



OUTCROP
SILVER

OUTCROP SILVER & GOLD CORPORATION
Information Circular
Annual General & Special Meeting of Shareholders
to be held on January 9, 2026

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OUTCROP SILVER & GOLD CORPORATION

905 – 1111 W Hastings Street
Vancouver, BC V6E 2J3

MANAGEMENT INFORMATION CIRCULAR as at December 4, 2025

This Management Information Circular (“Information Circular”) is furnished in connection with the solicitation of proxies by management of Outcrop Silver & Gold Corporation (the “Company”) for use at the annual general and special meeting (the “Meeting”) of shareholders of the Company (the “Shareholders”) to be held on January 9, 2026 and any adjournment thereof, for the purposes set forth in the attached Notice of Annual General and Special Meeting. Except where otherwise indicated, the information contained herein is stated as of December 4, 2025.

In this Information Circular, references to the “Company” and “we” refer to Outcrop Silver & Gold Corporation. “Common Shares” means common shares without par value in the capital of the Company. “Registered Shareholders” means Shareholders whose names appear on the records of the Company as the registered holders of Common Shares. “Non-Registered Shareholders” means Shareholders who do not hold Common Shares in their own name. “Intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Non-Registered Shareholders.

PART ONE - GENERAL PROXY INFORMATION

Solicitation of Proxies

The solicitation of proxies will be primarily by mail but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. The Company will bear all costs of this solicitation. We have arranged to send meeting materials directly to Registered Shareholders, as well as Non-Registered Shareholders who have consented to their ownership information being disclosed by the Intermediary holding the Common Shares on their behalf (non-objecting beneficial owners). We have not arranged for Intermediaries to forward the meeting materials to Non-Registered Shareholders who have objected to their ownership information being disclosed by the Intermediary holding the Common Shares on their behalf (objecting beneficial owners) under National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*. As a result, objecting beneficial owners will not receive the Information Circular and associated meeting materials unless their Intermediary assumes the costs of delivery.

Appointment and Revocation of Proxies

The individuals named in the accompanying form of proxy (the “Proxy”) are officers or directors of the Company. **If you are a Registered Shareholder, you have the right to attend the meeting or vote by proxy and to appoint a person or company other than the person designated in the Proxy, who need not be a Shareholder, to attend and act for you and on your behalf at the Meeting.** You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of Proxy. If you are a Registered Shareholder you may wish to vote by proxy whether or not you are able to attend the Meeting in person. Registered Shareholders electing to submit a Proxy may do so by:

- 1) completing, dating and signing the enclosed form of proxy and returning it to Olympia Trust Company by fax (403) 668-8307, by email at proxy@olympiustrust.com or by mail at PO Box 128, STN M, Calgary, AB T2P 2H6, Attn: Proxy Dept.; or
- 2) using the internet through the website of Olympia Trust Company at <https://css.olympiustrust.com/pxlogin> . Registered shareholders must follow the instructions that appear on the screen and refer to the enclosed form of proxy for the 12-digit control number.

You should ensure that the Proxy is received at least 48 hours before the Meeting or the adjournment thereof at which the Proxy is to be used.

Every Proxy may be revoked by an instrument in writing:

- (i) executed by the Shareholder or by his/her attorney authorized in writing or, where the Shareholder is a company, by a duly authorized officer or attorney of the company; and
- (ii) delivered either to the registered office of the Company 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 chairman of the Meeting on the day of the Meeting or any adjournment thereof,

or in any other manner provided by law.

Only Registered Shareholders have the right to revoke a Proxy. Non-Registered Shareholders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective Intermediaries to revoke the Proxy on their behalf. If you are a Non-Registered Shareholder, see “Voting by Non-Registered Shareholders” below for further information on how to vote your Common Shares.

Exercise of Discretion by Proxyholder

If you vote by proxy, the persons named in the Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. The Proxy confers discretionary authority on the persons named therein with respect to:

- (i) each matter or group of matters identified therein for which a choice is not specified;
- (ii) any amendment to or variation of any matter identified therein;
- (iii) any other matter that properly comes before the Meeting; and
- (iv) exercise of discretion of the proxyholder.

In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Common Shares represented by the Proxy for the approval of such matter. Management is not currently aware of any other matters that could come before the Meeting.

Voting by Non-Registered Shareholders

The following information is of significant importance to Shareholders who do not hold Common Shares in their own name. Non-Registered Shareholders should note that the only Proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders.

If Common Shares are listed in an account statement provided to a Shareholder by an Intermediary, then in almost all cases those Common Shares will not be registered in the Shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the name of the Shareholder's Intermediary or an agent of that Intermediary. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. as nominee for The Canadian Depository for Securities Limited (which acts as depositary for many Canadian brokerage firms and custodian banks), and in the United States, under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depositary for many United States brokerage firms and custodian banks).

If you have consented to disclosure of your ownership information, you will receive a request for voting instructions from the Company (through Computershare). If you have declined to disclose your ownership information, you may receive a request for voting instructions from your Intermediary if they have assumed the cost of delivering the Information Circular and associated meeting materials. Every Intermediary has its own mailing procedures and provides its own return instructions to clients. However, most Intermediaries now delegate responsibility for obtaining

voting instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in the United States and in Canada.

If you are a Non-Registered Shareholder, you should carefully follow the instructions on the voting instruction form received from Olympia Trust Company or Broadridge in order to ensure that your Common Shares are voted at the Meeting. The voting instruction form supplied to you will be similar to the Proxy provided to the Registered Shareholders by the Company. However, its purpose is limited to instructing the Intermediary on how to vote on your behalf.

The voting instruction form sent by Olympia Trust Company or Broadridge will name the same persons as the Company’s proxy to represent you at the Meeting. Although as a Non-Registered Shareholder you may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of your Intermediary, you, or a person designated by you (who need not be a Shareholder), may attend at the Meeting as Proxyholder for your Intermediary and vote your Common Shares in that capacity. To exercise this right to attend the meeting or appoint a Proxyholder of your own choosing, you should insert your own name or the name of the desired representative in the blank space provided in the voting instruction form. Alternatively, you may provide other written instructions requesting that you or your desired representative attend the Meeting as Proxyholder for your Intermediary. The completed voting instruction form or other written instructions must then be returned in accordance with the instructions on the form.

If you receive a voting instruction form from Olympia Trust Company or Broadridge, you cannot use it to vote Common Shares directly at the Meeting. The voting instruction form must be completed as described above and returned in accordance with its instructions well in advance of the Meeting in order to have the Common Shares voted.

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

Except as disclosed herein, no person has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting other than the election of directors and as set out herein. For the purpose of this paragraph, “person” shall include each person: (a) who has been a director, senior officer or insider of the Company at any time since the commencement of the Company’s last financial year; (b) who is a proposed nominee for election as a director of the Company; or (c) who is an associate or affiliate of a person included in subparagraphs (a) or (b).

RECORD DATE AND QUORUM

The board of directors (the “**Board**”) of the Company has fixed the record date for the Meeting as the close of business on December 4, 2025 (the “**Record Date**”). Shareholders of record as at the Record Date are entitled to receive notice of the Meeting and to vote their Common Shares at the Meeting, except to the extent that any such Shareholder transfers any Common Shares after the Record Date and the transferee of those Common Shares establishes that the transferee owns the Common Shares and demands, not less than ten (10) days before the Meeting, that the transferee’s name be included in the list of Shareholders entitled to vote at the Meeting, in which case, only such transferee shall be entitled to vote such Common Shares at the Meeting.

Under the Company’s amended and restated articles, the quorum for the transaction of business at a meeting of Shareholders is two or more persons who are shareholders, holding 10% or more of the outstanding common shares of the Company, or who are otherwise permitted to vote Common Shares of the Company at the Meeting, present in person or by proxy.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

On the Record Date, there were 465,609,409 Common Shares issued and outstanding, with each Common Share carrying the right to one vote. Only Shareholders of record at the close of business on the Record Date will be entitled to vote in person or by Proxy at the Meeting or any adjournment thereof.

To the knowledge of the Directors and Senior Officers of the Company, as of the Record Date, the following beneficially own, or control or direct, directly or indirectly, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Company:

Name of Shareholder	Number of Common Shares	Percentage of Issued and Outstanding
Eric Sprott	91,692,789 ⁽¹⁾	19.7%

Note:

- (1) Eric Sprott owns these shares through 2176423 Ontario Ltd. which he controls and also beneficially owns or controls 25,324,994 share purchase warrants.

PART TWO - PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the Company's directors, the only matters to be placed before the Meeting are those set forth in the accompanying Notice of Meeting and more particularly discussed below.

Presentation Of Financial Statements

The annual consolidated financial statements of the Company for the financial year ended August 31, 2025, together with the auditor's report thereon, will be placed before the Meeting. The Company's financial statements are available on the System of Electronic Document Analysis and Retrieval (SEDAR+) website at <https://www.sedarplus.ca/landingpage/> and you may receive a copy of the financial statements free of charge by phoning the Company at +1-604-638-2545 X102 and providing your mailing address.

ELECTION OF DIRECTORS

The Company proposes to fix the number of directors of the Company at five (5) and to nominate the persons listed below for election as directors. Each director will hold office until the next annual general meeting of the Company or until his successor is elected or appointed, unless his office is earlier vacated. Management does not contemplate that any of the nominees will be unable to serve as a director. If, prior to the Meeting, any vacancies occur in the slate of nominees herein listed, it is intended that discretionary authority shall be exercised by the person named in the Proxy as nominee to vote the Common Shares represented by Proxy for the election of any other person or persons as directors.

The Board adopted a Majority Voting Policy of the Company (the "**Majority Voting Policy**") in November 2025 and it will be reviewed and amended accordingly on an annual basis. This policy provides that any nominee for election as a director who has more votes withheld than votes for election at the Meeting must immediately tender his or her resignation to the Board following the Meeting. This policy applies only to uncontested elections. The Board shall consider any resignation tendered pursuant to the policy and within 90 days after the Meeting, determine whether or not it should be accepted. The Board shall accept the resignation absent exceptional circumstances. The resignation will be effective when accepted by the Board. A director who tenders a resignation pursuant to this policy shall recuse themselves from any meeting of the Board and not participate in any deliberations on whether to accept such subject director(s) resignation. The Board will disclose its decision via press release as soon as practicable following receipt of the resignation and provide copy to the Toronto Stock Exchange ("**TSX**"). If the Board determines not to accept a resignation, the news release must fully state the reasons for that decision. If a resignation is accepted, the Board may leave the resultant vacancy unfilled until the next annual meeting of the Shareholders, appoint a new director to fill any vacancy created by the resignation or call a special meeting of the shareholders to consider the election of a nominee. A copy of the Majority Voting Policy is available on the Company website at www.outcropsilver.com or will be provided to any Shareholder without charge by request to the Corporate Secretary of the Company at Suite 905 – 1111 West Hastings Street, Vancouver, British Columbia, V6E 2J3.

The following table sets out the names of the management nominees; their positions and offices in the Company; principal occupations; the period of time that they have been directors of the Company; and the number of Common Shares which each beneficially owns or over which control or direction is exercised.

Name, Residence and Present Position within the Company	Director Since	Number of Common Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Discretion is Exercised	Principal Occupation (for the last 5 years)
Joseph Hebert^(*) Florida, United States <i>Director</i>	January 21, 2014	1,718,000	Director, Outcrop Silver & Gold Corporation
Kevin Nishi^{(*)(#)} British Columbia, Canada <i>Director</i>	February 16, 2015	100,000	Retired, former Partner, Smythe LLP
Jay Sujir^(#) British Columbia, Canada <i>Director</i>	January 23, 2020	100,000	Partner, Farris LLP
Ana Milena Vásquez^{(*)(#)} Bogotá, Colombia <i>Director</i>	October 17, 2022	Nil	Director Colombia, Freeport-McMoRan Exploration
Ian Harris Medellin, Colombia <i>CEO & Director</i>	July 13, 2023	50,000	CEO, Outcrop Silver & Gold Corporation

Note: (*) designates a member of the Audit Committee. Kevin Nishi is Chair of Audit Committee.

(#) denotes a member of the Compensation Committee. Ana Milena Vasquez is Chair of the Compensation Committee.

Except as otherwise disclosed below, to the knowledge of the Company, no proposed director of the Company is, as at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:

- (a) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer, or
- (b) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

For the purposes of subsection (a) above, “order” means:

- (i) a cease trade order;
- (ii) an order similar to a cease trade order; or
- (iii) an order that denied the relevant company access to any exemption under securities legislation;

that was in effect for more than 30 consecutive days.

Jay Sujir was on the board of directors of Red Eagle Mining Corporation which is subject to a cease-trade order issued by the British Columbia Securities Commission on November 20, 2018 for failure to file interim financial statements, management’s discussion and analysis, and certification of interim filings for the period ended September 30, 2018.

Except as otherwise disclosed below, to the knowledge of the Company, no proposed director of the Company:

- (a) is, as at the date of this Information Circular, or has been within 10 years before the date of this Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in the 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;

- (b) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director or executive officer;
- (c) 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; or
- (d) 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 securityholder in deciding whether to vote for a proposed director.

Jay Sujir was on the board of directors of Red Eagle Mining Corporation (“**Red Eagle**”) which owned and operated the Santa Rosa mine in Colombia. Due to start up issues Red Eagle had difficulty servicing its project debt and the mine was only able to commence commercial production on the basis of forbearances from the secured lenders. In August 2018, Red Eagle obtained a firm commitment from a third party to refinance the debt with substantial concessions and co-operation from the secured lenders, but in October 2018 the third party defaulted on its commitment and as a result, the secured lenders withdrew their forbearances and appointed a receiver-manager over the assets of Red Eagle.

APPOINTMENT OF AUDITOR

Management is recommending that Shareholders vote to appoint Davidson & Company LLP of 1200 - 609 Granville Street, Vancouver, BC, V7Y 1G6, as the Company’s auditor and to authorize the directors to fix their remuneration. Davidson & Company LLP were appointed the auditors for the Company on February 9, 2011.

Unless contrary instructions are indicated on the proxy form or the voting instruction card, the persons designated in the accompanying form of proxy or voting instructions card intend to vote FOR the appointment of Davidson & Company LLP and to authorize the Board of Directors to fix their remuneration.

APPROVAL OF THE AMENDED AND RESTATED FIXED 10% INCENTIVE STOCK OPTION PLAN

The Company has a fixed 10% Stock Option Plan (the “**Option Plan**”) pursuant to which the Board of Directors of the Company may, by resolution, grant options to directors, officers and employees of, and consultants to, the Company or its subsidiaries. The purpose of the Option Plan is to provide effective long-term incentives to such parties in order to align their interests with those of Shareholders. This Option Plan is an evergreen plan, whereby any options that are exercised, cancelled, or forfeited will be replenished and become available again for future grants within its fixed maximum limit.

In connection with the uplisting of the Company from the TSX Venture Exchange (the “**TSXV**”) to the TSX, the Company completed a review of the Option Plan. On December 4, 2025, the Board adopted the amended and restated fixed 10% Stock Option Plan attached as Schedule “C” to this Information Circular (the “**A&R Option Plan**”).

The following describes the material terms of the amendments to the A&R Option Plan. The following description may not be complete and is subject to, and qualified in its entirety by reference to, the terms and provisions of the A&R Option Plan. Shareholders are encouraged to make full reference to the terms of the A&R Option Plan attached as Schedule “C” to this Information Circular.

The Company’s fixed 10% Option Plan was first adopted by its Shareholders on February 14, 2025 at the Company’s 2025 Annual General and Special Meeting, when the Shareholders passed an Ordinary Resolution approving the Company’s Option Plan. Pursuant to Sec. 613 – *TSX Company Manual* of the TSX, to amend the Option Plan requires that the changes be approved by an Ordinary Resolution passed by a majority of the votes cast by holder of Shares of the Company present or represented by proxy at the Meeting. At the Meeting, the Shareholders of the Company will be asked to vote to approve the A&R Option Plan.

Summary of the Option Plan

The exercise price of options is determined by the Company's Board at the moment of the grant and may not be lower than the Market Price as calculated pursuant to the policies of the TSX, or the closing price on the date of the grant, or the volume-weighted average price ("VWAP"), or such other minimum price as may be required or permitted by the TSX. The aggregate number of Common Shares reserved for issuance pursuant to the exercise of Options may not exceed 10% of the outstanding Common Shares at December 4, 2025, previously a maximum of 34,159,595 options as of February 14, 2025, and currently proposed to increase to a fixed limit of 46,548,940, equal to 10% of the issued and outstanding shares on December 4, 2025, less the aggregate number of Common Shares then reserved for issuance pursuant to any other share compensation arrangement.

For the purposes of the Option Plan, an "other share compensation arrangement" includes any stock option plan, employee stock purchase plan, RSU plan, DSU plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares, including a share purchase from treasury which is financially assisted by the Company by way of a loan, guarantee or otherwise. The maximum period during which an option can be exercised is ten (10) years from the date of grant. Each option is personal to the optionee and may not be sold or transferred except by inheritance.

The Option Plan provides that if an Eligible Person (as defined in the Option Plan) (a) is terminated for cause, each option held by such person shall terminate and therefore cease to be exercisable upon such termination for cause (b) dies, each option held by such person shall be exercisable by the heirs or administrators of such optionee and will expire after the earlier of (i) the expiry date therefor; or (ii) six (6) months after the date of such optionee's death; and (c) ceases to be an Eligible Person other than in the circumstances set out in subsection (a) or (b) above, each option held by such person shall terminate and shall therefore cease to be exercisable no later than the earlier of the expiry date therefor and the date which is 30 days after such event (provided that the Board may choose to extend such period as provided under the Option Plan). At no time may an optionee exercise its rights beyond the maximum period of ten (10) years from the date of grant. Options may not be assigned or transferred.

The Option Plan includes the following restrictions on Grants and Exercise of Options.

