



## SILVER DOLLAR RESOURCES

### MANAGEMENT INFORMATION CIRCULAR

(As at January 15, 2021, unless otherwise indicated)

Silver Dollar Resources Inc. (the "**Company**") is providing this management information circular (the "**Information Circular**") and a form of proxy in connection with management's solicitation of proxies for use at the annual general and special meeting (the "**Meeting**") of the shareholders of the Company (the "**Shareholders**") to be held at the Hotel Grand Pacific, 463 Belleville Street, Victoria, British Columbia at 1:00 p.m. (Pacific Time) on Thursday, February 25, 2021 and any adjournments or postponements thereof. The Company will conduct its solicitation by mail and officers and employees of the Company may, without receiving special compensation, also telephone or make other personal contact. The Company will pay the cost of solicitation.

All dollar amounts referenced herein are expressed in Canadian Dollars unless otherwise stated.

#### **Appointment of Proxyholder**

The purpose of a proxy is to designate persons who will vote the proxy on a shareholder's behalf in accordance with the instructions given by the shareholder in the proxy. The persons whose names are printed in the enclosed form of proxy are officers or directors of the Company (the "**Management Proxyholders**").

**A Shareholder has the right to appoint a person other than a Management Proxyholder, to represent the Shareholder at the Meeting by striking out the names of the Management Proxyholders and by inserting the desired person's name in the blank space provided or by executing a proxy in a form similar to the enclosed form. A proxyholder need not be a Shareholder.**

#### **Voting by Proxy**

**Only registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting.** Common shares of the Company ("**Common Shares**") represented by a properly executed proxy will be voted or be withheld from voting on each matter referred to in the Notice of Meeting in accordance with the instructions of the Shareholder on any ballot that may be called for and if the Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly.

**If a Shareholder does not specify a choice and the Shareholder has appointed one of the Management Proxyholders as proxyholder, the Management Proxyholder will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.**

**The enclosed form of proxy also gives discretionary authority to the person named therein as proxyholder with respect to amendments or variations to matters identified in the Notice of the Meeting and with respect to other matters which may properly come before the Meeting.** At the date of this Information Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

## Completion and Return of Proxy

Completed forms of proxy must be deposited at the office of the Company's registrar and transfer agent, TSX Trust Company., of 301 – 100 Adelaide Street West, Toronto, Ontario, M5H 4H1, not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting or any adjournment or postponement thereof, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

## Non-Registered Holders

**Only registered Shareholders or persons they appoint as their proxies are permitted to vote at the Meeting.** Registered Shareholders are holders of the Company whose names appear on the share register of the Company and are not held in the name of a brokerage firm, bank or trust company through which they purchased Common Shares. Whether or not you are able to attend the Meeting, Shareholders are requested to vote their proxy in accordance with the instructions on the proxy. Most Shareholders are "non-registered" Shareholders ("**Non-Registered Shareholders**") because the Common Shares they own are not registered in their names but instead registered in the name of a nominee (a "**Nominee**") such as a brokerage firm through which they purchased the Common Shares. The Company's Common Shares beneficially owned by a Non-Registered Shareholder are registered either: (i) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Shareholder deals with in respect of their Common Shares of the Company (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as The Canadian Depository for Securities Limited or The Depository Trust & Clearing Corporation) of which the Intermediary is a participant.

There are two kinds of beneficial owners: those who object to their name being made known to the issuers of securities which they own (called "**OBOs**" for Objecting Beneficial Owners) and those who do not object (called "**NOBOs**" for Non-Objecting Beneficial Owners).

In accordance with the requirements of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") of the Canadian Securities Administrators, the Company has elected to send the Meeting materials directly to NOBOs. If the Company or its agent has sent these materials directly to you (instead of through a Nominee), your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Nominee holding on your behalf. By choosing to send these materials to you directly, the Company (and not the Nominee holding on your behalf) has assumed responsibility for (i) delivering these materials to you and (ii) executing your proper voting instructions

The Company does not intend to pay for Nominees to deliver the Meeting materials. As a result, OBOs will not receive the Meeting materials unless their Nominee assumes the costs of delivery.

## Notice and Access

The Company is not sending the Meeting materials to Shareholders using "Notice-and-Access", as defined under NI 54-101.

## Revocability of Proxy

In addition to revocation in any other manner permitted by law, a Shareholder, his or her attorney authorized in writing or, if the Shareholder is a corporation, a corporation under its corporate seal or by an officer or attorney thereof duly authorized, may revoke a proxy by instrument in writing, including a proxy bearing a later date. The instrument revoking the proxy must be deposited at the registered office of the Company, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment or any postponement thereof, or with the chairman of the Meeting on the day of the Meeting or any adjournment or any postponement thereto.

## VOTING SHARES AND PRINCIPAL SHAREHOLDERS

### Record Date

The Board of Directors (the “**Board**”) has fixed January 15, 2021 as the record date, being the date for the determination of the holders of the Company's common shares entitled to notice of, and to vote at, the Meeting and any adjournment or postponement thereof.

### Common Shares Outstanding and Principal Holders

As of January 15, 2021, there were a total of 36,765,400 Common Shares issued and outstanding. The holders of the common shares are entitled to receive notice of, and to attend, all meetings of shareholders and to have one vote for each common share held.

To the knowledge of the directors and executive officers of the Company, no person beneficially owns, controls or directs, directly or indirectly, voting securities of the Company carrying 10% or more of the voting rights attached to any class of voting securities of the Company, except the following:

Name	No. of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly <sup>(1)</sup>	Percentage of Outstanding Common Shares
Eric Sprott	6,221,241 <sup>(1)</sup>	16.9%
First Majestic Silver Corp.	5,846,401	15.9%

Notes:

- (1) 1,000,000 of these Common Shares are held directly in the name of Eric S. Sprott and 5,221,241 Common Shares are held in the name of 2176423 Ontario Ltd., a private company controlled by Eric Sprott.

### INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as set out herein, no person who has been a director or executive officer of the Company at any time since the beginning of the Company's last financial year, no proposed nominee of management of the Company for election as a director of the Company and no associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the Meeting other than the election of directors or the appointment of auditors.

### INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as noted below, the Company is unaware of any material interest, direct or indirect, of any informed person or any proposed nominee for election as a director of the Company or any associate or affiliate of such informed person or director nominee in any transaction since the Company's last financial year or any proposed transaction, which has materially affected or would materially affect the Company.

Pursuant to an option agreement dated January 9, 2019 among the Company and 1544230 Ontario Ltd. (in this paragraph, the “**Optionor**”), the Company has the right to acquire a 100% interest in the Longlegged Lake Property by making cash payments to the Optionor. The Optionor is controlled by Perry English, a director of the Company. To acquire a 100% interest in the Longlegged Lake Property, the Company is required to pay a total of \$85,000 in cash payments to the Optionor, of which \$40,000 has been paid. On June 24, 2020, 1544230 Ontario Inc. sold all of its interest in the option agreement to an unrelated third party.

Further, pursuant to an option agreement dated November 18, 2019 among the Company and 1544230 Ontario Inc. (in this paragraph, the “**Optionor**”), the Company has the right to acquire a 100% interest in the Pakwash Lake Property by making cash payments to the Optionor. The Optionor is controlled by Perry English, a director of the Company. To acquire a 100% interest in the Pakwash Lake Property, the Company is required to pay a total of \$131,000 in cash payments to the Optionor, of which \$36,000 has been paid. On June 24, 2020, 1544230 Ontario Inc. sold all of its interest in the option agreement to an unrelated third party.

**PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING**

**Appointment of Auditor**

Crowe MacKay LLP, Chartered Professional Accountants of 1100, 1177 West Hastings Street, Vancouver, British Columbia, Canada, V6E 4T5 were first appointed as auditors of the Company on October 14, 2020.

On October 13, 2020 the Board (on the recommendation of the Audit Committee) determined not to re-appoint Manning Elliott LLP, Chartered Professional Accountants, as the Company's auditors, and Crowe MacKay LLP, Chartered Professional Accountants were appointed as auditors of the Corporation. A copy of the "reporting package" in respect of the change of auditors is attached as Schedule D to this Circular

**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 FOR the appointment of Crowe MacKay LLP, Chartered Professional Accountants as the auditors of the Company to hold office for the ensuing year at a remuneration to be fixed by the directors.**

**Election of Directors**

The Board currently consists of four directors. Accordingly, the Company is requesting that the shareholders consider and, if thought advisable, approve an ordinary resolution at the Meeting to fix the number of directors of the Board at four (4) for the ensuing year.

The directors of the Company are elected annually and hold office until the next annual general meeting of the shareholders or until their successors are elected or appointed. Management proposes to nominate the persons listed below for election as directors of the Company to serve until their successors are elected or appointed.

**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 FOR fixing the number of directors at four and FOR the election of the four director nominees listed below.** Management does not contemplate that any of the nominees will be unable to serve as a director.

The following table sets forth : (i) the province or state and country of residence; (ii) the date appointed a director; (iii) the principal occupation, business or employment presently and over the preceding five years; and (iv) the number of Common Shares, stock options and common share purchase warrants beneficially owned, controlled, or directed, directly or indirectly, in each case by each of the proposed director nominees

<b>Name and Residence</b>	<b>Principal Occupation during Preceding Five Years</b>	<b>Period as a Director of the Company</b>	<b>Common Shares Beneficially Owned or Controlled<sup>(2)</sup></b>
<b>Michael Romanik</b> <sup>(1)</sup> Manitoba, Canada <i>Chief Executive Officer, President and Director</i>	Chief Executive Officer, President and director of Silver Dollar Resources Inc. Chief Executive Officer, President and director of GoldON Resources Ltd.	Since November 19, 2018	500,001
<b>Joseph Jerome Smulders</b> British Columbia, Canada <i>Chief Financial Officer, Corporate Secretary and Director</i>	Chief Financial Officer, Corporate Secretary and director of Silver Dollar Resources Inc. Chief Financial Officer and director of GoldON Resources Ltd.	Since November 19, 2018	430,000
<b>Perry English</b> <sup>(1)</sup> Manitoba, Canada <i>Director</i>	Prospector	Since November 19, 2018	650,000
<b>Guillermo Lozano-Chavez</b> Texas, USA <i>Proposed Director</i>	Geological consultant from 2013 to present; Vice-President of Exploration, First Majestic Silver Corp. from 2012 to 2013	N/A	Nil

## Notes:

- (1) Member of the Audit Committee.
- (2) Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at the Record Date, based upon information furnished to the Company by individual directors.

