

# **SIERRA MADRE GOLD AND SILVER LTD.**

**NOTICE OF MEETING**

**AND**

**INFORMATION CIRCULAR**

**for the Annual General Meeting of**

**Shareholders**

**to be held on June 20, 2024**

**Dated as of May 15, 2024**

**SIERRA MADRE GOLD AND SILVER LTD.**

Suite 300 – 1455 Bellevue Avenue,  
West Vancouver, British Columbia V7T 1C3

**NOTICE OF ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN THAT the annual general meeting (the "**Meeting**") of the shareholders of **SIERRA MADRE GOLD AND SILVER LTD.** (the "**Company**") will be held at 15<sup>th</sup> Floor, 1111 West Hastings Street, Vancouver, British Columbia, on June 20, 2024, at the hour of 10:00 a.m., Vancouver Time, for the following purposes:

1. To receive and consider the report of the directors and the consolidated financial statements of the Company together with the auditor's report thereon for the financial year ended December 31, 2023.
2. To fix the number of directors at five (5).
3. To elect directors for the ensuing year.
4. To appoint the auditors for the ensuing year at a remuneration to be fixed by the directors.
5. To consider and, if thought fit, to pass an ordinary resolution approving the Company's existing 10% Rolling Stock Option Plan, subject to regulatory approval, as more fully set forth in the Information Circular accompanying this notice.

The accompanying Information Circular provides additional information relating to the matters to be dealt with at the Meeting and is deemed to form part of this notice.

**All shareholders are entitled to attend and vote at the Meeting in person or by proxy; however, the board of directors (the "Board") is encouraging all shareholders to vote their shares by proxy and not attend in person. Shareholders should read, complete, sign and date the enclosed form of proxy and return the same in the enclosed return envelope provided for that purpose within the time and to the location set out in the form of proxy accompanying this notice.**

DATED this 15<sup>th</sup> day of May, 2024.

**BY ORDER OF THE BOARD**

"Alexander Langer"

Alexander Langer  
President & Chief Executive Officer

## **SIERRA MADRE GOLD AND SILVER LTD.**

Suite 300 – 1455 Bellevue Avenue,  
West Vancouver, British Columbia V7T 1C3

### **INFORMATION CIRCULAR**

(As at May 15, 2024, except as indicated otherwise)

Sierra Madre Gold and Silver Ltd. (the “**Company**”) is providing this 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 Company to be held on June 20, 2024 and at any adjournments 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.

#### **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.** 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 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 no later than 10:00 a.m. (Pacific Time) on June 18, 2024, or not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

To Vote Your Proxy Online please visit: <https://login.odysseytrust.com/pxlogin> and click on VOTE . You will require the CONTROL NUMBER printed with your address to the right on your proxy form. If you vote by Internet, do not mail this proxy.

1. By mail or personal delivery to Odyssey Trust Company, United Kingdom Building, 350 – 409 Granville Street, Vancouver, B.C. V6C 1T2; or
2. By fax to Odyssey, to the attention of the Proxy Department at 1-800-517-4553 (toll free within Canada and the U.S.) or 416-263-9524 (international); or
3. By internet by going to <https://login.odysseytrust.com/pxlogin> and following the online voting instructions given to you.

## NON-REGISTERED HOLDERS

**Only shareholders whose names appear on the records of the Company as the registered holders of shares or duly appointed proxyholders are permitted to vote at the Meeting.** Most shareholders of the Company are “non-registered” shareholders because the shares they own are not registered in their names but instead registered in the name of a nominee such as a brokerage firm through which they purchased the shares; bank, trust company, trustee or administrator of self-administered RRSP's, RRIF's, RESP's and similar plans; or clearing agency such as The Canadian Depository for Securities Limited (a “**Nominee**”). If you purchased your shares through a broker, you are likely a non-registered holder.

In accordance with securities regulatory policy, the Company has distributed copies of the Meeting materials, being the Notice of Meeting, this Information Circular and the Proxy, to the Nominees for distribution to non-registered holders.

Nominees are required to forward the Meeting materials to non-registered holders to seek their voting instructions in advance of the Meeting. Shares held by Nominees can only be voted in accordance with the instructions of the non-registered holder. The Nominees often have their own form of proxy, mailing procedures and provide their own return instructions. If you wish to vote by proxy, you should carefully follow the instructions from the Nominee in order that your Shares are voted at the Meeting.

If you, as a non-registered holder, wish to vote at the Meeting in person, you should appoint yourself as proxyholder by writing your name in the space provided on the request for voting instructions or proxy provided by the Nominee and return the form to the Nominee in the envelope provided. Do not complete the voting section of the form as your vote will be taken at the Meeting.

Non-registered holders who have not objected to their Nominee disclosing certain ownership information about themselves to the Company are referred to as “non-objecting beneficial owners” (“**NOBOs**”). Those non-registered holders who have objected to their Nominee disclosing ownership information about themselves to the Company are referred to as “objecting beneficial owners” (“**OBOs**”).

The Company is not sending the Meeting materials directly to NOBOs in connection with the Meeting, but rather has distributed copies of the Meeting materials to the Nominees for distribution to NOBOs.

The Company does not intend to pay for Nominees to deliver the Meeting materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary* to OBOs. 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 thereof, or with the chairman of the Meeting on the day of the Meeting.

#### **VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF**

The Company is authorized to issue an unlimited number of common shares without par value (the “**shares**”), of which 152,692,993 shares are issued and outstanding as at May 15, 2024. Persons who are registered shareholders at the close of business on May 15, 2024 will be entitled to receive notice of and vote at the Meeting and will be entitled to one vote for each share held. The Company has only one class of shares.

To the knowledge of the Directors and executive officers of the Company, no person beneficially owns, controls or directs, directly or indirectly, shares carrying 10% or more of the voting rights attached to all shares of the Company as of May 15, 2024, except as set out below:

<b>Shareholder Name</b>	<b>Number of Shares Held</b>	<b>Percentage of Issued Shares</b>
First Majestic Silver Corp.	69,063,076	45.23% <sup>(1)</sup>

Notes:

(1) Based on 152,692,993 shares issued and outstanding, on an undiluted basis, as of May 15, 2024.

#### **ELECTION OF DIRECTORS**

The Directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting or until their successors are appointed. In the absence of instructions to the contrary, the enclosed proxy will be voted for the nominees herein listed.

Shareholder approval will be sought to fix the number of Directors of the Company at five (5).

The Company has an Audit Committee. Members of the Audit Committee are as set out below.

Management of the Company proposes to nominate each of the following persons for election as a Director. Information concerning such persons, as furnished by the individual nominees, and each other person whose term of office as a Director will continue after the Meeting, is as follows:

<b><i>Name, Jurisdiction of Residence and Position</i></b>	<b><i>Principal Occupation or employment and, if not a previously elected Director, occupation during the past 5 years</i></b>	<b><i>Previous Service as a Director</i></b>	<b><i>Number of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly<sup>(1)</sup></i></b>
<b>Alexander Langer<sup>(2)</sup></b> North Vancouver, BC Canada <i>President, CEO and Director</i>	Founder, CEO, President and Director of the Company since 2017; Founding Director and Chair of Audit Committee, Reyna Silver Corp. since 2018; Vice President, Capital Markets, Prime Mining Corp. from 2019 to 2020; Director, Seashore Resource Partners Corp. from 2018 to 2021; Vice President, Capital Markets, Millennial Lithium Corp. from 2016 to 2022; Director of Ynvisible Interactive Inc. since June, 2021; Director, Reyna Gold since 2022; Director, Intertidal Capital Partners since 2022; Founder, President and Director of Li-FT Power Ltd since 2022	January 1, 2022	4,122,778 <sup>(3)</sup>
<b>Greg Smith</b> North Vancouver, BC Canada <i>Director</i>	Director and Vice-President, Exploration of the Company; Professional Geologist; VP, Exploration, Newcore Gold Ltd. since 2011; CEO, President and Director, Calibre Mining Corp. from 2012 to 2019	January 1, 2022	220,000
<b>Alejandro Caraveo-Vallina</b> Chihuahua, Mexico <i>Director</i>	Co-Founder, Pita Exploration Limited since 2017	January 1, 2022	1,933,111 <sup>(4)</sup>
<b>Jorge Ramiro Monroy<sup>(2)</sup></b> Hong Kong <i>Director</i>	Founder and Managing Director, Emerging Markets Capital Limited since 2011; Chief Executive Officer, Reyna Silver Corp. since 2020; Director, Prime Mining Corp. from 2019 to 2020; Executive Chairman of Reyna Gold Corp. since 2022	January 1, 2022	2,024,445 <sup>(5)</sup>
<b>Sean McGrath<sup>(2)</sup></b> Vancouver, BC Canada <i>Director</i>	Chartered professional accountant providing financial consulting services through SCM Consulting Corp. since April 1997	January 1, 2022	Nil

Notes

- (1) Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at May 15, 2024 based upon information furnished to the Company by individual Directors. Unless otherwise indicated, such shares are held directly.
- (2) Member of the Audit Committee.
- (3) Of these shares, 3,992,778 are held indirectly in the name of Andros Capital Corp., a private company controlled by Alexander Langer.
- (4) Of these shares, 1,727,778 are held indirectly in the name of ALC Commercial Properties Limited, a private company controlled by Alejandro Caraveo.
- (5) Of these shares, 2,000 are held indirectly in the name of Emerging Markets Capital Limited, a private company controlled by Jorge Ramiro Monroy and 266,667 shares are held indirectly in the name of Reyna Silver Corp., a public company of which Jorge Ramiro Monroy is a director.

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.

The following Directors of the Company hold directorships in other reporting issuers as set out below:

Name of Director	Name of Other Reporting Issuer
Alexander Langer	Ynvisible Interactive Inc. Reyna Silver Corp. Reyna Gold Corp. Intertidal Capital Corp. Li-FT Power Ltd.
Greg Smith	Shooting Star Acquisition Corp. Alerio Gold Corp.
Jorge Ramiro Monroy	Reyna Silver Corp. Reyna Gold Corp.
Sean McGrath	Supernova Metals Corp.

## EXECUTIVE COMPENSATION

### Summary Compensation Table

The following disclosure (presented in accordance with National Instrument Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers* ("**Form 51-102F6V**") sets forth the compensation paid, awarded, granted, given or otherwise provided to each named executive officer and director for the most recently completed financial year.

### Compensation Discussion and Analysis

The Company's compensation philosophy for its senior management is designed to attract well qualified individuals in what is essentially an international market by paying competitive base management fees plus long term incentive compensation in the form of stock options or other suitable long term incentives. The Board of Directors meets to discuss and determine executive compensation without reference to formal objectives, criteria or analysis. In making its determinations regarding the various elements of executive compensation, the Board of Directors does not benchmark its executive compensation program, but from time to time does review compensation practices of companies of similar size and state of development to ensure the compensation paid is competitive within the Company's industry and geographic location while taking into account the financial and other resources of the Company.