- (a) The Option Plan contains a maximum 2% limit for Investor Relations Service Providers.
- (b) The aggregate value of Options granted to any one non-executive director in any 12-month period under the Option Plan:
 - i. shall not exceed \$100,000, at the time of the grant; and
 - ii. together with the aggregate value of awards to such non-executive under any other share compensation arrangement, shall not exceed \$150,000 at the time of the grant.
- (c) Unless the Company has received disinterested shareholder approval to do so:
 - i. the aggregate number of Common Shares reserved for issuance to Insiders under the Option Plan and any other share compensation arrangement shall not exceed 10% of the outstanding Common Shares at the time of the grant;
 - ii. the aggregate number of Common Shares issued to Insiders in any 12-month period under this Plan and any other share compensation arrangement shall not exceed 10% of the outstanding Common Shares at the time of the grant.

The Board has adopted provisions including a Cashless Exercise, and a Net Exercise provision, each as defined in the Option Plan.

Options granted to Investor Relations Service Providers must vest in stages over 12 months or more, and they may not receive any compensation involving the issuance or potential issuance of Common Shares, other than Options.

The Option Plan allows for Cashless Exercise, as defined in the Option Plan, excluding Stock Options granted to Investor Relations Service Providers, as either a “net exercise” procedure in which the Company issues to the optionee Common Shares equal to the number determined by dividing the product of the number of Stock Options being exercised multiplied by the difference between the VWAP of the underlying Common Shares, or a broker assisted “cashless exercise” in which the Company delivers a copy of irrevocable instructions to the broker to sell Common Shares and deliver promptly to the Company an amount equal to the aggregate exercise price together with the amount necessary to satisfy any applicable tax withholding or remittance obligations under applicable laws.

The Board may amend any Option with the consent of the affected optionee and the TSX, including any shareholder approval required. In accordance with the requirements of the TSX, disinterested Shareholder approval shall be obtained for any amendment that results in:

- (a) any reduction in the exercise price of an Option if the Optionee is an insider at the time of the amendment;
- (b) any amendment to remove or to exceed the insider participation limit, limit to Non-Executive Directors, or limit to Investor Relations Service Providers;
- (c) an extension of the Expiry Date for Options if the Optionee is an Insider at the time of the proposed extension;
- (d) any benefit to an Insider; and
- (e) other types of compensation through Common Share issuance.

Shareholder approval shall be obtained in accordance with the requirements of the TSX including without limitation, any amendment that results in:

- (a) any cancellation and reissuance of an Option;
- (b) the addition of additional categories of Eligible Person;
- (c) an increase in the maximum number of Common Shares issuable pursuant to the Option Plan;
- (d) the method for determining the exercise price of a Stock Option;
- (e) the maximum term of a Stock Option;
- (f) the expiry and termination provisions of a Stock Option, including the addition of a blackout period; and
- (g) any method or formula for calculating prices, values, or amounts under the Option Plan that may result in a benefit to an Optionee.

The Board has the authority to make the following amendments without requiring shareholder approval:

- (a) amendments to fix typographical errors and clarify existing provisions of the Option Plan that do not have the effect of altering the scope, nature and intent of such provisions;
- (b) amendments of a “housekeeping” nature;
- (c) a change to the vesting provisions of options granted pursuant to the Option Plan; and/or
- (d) a change to the termination provisions of options granted under the Option Plan which does not entail an extension beyond the original expiry date.

Outstanding Securities Awarded

There are currently 28,443,750 options outstanding as of the Record Date, representing 6.11% of the issued and outstanding common shares, and 37,500 DSUs, representing less than 0.01% of the issued and outstanding common shares.

Remaining Securities Available for Grant

There are 5,678,346 stock options available for grant under the current Option Plan, representing 1.2% of the issued and outstanding common shares as of the Record Date, or up to an aggregate of 5,678,346 awards available granted as either RSUs or DSUs, representing 1.2% of the issued and outstanding common shares as of the Record Date.

Annual Burn Rate

Fiscal Year ended Aug 31	Options Granted	DSUs/RSUs Granted	Weighted Average Shares Outstanding	Annual Burn Rate of Options	Annual Burn Rate of DSUs/RSUs
2025	12,200,000	0	351,224,731	3.47%	0%
2024	7,000,000	0	260,644,748	2.68%	0%
2023	9,300,000	75,000	199,091,584	4.67%	0.001%

Shareholder Approval

The A&R Option Plan, if required by the policies of the TSX, should be approved by the Shareholders at the time the A&R Option Plan is to be implemented and yearly or every three years thereafter, at the Company's annual general meeting of shareholder.

The Board and management consider the approval of the A&R Option Plan to be appropriate and in the best interests of the Company. Accordingly, unless otherwise indicated, the persons designated as proxyholders in the accompanying form of proxy will vote the Common Shares represented by such form of proxy, properly executed, **FOR** the approval of the A&R Option Plan.

The text of the ordinary resolution approving the A&R Option Plan is set forth below, subject to such amendments, variations or additions as may be approved at the Meeting.

“BE IT RESOLVED AS AN ORDINARY RESOLUTION OF THE SHAREHOLDERS, with or without amendment, that:

1. All unallocated options under the Company's Incentive Stock Option Plan, as amended and restated, as set forth in Schedule “C” to the Information Circular be and is hereby ratified and approved; and
2. The Company has the ability to continue granting options under the Option Plan until January 9, 2029, which is the date that is three years from the date of the shareholder meeting; and
3. Any Director or officer of the Company be and is hereby authorized and directed, acting for, in the name of and on behalf of the Company, to execute or cause to be executed, under the corporate seal of the Company or otherwise, and to deliver or cause to be delivered, such other documents and instruments, and to do or cause to be done all such acts and things, as may in the opinion of such Director or officer of the Company be necessary or desirable to carry out the intent of the foregoing

resolution.”

APPROVAL OF AMENDED AND RESTATED ARTICLES

Amended and Restated Articles of Incorporation

In connection with the uplisting of the Company from the TSXV to the TSX, the Company completed a review of its existing articles of incorporation and on October 3, 2025, the Board adopted the amended and restated articles of incorporation attached as Schedule “D” to this Information Circular (the “**A&R Articles**”).

The following describes the material terms of the amendments to the A&R Articles. The following description may not be complete and is subject to, and qualified in its entirety by reference to, the terms and provisions of the A&R Articles. Shareholders are encouraged to make full reference to the terms of the A&R Articles attached as Schedule “D” to this Information Circular.

Quorum

The A&R Articles change the quorum for the transaction of business at a meeting of shareholders to be two or more persons who are Shareholders, holding 10% or more of the outstanding Common Shares, or who are otherwise permitted to vote shares of the Company at a meeting of shareholders pursuant to the A&R Articles, present in person or by proxy.

Alternate Directors

The A&R Articles remove the alternate directors provisions in their entirety.

Shareholder Approval

The Board and management consider the approval of the A&R Articles to be appropriate and in the best interests of the Company. Accordingly, unless otherwise indicated, the persons designated as proxyholders in the accompanying form of proxy will vote the Common Shares represented by such form of proxy, properly executed, **FOR** the approval of the A&R Articles.

The text of the ordinary resolution approving the A&R Articles is set forth below, subject to such amendments, variations or additions as may be approved at the Meeting.

“BE IT RESOLVED AS AN ORDINARY RESOLUTION OF THE SHAREHOLDERS, with or without amendment, that:

1. The Company’s Amended and Restated Articles as set forth in Schedule “D” to the Information Circular be and is hereby ratified and approved; and
2. Any Director or officer of the Company be and is hereby authorized and directed, acting for, in the name of and on behalf of the Company, to execute or cause to be executed, under the corporate seal of the Company or otherwise, and to deliver or cause to be delivered, such other documents and instruments, and to do or cause to be done all such acts and things, as may in the opinion of such Director or officer of the Company be necessary or desirable to carry out the intent of the foregoing resolution.”

PART THREE - OTHER BUSINESS

As of the date of this Information Circular, management of the Company knows of no other matters to be acted upon at the Meeting. However, should any other matters properly come before the Meeting, the Common Shares represented by the Proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the Common Shares represented by the Proxy.

STATEMENT OF EXECUTIVE COMPENSATION

Definitions

For the purposes of this statement of executive compensation:

“CEO” means the Company’s chief executive officer;

“CFO” means the Company’s chief financial officer;

“Named Executive Officer” or “NEO” means:

- (a) a CEO;
- (b) a CFO;
- (c) the most highly compensated executive officer, other than the CEO and CFO, 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 an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

As at August 31, 2025, the end of the most recently completed financial year of the Company, the Company had four (4) NEOs: Ian Harris, CEO; Robert Scott, CFO; Guillermo A. Hernandez Pineda, VP Exploration; and Amandip Singh, VP Corporate Development, whose names and positions held within the Company are set out in the summary compensation table below.

Named Executive Officer Compensation

The following table is a summary of compensation awarded to, earned by, paid to, or payable to each NEO of the Company for the three most recently completed financial years ended August 31, 2025, 2024, and 2023.

Summary Compensation Table						
Name and position	Fiscal Year ended Aug 31	Salary or consulting fee (\$)	Non-equity incentive plan compensation <i>Annual Incentive Plans</i> (\$)	Option-based Awards (\$)	Value of all other compensation (\$)	Total compensation (\$)
Ian Harris⁽¹⁾ <i>Director, CEO</i>	2025	148,872	34,355	454,000	Nil	637,227
	2024	134,910	Nil	130,000	Nil	264,910
	2023	17,000	Nil	380,000	Nil	397,000
Rob Scott⁽²⁾ <i>CFO</i>	2025	60,000	Nil	142,500	Nil	202,500
	2024	Nil	Nil	Nil	Nil	Nil
	2023	Nil	Nil	Nil	Nil	Nil
Guillermo Pineda VP Exploration	2025	219,872 ⁽³⁾	21,987	203,000	Nil	444,859
	2024	224,382	Nil	65,000	Nil	289,382
	2023	208,283	Nil	190,000	Nil	398,283

Summary Compensation Table						
Name and position	Fiscal Year ended Aug 31	Salary or consulting fee (\$)	Non-equity incentive plan compensation <i>Annual Incentive Plans</i> (\$)	Option-based Awards (\$)	Value of all other compensation (\$)	Total compensation (\$)
Amandip Singh VP Corporate Development	2025	20,833 ⁽⁴⁾	Nil	95,000	Nil	115,833
	2024	Nil	Nil	Nil	Nil	Nil
	2023	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Ian Harris was appointed as director and CEO on July 13, 2023. The amount for 2024 is the annual salary converted from USD at an exchange rate of 1.3491 as at Aug 31, 2024. The amount for 2025 is the annual salary and bonus converted from USD at an exchange rate of 1.3742.
- (2) Rob Scott was appointed as CFO on October 31, 2024. Costs for CFO were paid to FT Management Ltd.
- (3) The amount for 2025 is the annual salary and bonus converted from USD at an exchange rate of 1.3742. The 2024 amount was converted from USD at an exchange rate of 1.3491. The 2023 amount was converted from USD at a rate of 1.2523 at Aug 31, 2023.
- (4) Amandip Singh was appointed as an executive officer on August 5, 2025. This salary reflects one fiscal month of employment.

All option-based awards amounts listed in the Summary Compensation Table reflect the Black-Scholes fair value calculation on the date of granting.

External Management Companies

Management of the Company is performed by the executive officers of the Company.

Outstanding Option-Based Awards

The following option-based awards were outstanding to NEOs as of the fiscal year ended August 31, 2025:

Outstanding Option-Based Awards				
Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of vested unexercised in-the-money options (\$)
Ian Harris <i>CEO and Director</i>	2,000,000	0.22	July 20, 2028	532,000
	1,000,000	0.16	March 26, 2029	
	1,600,000	0.25	Oct 31, 2029	
	1,000,000	0.20	April 30, 2030	
Rob Scott <i>CFO</i>	500,000	0.27	Oct 31, 2029	40,000
	250,000	0.20	April 30, 2030	
Guillermo Pineda VP Exploration	1,000,000	0.22	July 20, 2028	266,000
	500,000	0.16	March 26, 2029	
	800,000	0.25	Oct 31, 2029	
	500,000	0.20	April 30, 2030	
Amandip Singh VP Corporate Development	500,000	0.29	Aug 5, 2030	3,750

The market price of the Common Shares on August 29, 2025, the last trading day of fiscal 2025, was \$0.32.

All stock options granted to directors and NEOs will vest 25% on the date of grant, and 25% quarterly thereafter, unless otherwise determined by the Board. No compensation securities were re-priced, cancelled and replaced, extended, or otherwise were materially modified during the most recently completed financial year.

Incentive plan awards – value vested or earned during the year

Name	Option-based awards – Value vested during the year (\$)
Ian Harris <i>CEO and Director</i>	379,000
Rob Scott <i>CFO</i>	123,750
Guillermo Pineda VP Exploration	37,500
Amandip Singh VP Corporate Development	3,750

The value of all option-based awards was calculated on each grant date, using the following Black-Scholes inputs, with an expected life of 5 years, and an expected dividend of \$nil. 1,587,500 options are unvested as of the Record Date.

	July 20, 2023	Mar 26, 2024	Oct 31, 2024	April 30, 2025	Aug 6, 2025
Risk-free rate	3.86%	3.53%	3.02%	2.67%	3.03%
Expected volatility	141.33%	105.66%	103.28%	97%	103.01%
Fair value per option	\$0.19	\$0.13	\$0.21	\$0.15	\$0.19

The following table summarizes the outstanding stock options granted by the Company as of the Record Date:

EXPIRY DATE	ISSUE	EXERCISE PRICE	OPTIONS OUTSTANDING
2026-04-19	F1-F6	\$0.30	2,800,000
2027-04-08	H1-H10	\$0.22	2,400,000
2027-10-05	J1/J2	\$0.25	400,000
2027-10-05	K1	\$0.26	400,000
2028-07-20	L	\$0.22	6,450,000
2027-01-26	ZA1-ZA15	\$2.00	250,000
2027-01-26	ZB1-ZB6	\$2.80	68,750
2027-01-26	ZC3	\$0.92	6,250
2027-12-08	ZE1-ZE10	\$0.44	162,500
2028-07-18	ZF	\$0.20	375,000
2029-03-26	M	\$0.16	3,281,250
2029-10-31	N1	\$0.27	500,000
2029-10-31	N2-N13	\$0.25	6,150,000
2030-04-30	O1-O14	\$0.20	4,700,000
2030-08-05	P1	\$0.29	500,000
OPTIONS OUTSTANDING		\$0.25 average price	28,443,750

Pension Plan Benefits

The Company has no pension plans, defined benefit plans, defined contribution plans, or deferred compensation plans. The Company does not provide pension benefits to the executive officers or directors.

Employment, consulting and management agreements

Except as disclosed herein, the Company does not have any agreement or arrangement under which compensation was provided during the most recently completed financial period ended August 31, 2025 or is payable in respect of services provided to the Company that were performed by a director or a NEO, or performed by any other party but are services typically provided by a director or a NEO.

Ian Harris, the CEO for the Company, entered into a consulting agreement with the Company on July 13, 2023, pursuant to which Mr. Harris agreed to perform the duties of CEO of the Company in consideration of an annual salary of \$100,000 USD. This agreement may be terminated by either party on 30 days' notice. The agreement was revised effective July 1, 2025 to an annual salary of \$150,000 USD.

Robert Scott, the CFO for the Company, entered into a consulting agreement with the Company as of October 31, 2024 pursuant to which Mr. Scott agreed to perform the duties of CFO of the Company in consideration of a monthly fee of \$7,500 plus applicable taxes, to be paid to his management company, FT Management Ltd.

Termination and Change of Control Benefits

The Company does not have any employment or consulting agreements in place with any termination and change of control benefits except as summarized below:

In the contract with Ian Harris, dated July 1, 2025, if the Company terminates the contract without cause, he is entitled to three months' notice or pay in lieu. In the event of a change in control, as defined in the contract, he is entitled to twelve months' pay, in the event the contract is terminated within twelve months of a change in control.

In the contract with Guillermo Pineda, dated May 9, 2022, if the Company terminates the contract without cause, he is entitled to three months' notice or pay in lieu.

In the contract with Amandip Singh, dated August 1, 2025, if the Company terminates the contract without cause in the first twelve months of employment, he is entitled to one month of notice or salary, less statutory deductions. The amount of notice or salary rises by one month per year of employment, to a maximum of three months' notice, or pay in lieu. In the event of a change in control, as defined in the contract, he is entitled to twelve months' pay, in the event the contract is terminated within twelve months of a change in control.

In the contract with Robert Scott, if the Company terminates the contract, FT Management Ltd. is entitled to one month of written notice. There are no termination or change of control benefits.

Director Compensation

Director Compensation Table					
Name and position	Fees earned (\$)	Option-based Awards (\$)	Non-equity incentive plan compensation (\$)	Value of all other compensation (\$)	Total (\$)
Joseph Hebert <i>Director</i>	Nil	113,500	Nil	Nil	113,500
Kevin Nishi <i>Director</i>	Nil	113,500	Nil	Nil	113,500
Jay Sujir <i>Director</i>	Nil	121,000	Nil	Nil	121,000
Ana Milena Vásquez <i>Director</i>	Nil	113,500	Nil	Nil	113,500

Oversight and description of director and named executive officer compensation

Currently, the Company has no standard arrangement pursuant to which directors are compensated with fees for their services in their capacity as directors. The Board has created a Compensation Committee as of September 30, 2025, the members of whom are Jay Sujir, Kevin Nishi, and Ana Milena Vasquez, who will review the compensation of directors annually.

The objectives of the Company's executive compensation program are as follows:

- to attract, retain and motivate talented executives;
- to align the interests of the Company's executives with the interests of the shareholders;
- to reward executive officers based on their skill and experience level, the level of responsibility involved in their position, the individual's experience and qualifications;
- to reward executives for reinforcing the Company's business objectives and values, for achieving the Company's performance objectives, and for their individual performance; and
- to provide total compensation to executives that is competitive.

The Company aims to design executive compensation packages that are comparable to those for executives with similar talents, qualifications and responsibilities at companies with similar financial and operating characteristics. However, executive compensation is not evaluated against a list of companies or formal peer group.