No proposed director is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and executive officers of the Company acting solely in such capacity.

To the knowledge of the Company, no proposed director:

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

#### **Adoption of Amended and Restated Stock Option Plan**

The Company adopted its existing stock option on October 23, 2019 prior to listing on the Canadian Securities Exchange (the "**Existing Plan**"). The Existing Plan was established to provide incentives to qualified directors, employees and consultants to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company.

Although there is no assurance that the Company will proceed with any such application or that if it does that it will be successful, the Company believes it would be prudent to adopt a stock option plan that is conducive to a future listing of its Common Shares on a more senior stock exchange. Accordingly, the Board has adopted an amended and restated stock option plan in the form attached hereto as Schedule B (the "**Amended and Restated**

**Plan**). At the Meeting, Shareholders will be asked to consider if thought appropriate, pass an ordinary resolution adopting the Amended and Restated Plan in the following form:

“BE IT RESOLVED THAT, as an ordinary resolution, the amended and restated stock option plan (the “**Amended and Restated Plan**”) in the form set out in the management information circular of the Company dated January 15, 2021, subject to such amendments of a housekeeping nature as are required in order to comply with the requirements of the CSE, be and is hereby approved.

An ordinary resolution is a resolution passed by the Shareholders of the Company at a general meeting by a majority of the votes cast in person or by proxy.

Under the Amended and Restated Plan, the number of Common Shares that may be issued on the exercise of options granted thereunder continues to be 10% of the number of Common Shares of the Company issued and outstanding at the time of grant (less any Common Shares reserved for issuance under other security based compensation arrangements).

The following is a summary of those terms of the Amended and Restated Plan, which differ materially from those of the Existing Plan.

Participation Limits: The Amended and Restated Plan provides that a maximum of 10% of the Company’s issued and outstanding shares are issuable to insiders of the Company under the Amended and Restated Plan and under any other security based compensation arrangements of the Company at any time. The Existing Plan only contained such limit in respect of shares issued to Insiders in any one year. There is no longer a limit on the number of options that may be granted to bona fide consultants (except those performing investor relations activities, which remains limited to 1% of the issued and outstanding shares at the time of grant).

Vesting: Vesting of options granted under the Amended and Restated Plan will be at the discretion of the Board. The Existing Plan provided that options were deemed to be fully vest as at the date of grant, unless the Board resolved otherwise.

Change of Control: On a change of control or takeover bid the options granted under the Amended and Restated Plan will fully vest. For the purposes of the Amended and Restated Plan, a change of control occurs on the following events: (i) any transaction at any time and by whatever means pursuant to which any person or any group of two or more persons acting jointly or in concert directly or indirectly acquires the right to exercise control or direction over, voting securities of the Company representing 50% or more of the then issued and outstanding voting securities of the Company; or (ii) any sale, lease, exchange, or other disposition of all or substantially all of the assets of the Company other than in the ordinary course of business. The Existing Plan did not provide that a sale, lease, exchange, or other disposition of all or substantially all of the assets of the Company other than in the ordinary course of business, would constitute a change of control.

Termination of Exercise Right: The Amended and Restated Plan grants the Board the power to extend the time for exercise of an outstanding option upon an optionee ceasing to be an eligible person for any reason other than as a result of having been dismissed for cause as provided or as a result of the optionee's death or disability, beyond the prescribed 120 day period. The Existing Plan does not grant the Board with such discretionary authority and the prescribed period for exercise of options upon an optionee ceasing to be an eligible person for any reason other than as a result of having been dismissed for cause as provided or as a result of the optionee's death or disability is 90 days under the Existing Plan.

Assignment: The Amended and Restated Plan provides that options may be assigned to certain permitted assigns (a “**Permitted Assign**”). A Permitted Assign is an entity controlled by the optionee or a RRSP, RRIF or TFSA of such optionee. The Existing Plan does not provide for such assignment.

Amendments Requiring Shareholder Approval: The Amended and Restated Plan provides that if so required by the applicable stock exchange upon which the Company’s shares are then listed, shareholder approval is required for the following amendments to the Amended and Restated Plan:

- an increase to the aggregate maximum number of securities issuable under the plan (either as a fixed number or a percentage);
- a reduction in the exercise price of an outstanding option held by an Insider;
- an extension of the term of any option held by an Insider beyond the expiry date or allowing the expiry date to exceed 10 years, except as permitted in connection with a blackout period;
- an amendment to the insider participation limit described above; and
- an amendment to the amendment provisions of the Amended and Restated Plan.

The Existing Plan only requires shareholder approval in respect of amendments affecting options granted to insiders.

The Board recommends that Shareholders vote in favour of the resolution approving the Amended and Restated Plan. 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 FOR the approval of the Amended and Restated Plan

#### **Amendment to Articles**

The directors of the Company propose to alter the Articles of the Company to include advance notice provisions (the “**Advance Notice Provisions**”).

At the Meeting, Shareholders will be asked to consider and if thought appropriate, pass an ordinary resolution approving an alteration to the Company's Articles to include the Advance Notice Provisions in the following form:

“BE IT RESOLVED THAT:

1. the Articles of the Company be and are hereby altered to include the advance notice provisions, substantially in the form attached as Schedule C to the management information circular of the Company dated January 15, 2021;
2. The Board of Directors of the Company be and are hereby authorized to revoke this resolution and abandon or terminate the alteration of the Articles if the Board deems it appropriate and in the best interests of the Company to do so, without further confirmation, ratification or approval of the Shareholders; and
3. Any one director or officer of the Company be and is hereby authorized and directed to do all such acts things and to execute and deliver, under the corporate seal of the Company or otherwise, all such deeds, documents, instruments and assurances as in his or her opinion may be necessary or desirable to give effect to the foregoing resolution.”

The Advance Notice Provisions are intended to: (i) facilitate an orderly and efficient annual general or, where the need arises, special, meeting; (ii) ensure that all Shareholders receive adequate notice of the director nominations and sufficient information with respect to all nominees; and (iii) allow Shareholders to register an informed vote having been afforded reasonable time for appropriate deliberation.

The purpose of the Advance Notice Provisions is to provide Shareholders, directors and management of the Company with a clear framework for nominating directors. The Advance Notice Provisions set a deadline by which holders of record of Common Shares must submit director nominations to the Company prior to any annual or special meeting of Shareholders. Under the Advance Notice Provisions, a Shareholder nominating directors must provide information about their nominees in the notice to the Company for the notice to be in proper written form. If the Company does not receive the information required by the Advance Notice Provisions in proper written form, the director nominee will not be eligible for election at any annual or special meeting of Shareholders.

Subject to the Business Corporations Act (British Columbia) and the Advance Notice Provisions to be incorporated into the Company's Articles (if approved by ordinary resolution of Shareholders), 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.

In order to be eligible for election to the Board at any annual meeting or special meeting of Shareholders following the adoption of the Advance Notice Provisions, persons must be nominated in accordance with one of the following procedures:

- (a) by or at the direction of the Board, including pursuant to a notice of meeting;
- (b) by or at the direction or request of one or more Shareholders pursuant to a valid proposal made in accordance with the provisions of the Business Corporations Act (British Columbia), or a requisition of the Shareholders made in accordance with the Business Corporations Act (British Columbia); or
- (c) by any person (a "**Nominating Shareholder**"): (i) who, at the close of business on the date of the giving of the notice provided for below in the Advance Notice Provisions and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more Common Shares carrying the right to vote at such meeting or who beneficially owns Common Shares that are entitled to be voted at such meeting; and (ii) who complies with the notice procedures set forth below in the Advance Notice Provisions.

In addition to any other applicable requirements, for a nomination to be considered valid, the Nominating Shareholder must provide to the Company timely notice of intention to nominate directors for election in proper written form delivered to the Corporate Secretary of the Company at the principal executive offices of the Company in accordance with the Advance Notice Provisions.

To be timely, a Nominating Shareholder's notice to the Corporate Secretary of the Company must be made: (a) in the case of an annual meeting of Shareholders, not less than 30 and no more than 50 days prior to the date of the annual meeting of Shareholders; provided, however, that in the event that the annual meeting of Shareholders is to be held on a date that is less than 50 days after the date (the "**Notice Date**") on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the tenth (10th) day following the Notice Date in respect of such meeting; and (b) in the case of a special meeting (which is not also an annual meeting) of Shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of Shareholders was made. In no event shall any adjournment or postponement of a meeting of Shareholders, or the announcement thereof, or the reconvening of any adjourned or postponed meeting of Shareholders commence a new time period for the giving of a Nominating Shareholder's notice as described above. Notwithstanding the foregoing, the Board may, in its sole discretion, waive the time periods summarized above.

To be in proper written form, a Nominating Shareholder's notice to the Corporate Secretary of the Company must set forth: (a) as to 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 and 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 record date for the meeting of Shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; 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 (British Columbia) and applicable securities laws; and (b) as to 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 (British Columbia) and Applicable Securities Laws (as defined in the Advance Notice Provisions).

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, or such proposed nominee.

No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of the Advance Notice Provisions; provided, however, that nothing in the Advance Notice Provisions shall be deemed to preclude discussion by a Shareholder (as distinct from nomination of directors) at a meeting of Shareholders of any matter that is properly brought before such meeting pursuant to the Business Corporations Act (British Columbia). 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 the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

Notwithstanding any other provision of the Advance Notice Provisions, notice or any delivery given to the Corporate Secretary of the Company pursuant to the Advance Notice Provisions may only be given by personal delivery, facsimile transmission or by email (provided that the Corporate Secretary of the Company has stipulated an email address for purposes of this notice, at such email address as stipulated from time to time), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Corporate Secretary at the address of the principal executive offices of the Company; provided that if such delivery or electronic communication is made to the Corporate Secretary on a day which is a not a business day 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.

The Advance Notice Provisions further provide that the Board may, in its sole discretion, waive any requirement under the Advance Notice Provisions.

In order to implement the Advance Notice Provisions, the Shareholders of the Company will be asked to consider and, if thought fit, pass an ordinary resolution of the votes cast in person or represented by proxy at the Meeting, to amend the Company's Articles by adopting the Advance Notice Provisions. Holders of Common Shares will each be entitled to vote on the ordinary resolution.

