

**2025**

**ANNUAL GENERAL AND SPECIAL  
MEETING OF SHAREHOLDERS**

To be held on June 25, 2025

**MANAGEMENT INFORMATION CIRCULAR**

Date: May 6, 2025

## DISCOVERY SILVER CORP.

## NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that an annual and special meeting (the “**Meeting**”) of the shareholders (the “**Shareholders**”) of Discovery Silver Corp. (the “**Company**”) will be held at Bay Adelaide Centre – North Tower, 40 Temperance Street, Suite 3200, Toronto, Ontario, Canada, M5H 0B4 on Wednesday June 25, 2025 at 11:00 a.m. (Toronto time) for the following purposes:

1. to receive and consider the audited consolidated financial statements of the Company as at and for the years ended December 31, 2024 and 2023, together with the report of the auditors thereon;
2. to appoint PricewaterhouseCoopers LLP, Chartered Professional Accountants, as auditor of the Company and authorize the board of directors of the Company (the “**Board**”) to fix their remuneration;
3. to elect the directors of the Company for the ensuing year;
4. to consider and, if thought advisable, to pass, with or without variation, an ordinary resolution of Shareholders to adopt a long-term incentive plan, the full text of which is set forth in Schedule A of the accompanying management information circular of the Company dated May 6, 2025 (the “**Circular**”), to replace the Company’s existing restricted share unit plan;
5. to consider and, if thought advisable, to pass, with or without variation, an ordinary resolution of Shareholders to amend the Company’s deferred share unit plan (the “**DSU Plan**”), the full text of which is set forth in Schedule B of the Circular;
6. to consider and, if thought advisable, to pass, with or without variation, an ordinary resolution of Shareholders to approve all unallocated deferred share units issuable pursuant to the Company’s DSU Plan, as more particularly described in the Circular;
7. to consider and, if thought advisable, to pass, with or without variation, an ordinary resolution of Shareholders to approve all unallocated options issuable pursuant to the Company’s stock option plan, as more particularly described in the Circular;
8. to consider and, if thought advisable, to pass, with or without variation, an ordinary resolution of Shareholders to approve all unallocated restricted share units issuable pursuant to the Company’s RSU Plan, as more particularly described in the Circular; and
9. to transact such further or other business as may properly come before the Meeting or any postponement(s) or adjournment(s) thereof.

Your vote as a Shareholder is important. Shareholders who are unable to attend the Meeting are requested to complete, date, sign and return the enclosed form of proxy so that as large a representation as possible may be had at the Meeting. More information regarding each of the matters to be acted upon can be found under the heading “*Business of the Meeting*” in the Circular. Shareholders are reminded to review the Circular before voting.

The Board has fixed the close of business on May 6, 2025 (the “**Record Date**”), as the record date for the Meeting, being the date for the determination of the registered Shareholders entitled to notice and to vote at the Meeting and any adjournment or postponement thereof.

The Company has elected to use the “notice-and-access” mechanism provided for under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* to deliver the Meeting materials to Shareholders, including this Notice of Meeting of Shareholders and the Circular. This means that, rather than receiving paper copies of the Meeting materials in the mail, Shareholders as of the Record Date will have access to electronic copies of the Meeting materials at [www.meetingdocuments.com/TSXT/DSV](http://www.meetingdocuments.com/TSXT/DSV) and under the Company’s profile on the System for Electronic Document Analysis and Retrieval (“**SEDAR+**”) at [www.sedarplus.ca](http://www.sedarplus.ca).

Shareholders may request, without any charge to them, a paper copy of the Circular (and the audited financial statements and related management's discussion and analysis for the Company's last financial year and any other documents referred to in the Circular) and further information on "notice-and-access" by contacting the Company as follows:

E-mail:            tsxt-fulfilment@tmx.com

Telephone:        1-888-433-6443 (toll free), +1-416-682-3801 (direct)

Mail:              Suite 301 - 100 Adelaide Street West, Toronto, ON, M5H 4H1

Requests for paper copies of the Circular (and any other related documents) must be received by no later than 11:00 a.m. (Toronto time) on June 9, 2025 for Shareholders to receive paper copies of such documents and return their completed proxies by the deadline for submission specified below.