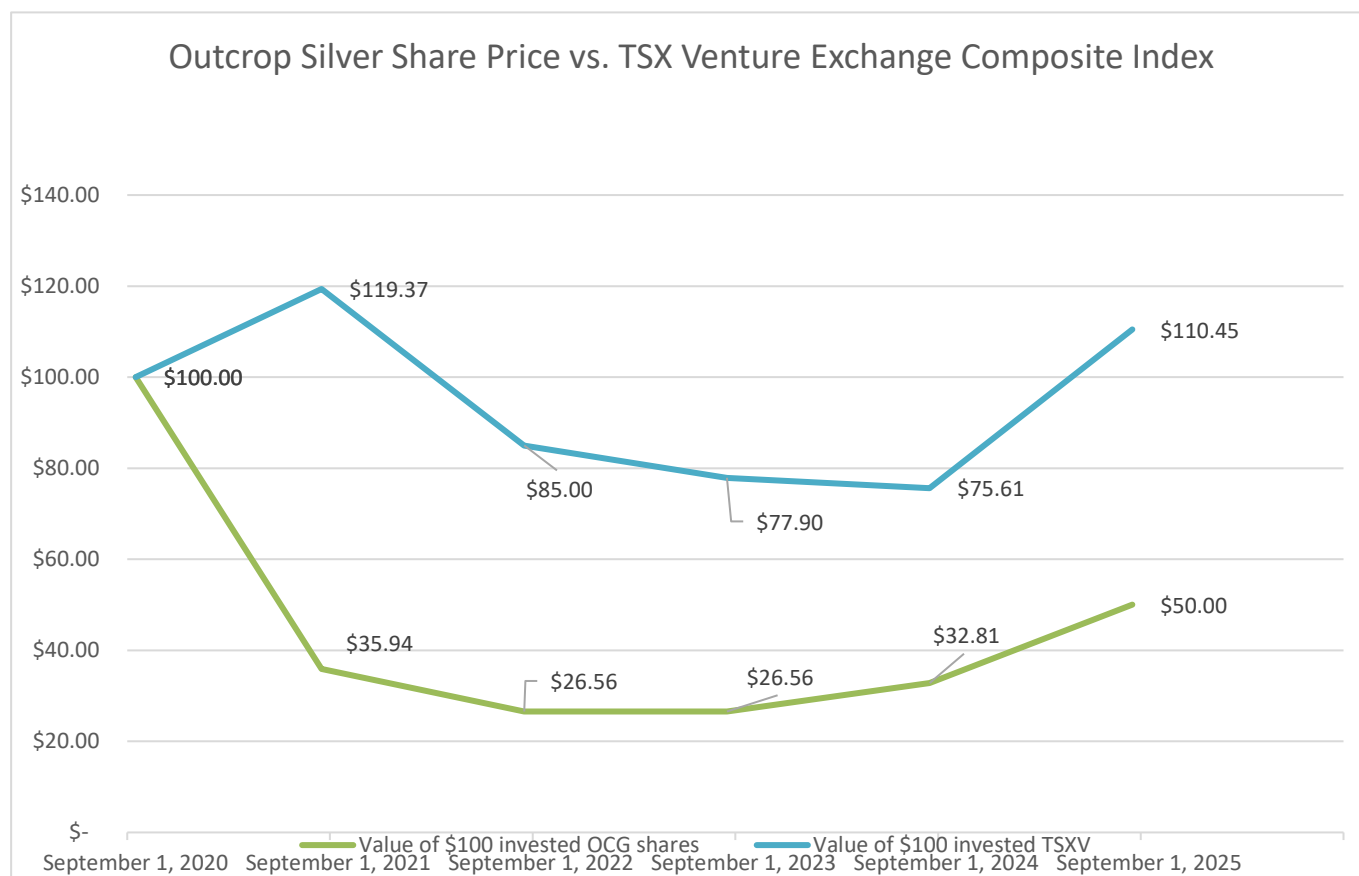
The Company has implemented three levels of compensation. First, executive officers may be paid a monthly consulting fee or salary. Second, executive officers may be awarded long term incentives in the form of stock options. Finally, and only in special circumstances, cash or share bonuses for exceptional performance that results in a significant increase in shareholder value may be awarded at the discretion of the Board.

The base compensation of the executive officers is reviewed annually by the Board. The independent members of the Board review the annual compensation levels for the CEO. Management may make recommendations to the Board from time to time regarding stock-based compensation to be made pursuant to the Option Plan. The Board may also make determinations regarding awarding bonuses, which are then approved by the independent members of the Board at their discretion. The Board does not have pre-existing performance criteria or objectives that it considers in setting compensation amounts.

See "*Statement of Executive Compensation - Director and named executive officer compensation*" above for a description of the compensation paid by the Company during the most recently completed financial period ended August 31, 2025. Compensation for the most recently completed financial period should not be considered an indicator of expected compensation levels in future periods. All compensation is subject to and dependent on the Company's financial resources and prospects.

Common Share Performance Graph

The graph below compares \$100 invested as of September 1, 2020 in Outcrop Silver common shares, compared to \$100 invested in the TSX Venture Exchange Composite Index, at the end of each of the Company's last five fiscal years. No dividends were paid. The company's compensation of its executive officers was materially unchanged over this time period.



SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out information as of the end of the Company's most recently completed financial year ended August 31, 2025 with respect to compensation plans under which equity securities of the Company are authorized for issuance:

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 issuances under equity compensation plan (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	31,368,750 options 37,500 DSUs	\$0.24	2,753,346
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total:	31,406,250		2,753,346

Amended and Restated Fixed 10% Incentive Stock Option Plan

The Company has a shareholder-approved fixed 10% incentive stock option plan that provides for the reservation for issuance of 34,159,596 options, which was a fixed 10% of the Company's issued and outstanding Common Shares as of February 14, 2025, to its directors, officers, employees, and consultants. The vesting terms of each stock option grant is determined by the Board of Directors at the time of the grant. Exercised, forfeited, and cancelled options are returned to the pool of available options for granting. A summary of the features of the plan are above under "Approval of the Amended and Restated Fixed Security Based Compensation Plan".

Restricted Share Unit and Deferred Share Unit Compensation Plan

The Company also has a security-based award plan (the "RSU/DSU Plan") which permits the grant of restricted share units of the Company ("RSU's") and/or deferred share units of the Company ("DSU's") whereby the maximum number of Common Shares reserved for issue under the RSU/DSU Plan shall not exceed 16,014,600 Common Shares of the Company. In addition, the aggregate number of Common Shares issuable pursuant to the RSU/DSU Plan combined with all of the Company's other securities-based compensation arrangements, including the Company's Stock Option Plan, shall not exceed 10% of the Company's outstanding Common Shares. 37,500 DSUs have been issued to independent directors. A summary of the features of the plan are as follows:

The purpose of this RSU/DSU Plan is to advance the interests of the Company by encouraging Directors, Employees and Consultants to receive equity-based compensation and incentives, thereby (i) increasing the proprietary interests of such Persons in the Company, (ii) aligning the interests of such Persons with the interests of the Company's shareholders generally, (iii) encouraging such Persons to remain associated with the Company, and (iv) furnishing such Persons with additional incentive in their efforts on behalf of the Company. The Board also contemplates that through the RSU/DSU Plan, the Company will be better able to compete for and retain the services of the individuals needed for the continued growth and success of the Company.

Restricted Share Units granted pursuant to the RSU/DSU Plan will be used to compensate Participants for their individual performance-based achievements and are intended to supplement stock option awards in this specific respect. The goal of such grants is to more closely tie Awards to individual performance based on established performance criteria.

Deferred Share Units granted pursuant to this RSU/DSU Plan will be used as a means of reducing the cash payable by the Company in respect of a Participant's compensable amounts. In so doing, the interest of each Participant will become more closely aligned with those of the Company and its shareholders.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors, executive officers, employees, proposed nominees for election as directors and their associates, or any former executive officers, directors and employees of the Company or any of its subsidiaries, is, as at the date of this Information Circular, or has been at any time during the most recently completed financial year, indebted to the Company or any of its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed herein or above, since the commencement of the Company's most recently completed financial year, no informed person (a director, officer or holder of 10% or more of the Common Shares) or nominee for election as a director of the Company or any associate or affiliate of any informed person or proposed director had any interest in any transaction that has materially affected or would materially affect the Company or any of its subsidiaries.

MANAGEMENT CONTRACTS

Management functions of the Company or any of its subsidiaries are not to any substantial degree performed by anyone other than by the directors or executive officers of the Company or subsidiaries. See "*Employment, consulting and management agreements*" and "*External Management Companies*" above.

CORPORATE GOVERNANCE

Corporate Governance

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the Shareholders, and takes into account the role of the individual members of management who are appointed by the Board and charged with the day to day management of the Company. The Canadian Securities Administrators ("CSA") have adopted National Policy 58-201 *Corporate Governance Guidelines*, which provides non prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, the CSA have implemented National Instrument Form 58-101F1 *Corporate Governance Disclosure* ("**NI 58-101**"), which prescribes certain disclosure by the Company of its corporate governance practices. This disclosure is presented below.

Board of Directors

The composition of the Board currently consists of the following five members: Ian Harris, Joseph Hebert, Jay Sujir, Ana Milena Vásquez, and Kevin Nishi. It is proposed that at the Meeting the following five individuals will be elected as member of the Board for the ensuing year: Ian Harris, Joseph Hebert, Kevin Nishi, Ana Milena Vásquez, and Jay Sujir.

The Board consists of a majority of individuals who qualify as independent directors. For this purpose, a director is independent if he or she has no direct or indirect "material relationship" with the Company. A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of the director's independent judgment. Of the proposed nominees, Ian Harris, President and CEO is considered to be a non-independent director.

Other Directorships

The following table sets forth the directors of the Company who are directors of other reporting issuers as at December 4, 2025:

Name of Director	Name of Reporting Issuer
Jay Sujir	Baltic I Acquisition Corp. Copper Giant Resources Corp. EarthLabs Inc. Golden Lake Exploration Inc. Intrepid Metals Corp. Kenorland Minerals Ltd. Kutcho Copper Corp. Vanadian Energy Corp.
Joseph Hebert	N/A
Kevin Nishi	Alaska Silver Corp.
Ana Milena Vásquez	N/A
Ian Harris	Applied Graphite Technologies Corporation Copper Giant Resources Corp. Emperor Metals Inc. PEZM Gold Inc. StrikePoint Gold Inc.

Meetings of Independent Directors

The independent directors have an opportunity to meet in camera at the end of each scheduled board meeting. They have met twice without management or non-independent directors present since the beginning of the year ended August 31, 2025. The Chair of the Board is Jay Sujir, an independent director.

Director Attendance

Name of Director	Date of Board Meeting			
	Sept 23, 2024	Dec 10, 2024	March 18, 2025	June 10, 2025
Jay Sujir	Present	Present	Present	Present
Joseph Hebert	Present	Present	Present	Present
Kevin Nishi	Absent	Present	Present	Present
Ana Milena Vásquez	Present	Present	Present	Present
Ian Harris	Present	Present	Present	Present

Position Descriptions

The Board has not developed written position descriptions for the Chair or the Chair of each committee of the Board. The Board mandate, and the charters for each committee, describe the responsibilities of the group as a whole, which is sufficient.

The Board has not developed a written position description for the CEO. The contract with the CEO outlines certain responsibilities.

Orientation and Continuing Education

Orientation of new members of the Board is conducted informally by Management and members of the Board. The Company has not adopted formal policies respecting continuing education for Board members. Members of the Board pursue their own continuing education.

Ethical Business Conduct

The Board has adopted a formal written Code of Business Ethics and Conduct for its directors, officers and employees. The Board expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company's business plan and to meet performance objectives and goals. In addition, the Board must comply with conflict of interest provisions in Canadian corporate law, including relevant securities regulatory instruments, in order to ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest. The Code of Business Ethics and Conduct is posted on the Company's profile at www.SEDARplus.ca.

Nomination of Directors

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

The Board has not established a nominating committee and this function is currently performed by the Board as a whole.

Board Committees

The Board has only the Compensation Committee and the Audit Committee.

Compensation

The Board does not compensate directors, and for its officers, it relies on existing contracts. The Board created a Compensation Committee on September 30, 2025 composed of independent directors which have not yet reviewed the Company's current executive and director compensation. The charter for the Compensation Committee describes its powers and responsibilities.

The Compensation Committee's purpose is to assist Board oversight of executive compensation, including with respect to:

- (a) reviewing and approving corporate goals and objectives relevant to CEO compensation, evaluating the CEO's performance in light of these goals and objectives and, either as a committee or together with other independent directors, determining and approving the CEO's compensation level based on this evaluation;
- (b) recommending to the Board non-CEO executive officer compensation, incentive-compensation and equity-based plans;

- (c) approving and monitoring insider trading and share ownership policies;
- (d) reviewing executive compensation disclosure before it is publicly disclosed; and
- (e) performing any other activities consistent with its Charter.

The Compensation Committee shall have the sole authority to retain and terminate any firm or expert engaged to assist in the evaluation of CEO or senior executive compensation and to retain outside counsel and any other advisors as the Compensation Committee may deem appropriate in its sole discretion. The Compensation Committee shall have sole authority to approve related fees and retention terms of any such firm and other advisors.

Assessments

The Board annually, and at such other times as it deems appropriate, reviews the performance and effectiveness of the Board, the directors and its committees to determine whether changes in size, personnel or responsibilities are warranted. To assist in its review, the Board conducts informal surveys of its directors and receives reports from the Audit Committee respecting its own effectiveness. As part of the assessments, the Board or the individual committee may review their respective mandate or charter and conduct reviews of applicable corporate policies. The Board Mandate is included as Schedule “B” attached to this Information Circular.

Term Limits

The Board has not adopted term limits for its directors, as it was a TSXV -listed issuer up until the end of the fiscal year ended August 31, 2025.

Women on the Board

The Company has not adopted a written policy relating to the identification and nomination of written directors. There is currently one woman on the Board, representing 20% out of a total of five directors. The Board has not considered the level of representation of women on the Board when nominating directors. The Company has not considered the level of representation of women in executive officer positions when making executive officer appointments. The Board has not adopted a target number or percentage of women in director or executive officer positions. There is currently one woman in an executive officer position, representing 20% of the five executive officers.

AUDIT COMMITTEE

Audit Committee Disclosure

Pursuant to Section 224(1) of the British Columbia Business Corporations Act and National Instrument 52-110 of the Canadian Securities Administrators (“**NI 52-110**”) the Company is required to have an audit committee (the “**Audit Committee**”) comprised of not less than three directors who are not officers, control persons or employees of the Company or an affiliate of the Company. Form 52-110F1 requires the Company to disclose annually in its Information Circular certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor, as set forth below.

The primary function of the Audit Committee is to assist the Board in fulfilling its financial oversight responsibilities by: (i) reviewing the financial reports and other financial information provided by the Company to regulatory authorities and Shareholders; (ii) reviewing the systems for internal corporate controls which have been established by the Board and management; and (iii) overseeing the Company’s financial reporting processes generally. In meeting these responsibilities the Audit Committee monitors the financial reporting process and internal control system; reviews and appraises the work of external auditors and provides an avenue of communication between the external auditors, senior management and the Board. The Audit Committee is also mandated to review and approve all material related party transactions.

Composition of the Audit Committee:

The Audit Committee is comprised of the following members: Joseph Hebert, Ana Milena Vásquez, and Kevin Nishi. Kevin Nishi is the Chair of the Audit Committee. Each member of the Audit Committee is both independent and considered to be financially literate, as defined by NI 52-110, in that they have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company's financial statements.

The members of the Audit Committee are appointed by the Board at its first meeting following the annual shareholders' meeting. Unless a chair is appointed by the Board, the members of the Audit Committee designate a chair by a majority vote.

Relevant Education and Experience

All three Audit Committee members have the ability to read and understand 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 and are therefore considered "financially literate".

Joseph Hebert – Mr. Hebert brings 40 years of experience in the mining sector, ranging from diversified mineral exploration, mining geology, exploration management. Most of his career he was focused on Nevada but also consulting in several countries including Colombia in the late 1990s. Mr. Hebert was senior exploration geologist for the Cortez Joint Venture located on the Battle Mountain Trend in North Central Nevada. He was a member of the exploration team who discovered the Cortez Hills deposit and ET Blue, subsequently a part of the Goldrush discovery. During his tenure at Cortez, he directed all generative and acquisition efforts within the joint venture area of interest. Over the course of his career, Mr. Hebert participated in multiple gold discoveries in Nevada and Utah. He was instrumental in assembling the Company's exploration staff and portfolio in Medellin, Colombia, and attracting joint venture partners. Previously Miranda, now Outcrop Silver & Gold, he progressed from Vice President of Exploration in 2005 to President and CEO in 2016. Mr. Hebert retired from Outcrop Silver in 2023 but stayed on as a director of the company.

Kevin Nishi – Mr. Nishi is a CPA, CA retired from practice with Smythe LLP, Chartered Professional Accountants. He was a partner of the firm from 1996 to 2024. Mr. Nishi holds a Bachelor of Business Administration from Simon Fraser University. Mr. Nishi has extensive background in accounting and auditing for public and private companies and he is a director of several publicly traded mineral exploration companies. Mr. Nishi is considered a financial expert.

Ana Milena Vásquez – Ms. Vásquez is a candidate for a Master's degree in Sustainability from Harvard University, a Master's degree in Financial Analysis from the Carlos III University of Madrid, and has a Bachelor's degree in Finance and International Affairs from Externado University.

Audit Committee's Charter

The Company has adopted a Charter of the Audit Committee, a copy of which is attached hereto as Schedule "A".

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, the Board has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year, the Company has not relied on the exemptions contained in sections 2.4 *De Minimis Non-Audit Services*, 3.2 *Initial Public Offerings*, 3.3 *Controlled*

Companies, 3.4 Events Outside Control of Member, 3.5 Death, Disability, or Resignation of Audit Committee Member, 3.6 Temporary Exemption for Limited and Exceptional Circumstances, 3.8 Acquisition of Financial Literacy or Part 8 Exemptions of NI 52-110. Section 2.4 provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Part 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

Pre-Approval Policies and Procedures

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

External Auditor Service Fees

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

The fees paid by the Company to its auditor in each of the last two fiscal years, by category, are as follows:

Financial Year Ending	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
August 31, 2025	\$75,000	Nil	Nil	\$78,000
August 31, 2024	\$75,000	Nil	\$38,400	\$83,500

COMPENSATION COMMITTEE

The Board has established a Compensation Committee which at the Record Date was comprised of three independent directors: Ana Milena Vasquez (Chair); Jay Sujir; and Kevin Nishi. The Compensation Committee has the primary responsibility of discharging the Board's responsibilities relating to compensation and benefits of the executive officers and directors of the Company.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR+ at www.sedarplus.ca.