The full text of the Advance Notice Provisions is attached to this Circular as Schedule C. If the Advance Notice Provisions Resolution is passed by ordinary resolution, the alteration to the Articles will become effective on the date of the Company deposits a copy of such shareholder resolution at the Company's records office.

The Directors of the Company believe the Advance Notice Provisions will provide a clear framework for nominating directors. The Company's management recommends that the Shareholders vote in favour of the Advance Notice Provisions. Unless you give instructions otherwise, the Management Proxyholders intend to vote FOR the adoption of the Advance Notice Provisions.

**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 FOR approval of the Advance Notice Provisions.**

#### EXECUTIVE COMPENSATION

In accordance with the requirements of applicable securities legislation in Canada, the following executive compensation disclosure is provided in respect of each person who served as the Company's CEO or CFO during the financial year ended August 31, 2020 and each of the three (3) other most highly compensated executive officers of the Company for the financial year ended August 31, 2020, whose annual aggregate compensation exceeded \$150,000 (each, a "Named Executive Officer"). During the year ended August 31, 2020, the Company

had two individuals who were Named Executive Officers, namely Michael Romanik, Chief Executive Officer and President and Joseph Jerome Smulders, Chief Financial Officer and Corporate Secretary of the Company.

### Oversight and Description of Director and Named Executive Officer Compensation

In assessing the compensation of its Named Executive Officers, the Company does not have in place any formal objectives, criteria or analysis and compensation payable is currently determined by the Board.

As of the date of this Information Circular, the Board has not established any benchmark or performance goals to be achieved or met by Named Executive Officers; however, such Named Executive Officers are expected to carry out their duties in an effective and efficient manner so as to advance the business objectives of the Company. The satisfactory discharge of such duties is subject to ongoing monitoring by the Company's directors.

The Company's Named Executive Officer compensation during the most recently completed financial period ended August 31, 2020 was determined and administered by the Board. The Board was solely responsible for assessing the compensation to be paid to the Company's Named Executive Officers and for evaluating their performance.

As of the date hereof, base salary is the principal component of Named Executive Officer compensation. The base salary for each Named Executive Officer is based on the position held, the related responsibilities and functions performed by the executive and salary ranges for similar positions in comparable junior mining companies. Individual and corporate performance will also be taken into account in determining base salary levels.

Another component of Named Executive Officer compensation is the grant of stock options pursuant to the Company's Existing Plan. The objective of this compensation component is to attract, retain and motivate certain persons of training, experience and leadership as key service providers to the Company, including its directors, Named Executive Officers and employees and to advance the interests of the Company by providing such persons with additional compensation and the opportunity to participate in the success of the Company.

In addition to, or in lieu of, the compensation components described above, payments may be made from time to time to individuals, including Named Executive Officers or directors of the Company, or companies they control for the provision of management or consulting services. Such services are paid for by the Company at competitive industry rates for work of a similar nature by reputable arm's length services providers.

There were no significant changes to the Company's compensation policies that were made during or after the most recently completed financial year that could or will have an effect on director or named executive officer compensation.

Except in their capacity as Named Executive Officers, currently no director of the Company receives any salary, and no other compensation has been awarded to directors of the Company in the year ended August 31, 2020.

### Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table sets forth a summary of all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company to each Named Executive Officer and Director of the Company, for services provided and for services to be provided, directly or indirectly in any capacity, to the Company by such persons, for the two most recently completed financial years, excluding compensation securities:

TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES							
Name and Position	Year	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of all Other Compensation (\$)	Total Compensation (\$)
Michael Romanik <i>Chief Executive Officer, President and Director</i>	2020	32,000 <sup>(1)</sup>	Nil	Nil	Nil	Nil	32,000
	2019	Nil	Nil	Nil	Nil	Nil	Nil

TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES							
Name and Position	Year	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of all Other Compensation (\$)	Total Compensation (\$)
Joseph Jerome Smulders <i>Chief Financial Officer, Corporate Secretary and Director</i>	2020	5,000	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Perry English <i>Director</i>	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
James Garnet Clark <i>Director</i>	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

(1) Includes amounts paid to Anacott Capital Corporation, a private corporation controlled by Michael Romanik.

### Stock Options and Other Compensation Securities

The following table summarizes all compensation securities granted or issued to each Named Executive Officer and Director by the Company in the most recently completed financial year for services provided or to be provided, directly or indirectly, to the Company:

Compensation Securities							
Name and Position	Type of Compensation Security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date
Michael Romanik <i>Chief Executive Officer, President and Director</i>	Options	150,000 150,000 25.0%	October 23, 2019	0.15	0.05	1.92	October 23, 2024
Joseph Jerome Smulders <i>Chief Financial Officer, Corporate Secretary and Director</i>	Options	150,000 150,000 25.0%	October 23, 2019	0.15	0.05	1.92	October 23, 2024
Perry English <i>Director</i>	Options	150,000 150,000 25.0%	October 23, 2019	0.15	0.05	1.92	October 23, 2024
James Garnet Clark <i>Director</i>	Options	150,000 150,000 25.0%	October 23, 2019	0.15	0.05	1.92	October 23, 2024

The following table discloses each exercise by each Named Executive Officer and Director of compensation securities during the most recently completed financial year:

Exercise of Compensation Securities by Directors and Named Executive Officers							
Name and Position	Type of Compensation Security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Michael Romanik Chief Executive Officer, President and Director	Options	-	-	-	-	-	-
Joseph Jerome Smulders Chief Financial Officer, Corporate Secretary and Director	Options	-	-	-	-	-	-
Perry English Director	Options	150,000	0.15	July 5, 2020	0.65	0.50	75,000
James Garnet Clark Director	Options	-	-	-	-	-	-

The following table sets out all option-based awards and share-based awards outstanding as at August 31, 2020.

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Michael Romanik	150,000	0.15	October 23, 2024	265,500	Nil	Nil
Joseph Jerome Smulders	150,000	0.15	October 23, 2024	265,500	Nil	Nil
Perry English	Nil	Nil	Nil	Nil	Nil	Nil
James Garnet Clark	150,000	0.15	October 23, 2024	265,500	Nil	Nil

Notes:

- (1) The value of unexercised in-the-money options is calculated by multiplying the difference between the closing price of the common shares on the Canadian Securities Exchange on August 31, 2020, which was \$1.92, and the option exercise price, by the number of outstanding options. Where the difference is negative, the options are not in-the-money and no value is reported. These stock options have been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the common shares on the date of exercise.

#### *Incentive Plan Awards – Vested Value or Earned During the Year*

During the financial year ended August 31, 2020, no incentive plan awards vested or were earned for the Named Executive Officers.

#### **Stock Option Plans and other Incentive Plans**

The Company has no form of compensation plan under which equity securities of the Company are authorized for issuance to employees or non-employees in exchange other than the Existing Plan. The material terms of the Existing Plan are set out below:

Number of Securities Issuable: A maximum of 10% of the number of Common Shares of the Company issued and outstanding at the time of grant may be reserved for issuance, including any Common Shares reserved for issuance under other security based compensation arrangements.

Participation Limit: A maximum of 10% of the Company's issued and outstanding Common Shares may be issued to insiders under the Existing Plan and under any other security based compensation arrangements of the Company within any one-year period, and a maximum of 10% of the Company's issued and outstanding shares are issuable to insiders of the Company under the Existing Plan and under any other security based compensation arrangements of the Company at any time. The Existing Plan also limits the number of options that may be granted under the Existing Plan and under any other security based compensation arrangements of the Company at any time to (i) 5% of the Company's issued and outstanding Common Shares, in respect of any one optionee; (ii) 2% of the Company's issued and outstanding Common Shares in respect of any consultant; and (iii) 1% of the Company issued and outstanding Common Shares, in respect of any person performing investor relations activities.

Eligible Persons: "Eligible Persons" are eligible to receive grants of options under the Existing Plan. "Eligible Persons" are directors, senior officers, employees and consultants of the Company.

Exercise Price: The exercise price shall be determined by the Board but shall not be less than the market price, where "market price" shall mean the prior trading day closing price of the Common Shares on the applicable stock exchange, and where there is no such closing price or trade on the prior trading day, "market price" shall mean the average of the daily high and low board lot trading prices of the Common Shares for the five (5) immediately preceding trading days. In the event the Common Shares are not listed on any exchange and do not trade on any dealing network, the market price will be determined by the Board.

Vesting: Options granted under the Existing Plan will vest at the date of grant unless the Board directs otherwise.

Change of Control: On a change of control or takeover bid the options granted under the Existing Plan will fully vest. For the purposes of the Existing Plan, a change of control occurs when any person or any group of two or more persons acting jointly or in concert directly or indirectly acquires the right to exercise control or direction over, voting securities of the Company representing 50% or more of the then issued and outstanding voting securities of the Company; or (ii) any sale, lease, exchange, or other disposition of all or substantially all of the assets of the Company other than in the ordinary course of business.

Termination of Exercise Right: Subject to the exceptions in the case of dismissal for cause or death or disability, if any optionee ceases to be an Eligible Person of the Company for any reason other than as a result of having been dismissed for cause as provided or as a result of the optionee's death or disability, such optionee shall have the right for a period of 90 days (or until the normal expiry date of the option rights of such optionee if earlier) from the date of ceasing to be an Eligible Person to exercise the option under the Existing Plan with respect to all options of such optionee to the extent they were exercisable on the date of ceasing to be either an Eligible Person. Upon the expiration of such 90-day (or later) period all unexercised option rights of that optionee shall immediately become terminated and shall lapse notwithstanding the original term of option granted to such optionee under the Existing Plan.

If an optionee ceases to be either an Eligible Person as a result of having been dismissed from any such position for cause, all unexercised option rights of that optionee under the Existing Plan shall immediately become terminated and shall lapse, notwithstanding the original term of the option granted to such optionee under the Existing Plan.

In the event of the death or disability of an optionee during the currency of the optionee's option, the option theretofore granted to the optionee shall vest and be exercisable within, but only within, the period of one year next succeeding the optionee's death or until the normal expiry date of the option rights of such optionee if earlier.

Term of Options: Options granted under the Existing Plan will have a maximum term of 10 years from their date of grant.