The duties and responsibilities of the President and CEO are typical of those of a business entity of the Company's size in a similar business and include direct reporting responsibility to the Board, overseeing the activities of all other executive and management consultants, representing the Company, providing leadership and responsibility for achieving corporate goals and implementing corporate policies and initiatives.



### *Stock Option Plan*

The Company's executive compensation policy consists of the payment of fees on the basis of time expended at competitive rates for technical consulting, management and administrative services paid to the executives or their companies, and long term incentives in the form of stock options granted under the Company's rolling stock option plan (the "**Stock Option Plan**").

Options are granted at the discretion of the Board of Directors, which considers factors such as how other junior exploration companies grant options and the potential value that each optionee is contributing to the Company. The number of options granted to an individual is based on such considerations.

Granting of options is a variable and discretionary element of compensation. The Company's Stock Option Plan has been and will be used to provide share purchase options which are granted in consideration of the level of responsibility of the executive as well as his or her impact or contribution to the longer-term operating performance of the Company. In determining the number of options to be granted to the Named Executive Officers, the Board takes into account the number of options, if any, previously granted to each Named Executive Officer, and the exercise price of any outstanding options to ensure that such grants are in accordance with the policies of the TSX Venture Exchange (the "**Exchange**"), and closely align the interests of such executive officers with the interests of shareholders.

### *Named Executive Officers*

For the purposes of the remainder of this Circular, a Named Executive Officer of the Company means each of the following individuals:

- (a) the Chief Executive Officer of the Company ("**CEO**");
- (b) the Chief Financial Officer of the Company ("**CFO**");
- (c) the most highly compensated executive officer of the Company other than the individuals identified in paragraphs (a) and (b) above, at December 31, 2023, whose total compensation was more than \$150,000; and
- (d) each individual who would be named an executive officer under paragraph (c) above, but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at December 31, 2023.

(collectively the "**Named Executive Officers**" or "**NEOs**").

### **Director and Named Executive Officer Compensation**

#### *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 (\$)
Alexander Lager <i>President, CEO and Director</i>	2023	240,000 <sup>(1)</sup>	Nil	Nil	Nil	Nil	240,000
	2022	240,000 <sup>(1)</sup>	276,000	Nil	Nil	Nil	516,000
Gregory K. Liller <i>Executive Chairman and Chief Operating Officer</i>	2023	144,000	Nil	Nil	Nil	Nil	144,000
	2022	144,000	165,600	Nil	Nil	Nil	309,600
Kerry Spong <i>Former Chief Financial Officer, Controller, Corporate Secretary<sup>(2)</sup></i>	2023	120,000	Nil	Nil	Nil	15,000	135,000
	2022	120,000	138,000	Nil	Nil	Nil	258,000
Kenneth Scott <i>Chief Financial Officer<sup>(3)</sup></i>	2023	120,000 <sup>(4)</sup>	Nil	Nil	Nil	Nil	120,000
	2022	50,000 <sup>(4)</sup>	103,500	Nil	Nil	Nil	153,500
Greg Smith <i>Director</i>	2023	67,500 <sup>(5)</sup>	Nil	Nil	Nil	Nil	67,500
	2022	90,000 <sup>(5)</sup>	Nil	Nil	Nil	Nil	90,000
Alejandro Caraveo-Vallina <i>Director</i>	2023	Nil	Nil	36,000 <sup>(6)(7)</sup>	Nil	Nil	36,000
	2022	Nil	103,500	36,000 <sup>(6)(7)</sup>	Nil	Nil	139,500
Jorge Ramiro Monroy <i>Director</i>	2023	Nil	Nil	36,000 <sup>(6)(8)</sup>	Nil	Nil	36,000
	2022	Nil	Nil	36,000 <sup>(6)(8)</sup>	Nil	Nil	36,000 <sup>(6)(8)</sup>
Sean McGrath <i>Director</i>	2023	Nil	Nil	32,000 <sup>(6)(9)</sup>	Nil	Nil	32,000
	2022	Nil	Nil	36,000 <sup>(6)(9)</sup>	Nil	Nil	36,000

Notes:

- (1) Alexander Langer fees paid to Andros Capital Corp., a company controlled by Alexander Langer.
- (2) Kerry Spong resigned as Chief Financial Officer on July 25, 2022, and was appointed Controller and Corporate Secretary on the same day.
- (3) Kenneth Scott was appointed as Chief Financial Officer on July 25, 2022.
- (4) Kenneth Scott fees paid to K.A. Scott, Ltd., a company controlled by Kenneth Scott.
- (5) Greg Smith fees paid to GFS Geological Services Ltd., a company controlled by Greg Smith.
- (6) Director fees.
- (7) Bonus paid in 2022 to Alejandro Caraveo-Vallina. Director fees paid to ALC Commercial Properties Inc., a company controlled by Alejandro Caraveo-Vallina.
- (8) Jorge Ramiro Monroy fees paid to Emerging Markets Capital Limited, a company controlled by Jorge Ramiro Monroy.

(9) Sean McGrath fees paid to 1267911 B.C. Ltd., a company controlled by Sean McGrath.

### **External Management Companies**

All NEOs are employees or consultants of the Company (see “*Management Contracts*” below) and no external management company employs or retains individuals acting as NEOs of the Company. The Company has no understanding, arrangement or agreement with any external management company to provide executive management services to the Company.

### **Incentive Plan Awards**

The Company does not have any incentive plans, pursuant to which compensation that depends on achieving certain performance goals or similar conditions within a specified period is awarded, earned, paid or payable to the NEOs.

### *Stock Options and Other Compensation Securities*

No compensation securities were granted or issued to any NEO or director by the Company or one of its subsidiaries in the most recently completed financial year for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries.

### *Exercise of Compensation Securities*

No compensation securities were exercised by any Director or Named Executive Officer of the Company or any of its subsidiaries in the most recently completed financial year.

### *Employment, Consulting and Management Agreements*

Other than as described in “*Management Contracts*” below, the Company has no employment contracts, agreements or arrangement under which compensation is provided with any director or NEO.

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

The Board of Directors considers the implications of the risks associated with the Company’s compensation policies and practices when determining rewards for its officers. The Board of Directors reviews at least once annually the risks, if any, associated with the Company’s compensation policies and practices at such time.

The Directors determine compensation payable and considers compensation paid for Directors and CEOs of companies of similar size and stage of development in the mineral exploration and development industry and determines an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the Directors and senior management while taking into account the financial and other resources of the Company. The Director also have the responsibility to administer the compensation policies related to the executive management of the Company, including option-based awards.

Executive compensation is comprised of short-term fee compensation and long-term ownership through the Company's Stock Option Plan. This structure ensures that a significant portion of executive compensation (stock options) is both long-term and "at risk" and, accordingly, is directly linked to the achievement of business results and the creation of long term shareholder value. As the benefits of such compensation, if any, are not realized by officers until a significant period of time has passed, the ability of officers to take inappropriate or excessive risks that are beneficial to their compensation at the expense of the Company and the shareholders is extremely limited. Furthermore, the short-term component of executive compensation (base salary) represents a relatively small part of the total compensation. As a result, it is unlikely an officer would take inappropriate or excessive risks at the expense of the Company or the shareholders that would be beneficial to their short-term compensation when their long-term compensation might be put at risk from their actions.

For each NEO, neither total compensation nor significant elements thereof are tied to performance criteria or goals, such as milestones, agreements or transactions. No significant events have occurred during the most recently completed financial year that have significantly affected executive compensation. The process through which the Company determines the amount to be paid for each significant element of executive compensation is based on a subjective internal determination of the Company, and is not based on objective, identifiable measures. The Company does not engage in a peer group analysis to determine executive compensation. No significant changes to the Company's compensation policies were made during or after the most recently completed financial year that could or will have an effect on director or NEO compensation.

Due to the small size of the Company and the current level of the Company's activity, the Board of Directors is able to closely monitor and consider any risks which may be associated with the Company's compensation policies and practices. Risks, if any, may be identified and mitigated through regular Board meetings during which financial and other information of the Company are reviewed. No risks have been identified arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

The Company has not adopted a policy prohibiting Directors or officers from purchasing financial instruments that are designed to hedge or offset a decrease in market value of the Company's securities granted as compensation or held, directly or indirectly, by Directors or officers. However, the Company is not aware of any Directors or officers having entered into this type of transaction.

#### *Pension Plan Disclosure*

The Company does not have a pension plan that provides for payments or benefits to the Named Executive Officers or Directors at, following, or in connection with retirement.

#### **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The following table sets forth the Company's compensation plans under which equity securities are authorized for issuance as at the end of the most recently completed financial year.

<i>Plan Category</i>	<i>Number of securities to be issued upon exercise of outstanding options, warrants and rights</i> <i>(a)</i>	<i>Weighted-average exercise price of outstanding options, warrants and rights</i> <i>(b)</i>	<i>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</i> <i>(c)</i>
Equity compensation plans approved by securityholders	5,070,000	\$0.74	10,199,299
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
<b>Total</b>	5,070,000	\$0.74	10,199,299

#### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

As at May 15, 2024, there is no indebtedness outstanding of any current or former Director, executive officer or employee of the Company or any of its subsidiaries which is owing to the Company or any of its subsidiaries or to another entity which 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, entered into in connection with a purchase of securities or otherwise.

No individual who is, or at any time during the most recently completed financial year was, a Director or executive officer of the Company, no proposed nominee for election as a Director of the Company and no associate of such persons:

- (i) is or at any time since the beginning of the most recently completed financial year has been, indebted to the Company or any of its subsidiaries; or
- (ii) whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries,

in relation to a securities purchase program or other program.

#### **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.

#### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

No informed person or proposed Director of the Company and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed

transaction which in either such case has materially affected or would materially affect the Company or its subsidiaries.

### **APPOINTMENT OF AUDITORS**

Davidson & Company LLP, Chartered Professional Accountants, of Vancouver, British Columbia, are the auditors of the Company. Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted for the re-appointment of Davidson & Company LLP as the auditors of the Company to hold office for the ensuing year, at a remuneration to be fixed by the Directors.

### **MANAGEMENT CONTRACTS**

The Company has in place the following employment, consulting or management agreements in respect of services provided to the Company or any of subsidiaries that were performed by a director or Named Executive Officer:

#### *Andros Capital Corp. Management Agreement*

The Company entered into a management agreement with Andros Capital Corp., a company principally controlled by Alexander Langer, dated July 1, 2022 (the “**Langer Management Agreement**”), whereby the Company engaged Mr. Langer to act as President and Chief Executive Officer of the Company.

Under the Langer Management Agreement, the Company will pay to Mr. Langer a management fee of \$20,000 per month plus GST, payable on the first day of each month in which the Langer Management Agreement remains in effect.

The Langer Management Agreement may be terminated by the Company at any time for cause without notice or pay. Mr. Langer reserves the right to terminate the Langer Management Agreement at any time subject to providing the Company with one month’s written notice. In the event that the Company terminates the Langer Management Agreement without cause, the Company shall pay to Mr. Langer 12 months’ salary in lieu of termination notice.