Financial information is provided in the Company's comparative annual audited financial statements and management's discussion and analysis ("MD&A") for its most recently completed financial year and will be available online at www.sedarplus.ca. Shareholders may request additional free copies by mail by writing to Suite 905 – 1111 West Hastings Street, Vancouver, British Columbia, V6E 2J3 or phoning 604-638-2545 X102 and providing their mailing address.

All statements and other information contained in this Information Circular about anticipated future events may constitute forward-looking information under Canadian securities laws ("forward-looking statements"). Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect", "targeted", "outlook", "on track" and "intend" and statements that an event or result "may", "will", "should", "could" or "might" occur or be achieved and other similar expressions. All statements, other than statements of historical fact, included herein are forward-looking statements, including statements in respect of the advancement and development of our project and the timing related thereto, the exploration of the Company's properties and management's outlook. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements, including risks associated with the business of Outcrop; risks related to exploration and potential development of Outcrop's projects; business and economic conditions in the mining industry generally, including the imposition of tariffs and other non-tariff trade barriers; fluctuations in commodity prices and currency exchange rates; uncertainties relating to interpretation of drill results and the geology, continuity and grade of mineral deposits; the need for cooperation of government agencies and indigenous groups in the exploration and development of properties and the issuance of required permits; the need to obtain additional financing to develop properties and uncertainty as to the availability and terms of future financing; the possibility of delay in exploration or development programs and uncertainty of meeting anticipated program milestones; uncertainty as to timely availability of permits and other governmental approvals; and other risk factors as detailed from time to time in Outcrop's filings with Canadian securities regulators, available on Outcrop's profile on SEDAR+ at www.sedarplus.ca including the Annual Information Form of the Company in the section entitled "Risk Factors". Forward-looking statements are based on assumptions made with regard to: the estimated costs associated with construction of the project; the timing of the anticipated start of production at the project; future commodity prices; the grade of Resources and Reserves; the ability of the Company to convert inferred resources to other categories; the ability to reduce capital costs; and exploration plans. Forward-looking statements are based on estimates and opinions of management at the date the statements are made. Although Outcrop believes that the expectations reflected in such forward-looking statements and/or information are reasonable, undue reliance should not be placed on forward-looking statements since Outcrop can give no assurance that such expectations will prove to be correct. Outcrop does not undertake any obligation to update forward-looking statements. The forward-looking information contained in this Circular is expressly qualified by this cautionary statement.

DIRECTORS' APPROVAL

The contents and the sending of the accompanying Notice of Meeting and this Information Circular have been approved by the Board.

DATED at Vancouver, British Columbia, this 4th of December, 2025

ON BEHALF OF THE BOARD OF DIRECTORS

“Ian Harris”

Ian Harris
Director & Chief Executive Officer

SCHEDULE “A”

AUDIT COMMITTEE CHARTER

AUDIT COMMITTEE CHARTER

PURPOSE OF THE AUDIT COMMITTEE

The purpose of the Audit Committee (the “**Audit Committee**”) of the board of directors (the “**Board**”) of Outcrop Silver & Gold Corporation (“**Outcrop**”) is to provide an open avenue of communication between management, Outcrop’s independent auditors and the Board, and to assist the Board in its oversight of:

- the integrity, adequacy and timeliness of Outcrop’s financial reporting and disclosure practices;
- Outcrop’s compliance with legal and regulatory requirements related to financial reporting; and
- the independence and performance of Outcrop’s independent auditor.

The Audit Committee shall also perform any other activities consistent with this Charter, Outcrop’s articles and governing laws, as the Audit Committee or Board deems necessary or appropriate, including National Instrument 52-110 *Audit Committees*.

The Audit Committee shall consist of at least three directors. Members of the Audit Committee shall be appointed by the Board and may be removed by the Board in its discretion. The members of the Audit Committee shall elect a Chairman from among their number. A majority of the members of the Audit Committee must not be officers or employees of Outcrop or of an affiliate of Outcrop. All members of the Audit Committee must be financially literate.

The quorum for a Meeting of the Audit Committee is a majority of the members who are not officers or employees of Outcrop or of an affiliate of Outcrop, present in person or by telephone or other electronic means. With the exception of the foregoing quorum requirement, the Audit Committee may determine its own procedures.

The Audit Committee’s role is one of oversight. Management is responsible for preparing Outcrop’s financial statements and other financial information and for the fair presentation of the information set forth in the financial statements in accordance with International Financial Reporting Standards (“**IFRS**”). Management is also responsible for establishing internal controls and procedures and for maintaining the appropriate accounting and financial reporting principles and policies designed to assure compliance with accounting standards and all applicable laws and regulations.

The independent auditor’s responsibility is to audit Outcrop’s financial statements and provide its opinion, based on its audit conducted in accordance with generally accepted auditing standards, that the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of Outcrop in accordance with IFRS.

The Audit Committee is responsible for recommending to the Board the independent auditor to be nominated for the purpose of auditing Outcrop’s financial statements, preparing or issuing an auditor’s report or performing other audit, review or attest services for Outcrop, and for reviewing and recommending the compensation of the independent auditor. The Audit Committee is also directly responsible for the evaluation of and oversight of the work of the independent auditor. The independent auditor shall report directly to the Audit Committee.

AUTHORITY AND RESPONSIBILITIES

In addition to the foregoing, in performing its oversight responsibilities the Audit Committee shall:

1. Monitor the adequacy of this Charter and recommend any proposed changes to the Board.
2. Review the appointments of Outcrop’s Chief Financial Officer and any other key financial executives involved in the financial reporting process.
3. Review with management and the independent auditor the adequacy and effectiveness of Outcrop’s accounting and financial controls and the adequacy and timeliness of its financial reporting processes.
4. Review with management and the independent auditor the annual financial statements and related

documents and review with management the unaudited quarterly financial statements and related documents, and the annual information form, prior to filing or distribution, including matters required to be reviewed under applicable legal or regulatory requirements.

5. Where appropriate and prior to release, review with management any news releases that disclose annual or interim financial results or contain other significant financial information that has not previously been released to the public.
6. Review Outcrop's financial reporting and accounting standards and principles and significant changes in such standards or principles or in their application, including key accounting decisions affecting the financial statements, alternatives thereto and the rationale for decisions made.
7. Review the quality and appropriateness of the accounting policies and the clarity of financial information and disclosure practices adopted by Outcrop, including consideration of the independent auditor's judgment about the quality and appropriateness of Outcrop's accounting policies. This review may include discussions with the independent auditor without the presence of management.
8. Review with management and the independent auditor significant related party transactions and potential conflicts of interest.
9. Pre-approve all non-audit services to be provided to Outcrop by the independent auditor.
10. Monitor the independence of the independent auditor by reviewing all relationships between the independent auditor and Outcrop and all non-audit work performed for Outcrop by the independent auditor.
11. Establish and review Outcrop's procedures for the:
 - receipt, retention and treatment of complaints regarding accounting, financial disclosure, internal controls or auditing matters; and
 - confidential, anonymous submission by employees regarding questionable accounting, auditing and financial reporting and disclosure matters.
12. Conduct or authorize investigations into any matters that the Audit Committee believes is within the scope of its responsibilities. The Audit Committee has the authority to retain independent counsel, accountants or other advisors to assist it, as it considers necessary, to carry out its duties, and to set and pay the compensation of such advisors at the expense of Outcrop.
13. Perform such other functions and exercise such other powers as are prescribed from time to time for the audit committee of a reporting company in Parts 2 and 4 of Multilateral Instrument 52-110 of the Canadian Securities Administrators, the *Business Corporations Act* (British Columbia) and the articles of Outcrop.

SCHEDULE “B”

BOARD MANDATE

MANDATE OF THE BOARD OF DIRECTORS OF OUTCROP SILVER & GOLD CORPORATION

GENERAL

1. PURPOSE AND RESPONSIBILITY OF THE BOARD

The Board of Directors ("the **Board**") assumes responsibility for the stewardship of **Outcrop Silver & Gold Corporation** (the "**Company**") and its business. This stewardship function includes responsibility for the matters set out in this Charter, which form part of the Board's statutory responsibility to manage or supervise the management of the Company's business and affairs.

This Charter is subject to and shall be interpreted in a manner consistent with the articles of the Company, the *Business Corporations Act (British Columbia)* (the "**BCBCA**"), and any other applicable legislation.

1.1 Responsibilities

A summary of responsibilities for the Board includes and is addressed in this Charter:

- (a) To the extent feasible, satisfying itself as to the integrity of the CEO, other senior officers and that the CEO and other senior officers created a culture of integrity throughout the organization;
- (b) strategic planning process, and annual approval of a strategic plan which takes into account the opportunities and risks of the business;
- (c) identifying and managing principal risks;
- (d) succession planning for the CEO and all senior management;
- (e) adopt and manage a communication policy;
- (f) internal controls and management information systems; and
- (g) the Company's approach to corporate governance, including specific principles and guidelines for the Company.

National Policy 58-101 *Corporate Governance Guidelines* recommends that the Board mandate should set out (i) measures for receiving feedback from security holders and (ii) expectations and responsibilities of directors, including basic duties and responsibilities with respect to attendance at board meetings and advance review of meeting materials.

2. REVIEW OF CHARTER

The Board shall review and assess the adequacy of this Charter annually and at such other times as it considers necessary and shall make such changes as it considers appropriate, while considering any policy guidance provided by proxy advisory firms such as Glass Lewis, and any governance-related guidance or policies set out by the BC Securities Commission.

3. DEFINITIONS AND INTERPRETATION

3.1 Definitions

In this Charter:

- (a) "Audit Committee" means the audit committee of the Board;
- (b) "Compensation Committee" means the compensation committee of the Board;
- (c) "Board" means the board of directors of the Company;
- (d) "CEO" means the Chief Executive Officer of the Company;
- (e) "Chair" means the chair of the Board;

- (f) "Charter" means this charter, as amended from time to time;
- (g) "Director" means a member of the Board; and
- (h) "Nominating and Corporate Governance Committee" means the nominating and corporate governance committee of the Board, if any;
- (i) "TSX" means, the stock exchange on which any securities of the Company are listed for trading at the applicable time, including the Toronto Stock Exchange.

CONSTITUTION OF THE BOARD

4. ELECTION AND REMOVAL OF DIRECTORS

4.1 Number of Directors

The Board shall consist of such number of Directors as the Board may determine from time to time, with a minimum of three Directors, and within the range set out in the Company's articles of incorporation and the BCBCA at such time.

4.2 Election of Directors

Directors shall be elected by the shareholders annually until the next annual general meeting of the shareholders, but if Directors are not elected at any annual meeting, the incumbent directors shall continue in office until their successors are elected.

4.3 Vacancies

The Board may appoint a member to fill a casual vacancy which occurs in the Board between annual elections of Directors, to the extent permitted by the BCBCA.

4.4 Ceasing to Be a Director

A Director will cease to hold office upon:

- (i) delivering a resignation in writing to the Company (or at such later date as may be specified in the resignation);
- (ii) being removed from office by an ordinary resolution of the shareholders at an annual or special meeting;
- (iii) his or her death; or
- (iv) automatically upon becoming disqualified from acting as a Director.

4.5 Deemed Resignation

A Director shall submit his or her resignation to the Company (which resignation need not be accepted in order to be valid) if that Director changes his or her principal occupation, or if the shareholders of the Company fail to vote more than 50% in favour of their election as a Director at the annual general or special meeting.

5. CRITERIA FOR DIRECTORS

5.1 Qualifications of Directors

Every Director shall be an individual who is at least 18 years of age, has not been found by a court to be of unsound mind and does not have the status of bankrupt, in accordance with the BCBCA.

5.2 Independence of Directors

At least a majority of the Directors shall be independent for the purposes of all applicable legal and TSX requirements. The Board must identify and require disclosure of:

- (i) Directors who are independent,
- (ii) Directors who are not independent and the basis for that determination,
- (iii) if a majority of the Directors are not independent, what the Board does to facilitate its exercise of independent judgment in carrying out its responsibilities,
- (iv) if a Director is presently a Director of any other reporting issuer, the identity of both the Director and the other reporting issuer, and
- (v) if independent Directors do not hold regularly scheduled meetings at which non-independent Directors and members of management are not present, what the Board does to facilitate open and candid discussion among independent Directors.

5.3 Other Criteria

The Board may establish other criteria for Directors as contemplated in this Charter.

6. BOARD CHAIR

6.1 Board to Appoint Chair

The Chair shall be an independent Director, where possible.

6.2 Chair to Be Appointed Annually

The Board shall appoint the Chair annually at the first meeting of the Board after a meeting of the shareholders at which Directors are elected, provided that if the appointment of a Chair is not so made, the Director who is then serving as Chair shall continue as Chair until his or her successor is appointed.

6.3 Position Description

Having regard to the recommendations of the Nominating and Corporate Governance Committee, if any, the Board may adopt a position description for the Chair and the chair of each committee of the Board.

7. REMUNERATION OF DIRECTORS AND RETAINING ADVISORS

7.1 Remuneration

Members of the Board and the Chair shall receive such remuneration for their service on the Board as the Board may determine from time to time, in consultation with the Nominating and Corporate Committee of the Board, if any, and as addressed in the corporate governance policies.

7.2 Retaining and Compensating Advisors

Each Director shall have the authority to retain outside counsel and any other external advisors from time to time as appropriate with the approval of the chair of the Nominating and Corporate Governance Committee, or of the Board Chair.

MEETINGS OF THE BOARD

8. MEETINGS OF THE BOARD

8.1 Time and Place of Meetings

Meetings of the Board shall be called and held in the manner and at the location contemplated in the Company's articles.

8.2 Frequency of Board Meetings

Subject to the Company's articles, the Board shall meet at least four times per year on a quarterly basis.

8.3 Quorum

In order to transact business at a meeting of the Board at least a majority of Directors then in office shall be present in person or by means of telecommunications.

8.4 Secretary of the Meeting

The Chair shall designate from time to time a person who may, but need not, be a member of the Board, to be Secretary of any meeting of the Board. The Corporate Secretary may act as Secretary of any meeting of the Board if designated by the Chair.

8.5 Right to Vote

Each member of the Board shall have the right to vote on matters that come before the Board.

8.6 Voting

Any matters to be determined by the Board shall be decided by a majority of votes cast at a meeting of the Board called for such purpose. Actions of the Board may be taken by an instrument or instruments in writing signed by all of the members of the Board, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Board called for such purpose.

8.7 Invitees

The Board may invite any of the Company's officers, employees, advisors or consultants or any other person to attend meetings of the Board to assist in the discussion and examination of the matters under consideration by the Board.

8.8 Confidentiality

The proceedings and deliberations of the Board and its committees are confidential. Each Director shall maintain the confidentiality of information received in connection with his or her services as a Director of the Company.

9. **IN CAMERA SESSIONS**

9.1 In Camera Sessions of Non-Management Directors

In connection with each meeting of the Board, the non-management Directors may meet without any member of management being present (including any Director who is a member of management).

9.2 In Camera Sessions of Independent Directors

To the extent that non-management Directors include Directors who are not independent Directors as contemplated in this Charter, the independent Directors may meet at the conclusion of each meeting of the Board with only independent Directors present.

DELEGATION OF DUTIES AND RESPONSIBILITIES OF THE BOARD

10. **DELEGATION AND RELIANCE**

10.1 Delegation to Committees

The Board may establish and delegate to committees of the Board any duties and responsibilities of the Board which the Board is not prohibited by law from delegating. However, no committee of the

Board shall have the authority to make decisions which bind the Company, except to the extent that such authority has been specifically delegated to such committee by the Board.

10.2 Requirement for Certain Committees

The Board may establish and maintain the following committees of the Board at its discretion, except for the mandatory Audit Committee, with each having mandates that incorporate all applicable legal and stock exchange listing requirements and with such recommendations of relevant securities regulatory authorities and stock exchanges as the Board may consider appropriate:

- (a) Audit Committee;
- (b) Nominating and Corporate Governance Committee; and
- (c) Compensation Committee.

10.3 Composition of Committees

The Board will appoint and maintain in office members of each of its committees such that the composition of each such committee is in compliance with listing requirements of the stock exchange and with such recommendations of relevant securities regulatory authorities and stock exchanges as the Board may consider appropriate and having regard to the recommendations of the Nominating and Corporate Governance Committee, if any, with respect to such matters.

10.4 Review of Charters and Mandates

On an annual basis, the Board will review the recommendations of the Nominating and Corporate Governance Committee, if any, with respect to the charters of each committee of the Board. The Board will approve those changes to the charters that it determines are appropriate.

10.5 Delegation to Management

- (a) General. Subject to the Company's articles, the Board may designate and appoint the officers of the Company, specify their duties and delegate to them powers to manage the business and affairs of the Company, except to the extent that such delegation is prohibited under the BCBCA or limited by the articles of the Company or by any resolution of the Board or policy of the Company.
- (b) CEO Position Description. Having regard to recommendations of the Nominating and Corporate Governance Committee, if any, and in consultation with the CEO, the Board shall adopt a position description for the CEO which:
 - (i) defines the limits of management's responsibilities; and
 - (ii) sets out the overall corporate goals and objectives that the CEO is responsible for meeting, taking into consideration goals and obligations relevant to CEO compensation approved by the Compensation Committee, if any.

10.6 Position Descriptions

Having regard to recommendations of the Nominating and Corporate Governance Committee, if any, the Board shall adopt position descriptions for the chairs of each committee.

10.7 Reliance on Management

The Board is entitled to rely in good faith on the information and advice provided to it by the Company's management.

10.8 Reliance on Others

The Board is entitled to rely in good faith on information and advice provided to it by advisors, consultants, experts, and such other persons as the Board considers appropriate.

10.9 Oversight

The Board retains responsibility for oversight of any matters delegated to any committee of the Board or to management.

DUTIES AND RESPONSIBILITIES

11. DUTIES OF INDIVIDUAL DIRECTORS

11.1 Fiduciary Duty and Duty of Care

In exercising his or her powers and discharging his or her responsibilities, a Director shall:

- (a) act honestly and in good faith with a view to the best interests of the Company; and
- (b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

11.2 Compliance with BCBCA and Constatng Documents

A Director shall comply with the BCBCA and the regulations to the BCBCA as well as with the Company's articles.