**Extension of Expiry Period:** In the event that the expiry date of an option expires during, or within 48 hours of a trading blackout period imposed by the Company, and neither the Company nor the individual in possession of the options is subject to a cease trade order in respect of the Company's securities, then the expiry date of such option shall be automatically extended to the 10th business day following the end of the blackout period.

**Assignment:** An option granted under the Existing Plan shall be non-assignable and non-transferable by an optionee otherwise than by will or by the laws of descent and distribution, and such option shall be exercisable, during an optionee's lifetime, only by the optionee.

**Administration:** The Existing Plan shall be administered by the Board or a committee established by the Board for that purpose. The Board shall have authority to construe and interpret the Existing Plan and all option agreements entered into thereunder, to define the terms used in the Existing Plan and in all option agreements entered into thereunder, to prescribe, amend and rescind rules and regulations relating to the Existing Plan and to make all other determinations necessary or advisable for the administration of the Existing Plan. All determinations and interpretations made by the Board shall be binding and conclusive on all participants in the Existing Plan and on their legal personal representatives and beneficiaries.

### **Employment, Consulting and Management Agreements**

The Company has not provided compensation to any of its directors or Named Executive Officers during the most recently completed financial year for services performed by a director or Named Executive Officer pursuant to any written agreement. All compensation paid to its directors and Named Executive Officers (which is disclosed above) is paid pursuant to unwritten arrangements that do not provide for any other payments, other than base salary.

The Company does not have any arrangements or agreements with any director or Named Executive Officer nor provisions with respect to termination (whether voluntary, involuntary or constructive), resignation, retirement, severance, a change in control of the Company or a change in a Named Executive Officer's responsibilities.

### **AUDIT COMMITTEE**

National Instrument 52-110 *Audit Committees* ("**NI 52-110**") requires the Company to disclose annually in its management information circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth below.

#### **The Audit Committee's Charter**

The Company's audit committee charter is attached hereto as Schedule A.

#### **Composition of the Audit Committee**

The members of the Audit Committee are set out below:

James Garnet Clark (Chairman)	Independent <sup>(1)</sup>	Financially literate <sup>(2)</sup>
Perry English	Not Independent	Financially literate <sup>(2)</sup>
Michael Romanik	Not Independent	Financially literate <sup>(2)</sup>

Notes:

- (1) A member of an audit committee is independent if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.
- (2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth 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.

### **Relevant Education and Experience**

Each member of the Company's Audit Committee has adequate education and experience that is relevant to their performance as an Audit Committee member and, in particular, the requisite education and experience that have provided the member with:

- (a) an understanding of the accounting principles used by the Company to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (b) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions;
- (c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements or experience actively supervising individuals engaged in such activities; and
- (d) an understanding of internal controls and procedures for financial reporting.

Michael Romanik: Mr. Romanik has served as a director and Chief Financial Officer of numerous Canadian public companies since 2008. Mr. Romanik was also a member of the audit committee of First Lithium Resources Inc. Given his previous capital market experience, Mr. Romanik is familiar with the financial reporting requirements applicable to public companies in Canada.

Perry English: Mr. English has over 45 years of experience with mineral exploration and mining development companies, having held advisory positions with numerous public companies, and is familiar with the financial reporting requirements applicable to public companies in Canada.

James Garnet Clark: Mr. Clark has 20 years of capital market and public company experience. He has worked with numerous companies in the junior mining sector and was a member of the audit committee of MinKap Resources Inc. Mr. Clark is familiar with the financial reporting requirements applicable to public companies in Canada.

### **Audit Committee Oversight**

Since the commencement of the Company's most recently completed financial year, the Audit Committee has not made any recommendations to the Board to nominate or compensate any auditor that was not adopted by the Board.

### ***Reliance on Certain Exemptions***

At no time since the commencement of the Company's most recently completed financial period has the Company relied on the exemptions in Section 2.4 of NI 52-110 (De Minimis Non-audit Services) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-101. The Company is relying on the exemption in section 6.1 of NI 52-110 which exempts venture issuers from the requirements of Part 3 of NI 52-110 (Composition of the Audit Committee) and Part 5 (Reporting Obligations).

### **Pre-Approval Policies and Procedures**

The Audit Committee is authorized by the Board to review the performance of the Company's external auditors and approve in advance the provision of services other than auditing and to consider the independence of the external auditors, including a review of the range of services provided in the context of all consulting services engaged by the Company. The Audit Committee is authorized to approve in writing any non-audit services or additional work which the Chairman of the Audit Committee deems is necessary and the Chairman will notify the

other members of the Audit Committee of such non-audit or additional work and the reasons for such non-audit work for the Audit Committee's consideration and, if thought fit, approval in writing.

### External Auditor Service Fees

The following table sets out the aggregate fees billed by the Company's external auditors in each of the last two fiscal years of the category of fees described:

Nature of Services	Year Ended August 31, 2020	Year Ended August 31, 2019
Audit Fees <sup>(1)</sup>	\$14,280	\$15,000
Audit-Related Fees <sup>(2)</sup>	Nil	\$5,000
Tax Fees <sup>(3)</sup>	\$765 (est.)	Nil
All Other Fees <sup>(4)</sup>	Nil	\$2,000
Total	\$15,045	\$22,000

Notes:

- (1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "Audit-Related Fees" include fees for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and not reported under "Audit Fees".
- (3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice.
- (4) "All Other Fees" include all other services not included in Audit Fees, Audit-Related Fees or Tax Fees.

## CORPORATE GOVERNANCE

National Policy 58-201 - *Corporate Governance Guidelines* ("**NP 58-201**") provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("**NI 58-101**") prescribes certain disclosure by the Company of its corporate governance practices. This disclosure is presented below.

### Board of Directors

NP 58-201 suggests that the board of directors of every listed company should be constituted with a majority of individuals who qualify as "independent" directors within the meaning of NI 52-110.

The Board is currently comprised of four directors, of whom James Garnet Clark is independent for the purposes of NI 52-110. Michael Romanik and Joseph Jerome Smulders are not independent. Mr. Romanik serves as Chief Executive Officer and President of the Company and Mr. Smulders serves as Chief Financial Officer and Corporate Secretary of the Company. Perry English is not independent as Mr. English has a material relationship with the Company as he is a principal of the Optionor, which has received compensatory fees from the Company under the Longlegged Lake Option Agreement and Pakwash Lake Option Agreement.

Because the Board is not comprised of a majority of independent directors, in order to facilitate its exercise of independent supervision over the Company's management, the Board carefully examines the issues before it, consults with outside counsel and other advisors as necessary and encourages the independent directors to regularly and independently confer amongst themselves.

### Directorships

Certain of the Company's directors are also currently directors of other reporting issuers as follows:



Name	Reporting Issuer (Exchange/Market: Trading Symbol)
Michael Romanik	GoldON Resources Ltd. (TSXV: GLD)
Joseph Jerome Smulders	GoldON Resources Ltd. (TSXV: GLD)
Perry English	N/A
James Garnet Clark	Superior Canadian Resources Inc. (N/A) DeepMarket Corp. (TSXV: MKT) Ophir Gold Corp. (TSXV: OPHR) Brigadier Gold Limited (TSXV: BRG) Canadian Palladium Resources Inc. (CSE: BULL) Bolt Metals Corp. (CSE: BOLT)

### Board Mandate

The Board has not adopted a written mandate or code delineating the Board's roles and responsibilities, since it believes it is adequately governed by the requirements of applicable corporate and securities law which provide that the Board has responsibility for the stewardship of the Company and codifies the directors' fiduciary duties. That stewardship includes responsibility for strategic planning, identification of the principal risks of the Company's business and implementation of appropriate systems to manage these risks, succession planning (including appointing, training and monitoring senior management), communications with investors and the financial community and the integrity of the Company's internal control and management information systems.

### Orientation and Continuing Education

When new directors are appointed, they receive orientation, commensurate with their previous experience, on the Company's business, assets and industry and on the responsibilities of directors. Meetings of the Board are sometimes held at the Company's offices and, from time to time, are combined with presentations by the Company's management to give the directors additional insight into the Company's business. In addition, management of the Company makes itself available for discussion with all members of the Board.

### Ethical Business Conduct

The Board does not currently have a written code of ethics. To date, given the Company's limited operations, the Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the obligations contained in corporate legislation regarding conflicts of interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

### 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 meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of view and experience.

The Board does not have a nominating committee and these functions are currently performed by the Board as a whole; however, if there is a change in the number of directors required by the Company, this policy will be reviewed.

### Compensation

The Board is responsible for determining compensation for the directors of the Company to ensure it reflects the responsibilities and risks of being a director of a public company.

## Other Board Committees

The Board has no committee other than the Audit Committee.

## Assessments

Due to the minimal size of the Board of Directors, no formal policy has been established to monitor the effectiveness of the directors, the Board and its committees

## 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, being August 31, 2020, 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	Weighted-average exercise price of outstanding options, warrants and rights (\$)	Number of securities remaining available for future issuance under equity compensation plans <sup>(2)</sup>
Equity compensation plans approved by security holders <sup>(1)</sup>	-	-	-
Equity compensation plans not approved by security holders	850,000	0.36	1,848,262
Total	850,000	0.36	1,848,262

Notes:

- (1) Stock options granted under the Stock Option Plan.
- (2) The maximum number of shares reserved for issuance under the Stock Option Plan at any time is currently 10% of the Company's issued and outstanding shares at that time, less any common shares reserved for issuance under other security-based compensation arrangements. For a description of the material terms of the Stock Option Plan, please see above under the heading "Adoption of Amended and Restated Stock Option Plan".

As of the date hereof, there are 3,400,000 options outstanding. If all such options were exercised for common shares, the Common Shares which would be issued upon such exercise would total approximately 9.2% of the issued and outstanding Common Shares at the date hereof on a non-diluted basis.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Other than routine indebtedness for travel and other expense advances, no executive officer, director, employee or former executive officer, director or employee of the Company or any of its subsidiaries is indebted to the Company, or any of its subsidiaries or to any other entity if the indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries. No person who is or who was at any time during the most recently completed financial year a director or executive officer of the Company, any proposed nominee for election as a director of the Company, or any associate of any such director, executive officer, or proposed nominee is or was at any time since the beginning of the most recently completed financial year indebted to the Corporation or any of its subsidiaries or to any other entity if the indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

## ADDITIONAL INFORMATION

Additional information relating to the Company is available under the Company's profile on the SEDAR website at [www.sedar.com](http://www.sedar.com), including the Company's audited financial statements (the "Financial Statements") and the

management's discussion and analysis ("**MD&A**") for the financial year ended August 31, 2020. Shareholders may access the Financial Statements and MD&A from SEDAR ([www.sedar.com](http://www.sedar.com)) or contact the Company directly to request copies of the Financial Statements and MD&A by: (i) mail to 108 – 800 Kelly Road, Suite 416, Victoria, British Columbia, V9B 6J9, or (ii) e-mail to [admin@silverdollarresources.com](mailto:admin@silverdollarresources.com).