If Mr. Langer terminates the Langer Management Agreement within six months after a Change of Control, or if the Company terminates the Langer Management Agreement without cause within one year after a Change of Control, the Company shall be obligated to pay Mr. Langer 24 months’ salary in lieu of a termination notice.

#### *K.A. Scott, Ltd. Management Agreement*

The Company entered into a management agreement with K.A. Scott, Ltd., a company principally controlled by Kenneth Scott, dated July 1, 2022 (the “**Scott Management Agreement**”), whereby the Company engaged Mr. Scott to act as Chief Financial Officer of the Company.

Under the Scott Management Agreement, the Company will pay to Mr. Scott a management fee of \$10,000 per month plus GST, payable on the first day of each month in which the Scott Management Agreement remains in effect.

The Scott Management Agreement may be terminated by the Company at any time for cause without notice or pay. Mr. Scott reserves the right to terminate the Scott Management Agreement at any time subject to providing the Company with one month’s written notice. In the event that the Company terminates the Scott Management Agreement without cause, the Company shall pay to Mr. Scott 12 months’ salary in lieu of termination notice.

If Mr. Scott terminates the Scott Management Agreement within six months after a Change of Control, or if the Company terminates the Scott Management Agreement without cause within one year after a Change of Control, the Company shall be obligated to pay Mr. Scott 24 months' salary in lieu of a termination notice.

#### *Spong Management Agreement*

The Company entered into a management agreement with Kerry Spong dated July 1, 2022 (the "**Spong Management Agreement**"), whereby the Company engaged Mr. Spong to act as Controller of the Company.

Under the Spong Management Agreement, the Company will pay to Mr. Spong a management fee of \$10,000 per month plus GST, payable on the first day of each month in which the Spong Management Agreement remains in effect.

The Spong Management Agreement may be terminated by the Company at any time for cause without notice or pay. Mr. Spong reserves the right to terminate the Spong Management Agreement at any time subject to providing the Company with one month's written notice. In the event that the Company terminates the Spong Management Agreement without cause, the Company shall pay to Mr. Spong 12 months' salary in lieu of termination notice.

If Mr. Spong terminates the Spong Management Agreement within six months after a Change of Control, or if the Company terminates the Spong Management Agreement without cause within one year after a Change of Control, the Company shall be obligated to pay Mr. Spong 24 months' salary in lieu of a termination notice.

#### *Liller Management Agreement*

The Company entered into a management agreement with Gregory K. Liller dated July 1, 2022 (the "**Liller Management Agreement**"), whereby the Company engaged Mr. Liller to act as Chief Operating Officer of the Company.

Under the Liller Management Agreement, the Company will pay to Mr. Liller a management fee of \$12,000 per month plus GST, payable on the first day of each month in which the Liller Management Agreement remains in effect.

The Liller Management Agreement may be terminated by the Company at any time for cause without notice or pay. Mr. Liller reserves the right to terminate the Liller Management Agreement at any time subject to providing the Company with one month's written notice. In the event that the Company terminates the Liller Management Agreement without cause, the Company shall pay to Mr. Liller 12 months' salary in lieu of termination notice.

If Mr. Liller terminates the Liller Management Agreement within six months after a Change of Control, or if the Company terminates the Liller Management Agreement without cause within one year after a Change of Control, the Company shall be obligated to pay Mr. Liller 24 months' salary in lieu of a termination notice.

#### *GFS Geological Services Ltd. Management Agreement*

The Company entered into a management agreement with GFS Geological Services Ltd., a company principally controlled by Gregory F. Smith, dated July 1, 2022 (the "**Smith Management Agreement**"), whereby the Company engaged Mr. Smith to act as Vice President of Exploration of the Company.

Under the Smith Management Agreement, the Company will pay to Mr. Smith a management fee of \$7,500 per month plus GST, payable on the first day of each month in which the Smith Management Agreement remains in effect.

The Smith Management Agreement may be terminated by the Company at any time for cause without notice or pay. Mr. Smith reserves the right to terminate the Smith Management Agreement at any time subject to providing the Company with one month's written notice. In the event that the Company terminates the Smith Management Agreement without cause, the Company shall pay to Mr. Smith 12 months' salary in lieu of termination notice.

If Mr. Smith terminates the Smith Management Agreement within six months after a Change of Control, or if the Company terminates the Smith Management Agreement without cause within one year after a Change of Control, the Company shall be obligated to pay Mr. Smith 24 months' salary in lieu of a termination notice.

### **CORPORATE GOVERNANCE DISCLOSURE**

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the Shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day to day management of the Company. The Board is committed to sound corporate governance practices which are both in the interest of its Shareholders and contribute to effective and efficient decision making. A summary of the responsibilities and activities and the membership of each of the committees is set out below.

National Instrument 58-201 ("NI 58-201") establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company's practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. National Instrument 58-101 mandates disclosure of corporate governance practices which disclosure is set out below.

#### **Independence of Members of Board**

The Board is composed of five directors, of which Messrs. Sean McGrath, Alejandro Caraveo-Vallina, Greg Smith and Jorge Ramiro Monroy are considered as independent directors. For this purpose, a director is independent if he or she has no direct or indirect "material relationship" with the Company. A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of the director's independent judgment. An individual who has been an employee or executive officer of the Company within the last three years is considered to have a material relationship with the Company.

Of the directors, Alexander Langer, by virtue of his position as President and CEO of the Company is not considered independent.

#### **Management Supervision by Board**

The size of the Company is such that all the Company's operations are conducted by a small management team which is also represented on the Board. The Board considers that management is effectively supervised by the independent Directors on an informal basis as the independent Directors are actively and regularly involved in reviewing and supervising the operations of the Company and have



regular and full access to management. The independent Directors are however able to meet at any time without any members of management including the non-independent Directors being present. Further supervision is performed through the audit committee which is composed of a majority of independent Directors who meet with the Company's auditors without management being in attendance. The independent Directors also have access to the Company's auditors without management being in attendance. The independent Directors also have access to the Company's legal counsel and its officers.

### **Risk Management**

The Board of Directors is responsible for the adoption of a strategic planning process, identification of principal risks and implementing risk management systems, succession planning and the continuous disclosure requirements of the Company under applicable securities laws and regulations.

The audit committee is responsible for the risk management items set out in the audit committee charter.

### **Participation of Directors in Other Reporting Issuers**

The participation of the Directors in other reporting issuers is described in the table provided under "Election of Directors" in this Information Circular.

### **Orientation and Continuing Education**

While the Company does not have formal orientation and training programs, new Board members are provided with:

1. information respecting the functioning of the Board of Directors, committees and copies of the Company's corporate governance policies;
2. access to recent, publicly filed documents of the Company, technical reports and the Company's internal financial information; and
3. access to management and technical experts and consultants.

Board members are encouraged to communicate with management, auditors and technical consultants; to keep themselves current with industry trends and developments and changes in legislation with management's assistance; and to attend related industry seminars and visit the Company's operations. Board members have full access to the Company's records.

### **Ethical Business Conduct**

While the Board has not adopted a written code of business conduct and ethics, the Board will from time to time discuss and emphasize the importance of matters relating to conflicts of interest, protection and proper use of corporate assets and opportunities, confidentiality of corporate information, compliance with laws and the reporting of any illegal or unethical behaviour.

## **Nomination of Directors**

It is the view of the Board that all directors, individually and collectively, should assume responsibility for nominating directors. The Board is responsible for identifying and recommending potential nominees for directorship and senior management. The Board will consider 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 views and experience.

New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, shown support for the Company's mission and strategic objectives, and a willingness to serve.

## **Compensation of Directors and the CEO**

Compensation matters are currently determined by the entire Board. The Board is responsible for reviewing the compensation plans and severance arrangements for management, to ensure they are commensurate with comparable companies. The Board will ensure that Sierra Madre has a plan for continuity of its officers and a compensation plan that is motivational and competitive.

## **Board Committees**

The Company has no committees other than the Audit Committee. For a copy of the Audit Committee Charter, see "*Audit Committee Charter*". As the Directors are actively involved in the operations of the Company and the size of the Company's operations does not warrant a larger Board of Directors, the Board has determined that additional committees are not necessary at this stage of the Company's development.

## **Assessments**

The Board does not consider that formal assessments would be useful at this stage of the Company's development. The Board and each individual director are regularly assessed regarding their effectiveness and contribution. The assessment considers:

- in the case of the Board, its mandate and charter; and
- in the case of an individual director, the applicable position description(s), if any, as well as the competencies and skills each individual director is expected to possess.

## **AUDIT COMMITTEE CHARTER**

### **1. Purpose**

1.1. The Audit Committee is ultimately responsible for the policies and practices relating to integrity of financial and regulatory reporting, as well as internal controls to achieve the objectives of safeguarding of corporate assets; reliability of information; and compliance with policies and laws. Within this mandate, the Audit Committee's role is to:

- (a) support the board of directors of the Company (the "**Board of Directors**" or the "**Board**") in meeting its responsibilities to shareholders;
- (b) verify the independence of the external auditor;

- (c) facilitate effective communications between management and the external auditor and provide a link between the external auditor and the Board of Directors; and
  - (d) increase the credibility and objectivity of the Company's financial reports and public disclosure.
- 1.2. The Audit Committee will make recommendations to the Board of Directors regarding items relating to financial and regulatory reporting and the system of internal controls following the execution of the Audit Committee's responsibilities as described herein.
- 1.3. The Audit Committee will undertake those specific duties and responsibilities listed below and such other duties as the Board of Directors from time to time prescribe.

## **2. Membership**

- 2.1. Each member of the Audit Committee must be a director of the Company.
- 2.2. The Audit Committee will consist of at least three members, the majority of whom are neither officers nor employees of the Company or any of its affiliates.
- 2.3. The members of the Audit Committee will be appointed annually by and will serve at the discretion of the Board of Directors.

## **3. Authority**

- 3.1. In addition to all authority required to carry out the duties and responsibilities included in this charter, the Audit Committee has specific authority to:
- (a) engage, and set and pay the compensation for, independent counsel and other advisors as it determines necessary to carry out its duties and responsibilities; and
  - (b) communicate directly with management and any internal auditor, and with the external auditor without management involvement.