**A registered Shareholder may attend the Meeting in person or may be represented by proxy. Registered Shareholders who are unable to attend the Meeting or any adjournment(s) or postponement(s) thereof in person are requested to complete, date, sign, and return the form of proxy for use at the Meeting or any adjournment(s) or postponement(s) thereof, in each case in accordance with the instructions contained in the Circular or on the form of proxy.** The Board has by resolution fixed 11:00 a.m. (Toronto time) on June 23, 2025, or 48 hours (excluding Saturdays, Sundays, and holidays) before any adjournment or postponement of the Meeting as the time by which proxies to be used or acted upon shall be deposited with the Company's transfer agent, in accordance with the instructions set forth in the Circular and the form of proxy. The time limit for deposit of proxies may be waived or extended by the Meeting Chair at his or her discretion without notice.

Beneficial Shareholders will be sent a voting information form ("**VIF**") by their intermediary. This form will instruct the intermediary as to how to vote the common shares at the Meeting. **If you are a beneficial Shareholder, it is vital that the VIF provided to you by TSX Trust, your broker, intermediary, or its agent is returned according to the instructions provided in or with such form, sufficiently in advance of the deadline specified, to ensure that they are able to provide voting instructions on your behalf.**

DATED at Toronto, Ontario as of May 6, 2025.

BY ORDER OF THE BOARD

(Signed) "*Murray John*"  
Chair of the Board

If you are a Shareholder and receive these materials through your broker or through another intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or other intermediary. Failure to do so may result in your shares not being eligible to be voted by proxy at the Meeting.

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## LETTER TO SHAREHOLDERS

May 6, 2025

To Our Fellow Shareholders,

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2024 was a transformational year for Discovery. We made substantial progress on our large-scale Cordero silver project in Mexico, with positive feasibility study (the “**Feasibility Study**”) results being released in February. During the second half of the year, our focus was on evaluating the potential acquisition of Newmont Corporation’s Porcupine Complex (the “**Porcupine Acquisition**” or “**Acquisition**”) in and near Timmins, Ontario, with a transaction being completed on April 15, 2025. Through this Acquisition, we have transformed our company into a North American-focused precious metals company that combines growing gold production in Northern Ontario, Canada, with one of the world's leading silver development projects in Mexico.

Market fundamentals for both gold and silver strengthened considerably in 2024 and have remained strong in the first several months of 2025, with the price of both metals reaching record levels. The favorable price environment, combined with the positive market reaction to the Porcupine Acquisition and increasing optimism around the future of Cordero, have contributed to significant share price outperformance. As at the Record Date, Discovery's share price of \$3.03 had increased nearly 400% from the price of \$0.76 per share at the beginning of 2024.

The Porcupine Acquisition establishes our company as a new Canadian gold producer with multiple operations, a large base of Mineral Resources and substantial potential for growth in one of the world’s most prolific gold camps. Consideration paid to Newmont at closing included USD\$200 million of cash and USD\$75 million through the issuance of 119.7 million Discovery common shares. To fund the Acquisition, and expected capital expenditures and working capital requirements at Porcupine, we arranged USD\$575 million of financing, including \$400 million of royalty and debt financing with Franco-Nevada Corporation (“**Franco-Nevada**”). We appreciate the support that Franco-Nevada provided Discovery as we worked to complete the Acquisition. We value the strong strategic relationship that has developed between our two companies. In addition to the royalty and debt financings, Franco-Nevada also purchased approximately \$70 million (USD\$50 million) of common shares through our subscription receipt financing that closed on February 3, 2025, providing the company with a 9.8% ownership interest in Discovery.