Our Board has approved the contents of this Circular and authorized us to send it to you.

**BY ORDER OF THE BOARD**

*"Michael Romanik "*

---

Michael Romanik  
President and CEO

## SCHEDULE A

### SILVER DOLLAR RESOURCES INC.

#### AUDIT COMMITTEE CHARTER

##### **1. Mandate and Purpose of the Committee**

The Audit Committee (the "Committee") of the board of directors (the "Board") of Silver Dollar Resources Inc. (the "Company") is a standing committee of the Board whose primary function is to assist the Board in fulfilling its oversight responsibilities relating to:

- (a) the integrity of the Company's financial statements;
- (b) the Company's compliance with legal and regulatory requirements, as they relate to the Company's financial statements;
- (c) the qualifications, independence and performance of the Company's auditor;
- (d) internal controls and disclosure controls;
- (e) the performance of the Company's internal audit function;
- (f) consideration and approval of certain related party transactions; and
- (g) performing the additional duties set out in this Charter or otherwise delegated to the Committee by the Board.

##### **2. Authority**

The Committee has the authority to:

- (a) engage and compensate independent counsel and other advisors as it determines necessary or advisable to carry out its duties; and
- (b) communicate directly with the Company's auditor.

The Committee has the authority to delegate to individual members or subcommittees of the Committee.

##### **3. Composition and Expertise**

The Committee shall be composed of a minimum of three members, each of whom is a director of the Company. The majority of the Committee's members must not be officers or employees of the Company or an affiliate of the Company, unless otherwise permitted by National Instrument 52-110 – *Audit Committees*.

Committee members shall be appointed annually by the Board at the first meeting of the Board following each annual meeting of shareholders. Committee members hold office until the next annual meeting of shareholders or until they resign or are removed by the Board or cease to be directors of the Company.

The Board shall appoint one member of the Committee to act as Chairman of the Committee. If the Chairman of the Committee is absent from any meeting, the Committee shall select one of the other members of the Committee to preside at that meeting.

#### **4. Meetings**

Any member of the Committee or the auditor may call a meeting of the Committee. The Committee shall meet at least four times per year and as many additional times as the Committee deems necessary to carry out its duties. The Chairman shall develop and set the Committee's agenda, in consultation with other members of the Committee, the Board and senior management.

Notice of the time and place of every meeting shall be given in writing to each member of the Committee, at least 72 hours (excluding holidays) prior to the time fixed for such meeting. The Company's auditor shall be given notice of every meeting of the Committee and, at the expense of the Company, shall be entitled to attend and be heard thereat. If requested by a member of the Committee, the Company's auditor shall attend every meeting of the Committee held during the term of office of the Company's auditor.

A majority of the Committee who are not officers or employees of the Company or an affiliate of the Company shall constitute a quorum. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present in person or by means of such telephonic, electronic or other communications facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously. Business may also be transacted by the unanimous written consent resolutions of the members of the Committee, which when so approved shall be deemed to be resolutions passed at a duly called and constituted meeting of the Committee.

The Committee may invite such directors, officers and employees of the Company and advisors as it sees fit from time to time to attend meetings of the Committee.

The Committee shall meet without management present whenever the Committee deems it appropriate.

The Committee shall appoint a Secretary who need not be a director or officer of the Company. Minutes of the meetings of the Committee shall be recorded and maintained by the Secretary and shall be subsequently presented to the Committee for review and approval.

#### **5. Committee and Charter Review**

The Committee shall conduct an annual review and assessment of its performance, effectiveness and contribution, including a review of its compliance with this Charter. The Committee shall conduct such review and assessment in such manner as it deems appropriate and report the results thereof to the Board.

The Committee shall also review and assess the adequacy of this Charter on an annual basis, taking into account all legislative and regulatory requirements applicable to the Committee, as well as any guidelines recommended by regulators or the Canadian Securities Exchange and shall recommend changes to the Board thereon.

#### **6. Reporting to the Board**

The Committee shall report to the Board in a timely manner with respect to each of its meetings held. This report may take the form of circulating copies of the minutes of each meeting held.

#### **7. Duties and Responsibilities**

##### **(a) Financial Reporting**

The Committee is responsible for reviewing and recommending approval to the Board of the Company's annual and interim financial statements, any auditor's report thereon, Management's Discussion and Analysis ("MD&A") and related news releases, before they are published.

The Committee is also responsible for:

- (i) being satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, other than the public disclosure referred to in the preceding paragraph, and for periodically assessing the adequacy of those procedures;
- (ii) engaging the Company's auditor to perform a review of the interim financial statements and receiving from the Company's auditor a formal report on the auditor's review of such interim financial statements;
- (iii) discussing with management and the Company's auditor the quality of applicable accounting principles and financial reporting standards, not just the acceptability of thereof;
- (iv) discussing with management any significant variances between comparative reporting periods; and
- (v) in the course of discussion with management and the Company's auditor, identifying problems or areas of concern and ensuring such matters are satisfactorily resolved.

**(b) Auditor**

The Committee is responsible for recommending to the Board:

- (i) the auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company; and
- (ii) the compensation of the Company's auditor.

The Company's auditor reports directly to the Committee. The Committee is directly responsible for overseeing the work of the Company's auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the Company's auditor regarding financial reporting.

**(c) Relationship with the Auditor**

The Committee is responsible for reviewing the proposed audit plan and proposed audit fees. The Committee is also responsible for:

- (i) establishing effective communication processes with management and the Company's auditor so that it can objectively monitor the quality and effectiveness of the auditor's relationship with management and the Committee;
- (ii) receiving and reviewing regular feedback from the auditor on the progress against the approved audit plan, important findings, recommendations for improvements and the auditor's final report;
- (iii) reviewing, at least annually, a report from the auditor on all relationships and engagements for non-audit services that may be reasonably thought to bear on the independence of the auditor; and
- (iv) meeting in camera with the auditor whenever the Committee deems it appropriate.

**(d) Accounting Policies**

The Committee is responsible for:

- (i) reviewing the Company's accounting policy note to ensure completeness and acceptability with applicable accounting principles and financial reporting standards as part of the approval of the financial statements;
- (ii) discussing and reviewing the impact of proposed changes in accounting standards or securities policies or regulations;
- (iii) reviewing with management and the auditor any proposed changes in major accounting policies and key estimates and judgments that may be material to financial reporting;
- (iv) discussing with management and the auditor the acceptability, degree of aggressiveness/conservatism and quality of underlying accounting policies and key estimates and judgments; and
- (v) discussing with management and the auditor the clarity and completeness of the Company's financial disclosures.

**(e) Risk and Uncertainty**

The Committee is responsible for reviewing, as part of its approval of the financial statements:

- (i) uncertainty notes and disclosures; and
- (ii) MD&A disclosures.

The Committee, in consultation with management, will identify the principal business risks and decide on the Company's "appetite" for risk. The Committee is responsible for reviewing related risk management policies and recommending such policies for approval by the Board. The Committee is then responsible for communicating and assigning to the applicable Board committee such policies for implementation and ongoing monitoring.

The Committee is responsible for requesting the auditor's opinion of management's assessment of significant risks facing the Company and how effectively they are managed or controlled.

**(f) Controls and Control Deviations**

The Committee is responsible for reviewing:

- (i) the plan and scope of the annual audit with respect to planned reliance and testing of controls; and
- (ii) major points contained in the auditor's management letter resulting from control evaluation and testing.

The Committee is also responsible for receiving reports from management when significant control deviations occur.

**(g) Compliance with Laws and Regulations**

The Committee is responsible for reviewing regular reports from management and others (e.g. auditors) concerning the Company's compliance with financial related laws and regulations, such as:

- (i) tax and financial reporting laws and regulations;

- (ii) legal withholdings requirements;
- (iii) environmental protection laws; and
- (iv) other matters for which directors face liability exposure.

(h) **Related Party Transactions**

All transactions between the Company and a related party (each a "related party transaction"), other than transactions entered into in the ordinary course of business, shall be presented to the Committee for consideration.

The term "related party" includes (i) all directors, officers, employees, consultants and their associates (as that term is defined in the *Securities Act* (British Columbia), as well as all entities with common directors, officers, employees and consultants (each "general related parties"), and (ii) all other individuals and entities having beneficial ownership of, or control or direction over, directly or indirectly securities of the Company carrying more than 10% of the voting rights attached to all of the Company's outstanding voting securities (each "10% shareholders").

Related party transactions involving general related parties which are not material to the Company require review and approval by the Committee. Related party transactions that are material to the Company or that involve 10% shareholders require approval by the Board, following review thereof by the Committee and the Committee providing its recommendation thereon to the Board.

**8. Non-Audit Services**

All non-audit services to be provided to the Company or its subsidiary entities by the Company's auditor must be pre-approved by the Committee.

**9. Submission Systems and Treatment of Complaints**

The Committee is responsible for establishing procedures for:

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

The Committee is responsible for reviewing complaints and concerns that are brought to the attention of the Chairman of the Audit Committee and for ensuring that any such complaints and concerns are appropriately addressed. The Committee shall report quarterly to the Board on the status of any complaints or concerns received by the Committee.

**10. Procedure For Reporting Of Fraud Or Control Weaknesses**

Each employee is expected to report situations in which he or she suspects fraud or is aware of any internal control weaknesses. An employee should treat suspected fraud seriously, and ensure that the situation is brought to the attention of the Committee. In addition, weaknesses in the internal control procedures of the Company that may result in errors or omissions in financial information, or that create a risk of potential fraud or loss of the Company's assets, should be brought to the attention of both management and the Committee.

