.

- 6.3 AMENDMENTS TO AWARDS. Subject to compliance with applicable laws and Exchange policies, the Board may waive any conditions or rights under, amend any terms of, or amend, alter, suspend, discontinue, or terminate, any Awards theretofore granted, prospectively or retroactively. No such amendment or alteration shall be made which would impair the rights of any Participant, without such Participant's consent, under any Award theretofore granted, provided that no such consent shall be required with respect to any amendment or alteration if the Board determines in its sole discretion that such amendment or alteration either (i) is required or advisable in order for the Company, this Plan or the Award to satisfy or conform to any law or regulation or to meet the requirements of any accounting standard, or (ii) is not reasonably likely to significantly diminish the benefits provided under such Award.

SECTION 7 GENERAL PROVISIONS

- 7.1 NO RIGHTS TO AWARDS. No Eligible Person shall have any claim to be granted any Award under this Plan, or, having been selected to receive an Award under this Plan, to be selected to receive a future Award, and further, there is no obligation for uniformity of treatment of Eligible Persons under this Plan. The terms and conditions of Awards need not be the same for each recipient, provided they comply with the terms of this Plan and the Policy.
- 7.2 WITHHOLDING. The Company shall be authorized to withhold from any Award granted or any payment due or transfer made under any Award or under this Plan the amount (in cash, Shares, other securities, or other Awards) of withholding taxes due in respect of an Award, its exercise, or any payment or transfer under such Award or under this Plan and to take such other action as may be necessary in the opinion of the Company to satisfy statutory withholding obligations for the payment of such taxes. Without in any way limiting the generality of the foregoing, whenever cash is to be paid on the redemption, exercise or vesting of an Award, the Company shall have the right to deduct from all cash payments made to a Participant any taxes required by law to be withheld with respect to such payments. Whenever Shares are to be delivered on the redemption, exercise or vesting of an Award, the Company shall have the right to deduct from any other amounts payable to the Participant any taxes required by law to be withheld with respect to such delivery of Shares, or if any payment due to the Participant is not sufficient to satisfy the withholding obligation, to require the Participant to remit to the Company in cash an amount sufficient to satisfy any taxes required by law to be withheld. At the sole discretion of the Board, a Participant may be permitted to satisfy the foregoing requirement by:
- 7.2.1 electing to have the Company withhold from delivery Shares having a value equal to the amount of tax required to be withheld, or
- 7.2.2 delivering (on a form prescribed by the Company) an irrevocable direction to a securities broker approved by the Company to sell all or a portion of the Shares and to deliver to the Company from the sales proceeds an amount sufficient to pay the required withholding taxes.

For greater certainty, the application of this Section 7.2 to any payment due or transfer made under any Award or under this Plan shall not conflict with the policies of the Exchange that are in effect at the relevant time and the Company will obtain prior Exchange acceptance and/or shareholder approval of any application of this Section 7.2 if required pursuant to such policies.

