



SILVER DOLLAR RESOURCES

MANAGEMENT INFORMATION CIRCULAR

(As at January 19, 2023, 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 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 23, 2023 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, the 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 (Objecting Beneficial Owners or "**OBOs**") and those who do not object (Non-Objecting Beneficial Owners or "**NOBOs**").

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 chair 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 19, 2023 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 19, 2023, there were a total of 41,897,237 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 ⁽¹⁾	Percentage of Outstanding Common Shares
Eric Sprott	7,021,241 ⁽¹⁾	16.76%
First Majestic Silver Corp.	5,846,401	13.95%

Notes:

(1) 1,500,000 of these Common Shares are held directly in the name of Eric S. Sprott and 5,521,241 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 set out herein, 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.

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 are the auditors of the Company and management proposes the reappointment of the auditors for the ensuing year. Crowe MacKay LLP were first appointed as auditors of the Company on October 14, 2020.

Unless otherwise indicated, the Management Proxyholders will vote the Common Shares represented by the accompanying 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 three 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 three (3) 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 Management Proxyholders will vote the Common Shares represented by the accompanying form of proxy FOR fixing the number of directors at three (3) and FOR the election of the three 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 (iv) the number of Common Shares beneficially owned, controlled, or directed, directly or indirectly, in each case by each of the proposed director nominees.

Name and Residence	Principal Occupation	Period as a Director of the Company	Common Shares Beneficially Owned or Controlled ⁽²⁾
Michael Romanik ⁽¹⁾ 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
Joseph Jerome Smulders 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	292,000
Guillermo Lozano-Chavez ⁽¹⁾ Texas, USA <i>Director</i>	Geological consultant	Since February 25, 2021	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.

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, 2022 and each of the three (3) other most highly compensated executive officers of the Company for the financial year ended August 31, 2022, whose annual aggregate compensation exceeded \$150,000 (each, a "**Named Executive Officer**"). During the year ended August 31, 2022, 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 year ended August 31, 2022 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 Amended and Restated Stock Option 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, 2022.

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:

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	2022	60,000 ⁽¹⁾	Nil	Nil	Nil	Nil	60,000
<i>Chief Executive Officer, President and Director</i>	2021	58,000 ⁽¹⁾	Nil	Nil	Nil	Nil	58,000
Joseph Jerome Smulders	2022	Nil	Nil	Nil	Nil	Nil	Nil
<i>Chief Financial Officer, Corporate Secretary and Director</i>	2021	Nil	Nil	Nil	Nil	Nil	Nil
Guillermo Lozano-Chavez	2022	Nil	Nil	Nil	Nil	Nil	Nil
<i>Director ⁽²⁾</i>	2021	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

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

(2) Guillermo Lozano-Chavez was elected as a director February 25, 2021

Stock Options and Other Compensation Securities

No compensation securities were granted or issued to Named Executive Officers or directors during the most recently completed financial year.

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 <i>Chief Executive Officer, President and Director</i>	Options	-	-	-	-	-	-
Joseph Jerome Smulders <i>Chief Financial Officer, Corporate Secretary and Director</i>	Options	50,000	0.15	January 21, 2022	0.72	0.57	28,500
Guillermo Lozano-Chavez <i>Director</i>	Options	-	-	-	-	-	-

The following table sets out all option-based awards and share-based awards outstanding as at August 31, 2022:

Option-Based Awards and Share-Based Awards Outstanding

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 ⁽¹⁾ (\$)	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	24,750	Nil	Nil
	300,000	1.75	December 14, 2025	Nil		
Joseph Jerome Smulders	50,000	0.15	October 23, 2024	8,250	Nil	Nil
	300,000	1.75	December 14, 2025	Nil		
Guillermo Lozano-Chavez	300,000	1.75	March 9, 2026	Nil	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, 2022, which was \$0.315, 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 not 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, 2022, 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 Amended and Restated Stock Option Plan which became effective February 25, 2021 (the “**Stock Option Plan**”). The material terms of the Stock Option Plan are set out below:

Participation Limit

The Stock Option Plan provides that a maximum of 10% of the Company’s issued and outstanding shares are issuable to insiders of the Company under the Stock Option Plan and under any other security-based compensation arrangements of the Company at any time. There is no limit on the number of options that may be granted to bona fide consultants (except those performing investor relations activities, which are limited to 1% of the issued and outstanding shares at the time of grant).

Eligible Persons

"Eligible Persons" are eligible to receive grants of options under the Stock Option 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 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.