To facilitate the reporting of suspected fraud, it is the policy of Company that the employee (the "whistleblower") has anonymous and direct access to the Chairman of the Audit Committee. Should a new Chairman be appointed prior to the updating of this document, the current Chairman will ensure that the



whistleblower is able to reach the new Chairman in a timely manner. In the event that the Chairman of the Audit Committee cannot be reached, the whistleblower should contact the Chairman of the Board.

In addition, it is the policy of the Company that employees concerned about reporting internal control weaknesses directly to management are able to report such weaknesses to the Committee anonymously. In this case, the employee should follow the same procedure detailed above for reporting suspected fraud.

#### **11. Hiring Policies**

The Committee is responsible for reviewing and approving the Company's hiring policies regarding partners, employees and former partners and employees of the present and former auditor of the Company.

**SCHEDULE B**

**SILVER DOLLAR RESOURCES INC.**

**AMENDED AND RESTATED STOCK OPTION  
PLAN**

**SILVER DOLLAR RESOURCES INC.**  
(the "Company")

**AMENDED AND RESTATED STOCK OPTION PLAN**

**1. PURPOSE**

The purpose of this stock option plan (the "**Plan**") is to authorize the grant to Eligible Persons (as such term is defined below) of Silver Dollar Resources Inc. (the "**Corporation**") of options to purchase common shares of the Corporation's capital and thus benefit the Corporation by enabling it to attract, retain and motivate Eligible Persons by providing them with the opportunity, through share options, to acquire an increased proprietary interest in the Corporation.

**2. DEFINITIONS**

- (a) "**Act**" means the *British Columbia Business Corporations Act*, or its successor, as amended, from time to time;
- (b) "**Affiliate**" means any corporation that is an affiliate of the Corporation as defined in National Instrument 45-106 – *Prospectus and Registration Exemptions*, as may be amended from time to time;
- (c) "**associate**" has the meaning set out in Section 2.22 of National Instrument 45-106 – *Prospectus and Registration Exemptions*, as may be amended or replaced from time to time;
- (d) "**Blackout Period**" has the meaning ascribed thereto in Section 8;
- (e) "**Board**" means the board of directors of the Corporation, or any committee of the board of directors to which the duties of the board of directors hereunder are delegated;
- (f) "**Change of Control**" means, in respect of the Corporation: (i) any transaction at any time and by whatever means pursuant to which any person or any group of two or more persons acting jointly or in concert directly or indirectly acquires the right to exercise control or direction over, voting securities of the Corporation representing 50% or more of the then issued and outstanding voting securities of the Corporation; or (ii) any sale, lease, exchange, or other disposition of all or substantially all of the assets of the Corporation other than in the ordinary course of business;
- (g) "**Company**" means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual;
- (h) "**Common Shares**" means the common shares in the capital of the Corporation, as adjusted in accordance with the provisions of Article Fifteen of this Plan;
- (i) "**Consultant**" has the meaning set out in Section 2.22 of National Instrument 45-106 – *Prospectus and Registration Exemptions*, as may be amended or replaced from time to time (and may include a Service Provider).

- (j) **“Corporation”** means Silver Dollar Resources Inc. a company duly incorporated under the laws of the Province of British Columbia;
- (k) **“CSE”** means the Canadian Securities Exchange;
- (l) **“Disability”** means any disability with respect to an optionee which the Board, in its sole and unfettered discretion, considers likely to prevent permanently the optionee from:
  - (i) being employed or engaged by the Corporation, its subsidiaries or another employer, in a position the same as or similar to that in which he was last employed or engaged by the Corporation or its subsidiaries; or
  - (ii) acting as a director or officer of the Company or its subsidiaries;
- (m) **“Eligible Person”** means, subject to applicable Securities Laws any senior officer or director, Employee or Consultant of the Corporation or a related entity of the Corporation, or if the Common Shares are listed on the TSX, Employees, Insiders or Service Providers of the Corporation or its subsidiaries;
- (n) **“Employee”** means:
  - (i) an individual who is considered an employee of the Corporation under the *Income Tax Act* (Canada) (and for whom income tax, employment insurance and CPP deductions must be made at source);
  - (ii) an individual who works full-time for the Corporation providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source, or
  - (iii) an individual who works for the Corporation on a continuing and regular basis for a minimum amount of time per week (the number of hours should be disclosed in the submission) providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or any of its subsidiaries over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source;
- (o) **“Exercise Price”** has the meaning ascribed thereto in Section 7;
- (p) **“Exchange”** means, at any time, the stock exchange upon the Common Shares are then listed and for certainty, includes the CSE and the TSX;
- (q) **“Exchange Policies”** means the rules and policies and notices of the Exchange and for certainty includes, in respect of the TSX, the TSX Company Manual;
- (r) **“Holding Entity”** has the meaning set out in Section 2.22 of National Instrument 45-106 – *Prospectus and Registration Exemptions*, as may be amended or replaced from time to time;
- (s) **“Insider”** has the meaning ascribed to that term in the Securities Act or, if applicable, the TSX Company Manual;

- (t) **"Investor Relations Activities"** means "Investor Relations Activities" as defined in Exchange Policies;
- (u) **"Person"** means a Company or individual;
- (v) **"Permitted Assign"** means, for an Employee, Consultant, officer or director, as applicable, (i) a Holding Entity of such Employee, Consultant, officer or director, or (ii) a RRSP, RRIF or TFSA of such Employee, Consultant, officer or Director;
- (w) **"related entity"** has the meaning set out in Section 2.22 of National Instrument 45-106 – *Prospectus and Registration Exemptions*, as may be amended or replaced from time to time;
- (x) **"Security Based Compensation Arrangement"** means, other than this Plan and any options, any stock option plan, stock options, stock purchase plan or other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares;
- (y) **"Securities Act"** means the *Securities Act*, R.S.B.C. 1996, c.418, as amended, as at the date hereof;
- (z) **"Securities Laws"** means securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that are applicable to the Corporation;
- (aa) **"Service Provider"** means a person or company engaged by the Corporation to provide services for an initial, renewable or extended period of twelve months or more;
- (bb) **"TSX"** means the Toronto Stock Exchange; and
- (cc) **"TSX Company Manual"** means the TSX Company Manual setting forth the rules and policies of the TSX, as the same may be amended from time to time.

### 3. ADMINISTRATION

The Plan shall be administered by the Board or a committee established by the Board for that purpose. Subject to the provisions of the Plan, the Board shall have authority to construe and interpret the Plan and all option agreements entered into thereunder, to define the terms used in the Plan and in all option agreements entered into thereunder, to prescribe, amend and rescind rules and regulations relating to the Plan and to make all other determinations necessary or advisable for the administration of the Plan. All determinations and interpretations made by the Board shall be binding and conclusive on all participants in the Plan and on their legal personal representatives and beneficiaries. The Board shall have the power to delegate all or such portion of its powers and authority hereunder as it may determine to one or more committees of the Board, either indefinitely or for such period of time as it may specify, and thereafter each such committee may exercise the powers and discharge the duties of the Board in respect of this Plan so delegated to the same extent as the Board is hereby authorized.

### 4. SHARES SUBJECT TO PLAN

Subject to adjustment under the provisions of Section 15 and the limits in Section 5, the aggregate number of Common Shares which may be available for issuance under the Plan will not exceed 10% of the total

number of Common Shares of the Corporation issued and outstanding from time to time. Under no circumstances may the number of Common Shares issuable pursuant to stock options under the Plan, together with Common Shares issuable under all Security Based Compensation Arrangements of the Corporation, exceed 10% of the total number of Common Shares then outstanding.

The Corporation shall not, upon the exercise of any option, be required to issue or deliver any Common Shares prior to (a) the admission of such Common Shares to listing on any stock exchange on which the Common Shares may then be listed, and (b) the completion of such registration or other qualification of such Common Shares under any law, rules or regulation as the Corporation shall determine to be necessary or advisable. If any Common Shares cannot be issued to any optionee for whatever reason, the obligation of the Corporation to issue such Common Shares shall terminate and any option exercise price paid to the Corporation shall be returned to the optionee.

## **5. LIMITS ON SHARES ISSUABLE**

- (a) If required by Exchange Policies, the maximum aggregate number of Common Shares which may be reserved for issuance to any one related person under the Plan, together with all other Security Based Compensation Arrangements of the Corporation, shall not exceed 5% of the issued and outstanding Common Shares at the time of grant (on a non-diluted basis);
- (b) If required by Exchange Policies, the maximum aggregate number of Common Shares which may be reserved for issuance to any one related person (and associates of the related person) under the Plan, together with all other Security Based Compensation Arrangements of the Corporation, in any 12 month period, shall not exceed 5% of the issued and outstanding Common Shares at the time of grant (on a non-diluted basis);
- (c) The maximum number of Common Shares which may be issuable at any time to Insiders (as a group) under the Plan, or together with any other Security Based Compensation Arrangements of the Corporation, shall be 10% of the issued and outstanding Common Shares at the time of the grant (on a non-diluted basis);
- (d) The maximum number of Common Shares which may be issued within any one year period to Insiders (as a group) under the Plan, or together with any other Security Based Compensation Arrangements of the Corporation, shall be 10% of the issued and outstanding Common Shares;
- (e) If required by Exchange Policies, to all Eligible Persons who undertake Investor Relations Activities, in any 12-month period, shall not exceed 1% in the aggregate of the total number of issued and outstanding Common Shares at the time of grant (on a non-diluted basis).

## **6. ELIGIBILITY**

Options shall be granted only to Eligible Persons, any registered savings plan established by an Eligible Person or any Company wholly-owned by an Eligible Person.

For stock options to Employees and Consultants, the Corporation must represent that the optionee is a *bona fide* Employee or Consultant as the case may be. Subject to the foregoing, the Board shall have

full and final authority to determine the persons who are to be granted options under the Plan and the number of Common Shares subject to each option.

## **7. EXERCISE PRICE**

The exercise price (the “**Exercise Price**”) for the Common Shares under each option shall be determined by the Board but shall not be less than the market price, where “market price” shall mean, for the purposes of the TSX, the prior trading day closing price of the Common Shares on the applicable Exchange, and where there is no such closing price or trade on the prior trading day, “market price” shall mean the average of the daily high and low board lot trading prices of the Common Shares on the Exchange for the five (5) immediately preceding trading days, and for the purposes of the CSE, such price shall be the greater of the prior trading day closing price and the closing price on the date of grant. In the event the Common Shares are not listed on any exchange and do not trade on any dealing network, the market price will be determined by the Board.