## **4. Duties and Responsibilities**

- 4.1. The duties and responsibilities of the Audit Committee include:
- (a) recommending to the Board of Directors the external auditor to be nominated by the Board of Directors;
  - (b) recommending to the Board of Directors the compensation of the external auditor;
  - (c) reviewing the external auditor's audit plan, fee schedule and any related services proposals;
  - (d) overseeing the work of the external auditor;
  - (e) verifying that the external auditor is in good standing with the Canadian Public Accountability Board and will enquire if there are any sanctions imposed by the CPAB on the external auditor;

- (f) verifying that the external auditor meets the rotation requirements for partners and staff on the Company's audits;
- (g) reviewing and discussing with management and the external auditor the annual audited financial statements, including discussion of material transactions with related parties, accounting policies, as well as the external auditor's written communications to the Audit Committee and to management;
- (h) reviewing the external auditor's report, audit results and financial statements prior to approval by the Board of Directors;
- (i) reporting on and recommending to the Board of Directors the annual financial statements and the external auditor's report on those financial statements, prior to Board approval and dissemination of financial statements to shareholders and the public;
- (j) reviewing financial statements, MD&A and annual and interim earnings press releases prior to public disclosure of this information;
- (k) ensuring adequate procedures are in place for review of all public disclosure of financial information by the Company, prior to its dissemination to the public;
- (l) overseeing the adequacy of the Company's system of internal accounting controls and internal audit process and obtaining from the external auditor summaries and recommendations for improvement of such internal controls and processes;
- (m) ensuring the integrity of disclosure controls and internal controls over financial reporting;
- (n) resolving disputes between management and the external auditor regarding financial reporting;
- (o) establishing procedures to deal with complaints and concerns, from employees and others, regarding questionable accounting, internal accounting controls or auditing practices;
- (p) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;
- (q) reviewing and approving the Company's hiring policies with respect to partners or employees (or former partners or employees) of either a former or the present external auditor;
- (r) pre-approving all non-audit services to be provided to the Company or any subsidiaries by the Company's external auditor; and
- (s) overseeing compliance with regulatory authority requirements for disclosure of external auditor services and Audit Committee activities.

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

## 5. Meetings

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

## 6. Reports

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

## 7. Minutes

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

### Composition of the Audit Committee

The following are the current members of the Committee:

Jorge Ramiro Monroy	Independent <sup>(1)</sup>	Financially literate <sup>(1)</sup>
Sean McGrath	Independent <sup>(1)</sup>	Financially literate <sup>(1)</sup>
Alexander Langer	Not Independent <sup>(1)</sup>	Financially literate <sup>(1)</sup>

<sup>(1)</sup> As defined in National Instrument 52-110 ("NI 52-110").

## **Relevant Education and Experience**

Below is a summary of the relevant education and experience of the members of the Audit Committee:

### ***Alexander Langer, Chairman***

Mr. Langer is corporate finance professional with particular experience in capital markets. Mr. Langer is the Founder of Andros Capital Corp. and AX1 Capital Corp., two capital markets advisory companies. Mr. Langer is also a Director of Ptolemy Capital, a London, UK based family office and boutique investment firm. Mr. Langer has experience as a Founder, CEO, Director and/or VP, Capital Markets of multiple public companies. Mr. Langer began his career as an investment advisor at Canaccord Genuity Corp. Mr. Langer holds a Master's Certificate in Finance from the University of Toronto.

### ***Jorge Ramiro Monroy***

Mr. Ramiro Monroy is a mining entrepreneur and investor based in Hong Kong. Mr. Ramiro Monroy is the Founder and Managing Director of Emerging Markets Capital, an investment firm based in Hong Kong investing primarily in mining exploration equities listed on the TSX and ASX. Prior to Emerging Markets Capital, Mr. Ramiro Monroy worked for Frontier Securities, a Japanese owned investment advisory and securities brokerage. He was part of the natural resources investments advisory team, advising and capital raising for mining and infrastructure companies with projects in Mongolia. Mr. Ramiro Monroy holds a Bachelor's degree from the State University of New York and an MBA in Finance from the Hong Kong University of Science and Technology.

### ***Sean McGrath***

Mr. Sean McGrath is a Chartered Professional Accountant (CPA, CGA) in Canada and a former Certified Public Accountant (Illinois) in the United States of America. He has spent more than 20 years providing financial management and consulting services to publicly traded companies, with primary emphasis in the natural resources sector. He has been involved in companies from the exploration stage through to production. He has been responsible for corporate strategy, in all aspects of accounting and finance, planning and forecasting, treasury, and internal and external reporting, internal controls and tax. Mr. McGrath has held senior executive positions with numerous publicly traded companies throughout his career. He is currently the chief executive officer of Supernova Metals Corp. and the chief financial officer of both Allegiant Gold Ltd. and Sassy Resources Corporation. Mr. McGrath holds a Bachelor of Commerce (Hons) degree from Memorial University of Newfoundland.

## **Audit Committee Oversight**

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

## **Reliance on Certain Exemptions**

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 (*De Minimis Non-audit Services*) of NI 52-110, or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

## Pre-Approval Policies and Procedures

The Committee has not adopted any specific policies and procedures for the engagement of non-audit services as described above under the heading “Responsibilities”. Routine non-audit services may be reviewed and approved by one or more independent members of the Committee and then must be presented to the full Committee at its next meeting. Any non-audit services for non-routine matters or that involve significant amount of work will be referred to the Board for approval.

## Exemption in Section 6.1 of NI 52-110

The Company is relying on the exemption in Section 6.1 of NI 52-110 from the requirement of Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations).

## External Auditor Service Fees (By Category)

The aggregate fees billed by the Company’s external auditors in the last two fiscal years for audit fees are as follows:

<i>Financial Year Ending</i>	<i>Audit Fees<sup>(1)</sup></i>	<i>Audit Related Fees<sup>(2)</sup></i>	<i>Tax Fees<sup>(3)</sup></i>	<i>All Other Fees<sup>(4)</sup></i>
2023	\$104,000	\$1,269	\$9,000	\$8,000
2022	\$23,000	\$281	\$9,000	Nil

- (1) "Audit fees" include aggregate fees billed by the Company’s external auditor in each of the last two fiscal years for audit fees.
- (2) “Audited Related Fees” include the aggregate fees billed in each of the last two fiscal years for assurance and related services by the Company’s external auditor that are reasonably related to the performance of the audit or review of the Company’s financial statements and are not reported under "Audit Fees" above.
- (3) "Tax Fees" include the aggregate fees billed in each of the last two fiscal years for professional services rendered by the Company’s external auditor for tax compliance, tax advice and tax planning.
- (4) "All Other Fees" include the aggregate fees billed in each of the last two fiscal years for products and services provided by the Company’s external auditor, other than "Audit fees", "Audit related fees" and "Tax fees" above.

## PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

### Approval of Stock Option Plan

The Board has approved the Company’s current form of 10% “rolling” stock option plan (the “**Stock Option Plan**” or the “**Plan**”). The Stock Option Plan incorporates certain requirements of Exchange Policy 4.4 – *Security Based Compensation* (“**Policy 4.4**”), which was amended on November 24, 2021. The information below should be read in conjunction with the Stock Option Plan. Any definitions or capitalized terms used or referenced below have the same meaning attributed to them in the Stock Option Plan which is attached to this Information Circular as Schedule “A” and will be accessible on the Company’s SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca).

The purpose of the Plan is to give to Eligible Persons (as defined herein) additional compensation, the opportunity to participate in the success of the Company by granting to such individuals Stock Options, exercisable over periods of up to ten (10) years as determined by the Board, to buy shares of the Company at a price not less than the Market Price (as defined herein) prevailing on the date the Stock Option is granted less applicable discount, if any, permitted by the policies of the Exchange and approved by the Board. The general terms and conditions of the Stock Option Plan are reflected in the disclosure below.

Key Terms	Summary
<b>Administration</b>	<p>The Board shall, without limitation, have full and final authority in their discretion, but subject to the express provisions of the Stock Option Plan, to interpret the Stock Option Plan, to prescribe, amend and rescind rules and regulations relating to the Stock Option Plan and to make all other determinations deemed necessary or advisable in respect of the Stock Option Plan. Except as set forth in certain sections of the Stock Option Plan and subject to any required prior Exchange approval, the interpretation and construction of any provision of the Stock Option Plan by the Board shall be final and conclusive. Administration of the Stock Option Plan shall be the responsibility of the appropriate officers of the Company and all costs in respect thereof shall be paid by the Company.</p>
<b>Number of Common Shares</b>	<p>The maximum aggregate number of Common Shares that are issuable pursuant to security-based compensation granted or issued under the Stock Option Plan and all of the Company's other previously established or proposed security-based compensation plans (to which the following limits apply under Exchange policies):</p> <ul style="list-style-type: none"><li data-bbox="553 894 1539 1066">(a) to all Eligible Persons granted a Stock Option pursuant to the Stock Option Plan and their heirs, executors, and administrators (“<b>Optionees</b>”) as a group (including for greater certainty Insiders (as a group) shall not exceed 10% of the total number of issued and outstanding Common Shares on a non-diluted basis at any point in time;</li><li data-bbox="553 1104 1539 1346">(b) to Insiders (as a group) in any 12-month period shall not exceed 10% of the total number of issued and outstanding Common Shares on a non-diluted basis on the date specified in an agreement whereby the Company grants an Optionee a Stock Option (an “<b>Option Agreement</b>”) as the date on which a Stock Option is granted (the “<b>Grant Date</b>”), unless the Company has obtained the requisite disinterested shareholder approval pursuant to applicable Exchange policies;</li><li data-bbox="553 1383 1539 1598">(c) to any one Optionee (including, where permitted under applicable policies of the Exchanges, any companies that are wholly owned by such Optionee) in any 12-month period shall not exceed 5% of the total number of issued and outstanding Common Shares on a non-diluted basis on the Grant Date, unless the Company has obtained the requisite disinterested shareholder approval pursuant to applicable Exchange policies.</li><li data-bbox="553 1635 1539 1734">(d) to any one Consultant (as defined under the policies of the Exchange) in any 12-month period shall not exceed 2% of the total number of issued and outstanding Common Shares on a non-diluted basis on the Grant Date;</li><li data-bbox="553 1772 1539 1904">(e) to Investor Relations Service Providers (as defined under the policies of the Exchange) (as a group) in any 12-month period shall not exceed 2% of the total number of issued and outstanding Common Shares on a non-diluted basis on the Grant Date, and Investor Relations Service Providers shall not be eligible</li></ul>



Key Terms	Summary
	<p>to receive any security- based compensation other than Stock Options if the Common Shares are listed on the Exchange at the time of any issuance or grant; and</p> <p>(f) to Eligible Charitable Organizations (as defined under the policies of the Exchange) (as a group) shall not exceed 1% of the total number of issued and outstanding Common Shares on a non-diluted basis on the Grant Date.</p>
<b>Securities</b>	Each Stock Option entitles the holder thereof to purchase one Common Share (subject to adjustment in certain circumstances) at an exercise price determined by the Board.
<b>Participation</b>	Any directors, officers, Employees (as defined under the policies of the Exchange), Management Company Employees (as defined under the policies of the Exchange), Consultants and Eligible Charitable Organizations (as defined under the policies of the Exchange) of the Company and its subsidiaries (collectively " <b>Eligible Persons</b> ").
<b>Stock Option Price</b>	The price per Common Share specified in an Option Agreement, adjusted from time to time, (the " <b>Option Price</b> ") under each Stock Option shall be not less than the Market Price on the Grant Date less the applicable discount permitted under the policies of the Exchanges or, if the Common Shares are not listed on any Exchange, less 25%.
<b>Exercise Period</b>	The exercise period of a Stock Option will be the period from and including the Grant Date up to 4:00 p.m. Pacific Time on the expiry date that will be determined by the Board at the time of grant (the " <b>Expiry Date</b> "), provided that the Expiry Date of a Stock Option will be no later than the tenth anniversary of the Grant Date of the Stock Option. In the event that the Expiry Date of a Stock Option falls during, a trading blackout period imposed by the Company (the " <b>Blackout Period</b> "), the Expiry Date of such Stock Option shall automatically be extended to a date which is ten (10) trading days following the end of such Blackout Period (the " <b>Extension Period</b> "), subject to no cease trade order being in place under applicable securities laws; provided that if an additional Blackout Period is subsequently imposed by the Company during the Extension Period, then such Extension Period shall be deemed to commence following the end of such additional Blackout Period to enable the exercise of such Stock Option within ten (10) trading days following the end of the last imposed Blackout Period.
<b>Ceasing to be an Eligible Person</b>	<p>If an Optionee ceases to be an Eligible Person, his or her Option shall be exercisable as follows:</p> <p>(a) <u>Death or Disability</u></p> <p>If the Optionee ceases to be an Eligible Person, due to his or her death or disability or, in the case of an Optionee that is a company, the death or disability</p>