11.3 Compliance with the Company's Policies

A Director shall comply with all policies of the Company applicable to members of the Board, as approved by the Board.

12. RESPONSIBILITIES OF DIRECTORS

12.1 Responsibilities Set out in Charter

A Director shall review and participate in the work of the Board necessary in order for the Board to discharge its duties and responsibilities as set out in the Charter.

12.2 Orientation and Education

A Director shall participate in any orientation and continuing education programs developed by the Company for the Directors.

12.3 Meeting Preparation and Attendance

In connection with each meeting of the Board and each meeting of a committee of the Board of which the Director is a member, a Director shall:

- (a) review thoroughly the material provided to the Director by management in connection with the meeting, provided that such review is practicable in view of the time at which such material was delivered to the Director; and
- (b) attend each meeting in person or by phone, teleconference, or video-conference.

12.4 Assessment

A Director shall participate in such processes as may be established by the Board for assessing the Board, its committees and individual Directors.

12.5 Other Responsibilities

A Director shall perform such other functions as may be delegated to that Director by the Board or any committee of the Board from time to time.

13. CORPORATE GOVERNANCE

13.1 Governance Practices and Principles

The Board shall be responsible for developing the Company's approach to corporate governance. The Board may appoint a corporate governance committee to consider these issues.

13.2 Governance Principles

- (a) Governance Principles. The Board shall review and approve, if appropriate, a set of governance principles and guidelines appropriate for the Company (the "**Governance Principles**") having regard to the recommendations of the Nominating and Corporate Governance Committee, if any.
- (b) Amendments. The Board shall review the Governance Principles at least annually and shall adopt such changes to the Governance Principles as it considers necessary or desirable from time to time having regard to the recommendations of the Nominating and Corporate Governance Committee, if any.

13.3 Governance Disclosure

- (a) The Board shall approve disclosure about the Company's governance practices in any document before it is delivered to the Company's shareholders or filed with securities regulators or with the stock exchanges having regard to the recommendations of the Nominating and Corporate Governance Committee, if any.
- (b) If the Company's governance practices differ from those recommended by Canadian securities regulators or the stock exchange, the Board shall consider these differences and document in writing why the Board considers them to be appropriate, having regard to the recommendations of the Nominating and Corporate Governance Committee, if any.

13.4 Certification

The Board shall review and approve before it is filed each certification required to be delivered by the Company's CEO and/or CFO to SEDAR or any stock exchange with respect to the Company's compliance with the corporate governance provisions of its listing agreement.

13.5 Delegation to Nominating and Corporate Governance Committee

The Board may direct the Nominating and Corporate Governance Committee, if any, to consider the matters contemplated in this Section 13 and to report and make recommendations to the Board with respect to these matters.

14. RESPONSIBILITIES RELATING TO MANAGEMENT

14.1 Integrity of Management

The Board shall, to the extent feasible, satisfy itself:

- (a) as to the integrity of the CEO and other executive officers; and
- (b) that the CEO and other executive officers create a culture of integrity throughout the organization.

14.2 Succession Planning

- (a) General. The Board shall be responsible for succession planning, including appointing, training and monitoring senior management.
- (b) CEO Succession. Having regard to the recommendations of the Nominating and Corporate Governance Committee, if any, the Board shall:

- (i) adopt policies and principles for CEO selection and performance review with respect to proposed successors to the CEO; and
- (ii) policies regarding succession of the CEO in the event of an emergency, or the retirement of the CEO.

14.3 CEO Goals and Objectives

The Board shall receive recommendations of the Compensation Committee, if any, and with respect to the company goals and objectives that the CEO is responsible for meeting and shall approve those goals and objectives as appropriate.

14.4 Executive Compensation Policy

The Board shall receive recommendations of the Compensation Committee, if any, and make such determinations as it considers appropriate with respect to:

- (a) CEO's compensation level;
- (b) non-CEO officer compensation;
- (c) director compensation;
- (d) incentive-compensation plans;
- (e) equity-based plans; and
- (f) policies relating to the determination and payment of bonuses.

15. OVERSIGHT OF THE OPERATION OF THE BUSINESS

15.1 Risk Management

Taking into account the reports of management and such other persons as the Board may consider appropriate, the Board shall identify the principal risks of the Company's business and satisfy itself as to the implementation of appropriate systems to manage these risks. The Board shall review a risk assessment provided by management at least annually, which should include all risks which may be required by the prospectus disclosure, annual information form, management discussion & analysis, and any other related or appropriate disclosure document.

15.2 Strategic Planning Process

The Board shall adopt a strategic planning process and shall approve, on at least an annual basis, a strategic plan which takes into account, among other things, the opportunities and risks of the Company's business.

15.3 Internal Control and Management Information Systems

The Board shall review the reports of management and the Audit Committee concerning the integrity of the Company's internal control and management information systems. Where appropriate, the Board shall require management (overseen by the Audit Committee as appropriate) to implement changes to such systems to ensure the integrity of such systems.

15.4 Disclosure Policy and Feedback Process

- (a) The Board shall adopt a disclosure policy for the Company for communicating with shareholders, the investment community, the media, governments and their agencies, employees and the general public, having regard to the recommendations of the Nominating and Corporate Governance Committee (if any) and the specific communications policy. Such policy shall be developed with reference to the requirements and recommendations of applicable securities laws and the stock exchange. The Board shall consider, among other things, the recommendations of management with respect to this policy.

- (b) The Board shall establish a process pursuant to which the Board can receive feedback from securityholders, and an anonymous whistleblower process that reports to the chair of the Audit Committee directly.

15.5 Financial Statements

- (a) The Board shall receive regular reports from the Audit Committee with respect to the integrity of the Company's financial reporting system and its compliance with all regulatory requirements relating to financial reporting.
- (b) The Board shall review the recommendation of the Audit Committee with respect to the annual financial statements of the Company to be delivered to shareholders. If appropriate, the Board shall approve such annual financial statements.
 - (i) The Board delegates authority to the Audit Committee to review and approve the interim unaudited financial statements and related management discussion and analysis on a quarterly basis for filing on SEDAR and filing as otherwise required.

15.6 Capital Management

The Board shall receive regular reports from management on the structure and management of the Company's capital, including issued and outstanding shares.

15.7 Code of Business Conduct and Ethics

- (a) Adoption of Code of Business Conduct and Ethics. The Board will adopt a Code of Business Conduct and Ethics for the Company having regard to the recommendations of the Nominating and Corporate Governance Committee, if any. In adopting this code, the Board will consider the recommendations of the Nominating and Corporate Governance Committee, if any, concerning its compliance with applicable legal and stock exchange listing requirements and with such recommendations of relevant securities regulatory authorities and stock exchanges as the Board may consider appropriate.
- (b) Compliance and Disclosure. The Board will direct the Nominating and Corporate Governance Committee, if any, to monitor compliance with the Code of Business Conduct and Ethics and recommend disclosures with respect thereto. The Board will consider any report of the Nominating and Corporate Governance Committee concerning these matters, and will approve the disclosure of the Code of Business Conduct and Ethics.
- (c) Waivers. The Board shall consider any report of the Nominating and Corporate Governance Committee with respect to any waiver granted to a director or senior officer of the Company from complying with the Code of Business Conduct and Ethics and shall approve or reject such request as it deems appropriate. A press release will be necessary for any waiver granted by the Board in accordance with National Instrument 51-102 *Continuous Disclosure Obligations*.

16. NOMINATION OF DIRECTORS

16.1 Nomination and Appointment of Directors

- (a) The Board shall nominate individuals for election as directors by the shareholders, having regard to the recommendations of the Nominating and Corporate Governance Committee, if any.
- (b) The Board shall adopt a process (having regard to the recommendations of the Nominating and Corporate Governance Committee) pursuant to which the Board shall:
 - (i) consider what competencies and skills the Board, as a whole, should possess;

- (ii) assess what competencies and skills each existing Director possesses;
- (iii) consider the personality and other qualities of each Director; and
- (iv) consider the appropriate size of the Board, with a view to facilitating effective decision-making.
- (v) consider the independence and inter-connectedness on any other boards of directors of a proposed Director

17. BOARD EFFECTIVENESS

17.1 Position Descriptions

The Board shall review and, if determined appropriate, approve the recommendations of the Nominating and Corporate Governance Committee concerning formal position descriptions for:

- (a) the Chair, the lead director (if any) and for the chair of each committee of the Board; and
- (b) the CEO; and
- (c) any senior officers appointed by the Board.

17.2 Director Orientation and Continuing Education

The Board shall review and, if determined appropriate, approve the recommendations of the Nominating and Corporate Governance Committee concerning:

- (a) a comprehensive orientation program for new Directors; and
- (b) a continuing education program for all Directors.

17.3 Board, Committee and Director Assessments

The Board shall adopt a process having regard to the recommendation of the Nominating and Corporate Governance Committee, if any, for assessing the performance and effectiveness of the Board as a whole, the committees of the Board and the contributions of individual Directors on an annual basis.

17.4 Annual Assessment of the Board

Each year, the Board shall assess its performance and effectiveness and review this Charter in accordance with the process established by the Nominating and Corporate Governance Committee, if any.

Approved and adopted by the Board of Directors on December 10, 2025.

SCHEDULE “C”

AMENDED AND RESTATED FIXED 10% STOCK OPTION PLAN

OUTCROP SILVER & GOLD CORPORATION

INCENTIVE STOCK OPTION PLAN

(As approved by the Corporation's Board of Directors on December 4, 2025)

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ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Defined Terms

For the purposes of this Plan, the following terms shall have the following meanings:

- (a) **“Accelerated Vesting Event”** means the occurrence of any one of the following events:
 - (i) The acquisition or continuing ownership by any Person or Persons acting jointly or in concert (as determined under applicable Securities Laws), directly or indirectly, of Common Shares or of Convertible Securities, which, when added to all other securities of the Corporation at the time held by such Person or Persons, Persons associated with such Person or Persons, or Persons affiliated with such Person or Persons (as determined under applicable Securities Laws) (collectively, the **“Acquirors”**), and assuming the conversion, exchange or exercise of Convertible Securities beneficially owned by the Acquirors, results in the Acquirors beneficially owning shares that would, notwithstanding any agreement to the contrary, entitle the holders thereof for the first time to cast at least 50% of the votes attaching to all shares in the capital of the Corporation that may be cast to elect Directors;
 - (ii) An amalgamation, merger, arrangement or other business combination (a **“Business Combination”**) involving the Corporation receives the approval of, or is accepted by, the securityholders of the Corporation (or all classes of securityholders whose approval or acceptance is required) or, if their approval or acceptance is not required in the circumstances, is approved or accepted by the Corporation and as a result of that Business Combination, parties to the Business Combination or securityholders of the parties to the Business Combination, other than the securityholders of the Corporation, will own, directly or indirectly, shares of the continuing entity that entitle the holders thereof to cast at least 50% of the votes attaching to all shares in the capital of the continuing entity that may be cast to elect Directors;
- (b) **“Affiliate”** has the meaning ascribed thereto by the Exchange;
- (c) **“Board”** means the Board of Directors of the Corporation or, as applicable, a committee consisting of not less than three Directors of the Corporation duly appointed to administer this Plan;
- (d) **“Common Shares”** means the common shares of the Corporation;
- (e) **“Consultant”** means an individual (other than a Director, Officer or Employee of the Corporation or any of its subsidiaries) or company of which the individual is an employee or shareholder or a partnership of which the individual is an employee or partner, who:
 - (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Corporation or to any of its subsidiaries, other than services provided in relation to a Distribution,
 - (ii) provides the services under a written contract between the Corporation or any of its subsidiaries and the individual or company or partnership, as the case may be; and

- (iii) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the business and affairs of the Corporation or of any of its subsidiaries;
- (f) **“Convertible Securities”** means any security of the Corporation which is convertible into Common Shares;
- (g) **“Corporation”** means Outcrop Silver & Gold Corporation and its successor entities;
- (h) **“Director”** means a director (as defined under Securities Laws) of the Corporation or of any of its subsidiaries;
- (i) **“Disinterested Shareholder Approval”** means the approval of disinterested shareholders obtained in accordance with the policies and requirements of the Exchange;
- (j) **“Distribution”** has the meaning ascribed thereto by the Exchange;
- (k) **“Eligible Person”** means a Director, Officer, Employee, Management Company Employee, or Consultant, and includes an entity all the voting securities of which are owned by Eligible Persons;
- (l) **“Employee”** means an individual who:
 - (i) is considered an employee of the Corporation or of its subsidiary under the Income Tax Act (Canada), i.e. for whom income tax, employment insurance and Canada Pension Plan deductions must be made at source,
 - (ii) works full-time for the Corporation or its subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or its subsidiary over the details and method of work as an employee of the Corporation or of its subsidiary, but for whom income tax deductions are not made at source, or
 - (iii) works for the Corporation or its subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or its subsidiary over the details and method of work as an employee of the Corporation or its subsidiary, but for whom income tax deductions are not made at source;
- (m) **“Exchange”** means the TSX Venture Exchange and any successor entity or the Toronto Stock Exchange as applicable depending on where the Corporation is listed at the relevant date;
- (n) **“Expiry Date”** means the last day of the term for an Option, as set by the Board at the time of grant in accordance with Section 5.2 and, if applicable, as amended from time to time;
- (o) **“Governmental Authorities”** means governments, regulatory authorities, governmental departments, agencies, commissions, bureaus, officials, ministers, Crown corporations, courts, bodies, boards, tribunals or dispute settlement panels or other law, rule or regulation-making organizations or entities:
 - (i) having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any geographic or political subdivision of any of them; or

- (ii) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power;
- (p) **“Insider”** has the meaning ascribed thereto by the Exchange;
- (q) **“Investor Relations Activities”** has the meaning ascribed thereto by the Exchange;
- (r) **“Investor Relations Service Provider”** has the meaning ascribed thereto by the Exchange;
- (s) **“Laws”** means currently existing applicable statutes, by-laws, rules, regulations, orders, ordinances or judgments, in each case of any Governmental Authority having the force of the law;
- (t) **“Management Company Employee”** means an individual who is employed by a Person providing management services to the Corporation which services are required for the ongoing successful operation of the business enterprise of the Corporation;
- (u) **“Material Information”** has the meaning ascribed thereto by the Exchange;
- (v) **“Officer”** means an officer (as defined under Securities Laws) of the Corporation or of any of its subsidiaries, and includes a Management Company Employee;
- (w) **“Option”** means an option to purchase Common Shares granted to an Eligible Person pursuant to this Plan;
- (x) **“Optionee”** means an Eligible Person who has been granted an Option;
- (y) **“Other Share Compensation Arrangement”** means, other than this Plan and any Options, any stock option plan, stock options, employee stock purchase plan or other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares, including but not limited to a purchase of Common Shares from treasury which is financially assisted by the Corporation by way of loan, guarantee or otherwise;
- (z) **“Person”** has the meaning ascribed thereto by the Exchange;
- (aa) **“Plan”** means this Incentive Stock Option Plan;
- (bb) **“Securities Laws”** has the meaning ascribed thereto by the Exchange;
- (cc) **“Security Based Compensation”** has the meaning ascribed thereto by the Exchange; and
- (dd) **“VWAP”** means the volume weighted average trading price of the Corporation’s Common Shares listed on the 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.

1.2 Interpretation

- (a) References to the outstanding Common Shares at any point in time shall be computed on a non-diluted basis.
- (b) If the Corporation is listed on the Toronto Stock Exchange, the provisions of this Plan as they relate to companies listed on Tier 1 of the Exchange shall apply.

ARTICLE 2 ESTABLISHMENT OF PLAN

2.1 Purpose

The purpose of this Plan is to provide an effective long-term incentive to Eligible Persons from time to time.

2.2 Shares Reserved

- (a) The aggregate number of Common Shares reserved for issuance pursuant to the exercise of Options shall not exceed 10% of the outstanding Common Shares as of December 4, 2025, which is 465,609,409 Common Shares, and 10% is a fixed limit of 46,560,940 reserved for issuance, LESS the aggregate number of Common Shares then reserved for issuance pursuant to any Other Share Compensation Arrangement. For greater certainty, if an Option is surrendered, terminated or expires without being exercised, the Common Shares reserved for issuance pursuant to such Option shall be available for issuance upon exercise of Options subsequently granted under this Plan. Any options exercised, cancelled, or forfeited, pursuant to the plan become available again for future grants within this fixed maximum limit.
- (b) If there is a change in the outstanding Common Shares by reason of any share consolidation or split, reclassification or other capital reorganization, or a stock dividend, arrangement, amalgamation, merger or combination, or any other change to, event affecting, exchange of or corporate change or transaction affecting the Common Shares (a “**Transaction**”), the Board shall make, as it shall deem advisable and subject to the prior acceptance of the Exchange (except in relation to a share consolidation or split) and the requisite approval of the relevant regulatory authorities, appropriate substitution and/or adjustment in:
 - (i) the number and kind of shares or other securities or property reserved or to be allotted for issuance pursuant to this Plan;
 - (ii) the number and kind of shares or other securities or property reserved or to be allotted for issuance pursuant to any outstanding unexercised Options, and in the exercise price for such shares or other securities or property; and
 - (iii) the vesting of any Options (subject to the approval of the Exchange if such vesting is mandatory under the policies of the Exchange), including the accelerated vesting thereof on conditions the Board deems advisable, and if the Corporation undertakes an arrangement or is amalgamated, merged or combined with another corporation, the Board shall make such provision for the protection of the rights of Optionees as it shall deem advisable.
- (c) In the event of a Transaction resulting in an Eligible Person becoming entitled to receive Options in excess of the limits prescribed by Section 4.3 hereof, the Board may, in its discretion, settle such awards in cash.
- (d) No fractional Common Shares shall be reserved for issuance under this Plan and the Board may determine the manner in which an Option, insofar as it relates to the acquisition of a fractional Common Share, shall be treated.

- (e) The Corporation shall, at all times while this Plan is in effect, reserve and keep available such number of Common Shares as will be sufficient to satisfy the requirements of this Plan.

2.3 Non-Exclusivity

Nothing contained herein shall prevent the Board from adopting such other incentive or compensation arrangements as it shall deem advisable.