## **8. TERM OF OPTIONS AND BLACKOUT**

The period within which an option may be exercised and the number of Common Shares which may be issuable upon the exercise of options in any such period shall be determined by the Board at the time of granting the options provided, however, that all options shall not be granted for a term exceeding 10 years from the date of the option grant.

Notwithstanding the foregoing, in the event that the expiry date of an option expires during, or within 48 hours of a trading blackout period imposed by the Corporation (a “**Blackout Period**”), and neither the Corporation nor the individual in possession of the options is subject to a cease trade order in respect of the Corporation’s securities, then the expiry date of such option shall be automatically extended to the 10th business day following the end of the Blackout Period.

On the expiry date of any option granted under the Plan, and subject to any extension of such expiry date permitted in accordance with the Plan, such option hereby granted shall forthwith expire and terminate and be of no further force or effect whatsoever as to such of the optioned shares (as defined below) in respect of which the option has not been exercised.

## **9. EXERCISE OF OPTIONS**

Subject to the provisions of the Plan and the particular option, an option may be exercised from time to time following the date of grant and up to 4:00 p.m. local time on the expiry date by delivering to the Corporation at its registered office a written notice of exercise specifying the number of Common Shares with respect to which the option is being exercised (the “**optioned shares**”) and accompanied by payment in cash or certified cheque for the full amount of the purchase price of the Common Shares then being purchased and, if requested by the Corporation, the amount necessary to satisfy any applicable tax withholding or remittance obligations under applicable laws. Certificates for such optioned shares shall be issued and delivered to the optionee within a reasonable time following the receipt of such notice and payment.

## **10. VESTING RESTRICTIONS**

Options issued under the Plan may vest and become exercisable at the discretion of the Board.

## **11. EVIDENCE OF OPTIONS**

Each option granted under the Plan shall be embodied in a written option agreement between the Corporation and the optionee which shall give effect to the provisions of the Plan. In the event of any discrepancy between this Plan and an option agreement, the provisions of this Plan shall govern.

## **12. CESSATION OF PROVISION OF SERVICES**

Subject to Section 13 below, if any optionee ceases to be an Eligible Person of the Corporation for any reason other than as a result of having been dismissed for cause as provided or as a result of the optionee's death or disability, such optionee shall have the right for a period of 120 days (or until the normal expiry date of the option rights of such optionee if earlier) from the date of ceasing to be an Eligible Person to exercise the option under the Plan with respect to all options of such optionee to the extent they were exercisable on the date of ceasing to be either an Eligible Person, subject to extension by the Board. Upon the expiration of such 120-day (or later) period all unexercised option rights of that optionee shall immediately become terminated and shall lapse notwithstanding the original term of option granted to such optionee under the Plan.

If an optionee ceases to be either an Eligible Person as a result of having been dismissed from any such position for cause, all unexercised option rights of that optionee under the Plan shall immediately become terminated and shall lapse, notwithstanding the original term of the option granted to such optionee under the Plan.

## **13. DEATH OR DISABILITY OF OPTIONEE**

In the event of the death or Disability of an optionee during the currency of the optionee's option, the option theretofore granted to the optionee shall vest and be exercisable within, but only within, the period of one year next succeeding the optionee's death or until the normal expiry date of the option rights of such optionee if earlier.

## **14. NON-ASSIGNABILITY AND NON-TRANSFERABILITY OF OPTION**

An option granted under the Plan shall be non-assignable and non-transferable by an optionee otherwise than by will or by the laws of descent and distribution, and such option shall be exercisable, during an optionee's lifetime, only by the optionee. Notwithstanding the foregoing, Options may be assigned by an Eligible Person to whom an Option has been granted to a Permitted Assign of such Eligible Person, following which such Options shall be non-assignable and non-transferable by such Permitted Assign, except to another Permitted Assign, otherwise than by will or the laws of descent and distribution, and shall be exercisable only by such Permitted Assign during the lifetime of such Permitted Assign and only by such Permitted Assign's legal representative after death of such Permitted Assign.

## **15. ADJUSTMENTS IN SHARES SUBJECT TO PLAN**

If there is (i) a change in the outstanding Common Shares by reason of any share consolidation or split, reclassification or other capital reorganization, stock dividend, arrangement, amalgamation, merger or combination, or any other change to or event affecting the Common Shares; or (ii) any exchange of or corporate change or transaction affecting the Common Shares, the Board shall make, as it shall deem advisable and subject to 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/or (iii) the vesting of any options, 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 option holders as it shall deem advisable.

## **16. EFFECT OF A TAKE-OVER BID**

- (a) If a bona fide offer ( an “**Offer**”) for Common Shares is made to shareholders of the Corporation generally or to a class of shareholders which includes the optionee, which Offer, if accepted in whole or in part, would result in the offeror becoming a control person of the Corporation, within the meaning of applicable Canadian securities laws, the Corporation shall, immediately upon receipt of notice of the Offer, notify each holder of stock options of full particulars of the Offer, whereupon (subject to the approval of the TSX) all optioned shares subject to such stock option will become vested and the stock option may be exercised in whole or in part so as to permit the optionee to tender the optioned 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 optioned shares tendered pursuant to the Offer are not taken up or paid for by the offeror in respect thereof, then the optioned shares received upon such exercise, or in the case of clause (b) above, the optioned shares that are not taken up and paid for, may be returned by the optionee to the Corporation and reinstated as authorized but unissued Common Shares and with respect to such returned optioned shares, the stock option shall be reinstated as if it had not been exercised and the terms upon which such optioned shares were to become vested pursuant to this paragraph shall be reinstated. If any optioned shares are returned to the Corporation under this paragraph, the Corporation shall immediately refund the exercise price to the optionee for such optioned shares.
  
- (b) If, an Offer is made by an offeror, the Board may also notify each holder of stock options of full particulars of the Offer, whereupon (subject to the approval of the TSX) all optioned shares subject to such stock option will become vested and declare that the Expiry Date for the exercise of all unexercised Options granted under the Plan is accelerated so that all Options will either be exercised or will expire prior to the date upon which Shares must be tendered pursuant to the Offer. The Board shall give each Optionee as much notice as possible of the acceleration of the Options under this Section 16(b), except that not less than 5 business days' and not more than 35 days' notice is required.

## **17. CHANGE OF CONTROL**

In the event of a Change of Control, all stock options will immediately vest. In such event, all vested stock options will be exercisable, conditionally or otherwise, from such date until their respective expiry dates. For greater certainty, upon a Change of Control, holders of stock options shall not be treated any more favourably than holders of Common Shares with respect to the consideration that such Persons would be entitled to receive.

If the Person elects to exercise its stock options following a Change of Control, the holder of stock options shall be entitled to receive, and shall accept, in lieu of the number of Common Shares which he was

entitled upon such exercise, the kind and amount of shares and other securities, property or cash which such holder could have been entitled to receive as a result of such Change of Control, on the effective date thereof, had he been the registered holder of the number of Common Shares to which he was entitled to purchase upon exercise of such stock options.

#### **18. EMPLOYMENT**

Nothing contained in the Plan shall confer upon any optionee any right with respect to employment or continuance of employment with the Corporation or any subsidiary, or interfere in any way with the right of the Corporation, or any subsidiary, to terminate the optionee's employment at any time. Participation in the Plan by an optionee is voluntary.

#### **19. NO SHAREHOLDER RIGHTS PRIOR TO EXERCISE**

An optionee shall have no rights whatsoever as a shareholder in respect of any of the optioned shares (including any right to receive dividends or other distributions therefrom or thereon) other than in respect of optioned shares in respect of which the optionee shall have exercised the option to purchase hereunder and which the optionee shall have actually taken up and paid for.

If an optionee, retires, resigns or is terminated from employment or engagement with the Corporation or any Affiliate or subsidiary of the Corporation, the loss or limitation, if any, by the cancellation of the right to purchase shares under the Option shall not give rise to any right to damages and shall not be included in the calculation of nor form any part of any severance allowance, retiring allowance or termination settlement of any kind whatsoever in respect of such optionee.

#### **20. TAXES**

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 applicable requirements of any federal, provincial, local, or foreign law, or any administrative policy of any applicable tax authority, relating to withholding of tax or any other required deductions, in each case, resulting from the receipt of an Option, Common Shares or other property or cash pursuant to this Plan ("**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 this Plan, or retaining any amount which would otherwise be payable to the optionee in connection with any such sale. Each Participant agrees to indemnify and save the Corporation harmless from any and all amounts payable or incurred by the Corporation or any Affiliate of the Corporation if it is subsequently determined that any greater amount should have been withheld in respect of taxes or other statutory withholding.

## 21. AMENDMENT AND TERMINATION OF THE PLAN

The Board may terminate, discontinue or amend the Plan at any time, provided that, without the consent of an option holder, such termination, discontinuance or amendment may not in any manner adversely affect such optionee's rights under any stock option granted under the Plan.

The Board may, subject to receipt of requisite regulatory and, if then listed on the TSX, subject to shareholder approval, make the following amendments to the Plan or options granted under the Plan:

- (a) amendments to increase the number of Common Shares which may be issued pursuant to the Plan, other than adjustments by virtue of Section 15;
- (b) amendments to reduce the exercise price of an outstanding option held by an Insider, (including a cancellation and reissue of an option at a reduced exercise price);
- (c) amendments that extend the term of a stock option held by an Insider beyond the original expiry or allow for the expiry date to be greater than 10 years, except as currently permitted in connection with a Blackout Period;
- (d) amendments to this Section 21 of the Plan; or
- (e) amendments to the participation limits in Section 5.