**Key Terms**

**Summary**

of the person who provides management or consulting services to the Company or to any entity controlled by the Company, the Stock Option then held by the Optionee shall be exercisable to acquire the number of Common Shares, at a particular time, which have been reserved for issuance upon the exercise of a Stock Option but which have not been issued, as adjusted from time to time ("**Unissued Option Shares**") that have become exercisable in respect of a number of Option Shares by the Optionee pursuant to the terms of the Option Agreement ("**Vested**") at any time up to but not after the earlier of:

- (i) 365 days after the date of death or disability; and
- (ii) the Expiry Date;

(b) Termination For Cause

If the Optionee or, in the case of a Management Company Employee or a Consultant Company (as defined under the policies of the Exchange), the Optionee's employer, ceases to be an Eligible Person as a result of termination for cause as that term is interpreted by the courts of the jurisdiction in which the Optionee, or, in the case of a Management Company Employee or a Consultant Company, of the Optionee's employer, is employed or engaged; any outstanding Stock Option held by such Optionee on the date of such termination, whether in respect of Option Shares that are Vested or not, shall be cancelled as of that date.

(c) Early Retirement, Voluntary Resignation or Termination Other than For Cause

If the Optionee or, in the case of a Management Company Employee or a Consultant Company, the Optionee's employer, ceases to be an Eligible Person due to his or her retirement at the request of his or her employer earlier than the normal retirement date under the Company's retirement policy then in force, or due to his or her termination by the Company other than for cause, or due to his or her voluntary resignation, the Stock Option then held by the Optionee shall be exercisable to acquire Vested Unissued Option Shares at any time up to but not after the earlier of the Expiry Date and the date which is 90 days (30 days if the Optionee was engaged in Investor Relations Activities) after the Optionee or, in the case of a Management Company Employee or a Consultant Company, the Optionee's employer, ceases to be an Eligible Person.

(d) Spin-Out Transactions

If pursuant to the operation of section 5.3(c) of the Stock Option Plan (in connection with a corporate reorganization) an Optionee receives options (the "**New Options**") to purchase securities of another company (the "**New Company**") in respect of the Optionee's Stock Options (the "**Subject Options**"), subject to the prior approval of the Exchanges, the New Options shall expire on

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the earlier of: (i) the Expiry Date of the Subject Options; (ii) if the Optionee does not become an Eligible Person in respect of the New Company, the date that the Subject Options expire pursuant to paragraph (a), (b) or (c) above, as applicable; (iii) if the Optionee becomes an Eligible Person in respect of the New Company, the date that the New Options expire pursuant to the terms of the New Company's stock option plan that correspond to section (a), (b) or (c) above; and (iv) the date that is one (1) year after the Optionee ceases to be an Eligible Person in respect of the New Company or such shorter period as determined by the Board.

(e) Eligible Charitable Organizations

If the Optionee ceases to be an Eligible Person due to no longer being an Eligible Charitable Organization, the Stock Options then held by that Optionee shall be exercisable to acquire Vested Unissued Option Shares at any time up to but not after the earlier of the Expiry Date and the date which is 90 days after the date the Optionee ceases to be an Eligible Person.

Notwithstanding the foregoing, the Board may, in its sole discretion if it determines such is in the best interests of the Company and subject to the policies of the Exchanges, extend the early Expiry Date (as set out above in paragraphs (a) to (e)) of any Stock Option held by an Optionee who ceases to be an Eligible Person to a later date within a reasonable period, subject to such period not exceeding 12 months from the date the Optionee ceases to be an Eligible Person.

**Vesting**

The Board shall determine the terms upon which each Stock Option shall vest at the time of grant, subject to the policies of the Exchanges. Unless otherwise specified by the Board at the time of granting an Stock Option, all Stock Options shall vest and become exercisable in full upon grant, except Stock Options granted to Investor Relations Service Providers, which Stock Options must vest in stages over twelve months with no more than one-quarter of the Stock Options vesting in any three month period.

**Acceleration Events  
(Take-Over Bid and  
Change of Control)**

If at any time when a Stock Option granted under the Stock Option Plan remains unexercised with respect to any Unissued Option Shares, an Offer is made by an offeror, the Board may, upon notifying each Optionee of full particulars of the Offer and subject to the approval of the Exchanges with respect to Investor Relations Service Providers, declare all Option Shares issuable upon the exercise of Stock Options granted under the Stock Option Plan, Vested, and declare that the Expiry Date for the exercise of all unexercised Stock Options granted under the Stock Option Plan is accelerated so that all Stock Options will either be exercised or will expire prior to the date upon which Common Shares must be tendered pursuant to the Offer.

If a Change of Control occurs, all Option Shares subject to each outstanding Stock Option will become Vested, whereupon such Stock Option may be exercised in

Key Terms	Summary
<b>Amendments</b>	whole or in part by the Optionee, subject to the approval of the Exchanges with respect to Investor Relations Service Providers or if otherwise necessary.
<b>Common Shares Not Acquired</b>	The Board may from time to time, subject to applicable law and to the prior approval, if required, of the shareholders (or disinterested shareholders, if required), Exchanges or any other regulatory body having authority over the Company or the Stock Option Plan, suspend, terminate or discontinue the Stock Option Plan at any time, or amend or revise the terms of the Stock Option Plan or of any Stock Option granted under the Stock Option Plan and the Option Agreement relating thereto, provided that no such amendment, revision, suspension, termination or discontinuance shall in any manner adversely affect any Stock Option previously granted to an Optionee under the Stock Option Plan without the consent of that Optionee.
<b>Common Shares Not Acquired</b>	Any Unissued Option Shares not acquired by an Optionee under a Stock Option which has been settled in cash, cancelled, terminated, surrendered, forfeited or expired without being exercised may be made the subject of a further Stock Option pursuant to the provisions of the Stock Option Plan.
<b>Adjustments</b>	The Stock Option Plan provides for certain standard adjustments to the Option Price and the number of Unissued Option Shares in the event of a share reorganization, special dividend distribution or corporate reorganization. Any adjustment is subject to the prior approval of the Exchange, other than adjustments due to a share subdivision, combination or consolidation.
<b>Rights of Optionees</b>	An Optionee shall have no rights whatsoever as a shareholder of the Company in respect of any of the Unissued Option Shares (including, without limitation, voting rights or any right to receive dividends, warrants or rights under any rights offering).
<b>Previously Granted Stock Options</b>	Stock Options which are outstanding under pre-existing stock option plan(s) of the Company as of the effective date of the Stock Option Plan shall continue to be exercisable and shall be deemed to be governed by and be subject to the terms and conditions of the Stock Option Plan except to the extent that the terms of the Stock Option Plan are more restrictive than the terms of such pre-existing plan(s) under which such stock options were originally granted, in which case the applicable pre-existing plan(s) shall govern, provided that any stock options granted, issued or amended after November 23, 2021 must comply with TSXV Policy 4.4 - <i>Incentive Stock Options</i> (as at November 24, 2021).

Shareholders will be asked at the Meeting to approve, with or without variation, the following ordinary resolution (the “**Stock Option Resolution**”):

**“BE IT RESOLVED THAT:**

- (a) the Company’s Stock Option Plan be confirmed and approved, and that in connection therewith a maximum of 10% of the issued and outstanding common shares of the Company at the time of each grant be approved for granting as options; and
- (b) any director or officer of the Company be authorized and directed to do all acts and things and to execute and deliver all documents required, as in the opinion of such director or officer may be necessary or appropriate in order to give effect to this resolution.”

The Board unanimously recommends that each Shareholder vote FOR the Stock Option Resolution.

**Unless such authority is withheld, the persons named in the enclosed Proxy intend to vote for the approval of the Stock Option Plan.**

**ADDITIONAL INFORMATION**

Additional information relating to the Company is on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Shareholders may contact the Company at (604) 765-1604 to request copies of the Company’s financial statements and MD&A.

Financial information is provided in the Company’s comparative financial statements and MD&A for its most recently completed financial year which are filed on SEDAR.

**OTHER MATTERS**

Management of the Company is not aware of any other matter to come before the Meeting other than as set forth in the notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

DATED this 15<sup>th</sup> day of May, 2024.

APPROVED BY THE BOARD OF DIRECTORS

“Alexander Langer”

Alexander Langer

President and Chief Executive Officer

**Schedule "A"**

**Stock Option Plan**

# SIERRA MADRE GOLD AND SILVER LTD.

MAY 12, 2022

## 10% ROLLING STOCK OPTION PLAN

### 1. PURPOSE OF THE PLAN

The Company hereby establishes a stock option plan for Directors, Officers, Employees, Management Company Employees, Consultants and Eligible Charitable Organizations (as such terms are defined below) of the Company and its subsidiaries (collectively "**Eligible Persons**"), to be known as the "Sierra Madre Gold and Silver Ltd. Stock Option Plan" (the "**Plan**"). The purpose of the Plan is to give to Eligible Persons as additional compensation, the opportunity to participate in the success of the Company by granting to such individuals Options, exercisable over periods of up to ten (10) years as determined by the board of directors of the Company, to buy shares of the Company at a price not less than the Market Price prevailing on the date the Option is granted less applicable discount, if any, permitted by the policies of the Exchanges and approved by the Board.