The Porcupine Acquisition is a truly unique and attractive opportunity. Through a single transaction, we have acquired:

- One of Canada’s highest grade gold mines, with total production of over 4.0 million ounces since 1987 and an excellent track record for replacing reserves (Hoyle Pond);
- A relatively new mine that is on a 1,000 km<sup>2</sup> land position with camp potential that has had limited exploration drilling beyond the current mining area (Borden);
- A new, long-life open-pit project with potential to become much larger given its attractive exploration upside at depth and in multiple directions, and its close proximity to known deposits (Pamour);
- One of the pillars of Canada’s gold mining history, where there remains an 11.0 million ounce Inferred Mineral Resource, substantial exploration potential and an opportunity to resume mining operations at a large scale (Dome); and,
- A central processing facility currently operating well below capacity with the potential for considerable growth through investment (Dome Mill).

We released a technical report (the “**Technical Report**”) for Porcupine in January that included estimated average annual production of over 285,000 ounces of gold for the next 10 years, with total production extending to 2046. Based on

December 2024 analyst consensus gold prices<sup>1</sup>, the net present value (“NPV”) came to US\$1.2 billion, which compares favourably to the consideration paid at closing. We expect to improve on the estimates in the Technical Report by investing in the assets to grow production, extend mine life and lower costs at existing operations. We also have a strong commitment to exploration, with there being multiple attractive drill targets at each asset and significant regional exploration potential.

At Cordero, the release of our Feasibility Study in February 2024 marked a major milestone in the advancement of the project. The Study confirmed the substantial scale and highly attractive economics of the project, with a 19-year production life, including an average of 37 million ounces of silver equivalent production annually during the first 12 years. With Proven and Probable Mineral Reserves of 302 million ounces of silver, Cordero is among the world’s largest undeveloped silver deposits.

Throughout 2024, we maintained our commitment to responsible development and strong environmental stewardship at Cordero. We were particularly proud to receive both the Socially Responsible Enterprise (“ESR”) distinction from the Mexican Center for Philanthropy (“CEMEFI”) and the internationally recognized Great Place to Work Certification for the third consecutive year. In addition, Discovery was the only mining company in Mexico to receive the Best Environmental Practices (“BEP”) distinction from CEMEFI in 2024 as well as the Quality Environmental Certification from Mexico’s Federal Attorney’s Office for Environmental Protection in November 2023. The BEP recognizes outstanding environmental performance that exceeds compliance levels, while the Quality Environmental Certification is a two-year designation given to companies that meet all of Mexico’s environmental regulations.

Looking ahead, 2025 has already been transformational for our company, and we plan to keep the momentum going. At Porcupine, we are commencing investment plans to optimize the existing operations and to begin realizing the outstanding exploration potential that exists. In Mexico, we achieved a major milestone in March, acquiring the final parcel of land required for the development of the mine. Given the improved political environment, we are optimistic that Cordero will complete the permitting phase and be advancing towards construction by the end of the year.

On behalf of the Board of Directors, we would first like to thank our dedicated and talented team, which includes our new employees joining us at Porcupine. Transforming a company is no easy accomplishment, and we are very proud of our people for their performance and achievements. We also want to express our sincere gratitude to our fellow shareholders. The process of acquiring Porcupine extended over a considerable period, and we thank you for your support as we worked to complete the Acquisition and grow the value of our company. Finally, we also want to extend our appreciation to other key stakeholder groups, including our local communities and First Nations partners, for your support. We look forward to building on our strong relationships as we commence a new chapter for gold mining in the century-old Timmins Camp.

We are truly excited about Discovery’s future as we work together to establish a highly profitable precious metals company that achieves excellence in all aspects of responsible and sustainable mining and creates value for all its stakeholders.

Sincerely,

Tony Makuch  
President and Chief Executive Officer

Murray John  
Chair of the Board

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<sup>1</sup> See “Porcupine Complex, Ontario, Canada, NI 43-101 Technical Report on Preliminary Economic Assessment” with an effective date of January 13, 2025, available on the Company’s SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca).