2.4 Effective Date

This Plan shall be subject to the approval of any regulatory authority whose approval is required. Any Options granted under this Plan prior to such approvals being given shall be conditional upon such approvals being given, and no such Options may be exercised unless and until such approvals are given.

ARTICLE 3 ADMINISTRATION OF PLAN

3.1 Administration

- (a) This Plan shall be administered by the Board or any committee established by the Board for the purposes of administering this Plan. Subject to the provisions of this Plan, the Board shall have the authority:
 - (i) to determine the Eligible Persons to whom Options are granted, to grant such Options, and to determine any terms and conditions, limitations and restrictions in respect of any particular Option grant, including but not limited to the nature and duration of the restrictions, if any, to be imposed upon the acquisition, sale or other disposition of Common Shares acquired upon exercise of the Option, and the nature of the events and the duration of the period, if any, in which any Optionee's rights in respect of an Option or Common Shares acquired upon exercise of an Option may be forfeited; and
 - (ii) to interpret the terms of this Plan, to make all such determinations and take all such other actions in connection with the implementation, operation and administration of this Plan, and to adopt, amend and rescind such administrative guidelines and other rules and regulations relating to this Plan, as it shall from time to time deem advisable, including without limitation for the purpose of ensuring compliance with Sections 3.3 and 6.3 hereof.
- (b) The Board's interpretations, determinations, guidelines, rules and regulations shall be conclusive and binding upon the Corporation, Eligible Persons, Optionees and all other Persons.
- (c) For stock options granted to Employees, Consultants or Management Company Employees, the Corporation and the Optionee are responsible for ensuring and confirming that the Optionee is a bona fide Employee, Consultant or Management Company Employee, as the case may be.

3.2 Amendment, Suspension and Termination

The Board may amend, subject to the approval of any regulatory authority whose approval is required, suspend or terminate this Plan or any portion thereof. No such amendment, suspension or termination shall alter or impair any outstanding unexercised Options or any rights without the consent of such Optionee. If this Plan is suspended or terminated, the provisions of this Plan and any administrative guidelines, rules

and regulations relating to this Plan shall continue in effect for the duration of such time as any Option remains outstanding.

3.3 Compliance with Laws

- (a) This Plan, the grant and exercise of Options hereunder and the Corporation's obligation to sell, issue and deliver any Common Shares upon exercise of Options shall be subject to all applicable federal, provincial and foreign Laws, policies, rules and regulations, to the policies, rules and regulations of any stock exchanges or other markets on which the Common Shares are listed or quoted for trading and to such approvals by any governmental or regulatory agency as may, in the opinion of counsel to the Corporation, be required. The Corporation shall not be obligated by the existence of this Plan or any provision of this Plan or the grant or exercise of Options hereunder to sell, issue or deliver Common Shares upon exercise of Options in violation of such laws, policies, rules and regulations or any condition or requirement of such approvals.
- (b) No Option shall be granted and no Common Shares sold, issued or delivered hereunder where such grant, sale, issue or delivery would require registration or other qualification of this Plan or of the Common Shares under the securities laws of any foreign jurisdiction, and any purported grant of any Option or any sale, issue and delivery of Common Shares hereunder in violation of this provision shall be void. In addition, the Corporation shall have no obligation to sell, issue or deliver any Common Shares hereunder unless such Common Shares shall have been duly listed, upon official notice of issuance, with all stock exchanges on which the Common Shares are listed for trading.
- (c) Common Shares sold, issued and delivered to Optionees pursuant to the exercise of Options shall be subject to restrictions on resale and transfer under applicable Securities Laws and the requirements of any stock exchanges or other markets on which the Common Shares are listed or quoted for trading, and any certificates representing such Common Shares shall bear, as required, a restrictive legend in respect thereof.

ARTICLE 4 OPTION GRANTS

4.1 Eligibility and Multiple Grants

Options shall only be granted to Eligible Persons. An Eligible Person may receive Options on more than one occasion and may receive separate Options, with differing terms, on any one or more occasions.

4.2 Option Agreement

Every Option shall be evidenced by an option agreement executed by the Corporation and the Optionee. In the event of any discrepancy between this Plan and an option agreement, the provisions of this Plan shall govern.

4.3 Limitation on Grants and Exercises

- (a) **To Investor Relations Service Providers.** The aggregate number of Options granted to all Investor Relations Service Providers in any 12-month period under this Plan and any Other Share Compensation Arrangement shall not exceed 2% of the issued and outstanding securities. Investor Relations Service Providers may not receive any compensation involving the issuance or potential issuance of Common Shares, other than Options.

- (b) **To Non-Executive Directors.** The aggregate value of Options granted to any one non-executive Director in any 12-month period under this Plan:
 - (i) shall not exceed \$100,000, at the time of the grant; and
 - (ii) together with the aggregate value of awards to such non-executive under any Other Share Compensation Arrangement, shall not exceed \$150,000 at the time of the grant.
- (c) **To Insiders.** Unless the Corporation has received Disinterested Shareholder Approval to do so:
 - (i) the aggregate number of Common Shares reserved for issuance to Insiders under this Plan and any Other Share Compensation Arrangement shall not exceed **10% of the issued and outstanding securities** at any point in time;
 - (ii) the aggregate number of Common Shares issued pursuant to all Security Based Compensation granted to Insiders (as a group) in any 12-month period under this Plan and any Other Share Compensation Arrangement shall not exceed **10% of the issued and outstanding securities.**

4.4 Approval of Plan

- (a) This Plan, if required by the policies of the Exchange, should be approved by the shareholders of the Corporation at the time this Plan is to be implemented and yearly or every three years thereafter, at the Corporation's annual general meeting of shareholders held in accordance with the timing requirements set out in Policy 3.2 – *Filing Requirements and Continuous Disclosure* of the Exchange *Corporate Finance Manual*.
- (b) In the event the Corporation fails to obtain the yearly approval of its shareholders pursuant to subsection 4.4(a) hereof within 15 months of its last annual general meeting of shareholders, then commencing on the earlier of:
 - (i) the date of the annual general meeting of the shareholders of the Corporation at which the Plan was not approved; and
 - (ii) the date that is 15 months after the date of the annual general meeting of the shareholders of the Corporation at which the Plan was last approved,

no Options shall be granted or issued hereunder until the requisite approval of the Plan has been obtained from the shareholders of the Corporation.

4.5 Trading Activities of Investor Relations Service Providers

The Board must ensure that any arrangements with Investor Relations Service Providers provide for a mechanism for the monitoring, by the Board, of trading in the securities of the Corporation by all Investor Relations Service Providers.

ARTICLE 5 OPTION TERMS

5.1 Exercise Price

The exercise price per Option granted hereunder shall be determined by the Board, but it will in no event be less than the “**Market Price**”, as calculated pursuant to the policies of the Exchange, or such other minimum price as may be required or permitted by the Exchange.

5.2 Expiry Date

Every Option shall have a term not exceeding and shall therefore expire no later than 10 years after the date of grant (subject to extension where the expiry date falls within a “**blackout period**”), pursuant to Section 5.8.

5.3 Vesting

- (a) Subject to the subsection 5.3(b) herein and otherwise in compliance with the policies of the Exchange, the Board shall determine the manner in which an Option shall vest and become exercisable.
- (b) Options granted to Investor Relations Service Providers shall vest such that:
 - (i) no more than $\frac{1}{4}$ of the Options vest no sooner than three months after the Options were granted;
 - (ii) no more than another $\frac{1}{4}$ of the Options vest no sooner than six months after the Options were granted;
 - (iii) no more than another $\frac{1}{4}$ of the Options vest no sooner than nine months after the Options were granted; and
 - (iv) the remainder of the Options vest no sooner than 12 months after the Options were granted.

5.4 Accelerated Vesting Event

Subject to subsection 5.3(b) and in compliance with the policies of the Exchange, upon the occurrence of an Accelerated Vesting Event, the Board will have the power, at its sole discretion and without being required to obtain the approval of shareholders or the holder of any Option, except pertaining to Options granted to Investor Relations Service Providers, which will be subject to prior written Exchange approval, to make such changes to the terms of Options as it considers fair and appropriate in the circumstances, including but not limited to: (a) accelerating the vesting of Options, conditionally or unconditionally; (b) terminating every Option if under the transaction giving rise to the Accelerated Vesting Event, options in replacement of the Options are proposed to be granted to or exchanged with holders of Options, which replacement options treat the holders of Options in a manner which the Board considers fair and appropriate in the circumstances having regard to the treatment of holders of common shares under such transaction; (c) otherwise modifying the terms of any Option to assist the holder to tender into any take-over bid or other transaction constituting an Accelerated Vesting Event; or (d) following the successful completion of such Accelerated Vesting Event, terminating any Option to the extent it has not been exercised prior to successful completion of the Accelerated Vesting Event. The determination of the Board in respect of any such Accelerated Vesting Event shall for the purposes of this Plan be final, conclusive and binding.

5.5 Effect of Take-Over Bid

If a take-over bid (as defined under applicable Securities Laws) (the “Offer”) is made for Common Shares or Convertible Securities which, if successful would result (assuming the conversion, exchange or exercise of the Convertible Securities, if any, that are the subject of the take-over bid) in any Person or Persons acting jointly or in concert (as determined under applicable Securities Laws) or Persons associated or affiliated with such Person or Persons (as determined under applicable Securities Laws) beneficially, directly or indirectly, owning shares that would, notwithstanding any agreement to the contrary, entitle the holders thereof for the first time to cast at least 50% of the votes attaching to all shares in the capital of the Corporation that may be cast to elect Directors, the Corporation shall, immediately upon receipt of notice of the Offer, notify each Optionee of full particulars of the Offer, whereupon, subject to subsection 5.3(b), all Options will become fully vested and the Options may be exercised in whole or in part by the Optionee so as to permit the Optionee to tender the Common Shares received upon such exercise, pursuant to the Offer. However, if:

- (a) the Offer is not completed within the time specified therein; or
- (b) all of the Common Shares tendered by the Optionee pursuant to the Offer are not taken up or paid for by the offeror in respect thereof,

then the Common Shares received upon such exercise, or in the case of clause (b) above, the Common Shares that are not taken up and paid for may be returned by the Optionee to the Corporation and reinstated as authorized but unissued Common Shares and with respect to such returned Common Shares, the Option shall be reinstated as if it had not been exercised and the terms upon which such Common Shares were to become vested pursuant to this Section shall be reinstated. If any Common Shares are returned to the Corporation under this Section, the Corporation shall immediately refund the exercise price to the Optionee for the Options relating to such returned Common Shares.

5.6 Non-Assignability

Options may not be assigned or transferred.

5.7 Ceasing to be Eligible Person

- (a) If an Optionee who is a Director, Officer, Employee or Consultant is terminated for cause, each Option held by such Optionee shall terminate and shall therefore cease to be exercisable upon the date of such termination for cause.
- (b) If an Optionee dies prior to otherwise ceasing to be an Eligible Person, each Option held by such Optionee shall be exercisable by the heirs or administrators of such Optionee and shall terminate and shall therefore cease to be exercisable no later than the earlier of the Expiry Date and the date which is six months after the date of the Optionee's death, always provided that the Board may, in its discretion, extend the date of such termination and the resulting period in which such Option remains exercisable to a date not exceeding the earlier of the Expiry Date and the date which is 12 months after the date of the Optionee's death.
- (c) If an Optionee ceases to be an Eligible Person other than in the circumstances set out in subsection (a) or (b) herein, each Option held by such Optionee shall terminate and shall therefore cease to be exercisable no later than the earlier of the Expiry Date and the date which is 30 days after such event, always provided that the Board may, in its discretion, extend the date of such termination and the resulting period in which such Option remains exercisable to a date not exceeding the earlier

of the Expiry Date and the date which is 12 months after such event, and further provided that the Board may, in its discretion, on a case-by-case basis and only with the approval of the Exchange, further extend the date of such termination and the resulting period in which such Option remains exercisable to a date exceeding the date which is after 12 months of such event.

- (d) If any portion of an Option grant is not vested at the time an Optionee ceases, for any reason whatsoever, to be an Eligible Person, such unvested portion of the Option grant may not be thereafter exercised by the Optionee or its legal representative, as the case may be, provided that the Board may, in its discretion further and subject to the approval of the Exchange where the vesting of the said Optionee's options was a requirement of the Exchange's policies, thereafter permit the Optionee or its legal representative, as the case may be, to exercise all or any part of such unvested portion of the relevant Option grant that would have vested prior to the time such Option otherwise terminates and therefore ceases to be exercisable pursuant to the terms of this Section. For greater certainty, and without limitation, this provision will apply regardless of whether the Optionee ceased to be an Eligible Person voluntarily or involuntarily, was dismissed with or without cause, and regardless of whether the Optionee received compensation in respect of dismissal or was entitled to a notice of termination for a period which would otherwise have permitted a greater portion of an Option grant to vest.

5.8 Blackout Periods

An Option will be automatically extended past the expiry date of an Option governed by the Plan if such expiry date falls within a period (a “**blackout period**”) during which the Corporation prohibits Optionees from exercising their Options provided that the following requirements are satisfied:

- (a) The blackout period must be formally imposed by the Corporation pursuant to its internal trading policies as a result of the bona fide existence of undisclosed Material Information. For greater certainty, in the absence of the Corporation formally imposing a blackout period, the expiry date of any Options will not be automatically extended in any circumstances.
- (b) The blackout period must expire upon the general disclosure of the undisclosed Material Information. The expiry date of the affected Options can be extended to no later than ten (10) business days after the expiry of the blackout period.
- (c) The automatic extension of an Optionee's Options will not be permitted where the Optionee or the Corporation is subject to a cease trade order (or similar order under Securities Laws) in respect of the Corporation's securities.
- (d) The automatic extension is available to all Optionees under this Plan under the same terms and conditions.

ARTICLE 6 EXERCISE PROCEDURE

6.1 Exercise Procedure

An Option may be exercised from time to time, and shall be deemed to be validly exercised by the Optionee only upon the Optionee's delivery to the Corporation at its head office of:

- (a) a written notice of exercise addressed to the Corporate Secretary of the Corporation, specifying the number of Common Shares with respect to which the Option is being exercised;

- (b) the originally signed option agreement with respect to the Option being exercised;
- (c) unless the Option is exercised pursuant to Section 6.2 hereof, a certified cheque or bank draft or wire transfer made payable to the Corporation for the aggregate exercise price for the number of Common Shares with respect to which the Option is being exercised together with the amount necessary to satisfy any applicable tax withholding or remittance obligations under applicable Laws; and
- (d) documents containing such representations, warranties, agreements and undertakings, including such as to the Optionee's future dealings in such Common Shares, as counsel to the Corporation reasonably determines to be necessary or advisable in order to comply with or safeguard against the violation of the Laws of any jurisdiction;

and on the business day following, the Optionee shall be deemed to be a holder of record of the Common Shares with respect to which the Option is being exercised, and thereafter the Corporation shall, within a reasonable amount of time, cause certificates for such Common Shares to be issued and delivered to the Optionee.

6.2 Cashless exercise

Subject to the provisions of this Plan (including, without limitation, Section 6.3) and Board approval, once an Option has vested and become exercisable, an Optionee may elect to exercise such Option by either:

- (a) excluding Options granted to Investor Relations Service Providers, a “**net exercise**” procedure in which the Corporation issues to the Optionee, Common Shares equal to the number determined by dividing (i) the product of the number of Options being exercised multiplied by the difference between the VWAP of the underlying Common Shares and the exercise price of the subject Options by (ii) the VWAP of the underlying Common Shares; or
- (b) a broker assisted “**cashless exercise**” in which the Corporation delivers a copy of irrevocable instructions to a broker engaged for such purposes by the Corporation to sell the Common Shares otherwise deliverable upon the exercise of the Options and to deliver promptly to the Corporation an amount equal to the aggregate exercise price for the number of Common Shares with respect to which the Option is being exercised, together with the amount necessary to satisfy any applicable tax withholding or remittance obligations under applicable Laws, against delivery of the Common Shares to settle the applicable trade.

An Option may be exercised pursuant to this Section 6.2 from time to time by delivery to the Corporation, at its head office or such other place as may be specified by the Corporation of (i) written notice of exercise specifying that the Optionee has elected to effect such a cashless exercise of the Option, the method of cashless exercise, and the number of Options to be exercised and (ii) payment of the amount necessary to satisfy any applicable tax withholding or remittance obligations under applicable Laws, as verified by the Corporation to its satisfaction (or by entering into some other arrangement acceptable to the Corporation in its discretion). The Optionee shall comply with Section 6.3 hereof with regard to any applicable required Withholding Obligations (hereinafter defined) and with such other procedures and policies as the Corporation may prescribe or determine to be necessary or advisable from time to time, including the prior written consent of the Board in connection with such exercise.

6.3 Withholding

The Corporation may withhold from any amount payable to an Optionee, either under this Plan or otherwise, such amount as it reasonably believes is necessary to enable the Corporation to comply with the applicable requirements of any federal, provincial, local, or foreign law, or any administrative policy of any applicable tax authority, relating to the withholding of tax or any other required deductions with respect to options (“**Withholding Obligations**”). The Corporation may also satisfy any liability for any such Withholding Obligations, on such terms and conditions as the Corporation may determine in its discretion, by (a) requiring an Optionee, as a condition to the exercise of any Options, to make such arrangements as the Corporation may require so that the Corporation can satisfy such Withholding Obligations including, without limitation, requiring the Optionee to remit to the Corporation in advance, or reimburse the Corporation for, any such Withholding Obligations or (b) selling on the Optionee’s behalf, or requiring the Optionee to sell, any Common Shares acquired by the Optionee under the Plan, or retaining any amount which would otherwise be payable to the Optionee in connection with any such sale.

ARTICLE 7 AMENDMENT OF OPTIONS

7.1 Consent to Amend

The Board may amend any Option with the consent of the affected Optionee and the Exchange, including any shareholder approval required by the Exchange.