The Board may, subject to receipt of requisite regulatory approval (where required), but not subject to shareholder approval, in its sole discretion make all other amendments to the Plan or options under the Plan that are not of the type contemplated above, including, without limitation:

- (a) amendments of a "housekeeping" nature including, without limiting the generality of the foregoing, any amendment for the purpose of curing any ambiguity, error or omission in this Plan or to correct or supplement any provision of this Plan that is inconsistent with any other provision of this Plan;
- (b) amendments necessary to comply with the provisions of applicable laws (including, without limitation, the rules of the Exchange or any other applicable stock exchange);
- (c) amendments respecting the administration of this Plan;
- (d) amendments to the vesting provisions of this Plan or any option;
- (e) expand the definition of Eligible Person or otherwise alter the conditions of eligibility for participation in this Plan
- (f) amendments to the early termination provisions of this Plan or any option, whether or not such option is held by an Insider, provided such amendment does not entail an extension beyond the original expiry date;
- (g) the addition of any form of financial assistance by the Corporation for the acquisition of Common Shares under this Plan, and the subsequent amendment of any such provisions;
- (h) any amendment to the take-over bid provisions provided for in Section 16 or the change of control provisions provided for in Section 17. For greater certainty, any change made

to Section 16 or Section 17 shall not allow optionees to be treated any more favourably than holders of Common Shares with respect to the consideration that the optionees would be entitled to receive for their Common Shares in the event of a take-over bid or upon a Change of Control;

- (i) any other amendment, whether fundamental or otherwise, not requiring shareholder approval under applicable laws (including, without limitation, the rules of the Exchange or any other applicable stock exchange);

## **22. EFFECTIVE DATE OF THE PLAN**

The Plan becomes effective on the date of its approval by the shareholders of the Corporation and as of such date will amend, restate, and replace the existing incentive stock option plan of the Corporation dated October 23, 2019 (the “**Existing Plan**”). Upon this Plan becoming effective, all options outstanding under the Existing Plan shall continue as options under this Plan.

## **23. GOVERNING LAW**

This Plan shall be construed in accordance with and be governed by the laws of the Province of British Columbia and shall be deemed to have been made in said Province, and shall be in accordance with all applicable securities laws.

**SCHEDULE "A"**

**SILVER DOLLAR RESOURCES INC.  
STOCK OPTION PLAN**

**OPTION AGREEMENT**

This Option Agreement is entered into between Silver Dollar Resources Inc. (the "Company") and the Optionee named below pursuant to the Company's Stock Option Plan (the "Plan"), a copy of which is attached hereto, and confirms that:

1. on [•] (the "Grant Date");
2. [•] (the "Optionee");
3. was granted the option (the "Option") to purchase [•] common shares without par value (the "Option Shares") in the capital of the Company;
4. for the price (the "Option Price") of \$[•] per share;
5. which shall be exercisable as fully Vested (as such term is defined in the Plan) from the Grant Date;
6. terminating on [•] (the "Expiry Date");

all on the terms and subject to the conditions set out in the Plan. For greater certainty, Option Shares continue to be exercisable until the termination or cancellation thereof as provided in this Option Agreement and the Plan.

By signing this Option Agreement, the Optionee acknowledges that the Optionee has read and understands the Plan and agrees to the terms and conditions of the Plan and this Option Agreement.

The undersigned hereby acknowledges and consents to:

- (a) the disclosure to all regulatory authorities of all personal information of the undersigned obtained by the Company; and
- (b) the collection, use and disclosure of such personal information by all regulatory authorities in accordance with their requirements, including the provision to third party service providers, from time to time.

IN WITNESS WHEREOF the parties hereto have executed this Option Agreement as of the [•] day of [•].

SILVER DOLLAR RESOURCES INC.

\_\_\_\_\_  
OPTIONEE

Per: \_\_\_\_\_  
Authorized Signatory

**SCHEDULE "B"**

**SILVER DOLLAR RESOURCES INC.  
STOCK OPTION PLAN**

**OPTION EXERCISE NOTICE**

TO: Silver Dollar Resources Inc.  
108 – 800 Kelly Road, Suite 416  
Victoria, British Columbia, V9B 6J9

RE: Exercise of Options

---

The undersigned hereby irrevocably gives notice, pursuant to the stock option plan (the "Plan") of SILVER DOLLAR RESOURCES INC. (the "Company"), of the exercise of the Option to acquire and hereby subscribes for (check applicable item):

- all of the Option Shares; or
- certain of the Option Shares,

which are the subject of the option certificate attached hereto.

Calculation of total Option Price:

- (i) number of Option Shares to be acquired on exercise: \_\_\_\_\_ Option Shares
- (ii) times the Option Price per Option Share: \$ \_\_\_\_\_

Total Option Price, as enclosed herewith: \$ \_\_\_\_\_

The undersigned tenders herewith a cheque or bank draft for the total Option Price, payable to the Company, and directs the Company to issue the share certificate evidencing the Option Shares in the name of the undersigned to be mailed to the undersigned at the following address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

All capitalized terms, unless otherwise defined in this exercise notice, will have the meaning provided in the Plan.

DATED the \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

\_\_\_\_\_  
Signature of Option Holder

\_\_\_\_\_  
Name of Option Holder (Print)

## SCHEDULE C

### SILVER DOLLAR RESOURCES INC.

#### ADVANCE NOTICE PROVISIONS

#### 27. PART 27 ADVANCE NOTICE PROVISIONS

- 27.1 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:
- (a) by or at the direction of the Board, including pursuant to a notice of meeting;
  - (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act, or a requisition of the shareholders made in accordance with the provisions of the Act; or
  - (c) by any person (a "**Nominating Shareholder**"): (A) who, at the close of business on the date of the giving of the notice provided for below in this Part 27 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 shares that are entitled to be voted at such meeting; and (B) who complies with the notice procedures set forth below in this Part 27.
- 27.2 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 at the principal executive offices of the Company.
- 27.3 To be timely, a Nominating Shareholder's notice to the Secretary of the Company must be made:
- (a) in the case of an annual meeting of shareholders, not less than 30 nor more than 50 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date (the "**Notice Date**") on which the first public announcement (as defined below) of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day after the Notice Date in respect of such meeting; and
  - (b) in the case of a special meeting (which is not also an annual meeting) of shareholders 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 day on which the first public announcement of the date of the special meeting of shareholders was made. In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder's notice as described above.
- 27.4 To be in proper written form, a Nominating Shareholder's notice to the Secretary of the Company must set forth:
- (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director: (A) the name, age, business address and residential address of the person; (B) the principal occupation or employment of the person; (C) 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 record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and (D) 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 Act and Applicable Securities Laws (as defined below); and

- (b) as to 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 Act and Applicable Securities Laws (as defined below).
- 27.5 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.
- 27.6 No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of this Part 27; provided, however, that nothing in this Part 27 shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act. The Chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.
- 27.7 For purposes of this Section 27.7:
- (a) **"public announcement"** shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company under its profile on the System of Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com); and
  - (b) **"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 statute 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.
- 27.8 Notwithstanding any other provision of this Part 27, notice given to the Secretary of the Company pursuant to this Part 27 may only be given by personal delivery, facsimile transmission or by email (at such email address as stipulated from time to time by the Secretary of the Company for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Secretary at the address of the principal executive offices of the Company; provided that if such delivery or electronic communication is made on a day which is a not a business day 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.
- 27.9 Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in this Part 27.



**SCHEDULE D**

**SILVER DOLLAR RESOURCES INC.**

**CHANGE OF AUDITOR NOTICES**



## **Change of Auditor Notice Pursuant to National Instrument 51-102, Section 4.11**

Silver Dollar Resources Inc. (the “Company”) hereby gives notice, pursuant to section 4.11 of National Instrument 51-102 as follows:

### **Former Auditor**

1. Manning Elliott LLP, Chartered Professional Accountants (the “Former Auditor”), of 1700 – 1030 West Georgia Street, Vancouver, British Columbia were not reappointed as auditor for the Company on October 13, 2020.
2. The decision to not reappoint the Former Auditor was approved by the audit committee of the Company’s Board of Directors.
3. The Former Auditor’s report on the Company’s financial statements relating to the relevant period did not express a modified opinion.
4. There have been no reportable events, as that term is defined in National Instrument 51-102.

### **Successor Auditor**

1. Crowe MacKay LLP, Chartered Professional Accountants (the “Successor Auditor”), of 1100 – 1177 West Hastings Street, Vancouver, British Columbia were appointed as auditor for the Company on October 13, 2020.
2. The decision to appoint the Successor Auditor was approved by the audit committee of the Company’s Board of Directors.

Dated at Vancouver, British Columbia as of this 14<sup>th</sup> day of October, 2020.

SILVER DOLLAR RESOURCES INC.

/s/ Jeff Smulders

Jeff Smulders, B.Sc., MBA, CPA, CMA  
Chief Financial Officer



17th floor, 1030 West Georgia St., Vancouver, BC, Canada V6E 2Y3

Tel: 604. 714. 3600 Fax: 604. 714. 3669 Web: manningelliott.com

October 15, 2020

British Columbia Securities Commission  
Alberta Securities Commission  
Financial and Consumer Affairs Authority of Saskatchewan  
Manitoba Securities Commission  
Ontario Securities Commission

**Attention: Continuous Disclosure**

Dear Sirs/Mesdames:

**Re: Notice of Change of Auditor – Silver Dollar Resources Inc. (the “Company”)**

We have read the Notice of Change of Auditor (the “Notice”) of the Company dated October 14, 2020, delivered to us pursuant to Part 4.11 of National Instrument 51-102.

In this regard, we confirm that we are in agreement with the information contained in the Notice as it relates to Manning Elliott LLP. The confirmation is based on our knowledge of the information as at the date of this letter.

Yours truly,

MANNING ELLIOTT LLP

*Manning Elliott LLP*



**Crowe MacKay LLP**  
Member Crowe Horwath International

1100, 1177 West Hastings Street  
Vancouver, BC V6E 4T5  
+1.604.687.4511 Tel  
+1.604.687.5805 Fax  
+1.800.351.0426 Toll Free  
www.crowemackay.ca

October 15, 2020

**VIA SEDAR**

**TO: Ontario Securities Commission  
British Columbia Securities Commission  
Alberta Securities Commission  
Financial and Consumer Affairs Authority of Saskatchewan  
The Manitoba Securities Commission  
Canadian Securities Exchange**

**Re: Silver Dollar Resources Inc. (the "Company")  
Notice Pursuant to National Instrument 51-102 – Change of Auditor  
("Notice")**

As required by National Instrument 51-102, we have reviewed the information contained in the Company's Notice dated October 14, 2020. Based on our knowledge of such information at this date, we agree with the statements set out in the Notice.

Yours very truly,

***"Crowe MacKay LLP"***

**Crowe MacKay LLP  
Chartered Professional Accountants**