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## MANAGEMENT INFORMATION CIRCULAR

### ABOUT THE SHAREHOLDER MEETING

#### SOLICITATION OF PROXIES

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You have received this management information circular (“Circular”) because you owned common shares (“Common Shares”) of Discovery Silver Corp. (“Discovery” or the “Company”) as at May 6, 2025. You are therefore entitled to attend and vote at the annual and special meeting (the “Meeting”) of shareholders (the “Shareholders”) of the Company to be held on Wednesday June 25, 2025, and any adjournment or postponement thereof.

The board of directors of the Company (the “Board”) has fixed the close of business on May 6, 2025, as the record date for the Meeting, being the date for the determination of the Registered Shareholders (as defined below) entitled to receive notice of, and to vote at, the Meeting and any adjournment or postponement thereof (the “Record Date”).

Management is soliciting your proxy for the Meeting. The Board has fixed 11:00 a.m. (Toronto Time) on Monday, June 23, 2025, or 48 hours (excluding Saturdays, Sundays, or holidays) before any adjournment or postponement of the Meeting, as the time by which proxies to be acted upon at the Meeting must be deposited with the Company’s transfer agent, TSX Trust Company (“TSX Trust” or the “Transfer Agent”). The time limit for the deposit of proxies may be waived or extended by the Chair of the Meeting (the “Meeting Chair”) at his or her discretion without notice. It is expected that the solicitation will be primarily by email or telephone. Proxies may also be solicited personally by employees of the Company. Such employees will not receive any extra compensation for such activities. The cost of solicitation will be borne directly by the Company.

Unless otherwise stated, the information contained in this Circular is as of May 6, 2025. All dollar amounts referenced in this Circular, unless otherwise indicated, are expressed in Canadian dollars.

#### NOTICE-AND-ACCESS

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In accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“NI 54-101”), the Company has given notice of the Meeting in accordance with the “Notice-and-Access” procedures of NI 54-101 (“Notice-and-Access”), pursuant to which it has sent the notice of Meeting (the “Notice of Meeting”) and the proxy, but not this Circular, directly to its Registered Shareholders and NOBOs (as defined below). Arrangements have been made to forward proxy solicitation materials to the NOBOs.

This Circular is being made available to Shareholders at [www.meetingdocuments.com/TSXT/DSV](http://www.meetingdocuments.com/TSXT/DSV) and on the System for Electronic Document Analysis and Retrieval (“SEDAR+”) at [www.sedarplus.ca](http://www.sedarplus.ca), but has not been mailed to Shareholders. Shareholders may request, without any charge to them, a paper copy of the Circular (and the audited financial statements and related management’s discussion and analysis for the Company’s last financial year and any other documents referred to in the Circular) and further information on Notice-and-Access by contacting the Company as follows:

E-mail: [tsxt-fulfilment@tmx.com](mailto:tsxt-fulfilment@tmx.com)

Telephone: 1-888-433-6443 (toll free), +1-416-682-3801 (direct)

Mail: Suite 301 - 100 Adelaide Street West, Toronto, ON, M5H 4H1

Requests for paper copies of the Circular (and any other related documents) must be received by no later than 11:00 a.m. (Toronto time) on June 9, 2025 for Shareholders to receive paper copies of such documents and return their

completed proxies by the deadline for submission of 11:00 a.m. (Toronto time) on June 23, 2025, or 48 hours (excluding Saturdays, Sundays, or holidays) before any adjournment or postponement of the Meeting.

## **INFORMATION REGARDING THE VOTING OF COMMON SHARES**

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### **Voting**

Each Registered Shareholder and each person representing a Registered Shareholder or Beneficial Shareholder through a proxy (a “**Proxyholder**”) will be entitled to one vote for each Common Shares held or represented, respectively. To approve an ordinary resolution proposed at the Meeting, a majority of the votes cast will be required.