### 2. DEFINITIONS

In this Plan, the following terms shall have the following meanings:

- 2.1 "**Board**" means the Board of Directors of the Company.
- 2.2 "**Change of Control**" means the occurrence of any one or more of the following events:
  - (i) a consolidation, reorganization, amalgamation, merger, acquisition or other business combination (or a plan of arrangement in connection with any of the foregoing), other than solely involving the Company and any one or more of its affiliates, with respect to which all or substantially all of the persons who were the beneficial owners of the Shares and other securities of the Company immediately prior to such consolidation, reorganization, amalgamation, merger, acquisition, business combination or plan of arrangement do not, following the completion of such consolidation, reorganization, amalgamation, merger, acquisition, business combination or plan of arrangement, beneficially own, directly or indirectly, more than 50% of the resulting voting rights (on a fully-diluted basis) of the Company or its successor;
  - (ii) the sale, exchange or other disposition to a person other than an affiliate of the Company of all, or substantially all of the Company's assets;
  - (iii) a resolution is adopted to wind-up, dissolve or liquidate the Company;
  - (iv) a change in the composition of the Board, which occurs at a single meeting of the shareholders of the Company or upon the execution of a shareholders' resolution, such that individuals who are members of the Board immediately prior to such meeting or resolution cease to constitute a majority of the Board, without the Board, as constituted immediately prior to such meeting or resolution, having approved of such change; or
  - (v) any person, entity or group of persons or entities acting jointly or in concert (an "**Acquiror**") acquires or acquires control (including, without limitation, the right to vote or direct the voting) of Voting Securities of the Company which, when added to the Voting Securities owned of record or beneficially by the Acquiror or which the Acquiror has the right to vote or in respect of which the Acquiror has the right to direct the voting, would entitle the Acquiror and/or associates and/or affiliates of the Acquiror to cast or to direct the casting of 20% or more of the votes attached to all of the Company's outstanding Voting Securities which may be cast to elect

directors of the Company or the successor Company (regardless of whether a meeting has been called to elect directors);

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

- 2.3 "**Company**" means Sierra Madre Gold and Silver Ltd. and its successors.
- 2.4 "**Consultant**" means a "Consultant" as defined in the TSXV Policies.
- 2.5 "**Consultant Company**" means a "Consultant Company" as defined in the TSXV Policies.
- 2.6 "**Director**" means a "Director" as defined in the TSXV Policies.
- 2.7 "**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:
  - a. being employed or engaged by the Company, its subsidiaries or another employer, in a position the same as or similar to that in which he was last employed or engaged by the Company or its subsidiaries; or
  - b. acting as a director or officer of the Company or its subsidiaries.
- 2.8 "**Eligible Charitable Organization**" means an "Eligible Charitable Organization" as defined in TSXV Policies.
- 2.9 "**Eligible Persons**" has the meaning given to that term in section 1 hereof.
- 2.10 "**Employee**" means an "Employee" as defined in the TSXV Policies.
- 2.11 "**Exchanges**" means the TSX Venture Exchange and, if applicable, any other stock exchange on which the Shares are listed.
- 2.12 "**Exchange Hold Period**" means "Exchange Hold Period" as defined in TSXV Policies.
- 2.13 "**Expiry Date**" means the date set by the Board under section 3.1 of the Plan, as the last date on which an Option may be exercised.
- 2.14 "**Grant Date**" means the date specified in an Option Agreement as the date on which an Option is granted.
- 2.15 "**Insider**" means an "Insider" as defined in the TSXV Policies.
- 2.16 "**Investor Relations Activities**" means "Investor Relations Activities" as defined in the TSXV Policies.
- 2.17 "**Investor Relations Service Provider**" means "Investor Relations Service Provider" as defined in the TSXV Policies.
- 2.18 "**Joint Actor**" means a person acting "jointly or in concert with" another person as that phrase is interpreted in National Instrument 62-104 – *Take-Over Bids and Issuer Bids*.
- 2.19 "**Management Company Employee**" means a "Management Company Employee" as defined in the TSXV Policies.



- 2.20 "**Market Price**" of Shares at any Grant Date means the market price per Share as determined by the Board, provided that if the Company is listed on an Exchange, such price shall not be less than the market price determined in accordance with the rules of such Exchange.
- 2.21 "**Officer**" means an "Officer" as defined in the TSXV Policies.
- 2.22 "**Option**" means an option to purchase Shares granted pursuant to, or governed by, this Plan and any pre-existing stock option plan of the Company.
- 2.23 "**Option Agreement**" means an agreement, in the form attached hereto as Schedule "A", whereby the Company grants to an Optionee an Option.
- 2.24 "**Optionee**" means each of the Eligible Persons granted an Option pursuant to this Plan and their heirs, executors and administrators.
- 2.25 "**Option Price**" means the price per Share specified in an Option Agreement, adjusted from time to time in accordance with the provisions of section 5.
- 2.26 "**Option Shares**" means the aggregate number of Shares which an Optionee may purchase under an Option.
- 2.27 "**Plan**" means this Sierra Madre Gold and Silver Ltd. Stock Option Plan.
- 2.28 "**Securities Act**" means the Securities Act (British Columbia), R.S.B.C. 1996, c.418, as amended, as at the date hereof.
- 2.29 "**Security Based Compensation**" means "Security Based Compensation" as defined in the TSXV Policies.
- 2.30 "**Shares**" means the common shares in the capital of the Company as constituted on the Grant Date provided that, in the event of any adjustment pursuant to section 5, "Shares" shall thereafter mean the shares or other property resulting from the events giving rise to the adjustment.
- 2.31 "**TSXV Policies**" means the policies included in the TSX Venture Exchange Corporate Finance Manual and "**TSXV Policy**" means any one of them.
- 2.32 "**Unissued Option Shares**" means the number of Shares, at a particular time, which have been reserved for issuance upon the exercise of an Option but which have not been issued, as adjusted from time to time in accordance with the provisions of section 5, such adjustments to be cumulative.
- 2.33 "**Vested**" means that an Option has become exercisable in respect of a number of Option Shares by the Optionee pursuant to the terms of the Option Agreement.

### 3. GRANT OF OPTIONS

#### 3.1 Option Terms

The Board may from time to time authorize the issue of Options to Eligible Persons. Where permitted under applicable policies of the Exchanges, companies that are wholly owned by Eligible Persons may also be issued Options. The Option Price under each Option shall be not less than the Market Price on the Grant Date less the applicable discount permitted under the policies of the Exchanges or, if the Shares are not listed on any Exchange, less 25%. The Expiry Date for each Option shall be set by the Board at the time of issue of the Option and shall not be more than ten years after the Grant Date, subject to the operation of section 4.1. Options shall not be assignable or transferable by the Optionee.

### 3.2 Limits on Shares Issuable on Exercise of Options

The maximum aggregate number of Shares that are issuable pursuant to Security Based Compensation granted or issued under the Plan and all of the Company's other previously established or proposed Security Based Compensation plans (to which the following limits apply under Exchange policies):

- (a) to all Optionees as a group (including for greater certainty Insiders (as a group)) shall not exceed 10% of the total number of issued and outstanding Shares on a non-diluted basis at any point in time;
- (b) to Insiders (as a group) in any 12-month period shall not exceed 10% of the total number of issued and outstanding Shares on a non-diluted basis on the Grant Date, unless the Company has obtained the requisite disinterested shareholder approval pursuant to applicable Exchange policies;
- (c) to any one Optionee (including, where permitted under applicable policies of the Exchanges, any companies that are wholly owned by such Optionee) in any 12-month period shall not exceed 5% of the total number of issued and outstanding Shares on a non-diluted basis on the Grant Date, unless the Company has obtained the requisite disinterested shareholder approval pursuant to applicable Exchange policies.
- (d) to any one Consultant in any 12-month period shall not exceed 2% of the total number of issued and outstanding Shares on a non-diluted basis on the Grant Date;
- (e) to Investor Relations Service Providers (as a group) in any 12-month period shall not exceed 2% of the total number of issued and outstanding Shares on a non-diluted basis on the Grant Date, and Investor Relations Service Providers shall not be eligible to receive any Security Based Compensation other than Options if the Shares are listed on the TSX Venture Exchange at the time of any issuance or grant; and
- (f) to Eligible Charitable Organizations (as a group) shall not exceed 1% of the total number of issued and outstanding Shares on a non-diluted basis on the Grant Date.

### 3.3 Option Agreements

Each Option shall be confirmed by the execution of an Option Agreement. Each Optionee shall have the option to purchase from the Company the Option Shares at the time and in the manner set out in the Plan and in the Option Agreement applicable to that Optionee. In respect of Options granted to Employees, Consultants, Consultant Companies or Management Company Employees, the Company and the Optionee is representing herein and in the applicable Option Agreement that the Optionee is a bona fide Employee, Consultant, Consultant Company or Management Company Employee, as the case may be, of the Company or its subsidiary. The execution of an Option Agreement shall constitute conclusive evidence that it has been completed in compliance with this Plan. All Options shall be subject to any applicable resale restrictions pursuant to applicable securities laws. In addition, Options and Option Shares that are subject to the Exchange Hold Period pursuant to TSXV Policy 1.1 must be legended with the Exchange Hold Period commencing on the Grant Date, and the Option Agreement shall contain any applicable resale restriction or Exchange Hold Period.

## 4. EXERCISE OF OPTION

### 4.1 When Options May be Exercised

Subject to sections 4.3, 4.4 and 4.5, an Option may be exercised to purchase any number of Shares up to the number of Vested Unissued Option Shares at any time after the Grant Date up to 4:00 p.m. Pacific Time on the Expiry Date and shall not be exercisable thereafter. In the event that the Expiry Date of an Option falls during a trading blackout period imposed by the Company (the "**Blackout Period**"), the Expiry Date of such Option shall automatically be extended to a date which is ten (10) trading days following the end of such Blackout Period (the "**Extension Period**"), subject to no cease trade order being in place under

applicable securities laws; provided that if an additional Blackout Period is subsequently imposed by the Company during the Extension Period, then such Extension Period shall be deemed to commence following the end of such additional Blackout Period to enable the exercise of such Option within ten (10) trading days following the end of the last imposed Blackout Period.

#### **4.2 Manner of Exercise**

The Option shall be exercisable by delivering to the Company a notice specifying the number of Option Shares in respect of which the Option is exercised together with payment in full of the Option Price for each such Option Share. Upon notice and payment there will be a binding contract for the issue of the Option Shares in respect of which the Option is exercised, upon and subject to the provisions of the Plan. Delivery of the Optionee's cheque payable to the Company or such other method of cash payment as is acceptable to the Company in the amount of the Option Price shall constitute payment of the Option Price unless the cheque or other method of cash payment, as the case may be, is not honoured upon presentation in which case the Option shall not have been validly exercised.

#### **4.3 Vesting of Option Shares**

The Board, subject to the policies of the Exchanges, may determine and impose terms upon which each Option shall become Vested in respect of Option Shares. Unless otherwise specified by the Board at the time of granting an Option, and subject to the other limits on Option grants set out in Section 3.2 hereof, all Options granted under the Plan shall vest and become exercisable in full upon grant, except Options granted to Investor Relations Service Providers, which Options must vest in stages over twelve months with no more than one-quarter of the Options vesting in any three month period.

#### **4.4 Termination of Employment**

If an Optionee ceases to be an Eligible Person, his or her Option shall be exercisable as follows:

(a) Death or Disability

If the Optionee ceases to be an Eligible Person, due to his or her death or Disability or, in the case of an Optionee that is a company, the death or Disability of the person who provides management or consulting services to the Company or to any entity controlled by the Company, the Option then held by the Optionee shall be exercisable to acquire Vested Unissued Option Shares at any time up to but not after the earlier of:

- (i) 365 days after the date of death or Disability; and
- (ii) the Expiry Date;

(b) Termination For Cause

If the Optionee or, in the case of a Management Company Employee or a Consultant Company, the Optionee's employer, ceases to be an Eligible Person as a result of termination for cause as that term is interpreted by the courts of the jurisdiction in which the Optionee, or, in the case of a Management Company Employee or a Consultant Company, of the Optionee's employer, is employed or engaged; any outstanding Option held by such Optionee on the date of such termination, whether in respect of Option Shares that are Vested or not, shall be cancelled as of that date.