Vesting

Vesting of options granted under the Stock Option Plan will be at the discretion of the Board.

Change of Control

On a change of control or takeover bid, the options granted under the Stock Option Plan will fully vest. For the purposes of the Stock Option 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.

Termination of Exercise Right

If an optionee ceases to be an Eligible Person of the Company for any reason other than as a result of having been dismissed for cause 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 Stock Option Plan.

In the event of the death or disability of an optionee during the currency of the optionee's option, the option shall vest and be exercisable within, but only within, one year after the optionee's death or until the normal expiry date of the option, if earlier.

If an optionee ceases to be an Eligible Person as a result of having been dismissed for cause, all unexercised option rights of that optionee under the Stock Option Plan shall immediately become terminated and shall lapse.

The Stock Option 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 or as a result of the optionee's death or disability, beyond the prescribed 120-day period.

Term of Options

Options granted under the Stock Option Plan will have a maximum term of 10 years from the date of grant.

Assignment

Except as noted below, an option granted under the Stock Option 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. The Stock Option Plan also provides that options may be assigned to certain permitted assigns (a "**Permitted Assign**"). A Permitted Assign is an entity controlled by the optionee or an RRSP, RRIF or TFSA of such optionee.

Administration

The Stock Option 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 Stock Option Plan and all option

agreements entered into thereunder, to define the terms used in the Stock Option Plan and in all option agreements entered into thereunder, to prescribe, amend and rescind rules and regulations relating to the Stock Option Plan and to make all other determinations necessary or advisable for the administration of the Stock Option Plan. All determinations and interpretations made by the Board shall be binding and conclusive on all participants in the Stock Option 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:

Name	Independent ⁽¹⁾	Financially Literate ⁽²⁾
Michael Romanik	No	Yes
Guillermo Lozano-Chavez	Yes	Yes

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 Executive 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.

Guillermo Lozano-Chavez

Mr. Lozano holds Bachelor of Science, Master of Science and Master of Business Administration (Finance) degrees from institutions in Mexico and United States. He is an independent businessman and has held senior positions with public companies, including Vice President of Exploration for First Majestic Silver Corp. of Vancouver, British Columbia.

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:

Financial Year Ended	Audit Fees ⁽¹⁾	Audit-Related Fees ⁽²⁾	Tax Fees ⁽³⁾	All Other Fees ⁽⁴⁾
August 31, 2022	\$33,413 est.	Nil	\$3,037 est.	Nil
August 31, 2021	\$23,288	Nil	\$2,531	Nil

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 currently comprises three directors, of whom Guillermo Lozano-Chavez 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.

Because the Board does not consist 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.

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), Silverfish Resources Inc (CSE: SF) and Anacott Acquisition Corporation (TSXV: AAC.P)
Joseph Jerome Smulders	GoldON Resources Ltd. (TSXV: GLD) and Anacott Acquisition Corporation (TSXV: AAC.P)
Guillermo Lozano-Chavez	Austin Gold Corp (NYSE: AUST)

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 typically held by teleconference 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 committees 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, 2022, 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
Equity compensation plans approved by security holders ⁽¹⁾	2,750,000	1.47	1,439,723 ⁽²⁾
Equity compensation plans not approved by security holders	Nil	Nil	Nil
Total	2,750,000	1.47	1,439,723 ⁽²⁾

Notes:

(1) Stock options granted under the Stock Option Plan.

(2) The Stock Option Plan provides that a maximum of 10% of the Company's issued and outstanding shares are issuable to insiders of the Company under the Stock Option Plan and under any other security-based compensation arrangements of the Company at any time. There is no limit on the number of options that may be granted to bona fide consultants (except those performing investor relations activities, which are limited to 1% of the issued and outstanding shares at the time of grant). For a description of the material terms of the Stock Option Plan, please see above under the heading "Stock Option Plans and Other Incentive Plans."

As of the date hereof, there are 2,750,000 options outstanding. If all such options were exercised for common shares, the Common Shares which would be issued upon such exercise would total approximately 6.6% 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 on SEDAR at www.sedar.com and on the Company's website at <https://silverdollarresources.com>. Shareholders may also contact the Company by mail at 179 – 2945 Jacklin Road, Suite 416, Victoria, British Columbia, V9B 6J9 to request copies of its comparative annual financial statements and Management's Discussion and Analysis, which contain financial information for the Company's most recently completed financial year.

Our Board has approved the contents of this Information 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.