### **Quorum**

Quorum for the Meeting consists of one person present in person, being a Shareholder entitled to vote at the Meeting, or a duly appointed proxy or Proxyholder for an absent Shareholder so entitled.

### **Registered Shareholders**

Only Shareholders registered as Shareholders in the Company’s shareholder register maintained by the Transfer Agent or their duly appointed Proxyholders will be able to view a live webcast of the Meeting, ask the Board questions and submit votes in real time at the Meeting.

Every registered holder of Common Shares (“**Registered Shareholder**”) at the close of business on the Record Date is entitled to receive notice of, and to vote their Common Shares at, the Meeting.

A Registered Shareholder may attend and vote at the Meeting. Registered Shareholders who are unable to attend the Meeting and who wish to ensure that their Common Shares will be voted at the Meeting are requested to either:

- (i) complete, sign and deliver the enclosed form of proxy c/o Proxy Department, TSX Trust Company, P.O. Box 721, Agincourt, ON M1S 0A1; or
- (ii) complete the proxy by voting online by entering your 13-digit control number at [www.meeting-vote.com](http://www.meeting-vote.com).

If you are a Registered Shareholder, to ensure your vote is counted, you should complete and return the enclosed form of proxy as soon as possible even if you plan to attend the Meeting. Even if you return a form of proxy, you can still attend and vote at the Meeting, in which case you will need to instruct the scrutineer at the Meeting to cancel your proxy.

In order to be valid and acted upon at the Meeting, forms of proxy must be received at the aforesaid address or voted online not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for the holding of the Meeting or any adjournment or postponement thereof. Further instructions with respect to voting by proxy are provided in the form of proxy and below.

### **Beneficial Shareholders**

Shareholders may beneficially own Common Shares through (i) brokers, securities dealers, banks, trust companies, trustees or administrators of a self-administered registered retirement savings plan, registered retirement income fund, registered education savings plan and similar plans, or their respective agents and nominees (“**Intermediaries**”); or (ii) in the name of a clearing agency (such as CDS & Co., the registration name for The Canadian Depository for Securities Limited or CEDE & Co., the registration name for The Depository Trust Company) of which the Intermediary is a

participant (“**Beneficial Shareholders**”). Beneficial Shareholders will not be recognized, nor may they make motions or vote at the Meeting, except as described below. Without specific instructions, Intermediaries are prohibited from voting Common Shares for their clients.

Additionally, there are two kinds of Beneficial Shareholders: (a) those who object to their name being made known to the issuers of securities which they own, known as Objecting Beneficial Owners (“**OBOs**”); and (b) those who do not object to their name being made known to the issuers of securities which they own, known as Non-Objecting Beneficial Owners (“**NOBOs**”). Canadian NOBOs will receive a Voting Instruction Form (“**VIF**”) with a 12-digit control number while the remaining Beneficial Shareholders will receive a VIF with a 16-digit control number.

NI 54-101 requires Intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. In accordance with the requirements of NI 54-101, the Company has distributed copies of the Notice of Meeting, this Circular and the form of proxy to the Intermediaries and clearing agencies for onward distribution to Beneficial Shareholders. Intermediaries are required to forward these materials to Beneficial Shareholders unless the Beneficial Shareholder has waived the right to receive them.

The Company is sending proxy-related materials directly to NOBOs. Management of the Company intends to pay for Intermediaries to forward to OBOs under NI 54-101 the proxy-related materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary*.

Beneficial Shareholders will be sent a VIF by their Intermediary with the Circular. This form will instruct the Intermediary as to how to vote the Common Shares at the Meeting. **If you are a Beneficial Shareholder, it is vital that the VIF provided to you by TSX Trust, your broker, Intermediary, or its agent is returned according to the instructions provided in or with such form, sufficiently in advance of the deadline specified, to ensure that they are able to provide voting instructions on your behalf.**

Most Intermediaries in Canada and the United States of America delegate responsibility for obtaining instructions from clients to a third-party company (or, if the Beneficial Shareholder has so consented, allows the Company or its Transfer Agent to do so directly) which sends a machine-readable VIF to Beneficial Shareholders and asks the Beneficial Shareholders to return the VIF to them or provide voting instructions to them. The third-party company (or the Company or its Transfer Agent, if it has sent the VIF to the Beneficial Shareholder directly) then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting.