(c) Early Retirement, Voluntary Resignation or Termination Other than For Cause

If the Optionee or, in the case of a Management Company Employee or a Consultant Company, the Optionee's employer, ceases to be an Eligible Person due to his or her retirement at the request of his or her employer earlier than the normal retirement date under the Company's retirement policy then in force, or due to his or her termination by the Company other than for cause, or due to his or her voluntary resignation, the Option then

held by the Optionee shall be exercisable to acquire Vested Unissued Option Shares at any time up to but not after the earlier of the Expiry Date and the date which is 90 days (30 days if the Optionee was engaged in Investor Relations Activities) after the Optionee or, in the case of a Management Company Employee or a Consultant Company, the Optionee's employer, ceases to be an Eligible Person.

(d) Spin-Out Transactions

If pursuant to the operation of sub-section 5.3(c) an Optionee receives options (the "**New Options**") to purchase securities of another company (the "**New Company**") in respect of the Optionee's Options (the "**Subject Options**"), subject to the prior approval of the Exchanges, the New Options shall expire on the earlier of: (i) the Expiry Date of the Subject Options; (ii) if the Optionee does not become an Eligible Person in respect of the New Company, the date that the Subject Options expire pursuant to sub-section 4.4(a), (b) or (c), as applicable; (iii) if the Optionee becomes an Eligible Person in respect of the New Company, the date that the New Options expire pursuant to the terms of the New Company's stock option plan that correspond to sub-section 4.4(a), (b) or (c) hereof; and (iv) the date that is one (1) year after the Optionee ceases to be an Eligible Person in respect of the New Company or such shorter period as determined by the Board.

(e) Eligible Charitable Organizations

If the Optionee ceases to be an Eligible Person due to no longer being an Eligible Charitable Organization, the Options then held by that Optionee shall be exercisable to acquire Vested Unissued Option Shares at any time up to but not after the earlier of the Expiry Date and the date which is 90 days after the date the Optionee ceases to be an Eligible Person.

Notwithstanding the foregoing, the Board may, in its sole discretion if it determines such is in the best interests of the Company and subject to the policies of the Exchanges, extend the early Expiry Date (as set out above in this section 4.4) of any Option held by an Optionee who ceases to be an Eligible Person to a later date within a reasonable period, subject to such period not exceeding 12 months from the date the Optionee ceases to be an Eligible Person.

For purposes of this section 4.4, the dates of death, Disability, termination, retirement, voluntary resignation, ceasing to be an Eligible Person and incapacity shall be interpreted to be without regard to any period of notice (statutory or otherwise) or whether the Optionee or his or her estate continues thereafter to receive any compensatory payments from the Company or is paid salary by the Company in lieu of notice of termination.

For greater certainty, an Option that had not become Vested in respect of certain Unissued Option Shares at the time that the relevant event referred to in this section 4.4 occurred, shall not be or become vested or exercisable in respect of such Unissued Option Shares and shall be cancelled.

#### **4.5 Effect of a Take-Over Bid**

If a *bona fide* offer ( an "**Offer**") for Shares is made to the Optionee or to shareholders of the Company 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 Company, within the meaning of subsection 1(1) of the Securities Act, the Company shall, immediately upon receipt of notice of the Offer, notify each Optionee of full particulars of the Offer, whereupon (subject to the approval of the Exchanges with respect to Investor Relations Service Providers) all Option Shares subject to such Offer will become Vested and the Option may be exercised in whole or in part by the Optionee so as to permit the Optionee to tender the Option 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 Option Shares tendered by the Optionee pursuant to the Offer are not taken up or paid for by the offeror in respect thereof,

then the Option Shares received upon such exercise, or in the case of clause (b) above, the Option Shares that are not taken up and paid for, may be returned by the Optionee to the Company and reinstated as authorized but unissued Shares and with respect to such returned Option Shares, the Option shall be reinstated as if it had not been exercised and the terms upon which such Option Shares were to become Vested pursuant to section 4.3 shall be reinstated. If any Option Shares are returned to the Company under this section 4.5, the Company shall immediately refund the exercise price to the Optionee for such Option Shares.

#### **4.6 Acceleration of Expiry Date**

If at any time when an Option granted under the Plan remains unexercised with respect to any Unissued Option Shares, an Offer is made by an offeror, the Board may, upon notifying each Optionee of full particulars of the Offer and subject to the approval of the Exchanges with respect to Investor Relations Service Providers, declare all Option Shares issuable upon the exercise of Options granted under the Plan, 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, except that not less than 5 business days of notice is required and more than 30 days of notice is not required.

#### **4.7 Compulsory Acquisition or Going Private Transaction**

If and whenever, following a take-over bid or issuer bid, there shall be a compulsory acquisition of the Shares pursuant to Division 6 of the *Business Corporations Act* (British Columbia) or any successor or similar legislation, or any amalgamation, merger or arrangement in which securities acquired in a formal take-over bid may be voted under the conditions described in Section 8.2 of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*, then following the date upon which such compulsory acquisition, amalgamation, merger or arrangement is effective, an Optionee shall be entitled to receive, and shall accept, for the same exercise price, in lieu of the number of Option Shares to which such Optionee was theretofore entitled to purchase upon the exercise of his or her Options, the aggregate amount of cash, shares, other securities or other property which such Optionee would have been entitled to receive as a result of such bid if he or she had tendered such number of Option Shares to the take-over bid.

#### **4.8 Effect of a Change of Control**

If a Change of Control occurs, all Option Shares subject to each outstanding Option will become Vested, whereupon such Option may be exercised in whole or in part by the Optionee, subject to the approval of the Exchanges with respect to Investor Relations Service Providers or if otherwise necessary.

#### **4.9 Exclusion from Severance Allowance, Retirement Allowance or Termination Settlement**

If the Optionee, or, in the case of a Management Company Employee or a Consultant Company, the Optionee's employer, retires, resigns or is terminated from employment or engagement with the Company or any subsidiary of the Company, the loss or limitation, if any, pursuant to the Option Agreement with respect to the right to purchase Option Shares which were not Vested at that time or which, if Vested, were cancelled, 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.

#### **4.10 Shares Not Acquired**

Any Unissued Option Shares not acquired by an Optionee under an Option which has been settled in cash, cancelled, terminated, surrendered, forfeited or expired without being exercised may be made the subject of a further Option pursuant to the provisions of the Plan.

### **5. ADJUSTMENT OF OPTION PRICE AND NUMBER OF OPTION SHARES**

#### **5.1 Share Reorganization**

Subject to the prior approval of the Exchanges (other than in the case of a Share subdivision or consolidation), whenever the Company issues Shares to all or substantially all holders of Shares by way of a stock dividend or other distribution, or subdivides all outstanding Shares into a greater number of Shares, or combines or consolidates all outstanding Shares into a lesser number of Shares (each of such events being herein called a "**Share Reorganization**") then effective immediately after the record date for such dividend or other distribution or the effective date of such subdivision, combination or consolidation, for each Option:

- (a) the Option Price will be adjusted to a price per Share which is the product of:
  - (i) the Option Price in effect immediately before that effective date or record date; and
  - (ii) a fraction, the numerator of which is the total number of Shares outstanding on that effective date or record date before giving effect to the Share Reorganization, and the denominator of which is the total number of Shares that are or would be outstanding immediately after such effective date or record date after giving effect to the Share Reorganization; and
- (b) the number of Unissued Option Shares will be adjusted by multiplying (i) the number of Unissued Option Shares immediately before such effective date or record date by (ii) a fraction which is the reciprocal of the fraction described in subsection 5.1 (a)(ii).

Any increase in the number of Unissued Option Shares as a result of the adjustment provisions provided in this section 5.1 is subject to compliance with the limits set out in section 3.2 and, if any increase in the number of Unissued Option Shares as a result of the adjustment provisions provided in this section 5.1 would result in any limit set out in section 3.2 being exceeded, then the Company may, if determined by the Board in its sole and unfettered discretion (subject to the prior approval of the Exchanges), make payment in cash to the Optionee in lieu of increasing the number of Unissued Option Shares in order to properly reflect any diminution in value of the Option Shares as a result of such Share Reorganization.

#### **5.2 Special Distribution**

Subject to the prior approval of the Exchanges, whenever the Company issues by way of a dividend or otherwise distributes to all or substantially all holders of Shares;

- (a) shares of the Company, other than the Shares;
- (b) evidences of indebtedness;
- (c) any cash or other assets, excluding cash dividends (other than cash dividends which the Board has determined to be outside the normal course); or
- (d) rights, options or warrants;

then to the extent that such dividend or distribution does not constitute a Share Reorganization (any of such non-excluded events being herein called a "**Special Distribution**"), and effective immediately after the record date at which holders of Shares are determined for purposes of the Special Distribution, for each Option the Option Price will be reduced, and the number of Unissued Option Shares will be correspondingly increased, by such amount, if any, as is determined by the Board in its sole and unfettered discretion to be appropriate in order to properly reflect any diminution in value of the Option Shares as a result of such Special Distribution.

Any increase in the number of Unissued Option Shares as a result of the adjustment provisions provided in this section 5.2 is subject to compliance with the limits set out in section 3.2 and, if any increase in the number of Unissued Option Shares as a result of the adjustment provisions provided in this section 5.2 would result in any limit set out in section 3.2 being exceeded, then the Company may, if determined by the Board in its sole and unfettered discretion (subject to the prior approval of the Exchanges), make payment in cash to the Optionee in lieu of increasing the number of Unissued Option Shares in order to properly reflect any diminution in value of the Option Shares as a result of such Special Distribution.

### **5.3 Corporate Organization**

Subject to the prior approval of the Exchanges, whenever there is:

- (a) a reclassification of outstanding Shares, a change of Shares into other shares or securities, or any other capital reorganization of the Company, other than as described in sections 5.1 or 5.2;
- (b) a consolidation, merger or amalgamation of the Company with or into another corporation resulting in a reclassification of outstanding Shares into other shares or securities or a change of Shares into other shares or securities;
- (c) an arrangement or other transaction under which, among other things, the business or assets of the Company become, collectively, the business and assets of two or more companies with the same shareholder group upon the distribution to the Company's shareholders, or the exchange with the Company's shareholders, of securities of the Company, or securities of another company, or both; or
- (d) a transaction whereby all or substantially all of the Company's undertaking and assets become the property of another corporation,

(any such event being herein called a "**Corporate Reorganization**") the Optionee will have an option to purchase (at the times, for the consideration, and subject to the terms and conditions set out in the Plan) and will accept on the exercise of such option, in lieu of the Unissued Option Shares which he/she would otherwise have been entitled to purchase, the kind and amount of shares or other securities or property that he/she would have been entitled to receive as a result of the Corporate Reorganization if, on the effective date thereof, he/she had been the holder of all Unissued Option Shares or if appropriate, as otherwise determined by the Board.