- (a) Disinterested Shareholder Approval shall be obtained in accordance with the requirements of the Exchange for any amendment that results in:
 - (i) any reduction in the exercise price of an Option if the Optionee is an Insider at the time of the proposed amendment;
 - (ii) an increase to the limits prescribed by Section 4.3 hereof, including any grant that would result in the limits prescribed by Section 4.3 being exceeded;
 - (iii) an extension of the Expiry Date for Options if the Optionee is an Insider at the time of the proposed extension;
 - (iv) any benefit to an Insider; and
 - (v) other types of compensation through Common Share issuance.
- (b) The Board has the authority to make the following amendments without requiring shareholder approval:
 - (i) amendments to fix typographical errors and clarify existing provisions of the Plan that do not have the effect of altering the scope, nature and intent of such provisions;
 - (ii) amendments of a “housekeeping” nature;
 - (iii) a change to the vesting provisions of options granted pursuant to the Plan; and/or
 - (iv) a change to the termination provisions of options granted under the Plan which does not entail an extension beyond the original expiry date.

- (c) Shareholder approval shall be obtained in accordance with the requirements of the Exchange for any amendment to the Plan including, without limitation, any amendment that results in:
 - (i) any cancellation and reissuance of an Option;
 - (ii) the addition of additional categories of Eligible Person;
 - (iii) an increase in the maximum number of Common Shares issuable pursuant to the Plan (other than pursuant to Article 2);
 - (iv) the method for determining the exercise price of an Option;
 - (v) the maximum term of an Option;
 - (vi) the expiry and termination provisions applicable to an Option, including the addition of a blackout period; and
 - (vii) any method or formula for calculating prices, values or amounts under this Plan that may result in a benefit to an Optionee.

7.2 Amendment Subject to Approval

If the amendment of an Option requires regulatory or shareholder approval, such amendment may be made prior to such approvals being given, but no such amended Options may be exercised unless and until such approvals are given.

ARTICLE 8 MISCELLANEOUS

8.1 No Rights as Shareholder

Nothing in this Plan or any Option shall confer upon an Optionee any rights as a shareholder of the Corporation with respect to any of the Common Shares underlying an Option unless and until such Optionee shall have become the holder of such Common Shares upon exercise of such Option in accordance with the terms of the Plan.

8.2 No Right to Employment

Nothing in this Plan or any Option shall confer upon an Optionee any right to continue in the employ of the Corporation or any Affiliate or affect in any way the right of the Corporation or any Affiliate to terminate the Optionee's employment, with or without cause, at any time; nor shall anything in the Plan or any Option be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Corporation or any Affiliate to extend the employment of any Optionee beyond the time which the Optionee would normally be retired pursuant to the provisions of any present or future retirement plan of the Corporation or any Affiliate, or beyond the time at which he would otherwise be retired pursuant to the provisions of any contract of employment with the Corporation or any Affiliate.

8.3 Governing Law

This Plan, all option agreements, the grant and exercise of Options hereunder, and the sale, issue and delivery of Common Shares hereunder upon exercise of Options shall be, as applicable, governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada

applicable therein. The Courts of the Province of British Columbia shall have the exclusive jurisdiction to hear and decide any disputes or other matters arising herefrom.

SCHEDULE “D”

ARTICLES

AMENDED & RESTATED

ARTICLES OF

OUTCROP SILVER &
GOLD CORPORATION

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The Company has as its articles the following amended and restated articles.

Business Corporations Act
Outcrop Silver & Gold Corporation
(the “Company”)

1. INTERPRETATION

1.1 Definitions

In these Articles, unless the context otherwise requires:

- (a) “board of directors”, “directors” and “board” mean the directors or sole director of the Company for the time being;
- (b) “*Business Corporations Act*” means the *Business Corporations Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (c) “*Interpretation Act*” means the *Interpretation Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (d) “legal personal representative” means the personal or other legal representative of the shareholder;
- (e) “registered address” of a shareholder means the shareholder’s address as recorded in the central securities register;
- (f) “seal” means the seal of the Company, if any;
- (g) “solicitor of the Company” means any partner, associate or articled student of the law firm retained by the Company in respect of the matter in connection with which the term is used.

1.2 Business Corporations Act and Interpretation Act Definitions Applicable

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

2. SHARES AND SHARE CERTIFICATES

2.1 Authorized Share Structure

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

2.2 Form of Share Certificate

Each share certificate issued by the Company shall be in such form as the directors may determine and approve and must comply with, and be signed as required by, the *Business Corporations Act*.

2.3 Shareholder Entitled to Certificate or Acknowledgment

Shares may be issued without a share certificate or written acknowledgment. Upon request, however, each shareholder is entitled, without charge, to (a) one share certificate representing the shares of each class or series of shares registered in the shareholder's name or (b) a non-transferable written acknowledgment of the shareholder's right to obtain such a share certificate, provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate or acknowledgment and delivery of a share certificate or acknowledgment to one of several joint shareholders or to a duly authorized agent of one of the joint shareholders will be sufficient delivery to all.

2.4 Delivery by Mail

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

2.5 Replacement of Worn Out or Defaced Certificate or Acknowledgement

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

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

2.6 Replacement of Lost, Stolen or Destroyed Certificate or Acknowledgment

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

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

2.7 Splitting Share Certificates

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

2.8 Certificate Fee

There must be paid to the Company, in relation to the issue of any share certificate under Articles 2.5, 2.6 or 2.7, the amount, if any and which must not exceed the amount prescribed under the *Business Corporations Act*, determined by the directors.

2.9 Recognition of Trusts

Except as required by law or statute or these Articles, no person will be recognized by the Company as holding any share upon any trust, and the Company is not bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or fraction of a share or (except as required by law or

statute or these Articles or as ordered by a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in the shareholder.

3. ISSUE OF SHARES

3.1 Directors Authorized

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

3.2 Commissions and Discounts

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

3.3 Brokerage

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

3.4 Conditions of Issue

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

- (a) consideration is provided to the Company for the issue of the share by one or more of the following:
 - (1) past services performed for the Company;
 - (2) property; or
 - (3) money; and
- (b) the value of the consideration received by the Company equals or exceeds the issue price set for the share under Article 3.1.

3.5 Share Purchase Warrants and Rights

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

4. SHARE REGISTERS

4.1 Central Securities Register

The Company must maintain a central securities register in accordance with the provisions of the *Business Corporations Act*. The directors may, subject to the *Business Corporations Act*, appoint an agent to maintain the central securities register. The

directors may also appoint one or more agents, including the agent which keeps the central securities register, as transfer agent for its shares or any class or series of its shares, as the case may be, and the same or another agent as registrar for its shares or such class or series of its shares, as the case may be. The directors may terminate such appointment of any agent at any time and may appoint another agent in its place.

4.2 Closing Register

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

5. SHARE TRANSFERS

5.1 Private Issuer Restrictions

The provisions of Article 27 shall apply to any proposed transfer of a share of the Company.

5.2 Registering Transfers where Certificate or Acknowledgement

A transfer of a share of the Company for which a share certificate has been issued or for which the shareholder has received a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate must not be registered unless the Company or the transfer agent or registrar for the class or series of share to be transferred has received:

- (a) an instrument of transfer, duly executed by the transferor or a duly authorized attorney of the transferor, in respect of the share;
- (b) if a share certificate has been issued by the Company in respect of the share to be transferred, that share certificate;
- (c) if a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate has been issued by the Company in respect of the share to be transferred, that acknowledgment; and
- (d) such other evidence, if any, as the directors or the transfer agent may require to prove the title of the transferor or his duly authorized attorney or the right to transfer the shares, and the right of the transferee to have the transfer registered.

5.3 Registering Transfers where no Certificate or Acknowledgement

A transfer of a share of the Company for which a share certificate has not been issued or for which the shareholder has not received a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate (for example, where shares are issued in book-only form), must not be registered unless the requirements for transfer as approved by the directors have been met.

5.4 Form of Instrument of Transfer

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

5.5 Transferor Remains Shareholder

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

5.6 Signing of Instrument of Transfer

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

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

5.7 Enquiry as to Title Not Required

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

5.8 Transfer Agent

The Company may appoint one or more trust companies or agents as its transfer agent for the purpose of issuing, countersigning, registering, transferring and certifying the shares and share certificates of the Company.

5.9 Transfer Fee

There must be paid to the Company, in relation to the registration of any transfer, the amount, if any, determined by the directors.

6. TRANSMISSION OF SHARES

6.1 Legal Personal Representative Recognized on Death

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

6.2 Rights of Legal Personal Representative

Subject to Article 6.1, on death or bankruptcy, the legal personal representative of a shareholder has the same rights, privileges and obligations that attach to the shares held by the shareholder, including the right to transfer the shares in accordance with these Articles, provided the documents required by the *Business Corporations Act* and the directors have been deposited with the Company.

6.3 Registration of Legal Personal Representative

Any person becoming entitled to a share in consequence of the death or bankruptcy of a shareholder shall, upon such documents and evidence being produced to the Company as the *Business Corporations Act* requires, or who becomes entitled to a share as a result of an order of a court of competent jurisdiction or a statute, has the right either to be registered as a shareholder in his representative capacity in respect of such share, or, if he is a personal representative, instead of being registered himself, to make such transfer of the share as the deceased or bankrupt person could have made; but the directors shall, as regards a transfer by a personal representative or trustee in bankruptcy, have the same right, if any, to decline or suspend registration of a transferee as they would have in the case of a transfer of a share by the deceased or bankrupt person before the death or bankruptcy.

7. PURCHASE AND REDEMPTION OF SHARES

7.1 Company Authorized to Purchase or Redeem Shares

Subject to Article 7.2, the special rights and restrictions attached to the shares of any class or series and the *Business Corporations Act*, the Company may, if authorized by the directors, purchase, redeem or otherwise acquire any of its shares at the price and upon the terms the directors determine. The Company may, by a resolution of directors, cancel any of its shares purchased by the Company, and upon the cancellation of such shares the number of issued shares shall be reduced accordingly.

7.2 Purchase When Insolvent

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

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

7.3 Sale and Voting of Purchased Shares

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

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

8. BORROWING POWERS

The Company, if authorized by the directors, may:

- (a) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that they consider appropriate;
- (b) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person and at such discounts or premiums and on such other terms as they consider appropriate;

- (c) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and
- (d) mortgage, charge, whether by way of specific or floating charge, grant a security interest in, or give other security on, the whole or any part of the present and future assets and undertaking of the Company.

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

9. ALTERATIONS

9.1 Alteration of Authorized Share Structure

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

- (a) either by directors' resolution or by ordinary resolution, at the election of the directors in their sole discretion:
 - (1) create one or more classes or series of shares or, if none of the shares of a class are allotted or issued, eliminate that class of shares;
 - (2) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;
 - (3) subdivide or consolidate all or any of its unissued, or fully paid issued, shares;
 - (4) if the Company is authorized to issue shares of a class of shares with par value:
 - i decrease the par value of those shares; or
 - ii if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;
 - (5) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value;
 - (6) alter the identifying name of any of its shares;
 - (7) otherwise alter its shares or authorized share structure when required or permitted to do so by the *Business Corporations Act*; or
- (b) by ordinary resolution otherwise alter its shares or authorized share structure;

and alter its Articles and Notice of Articles accordingly.

9.2 Special Rights and Restrictions

Subject to the *Business Corporations Act*, the Company may by ordinary resolution:

- (a) create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, whether or not any or all of those shares have been issued; or
- (b) by ordinary resolution vary or delete any special rights or restrictions attached to the shares of any class or series, whether or not any or all of those shares have been issued

and alter its Articles and Notice of Articles accordingly.

9.3 Change of Name

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

9.4 Other Alterations

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

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

10. MEETINGS OF SHAREHOLDERS

10.1 Annual General Meetings

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

10.2 Consent Resolution Instead of Meeting of Shareholders

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

10.3 Calling of Meetings of Shareholders

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

10.4 Notice for Meetings of Shareholders

The Company must send notice of the date, time and location of any meeting of shareholders (including, without limitation, any notice specifying the intention to propose a resolution as an exceptional resolution, a special resolution or a special separate resolution and any notice of a general meeting, class meeting or series meeting or to consider approving the adoption of an amalgamation agreement, the approval of any amalgamation into a foreign jurisdiction or the approval of any arrangement), in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by directors' resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled to attend the

meeting, to each director and to the auditor of the Company, unless these Articles otherwise provide, at least the following number of days before the meeting:

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

10.5 A Notice of Resolution to Which Shareholders May Dissent

The Company must send to each of its shareholders, whether or not their shares carry the right to vote, a notice of any meeting of shareholders at which a resolution entitling shareholders to dissent is to be considered specifying the date of the meeting and containing a statement advising of the right to send a notice of dissent and a copy of the proposed resolution at least the following number of days before the meeting:

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

10.6 Record Date for Notice

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

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

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

10.7 Record Date for Voting

The directors may set a date as the record date for the purpose of determining shareholders entitled to vote at any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

10.8 Failure to Give Notice and Waiver of Notice

The accidental omission to send notice of any meeting of shareholders to, or the non-receipt of any notice by, any of the persons entitled to notice does not invalidate any proceedings at that meeting. Any person entitled to notice of a meeting of shareholders may, in writing or otherwise, waive or reduce the period of notice of such meeting. Attendance of a person at a meeting of shareholders is a waiver of entitlement to notice of the meeting unless that person attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

10.9 Notice of Special Business at Meetings of Shareholders

If a meeting of shareholders is to consider special business within the meaning of Article 11.1, the notice of meeting must:

- (a) state the general nature of the special business; and

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

10.10 Location of Meetings of Shareholders

The Company will hold meetings of shareholders in British Columbia, subject to the directors, by resolution, approving a location for such meetings outside of British Columbia.

11. PROCEEDINGS AT MEETINGS OF SHAREHOLDERS

11.1 Special Business

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

- (a) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting;
- (b) at an annual general meeting, all business is special business except for the following:
 - (1) business relating to the conduct of or voting at the meeting;
 - (2) consideration of any financial statements of the Company presented to the meeting;
 - (3) consideration of any reports of the directors or auditor;
 - (4) the setting or changing of the number of directors;
 - (5) the election or appointment of directors;
 - (6) the appointment of an auditor;
 - (7) the setting of the remuneration of an auditor;
 - (8) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution;
 - (9) any other business which, under these Articles or the *Business Corporations Act*, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

11.2 Majority Required for a Special Resolution

The majority of votes required for the Company to pass a special resolution at a general meeting of shareholders is two-thirds of the votes cast on the resolution.

11.3 Quorum

Subject to the special rights and restrictions attached to the shares of any class or series of shares, the quorum for the transaction of business at a meeting of shareholders is two or more persons who are shareholders, holding 10% or more of the outstanding common shares of the Company, or who are otherwise permitted to vote shares of the Company at a meeting of shareholders pursuant to these articles, present in person or by proxy.

11.4 Other Persons May Attend

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

11.5 Requirement of Quorum

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

11.6 Lack of Quorum

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

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

11.7 Lack of Quorum at Succeeding Meeting

If, at the meeting to which the meeting referred to in Article 11.6(b) was adjourned, a quorum is not present within one-half hour from the time set for the holding of the meeting, the person or persons present and being, or representing by proxy, two or more shareholders entitled to attend and vote at the meeting constitute a quorum.

11.8 Chair

The following individuals are entitled to preside as chair at a meeting of shareholders:

- (a) the chair of the board, if any; or
- (b) if no chair of the board exists or is present and willing to act as chair of the meeting, the president of the Company; or
- (c) if the chair of the board, and the president of the Company are absent or unwilling to act as chair of the meeting, the solicitor of the Company.

11.9 Selection of Alternate Chair

If, at any meeting of shareholders, there is no chair of the board or president present within 15 minutes after the time set for holding the meeting, or if the chair of the board and the president are unwilling to act as chair of the meeting, or if the chair of the board and the president have advised the secretary, if any, or any director present at the meeting, that they will not be present at the meeting, and the solicitor of the Company is absent or unwilling to act as chair of the meeting, the directors present must choose one of their number to be chair of the meeting or if all of the directors present decline to take the chair or

fail to so choose or if no director is present, the shareholders entitled to vote at the meeting who are present in person or by proxy may choose any person present at the meeting to chair the meeting.

11.10 Adjournments

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

11.11 Notice of Adjourned Meeting

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

11.12 Decisions by Show of Hands, Verbal Statements, or Poll

Subject to the *Business Corporations Act*, every motion put to a vote at a meeting of shareholders will be decided on a show of hands unless a poll, before or on the declaration of the result of the vote by show of hands, is directed by the chair or demanded by at least one shareholder entitled to vote who is present in person or by proxy. In determining the result of a vote by show of hands, shareholders present by telephone or other communications medium in which all shareholders and proxy holders entitled to attend and participate in voting at the meeting are able to communicate with each other, may indicate their vote verbally or, otherwise in such manner as clearly evidences their vote and is accepted by the chair of the meeting.

11.13 Declaration of Result

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

11.14 Motion Need Not be Seconded

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

11.15 Casting Vote

In case of an equality of votes either on a show of hands or on a poll, the chair of a meeting of shareholders will not have a second or casting vote in addition to the vote or votes to which the chair may be entitled as a shareholder.

11.16 Manner of Taking Poll

Subject to Article 11.18, if a poll is duly demanded at a meeting of shareholders:

- (a) the poll must be taken:
 - (1) at the meeting, or within seven days after the date of the meeting, as the chair of the meeting directs; and
 - (2) in the manner, at the time and at the place that the chair of the meeting directs;

- (b) the result of the poll is deemed to be the decision of the meeting at which the poll is demanded; and
- (c) the demand for the poll may be withdrawn by the person who demanded it.

11.17 Demand for Poll on Adjournment

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

11.18 Chair Must Resolve Dispute

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

11.19 Casting of Votes

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

11.20 No Demand for Poll on Election of Chair

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

11.21 Demand for Poll Not to Prevent Continuance of Meeting

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

11.22 Retention of Ballots and Proxies

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

12. VOTES OF SHAREHOLDERS

12.1 Number of Votes by Shareholder or by Shares

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

- (a) on a vote by show of hands, every person present who is a shareholder or proxy holder and entitled to vote on the matter has one vote; and
- (b) on a poll, every shareholder entitled to vote on the matter has one vote in respect of each share entitled to be voted on the matter and held by that shareholder and may exercise that vote either in person or by proxy.