- 7.3 NO LIMIT ON OTHER SECURITY-BASED COMPENSATION ARRANGEMENTS. Subject to compliance with the Policy if the Shares are listed on the TSX Venture Exchange and compliance with the applicable limitations set out Section 4.1, nothing contained in this Plan shall prevent the Company or a subsidiary of the Company from adopting or continuing in effect other security-based compensation arrangements, and such arrangements may be either generally applicable or applicable only in specific cases.
- 7.4 NO RIGHT TO EMPLOYMENT. The grant of an Award shall not constitute an employment contract nor be construed as giving a Participant the right to be retained in the employ of the Company. Further, the Company may at any time dismiss a Participant from employment, free from any liability, or any claim under this Plan, unless otherwise expressly provided in this Plan or in any Award Agreement.
- 7.5 NO RIGHT AS SHAREHOLDER. Neither the Participant nor any representatives of a Participant's estate shall have any rights whatsoever as shareholders in respect of any Shares covered by such Participant's Award, until the date of issuance of a share certificate to such Participant or representatives of a Participant's estate for such Shares.
- 7.6 CURRENCY. Unless expressly stated otherwise, all dollars amounts in this Plan are in Canadian dollars.
- 7.7 GOVERNING LAW. This Plan and all of the rights and obligations arising here from shall be interpreted and applied in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.
- 7.8 SEVERABILITY. If any provision of this Plan or any Award is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction, or as to any Person or Award, or would disqualify this Plan or any Award under any law deemed applicable by the Board, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Board, materially altering the intent of this Plan or the Award, such provision shall be stricken as to such jurisdiction, Person, or Award, and the remainder of this Plan and any such Award shall remain in full force and effect.
- 7.9 NO TRUST OR FUND CREATED. Neither this Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company and a Participant or any other Person. To the extent that any Person acquires a right to receive payments from the Company pursuant to an Award, such right shall be no greater than the right of any unsecured creditor of the Company.
- 7.10 NO FRACTIONAL SHARES. No fractional Shares shall be issued or delivered pursuant to this Plan or any Award, and the Board shall determine whether cash, or other securities shall be paid or transferred in lieu of any fractional Shares, or whether such fractional Shares or any rights thereto shall be cancelled, terminated, or otherwise eliminated.
- 7.11 HEADINGS. Headings are given to the Sections and Subsections of this Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Plan or any provision thereof.
- 7.12 NO REPRESENTATION OR WARRANTY. The Company makes no representation or warranty as to the value of any Award granted pursuant to this Plan or as to the future value of any Shares issued pursuant to any Award.
- 7.13 NO REPRESENTATIONS OR COVENANTS WITH RESPECT TO TAX QUALIFICATION. Although the Company may, in its discretion, endeavor to (i) qualify an Award for favourable Canadian tax treatment or (ii) avoid adverse tax treatment, the Company makes no representation to that effect and expressly disavows any covenant to maintain favorable or avoid unfavorable tax treatment. The Company shall be unconstrained

in its corporate activities without regard to the potential negative tax impact on holders of Awards under this Plan.

- 7.14 CONFLICT WITH AWARD AGREEMENT. In the event of any inconsistency or conflict between the provisions of this Plan and an Award Agreement, the provisions of this Plan shall govern for all purposes.
- 7.15 COMPLIANCE WITH LAWS. The granting of Awards and the issuance of Shares under this Plan shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or stock exchanges on which the Company is listed as may be required. The Company shall have no obligation to issue or deliver evidence of title for Shares issued under this Plan prior to:
- 7.15.1 obtaining any approvals from governmental agencies that the Company determines are necessary or advisable; and
 - 7.15.2 completion of any registration or other qualification of the Shares under any applicable national or foreign law or ruling of any governmental body that the Company determines to be necessary or advisable or at a time when any such registration or qualification is not current, has been suspended or otherwise has ceased to be effective.

The inability or impracticability of the Company to obtain or maintain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

SECTION 8 EFFECTIVE DATE OF THIS PLAN AND SHAREHOLDER APPROVAL

- 8.1 EFFECTIVE DATE AND SHAREHOLDER APPROVAL. This Plan shall become effective upon the date (the "**Effective Date**") of approval by the Board and will remain subject to shareholder approval and Exchange approval, provided that, if the Company grants or issues Awards under this Plan that it would not otherwise be permitted to grant under its existing Option Plan prior to the requisite shareholder approval for this Plan having been obtained, the Company must also obtain specific (and separate) shareholder approval for such grants or issuances. If shareholder approval for this Plan is obtained after the Effective Date, no right under any Award (other than an Option, which was or could have been granted under the Option Plan) that is granted or issued under this Plan prior to such shareholder approval may vest or be exercised, as applicable, before the date of the shareholders' meeting held to approve this Plan and such grants or issuances (as applicable). The requisite shareholder approvals must be obtained in accordance with the Policy and, if the requisite shareholder approvals are not obtained, this Plan and all Awards granted hereunder (other than Options, which were or could have been granted under the Option Plan), will terminate.

Approved by the Board of Directors of the Company effective January 8, 2026