### **5.4 Determination of Option Price and Number of Unissued Option Shares**

If any questions arise at any time with respect to the Option Price or number of Unissued Option Shares deliverable upon exercise of an Option following a Share Reorganization, Special Distribution or Corporate Reorganization, such questions shall be conclusively determined by the Company's auditor, or, if they decline to so act, any other firm of Chartered Accountants in Vancouver, British Columbia, that the Board may designate and who will have access to all appropriate records and such determination will be binding upon the Company and all Optionees.

### **5.5 Regulatory Approval**

Any adjustment to the Option Price or the number of Unissued Option Shares purchasable under the Plan pursuant to the operation of any one of sections 5.1, 5.2 or 5.3 is subject to the prior approval of the

Exchanges and any other governmental authority having jurisdiction. Notwithstanding the foregoing, adjustments pursuant to section 5.1 due to a Share subdivision or consolidation do not require prior TSX Venture Exchange approval.

## **6. MISCELLANEOUS**

### **6.1 Right to Employment**

Neither this Plan nor any of the provisions hereof shall confer upon any Optionee any right with respect to employment or continued employment with the Company or any subsidiary of the Company or interfere in any way with the right of the Company or any subsidiary of the Company to terminate such employment.

### **6.2 Necessary Approvals**

The Plan shall be effective upon the approval of the Plan by the Board and the Exchange or any regulatory authority having jurisdiction over the securities of the Company and shall be ratified thereafter by the shareholders of the Company by way of an ordinary resolution at the next duly convened meeting of the shareholders of the Company. Disinterested shareholder approval (as required by the Exchanges) will be obtained for any reduction in the exercise price, or any extension of the term, of any Option granted under this Plan if the Optionee is an Insider of the Company at the time of the proposed amendment. In addition, any amendment to an Option (including any cancellation of an Option and subsequent grant of a new Option to the same Person within one year) that results in a benefit to an Insider of the Company at the time of amendment will be subject to disinterested shareholder approval (as required by the Exchanges). The obligation of the Company to sell and deliver Shares in accordance with the Plan is subject to the approval of the Exchanges and any governmental authority having jurisdiction. If any Shares cannot be issued to any Optionee for any reason, including, without limitation, the failure to obtain such approval, then the obligation of the Company to issue such Shares shall terminate and any Option Price paid by an Optionee to the Company shall be immediately refunded to the Optionee by the Company.

### **6.3 Administration of the Plan**

The Board shall, without limitation, have full and final authority in their discretion, but subject to the express provisions of the Plan, to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to the Plan and to make all other determinations deemed necessary or advisable in respect of the Plan. Except as set forth in section 5.4 and subject to any required prior Exchange approval, the interpretation and construction of any provision of the Plan by the Board shall be final and conclusive. Administration of the Plan shall be the responsibility of the appropriate officers of the Company and all costs in respect thereof shall be paid by the Company.

### **6.4 Withholding Taxes**

The exercise of each Option granted under the Plan is subject to the condition that if at any time the Company determines, in its discretion, that the satisfaction of withholding tax or other withholding liabilities is necessary or desirable in respect of such exercise, such exercise is not effective unless such withholding has been effected to the satisfaction of the Company. In such circumstances, the Company may require that the Optionee pay to the Company, in addition to and in the same manner as the exercise price for the Shares, such amount as the Company is obliged to remit to the relevant tax authority in respect of the exercise of the Option. Alternatively, the Company shall have the right in its discretion to satisfy any such liability for withholding or other required deduction amounts by retaining or acquiring any Shares acquired upon exercise of any Option, or retaining any amount payable, which would otherwise be issued or delivered, provided or paid to an Optionee by the Company, whether or not such amounts are payable under the Plan. For greater certainty, the application of this section 6.4 to any exercise of an Option shall not conflict with the policies of the Exchanges that are in effect at the relevant time and the Company will obtain prior Exchange acceptance and/or shareholder approval of any application of this section 6.4 if required pursuant to such policies.



## **6.5 Amendments to the Plan**

The Board may from time to time, subject to applicable law and to the prior approval, if required, of the shareholders (or disinterested shareholders, if required), Exchanges or any other regulatory body having authority over the Company or the Plan, suspend, terminate or discontinue the Plan at any time, or amend or revise the terms of the Plan or of any Option granted under the Plan and the Option Agreement relating thereto, provided that no such amendment, revision, suspension, termination or discontinuance shall in any manner adversely affect any Option previously granted to an Optionee under the Plan without the consent of that Optionee.

## **6.6 Form of Notice**

A notice given to the Company shall be in writing, signed by the Optionee and delivered to the head business office of the Company.

## **6.7 No Representation or Warranty**

The Company makes no representation or warranty as to the future market value of any Shares issued in accordance with the provisions of the Plan.

## **6.8 Compliance with Applicable Law**

If any provision of the Plan or any Option Agreement contravenes any law or any order, policy, by-law or regulation of any regulatory body or Exchange having authority over the Company or the Plan, then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

## **6.9 No Assignment or Transfer**

No Optionee may assign or transfer any of his or her rights under the Plan or any option granted thereunder. Notwithstanding the foregoing, where permitted under applicable policies of the Exchanges, companies that are wholly owned by Eligible Persons may be issued Options.

## **6.10 Rights of Optionees**

An Optionee shall have no rights whatsoever as a shareholder of the Company in respect of any of the Unissued Option Shares (including, without limitation, voting rights or any right to receive dividends, warrants or rights under any rights offering).

## **6.11 Previously Granted Options**

Stock options which are outstanding under pre-existing stock option plan(s) of the Company as of the effective date of this Plan shall continue to be exercisable and shall be deemed to be governed by and be subject to the terms and conditions of this Plan except to the extent that the terms of this Plan are more restrictive than the terms of such pre-existing plan(s) under which such stock options were originally granted, in which case the applicable pre-existing plan(s) shall govern, provided that any stock options granted, issued or amended after November 23, 2021 must comply with TSXV Policy 4.4 - *Incentive Stock Options (as at November 24, 2021)*.

## **6.12 Conflict**

In the event of any conflict between the provisions of this Plan and an Option Agreement, the provisions of this Plan shall govern.

## **6.13 Governing Law**

The Plan and each Option Agreement issued pursuant to the Plan shall be governed by the laws of the province of British Columbia.

**6.14 Time of Essence**

Time is of the essence of this Plan and of each Option Agreement. No extension of time will be deemed to be or to operate as a waiver of the essentiality of time.

**6.15 Entire Agreement**

This Plan and the Option Agreement sets out the entire agreement between the Company and the Optionees relative to the subject matter hereof and supersedes all prior agreements, undertakings and understandings, whether oral or written.

**Approved by the Board of Directors of the Company effective May 12, 2022.**

**Approved by the shareholders of the Company on June 30, 2022.**

SCHEDULE "A"

SIERRA MADRE GOLD AND SILVER LTD.

STOCK OPTION PLAN - OPTION AGREEMENT

[If the Company is listed on the TSXV at the time of the option grant, the following legend is required in respect of: (i) Options with an Option Price at a discount to the Market Price; or (ii) Options granted to directors, officers, promoters of the Company or persons holding securities carrying more than 10% of the voting rights and who have elected or appointed or have the right to elect or appoint one or more directors or senior officers of the Company: *Without prior written approval of the TSX Venture Exchange and compliance with all applicable securities legislation, the securities represented by this agreement and any securities issued upon exercise thereof may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until ●, 20● (being four months and one day after the date of grant).*]

This Option Agreement is entered into between Sierra Madre Gold and Silver Ltd. (the "**Company**") and the **OPTIONEE** named below pursuant to the Company Stock Option Plan (the "**Plan**"), a copy of which is attached hereto, and confirms that:

1. on ●, 20● (the "**Grant Date**");
2. ● (the "**Optionee**");
3. was granted the option (the "**Option**") to purchase ● common shares (the "**Option Shares**") of the Company;
4. for the price (the "**Option Price**") of \$● per share;
5. which rights to purchase the Option Shares under the Option may be exercised and will vest on the Grant Date [OR set forth applicable vesting schedule – **NOT LESS THAN QUARTERLY VESTING OVER A MINIMUM OF 1 YEAR FOR INVESTOR RELATIONS SERVICE PROVIDERS**]; and
6. the Option will terminate 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.

Where the Optionee is resident in or otherwise subject to the securities laws of the United States, the Optionee acknowledges that any Option Shares received by him/her upon exercise of the Option have not been registered under the United States *Securities Act of 1933*, as amended, or the Blue Sky laws of any state (collectively, the "**Securities Acts**"). The Optionee acknowledges and understands that the Company is under no obligation to register, under the Securities Acts, the Option Shares received by him/her or to assist him/her in complying with any exemption from such registration if he/she should at a later date wish to dispose of the Option Shares. The Optionee acknowledges that the Option Shares shall bear a legend restricting the transferability thereof, such legend to be substantially in the following form:

***"The shares represented by this certificate have not been registered or qualified under the United States Securities Act of 1933, as amended or state securities laws. The shares may not be offered for sale, sold, pledged or otherwise disposed of unless so registered or qualified, unless an exemption exists or unless such disposition is not subject to U.S. federal or state securities laws, and the Company may require that the availability of any exemption or the inapplicability of such securities laws be established by an opinion of counsel, which opinion of counsel shall be reasonably satisfactory to the Company."***

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 (including without limitation all representations set out therein with respect to the Optionee).

**Acknowledgement – Personal Information**

The undersigned hereby acknowledges and consents to:

- (a) the disclosure to the TSX Venture Exchange and all other 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 the TSX Venture Exchange and all other 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 ●, 20 ●.

\_\_\_\_\_  
Signature

**SIERRA MADRE GOLD AND SILVER LTD.**

\_\_\_\_\_  
Print Name

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

\_\_\_\_\_  
Address

\_\_\_\_\_

**SIERRA MADRE GOLD AND SILVER LTD.  
STOCK OPTION PLAN  
NOTICE OF EXERCISE OF OPTION**

**TO: Sierra Madre Gold and Silver Ltd. (the "Company")**

The undersigned hereby irrevocably gives notice, pursuant to the stock option plan of the Company (the of the exercise of stock options ("**Options**") to acquire and hereby subscribes for (cross out inapplicable item):

- (a) all of the Option Shares; or
- (b) \_\_\_\_\_ of the Option Shares,

which are the subject of the Option Agreement attached hereto.

The undersigned tenders herewith payment to "Sierra Madre Gold and Silver Ltd.", or such other payee as directed by the Company, in an amount equal to the aggregate exercise price of the aforesaid Option Shares and directs the Company to issue the certificate evidencing said Option Shares in the name of the undersigned and mail a copy of that certificate to the undersigned at the following address:

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

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

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