12.2 Votes of Persons in Representative Capacity

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

12.3 **Votes by Joint Holders**

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

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

12.4 **Legal Personal Representatives as Joint Shareholders**

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

12.5 **Representative of a Corporate Shareholder**

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

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

Evidence of the appointment of any such representative may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

12.6 **Proxy Provisions Do Not Apply to All Companies**

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

12.7 Appointment of Proxy Holders

Every shareholder of the Company, including a corporation that is a shareholder but not a subsidiary of the Company, entitled to vote at a meeting of shareholders may, by proxy, appoint one or more (but not more than five) proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy.

12.8 Alternate Proxy Holders

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

12.9 When Proxy Holder Need Not Be Shareholder

A person must not be appointed as a proxy holder unless:

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

12.10 Deposit of Proxy

A proxy for a meeting of shareholders must:

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

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

12.11 Validity of Proxy Vote

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

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

- (b) by the chair of the meeting, before the vote is taken.

12.12 Form of Proxy

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

[name of company]
(the “Company”)

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

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

Signed *[month, day, year]*

[Signature of shareholder]

[Name of shareholder—printed]

12.13 Revocation of Proxy

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

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

12.14 Revocation of Proxy Must Be Signed

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

- (a) if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or his or her legal personal representative or trustee in bankruptcy;
- (b) if the shareholder for whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation under Article 12.5.

12.15 Production of Evidence of Authority to Vote

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

13. DIRECTORS

13.1 First Directors; Number of Directors

If the Company is not a pre-existing company under the *Business Corporations Act*, the first directors are the persons designated as directors of the Company in the Notice of Articles that applies to the Company when it is recognized under the *Business Corporations Act*. The number of directors, excluding additional directors appointed under Article 14.8, is set at:

- (a) subject to paragraphs (b) and (c), the number of directors that is equal to the number of the Company's first directors if applicable;
- (b) if the Company is a public company, the greater of three and the most recently set of:
 - (1) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and
 - (2) the number of directors set under Article 14.4;
- (c) if the Company is not a public company, the most recently set of:
 - (1) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and
 - (2) the number of directors set under Article 14.4.

13.2 Change in Number of Directors

If the number of directors is set under Articles 13.1(b)(1) or 13.1(c)(1):

- (a) the shareholders may contemporaneously elect or appoint the directors up to that number; and
- (b) subject to Article 14.8, if the shareholders do not contemporaneously elect or appoint the number of directors set resulting in vacancies, then the directors may appoint, or failing which the shareholders may elect or appoint, directors to fill those vacancies.

13.3 Directors' Acts Valid Despite Vacancy

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

13.4 Qualifications of Directors

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

13.5 Remuneration of Directors

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

13.6 Reimbursement of Expenses of Directors

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

13.7 Special Remuneration for Directors

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

13.8 Gratuity, Pension or Allowance on Retirement of Director

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

14. ELECTION AND REMOVAL OF DIRECTORS

14.1 Election at Annual General Meeting

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

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

14.2 Consent to be a Director

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

- (a) that individual consents to be a director in the manner provided for in the *Business Corporations Act*;
- (b) that individual is elected or appointed at a meeting at which the individual is present and the individual does not refuse, at the meeting, to be a director; or
- (c) with respect to first directors, the designation is otherwise valid under the *Business Corporations Act*.

14.3 Failure to Elect or Appoint Directors

If:

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

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

- (a) when his or her successor is elected or appointed; and
- (b) when he or she otherwise ceases to hold office under the *Business Corporations Act* or these Articles.

14.4 Places of Retiring Directors Not Filled

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

14.5 Directors May Fill Casual Vacancies

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

14.6 Remaining Directors' Power to Act

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

14.7 Shareholders May Fill Vacancies

If the Company has no directors or fewer directors in office than the number set pursuant to these Articles as the quorum of directors, then failing the filling of any vacancies as set forth in Article 14.6, the shareholders may elect or appoint directors to fill any vacancies on the board of directors.

14.8 Additional Directors

Notwithstanding Articles 13.1 and 13.2, between annual general meetings or resolutions contemplated by Article 10.2, the directors may appoint one or more additional directors, but the number of additional directors appointed under this Article 14.8 must not at any time exceed:

- (a) one-third of the number of first directors, if, at the time of the appointments, one or more of the first directors have not yet completed their first term of office; or
- (b) in any other case, one-third of the number of the current directors who were elected or appointed as directors other than under this Article 14.8.

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

14.9 Ceasing to be a Director

A director ceases to be a director when:

- (a) the term of office of the director expires;

- (b) the director dies;
- (c) the director resigns as a director by notice in writing provided to the Company or a solicitor for the Company; or
- (d) the director is removed from office pursuant to Articles 14.10 or 14.11.

14.10 Removal of Director by Shareholders

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

14.11 Removal of Director by Directors

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

14.12 Nominations Of Directors

- (a) This Article 14.12 only applies to the Company if and for so long as it is a public company.
- (b) Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Company. Nominations of persons for election to the board may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors:
 - (1) by or at the direction of the board, including pursuant to a notice of meeting;
 - (2) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the *Business Corporations Act*, or a requisition of the shareholders made in accordance with the provisions of the *Business Corporations Act*; or
 - (3) by any person who:
 - (i) at the close of business on the date of the giving of the notice provided for in this Article 14.12 and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns one or more shares that are entitled to be voted at such meeting; and
 - (ii) complies with the notice procedures set forth below in this Article 14.12,
- (a "Nominating Shareholder").
- (c) In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the secretary of the Company, if any, or such other officer of the Company acting in that capacity, at the principal executive offices of the Company.
- (d) To be timely, a Nominating Shareholder's notice under Article 14.12(c) must be made:
 - (1) in the case of an annual meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders, provided that (i) if the Company chooses to use notice and access to deliver meeting materials, the time frame will be not less than 40 and no more than 65 days; and (ii) if the annual meeting of shareholders 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 meeting was made (the “Notice Date”), notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and

- (2) in the case of a special meeting of shareholders which is not also an annual meeting, and is called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the Notice Date.

In no event shall any adjournment or postponement of a meeting of shareholders, or the announcement of an adjournment or postponement, commence a new time period for the giving of a Nominating Shareholder’s notice as described above.

- (e) To be in proper written form, a Nominating Shareholder’s notice under Article 14.12(c) must set forth:

- (1) for each person whom the Nominating Shareholder proposes to nominate for election as a director:

- (i) the name, age, business address and residential address of the person;
- (ii) the principal occupation or employment of the person;
- (iii) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the person as of the date of the notice and as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred); and
- (iv) any other information relating to the person that would be required to be disclosed in a dissident’s proxy circular in connection with solicitations of proxies for election of directors pursuant to the *Business Corporations Act* and Applicable Securities Laws (as defined below); and

- (2) for the Nominating Shareholder giving the notice, any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any shares of the Company and any other information relating to such Nominating Shareholder that would be required to be made in a dissident’s proxy circular in connection with solicitations of proxies for election of directors pursuant to the *Business Corporations Act* and Applicable Securities Laws (as defined below).

- (f) The Company may require any proposed nominee to furnish such other information as may reasonably be required by the Company to determine the eligibility of such proposed nominee to serve as an independent director of the Company or that could be material to a reasonable shareholder’s understanding of the independence, or lack thereof, of such proposed nominee.

- (g) No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of this Article 14.12, provided, however, that nothing in this Article 14.12 shall be deemed to preclude discussion by a shareholder at a meeting of shareholders of any matter, other than the nomination of directors, in respect of which the shareholder would have been entitled to submit a proposal pursuant to the provisions of the *Business Corporations Act*. The chair of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in this Article 14.12 and, if any proposed nomination is not in compliance with this Article 14.12, to declare that such defective nomination shall be disregarded.

- (h) For purposes of this Article 14.12:

- (1) “public announcement” shall mean disclosure in:

- (i) a press release reported by a national news service in Canada; or
- (ii) a document publicly filed by the Company under its profile on the System of Electronic Document Analysis and Retrieval (SEDAR), or such other electronic disclosure service as the Company is required to

utilize for the filing of continuous disclosure documents pursuant to Applicable Securities Laws; and

- (2) “Applicable Securities Laws” means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such legislation, and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada.
- (i) Notice given under Article 14.12(c) may only be given by personal delivery, facsimile transmission or email, and shall be deemed to have been given and made at the time it is sent to the secretary of the Company, if any, or such other officer of the Company acting in that capacity, by:
- (1) personal delivery to the address of the principal executive offices of the Company;
 - (2) facsimile transmission, at such facsimile number as stipulated from time to time for the purposes of this notice by the secretary of the Company, if any, or such other officer of the Company acting in that capacity, and provided that receipt of confirmation of such transmission has been received; or
 - (3) email, at such email address as stipulated from time to time for the purposes of this notice by the secretary of the Company, if any, or such other officer of the Company acting in that capacity, and provided that receipt of confirmation of such transmission has been received.

If such delivery or electronic communication is made on a day which is a not a business day in Vancouver, British Columbia, or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

- (j) Notwithstanding any other provision of this Article 14.12, the board may, in its sole discretion, waive any requirement of this Article 14.12.

15. [SECTION REMOVED]

16. POWERS AND DUTIES OF DIRECTORS

16.1 Powers of Management

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

16.2 Appointment of Attorney of Company

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

16.3 Setting the Remuneration of Auditors

The directors may from time to time set the remuneration of the auditors of the Company.

17. DISCLOSURE OF INTERESTS OF DIRECTORS AND OFFICERS

17.1 Obligation to Account for Profits

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

17.2 Restrictions on Voting by Reason of Interest

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

17.3 Interested Director Counted in Quorum

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

17.4 Disclosure of Conflict of Interest or Property

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

17.5 Director Holding Other Office in the Company

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

17.6 No Disqualification

No director or intended director is disqualified by his or her office from contracting with the Company either with regard to the holding of any office or place of profit the director holds with the Company or as vendor, purchaser or otherwise, and no

contract or transaction entered into by or on behalf of the Company in which a director is in any way interested is liable to be voided for that reason.

17.7 Professional Services by Director or Officer

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

17.8 Director or Officer in Other Corporations

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

18. PROCEEDINGS OF DIRECTORS

18.1 Meetings of Directors

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

18.2 Voting at Meetings

Questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

18.3 Chair of Meetings

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

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

18.4 Meetings by Telephone or Other Communications Medium

A director may participate in a meeting of the directors or of any committee of the directors:

- (a) in person;
- (b) by telephone; or
- (c) with the consent of all directors, by other communications medium;

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

18.5 Calling of Meetings

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

18.6 Notice of Meetings

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

18.7 When Notice Not Required

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

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

18.8 Meeting Valid Despite Failure to Give Notice

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

18.9 Waiver of Notice of Meetings

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

18.10 Quorum

The quorum necessary for the transaction of the business of the directors may be set by the directors and, if not so set, is no less than half of the directors then in office or, if the number of directors is set at one, is deemed to be set at one director, and that director may constitute a meeting.

18.11 Validity of Acts Where Appointment Defective

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

18.12 Consent Resolutions in Writing

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

19. EXECUTIVE AND OTHER COMMITTEES

19.1 Appointment and Powers of Executive Committee

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

- (a) the power to fill vacancies in the board of directors;
- (b) the power to remove a director;
- (c) the power to change the membership of, or fill vacancies in, any committee of the directors; and
- (d) such other powers, if any, as may be set out in the resolution or any subsequent directors' resolution.

19.2 Appointment and Powers of Other Committees

The directors may, by resolution:

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

19.3 Obligations of Committees

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

- (a) conform to any rules that may from time to time be imposed on it by the directors; and

- (b) report every act or thing done in exercise of those powers at such times as the directors may require.

19.4 Powers of Board

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

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

19.5 Committee Meetings

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

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

20. OFFICERS

20.1 Directors May Appoint Officers

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

20.2 Functions, Duties and Powers of Officers

The directors may, for each officer:

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

20.3 Qualifications

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

20.4 Remuneration and Terms of Appointment

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

21. INDEMNIFICATION

21.1 Definitions

In this Article 21:

- (a) “eligible penalty” means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding;
- (b) “eligible proceeding” means a legal proceeding or investigative action, whether current, threatened, pending or completed, in which a director, former director or alternate director of the Company (an “eligible party”) or any of the heirs and legal personal representatives of the eligible party, by reason of the eligible party being or having been a director or alternate director of the Company:
 - (1) is or may be joined as a party; or
 - (2) is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding;
- (c) “expenses” has the meaning set out in the *Business Corporations Act*.

21.2 Mandatory Indemnification of Eligible Parties

Subject to the *Business Corporations Act*, the Company must indemnify a director, former director or alternate director of the Company and his or her heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and the Company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding. Each director and alternate director is deemed to have contracted with the Company on the terms of the indemnity contained in this Article 21.2.

21.3 Indemnification of Other Persons

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

21.4 Non-Compliance with Business Corporations Act

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

21.5 Company May Purchase Insurance

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

- (a) is or was a director, alternate director, officer, employee or agent of the Company;

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

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

22. DIVIDENDS

22.1 Payment of Dividends Subject to Special Rights

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

22.2 Declaration of Dividends

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

22.3 No Notice Required

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

22.4 Record Date

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

22.5 Manner of Paying Dividend

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

22.6 Settlement of Difficulties

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

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

22.7 When Dividend Payable

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

22.8 Dividends to be Paid in Accordance with Number of Shares

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

22.9 Receipt by Joint Shareholders

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

22.10 Dividend Bears No Interest

No dividend bears interest against the Company.

22.11 Fractional Dividends

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

22.12 Payment of Dividends

Any dividend or other distribution payable in cash in respect of shares may be paid by cheque, made payable to the order of the person to whom it is sent, and mailed to the registered address of the shareholder, or in the case of joint shareholders, to the registered address of the joint shareholder who is first named on the central securities register, or to the person and to the registered address the shareholder or joint shareholders may direct in writing. The mailing of such cheque will, to the extent of the sum represented by the cheque (plus the amount of the tax required by law to be deducted), discharge all liability for the dividend unless such cheque is not paid on presentation or the amount of tax so deducted is not paid to the appropriate taxing authority.

22.13 Capitalization of Retained Earnings or Surplus

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

23. DOCUMENTS, RECORDS AND REPORTS

23.1 Recording of Financial Affairs

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

23.2 Inspection of Accounting Records

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

24. NOTICES

24.1 Method of Giving Notice

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

- (a) mail addressed to the person at the applicable address for that person as follows:
 - (1) for a record mailed to a shareholder, the shareholder's registered address;
 - (2) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class;
 - (3) in any other case, the mailing address of the intended recipient;
- (b) delivery at the applicable address for that person as follows, addressed to the person:
 - (1) for a record delivered to a shareholder, the shareholder's registered address;
 - (2) for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class;
 - (3) in any other case, the delivery address of the intended recipient;
- (c) sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;
- (d) sending the record by email to the email address provided by the intended recipient for the sending of that record or records of that class;
- (e) physical delivery to the intended recipient; and
- (f) delivery in such other manner as may be approved by the directors and reasonably evidenced.

24.2 Deemed Receipt of Mailing

A notice, statement, report or other record that is:

- (a) mailed to a person by ordinary mail to the applicable address for that person referred to in Article 24.1 is deemed to be received by the person to whom it was mailed on the day, (Saturdays, Sundays and holidays excepted), following the date of mailing;
- (b) faxed to a person to the fax number provided by that person referred to in Article 24.1 is deemed to be received by the person to whom it was faxed on the day it was faxed; and
- (c) e-mailed to a person to the e-mail address provided by that person referred to in Article 24.1 is deemed to be received by the person to whom it was e-mailed on the day it was e-mailed.

24.3 Certificate of Sending

A certificate signed by the secretary, if any, or other officer of the Company or of any other corporation acting in that capacity on behalf of the Company stating that a notice, statement, report or other record was sent in accordance with Article 24.1 is conclusive evidence of that fact.

24.4 Notice to Joint Shareholders

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

24.5 Notice to Legal Personal Representatives and Trustees

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

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

24.6 Undelivered Notices

If any record sent to a shareholder pursuant to Article 24.1 is returned on two consecutive occasions because the shareholder cannot be located, the Company shall not be required to send any further records to the shareholder until the shareholder informs the Company in writing of his or her new address.

25. SEAL

25.1 Who May Attest Seal

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

- (a) any two directors;
- (b) any officer, together with any director;
- (c) if the Company only has one director, that director; or
- (d) any one or more directors or officers or persons as may be determined by the directors.

25.2 Sealing Copies

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

25.3 Mechanical Reproduction of Seal

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

26. MECHANICAL REPRODUCTIONS OF SIGNATURES

26.1 Instruments may be Mechanically Signed

The signature of any officer, director, registrar, branch registrar, transfer agent or branch transfer agent of the Company, unless otherwise required by the *Business Corporations Act* or by these Articles, may, if authorized by the directors, be printed, lithographed, engraved or otherwise mechanically reproduced upon all instruments executed or issued by the Company or any officer thereof; and any instrument on which the signature of any such person is so reproduced shall be deemed to have been manually signed by such person whose signature is so reproduced and shall be as valid to all intents and purposes as if such instrument had been signed manually, and notwithstanding that the person whose signature is so reproduced may have ceased to hold the office that he is stated on such instrument to hold at the date of issue of such instrument.

26.2 Definitions of Instruments

The term "instrument" as used in Article 26.1 shall include deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property, real or personal, agreements, releases, receipts and discharges for the payment of money or other obligations, shares and share warrants of the Company, bonds, debentures and other debt obligations of the Company, and all paper writings.

27. PROHIBITIONS

27.1 Definitions

In this Article 27:

- (a) "designated security" means:
 - (1) a voting security of the Company;
 - (2) a security of the Company that is not a debt security and that carries a residual right to participate in the earnings of the Company or, on the liquidation or winding up of the Company, in its assets; or
 - (3) a security of the Company convertible, directly or indirectly, into a security described in paragraph (a) or (b);
- (b) "security" has the meaning assigned in the *Securities Act* (British Columbia);

(c) “voting security” means a security of the Company that:

- (1) is not a debt security, and
- (2) carries a voting right either under all circumstances or under some circumstances that have occurred and are continuing.

27.2 Application

Article 27.3 does not apply to the Company if and for so long as it is a:

- (a) public company; or
- (b) a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply.

27.3 Consent Required for Transfer of Shares or Designated Securities

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