The VIF supplied to a Beneficial Shareholder by its Intermediary or the Company or its Transfer Agent is substantially similar to the form of proxy provided directly to Registered Shareholders; however, it is limited to instructing the Registered Shareholder (that is, the Intermediary) how to vote on behalf of the Beneficial Shareholder.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of their Intermediary, the Beneficial Shareholder may attend the Meeting as Proxyholder for the Intermediary and indirectly vote the Common Shares in that capacity. **Beneficial Shareholders wishing to attend the Meeting and indirectly vote their Common Shares as their own Proxyholder, must enter their own names in the blank space on the VIF provided to them and return the VIF in accordance with the instructions provided on it.**

**If a Beneficial Shareholder receives a VIF and does not wish to attend the Meeting as a Proxyholder, the VIF must be returned, or instructions respecting the voting of Common Shares must be communicated, to the third-party company (or the Company or its Transfer Agent) in advance of the Meeting to have the Common Shares voted in accordance with the instructions on that VIF.**

Shareholders with questions respecting the voting of Common Shares held through an Intermediary should contact that Intermediary for assistance.

### Appointment of Proxyholders

The persons named in the accompanying form of proxy as Proxyholders are directors or officers of the Company. **A Shareholder has the right to appoint a person (who need not be a Shareholder) to attend and act on the Shareholder's behalf at the Meeting other than the persons named in the form of proxy as Proxyholders. To exercise this right, the Shareholder must strike out the names of the persons named in the form of proxy as Proxyholders and insert the name of the Shareholder's nominee in the space provided or complete another form of proxy and submit the form of proxy. If you appoint and register a non-management Proxyholder, please ensure that they attend the Meeting for your vote to count.**

The Common Shares represented by the form of proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot. A Shareholder completing the enclosed form of proxy may indicate the manner in which the persons named in the form of proxy are to vote with respect to any matter by marking an 'X' in the appropriate space. On any poll required or requested, those persons will vote or withhold from voting the Common Shares in respect of which they are appointed in accordance with the directions, if any, given in the form of proxy, provided such directions are certain.

If a Shareholder wishes to confer a discretionary authority with respect to any matter, then the space should be left blank. **If you appoint the Company's Proxyholders and do not indicate your voting instructions, they will vote your Common Shares FOR all of the matters to be acted upon at the Meeting.**

**The enclosed form of proxy, when properly signed, confers discretionary authority with respect to amendments or variations to the matters identified in the Notice of Meeting.** At the date of this Circular, management of the Company is not aware of any amendments or variations that are to be presented at the Meeting. If, however, any such amendments or variations should properly come before the Meeting, the proxies hereby solicited will be exercised in accordance with the best judgement of the Proxyholders.

To be valid, the form of proxy must be dated and signed by the Shareholder or the Shareholder's attorney duly authorized in writing. In the case of a corporation, the form of proxy must be dated and executed under its corporate seal or signed by a duly authorized officer of, or attorney for, the corporation.

**The completed proxy, together with the power of attorney or other authority, if any, under which it was signed or a notarially certified copy thereof, must be deposited with the Transfer Agent, TSX Trust, in accordance with its instructions and before the time set out in the form of proxy. Proxies received after such time may be accepted or rejected by the Meeting Chair in the Meeting Chair's discretion. Beneficial Shareholders must deliver their completed proxies in accordance with the instructions given by the Intermediary that forwarded the form of proxy to them.**

### Revocation of Proxies

**Shareholders have the power to revoke proxies previously given by them.** Revocation of proxies by Registered Shareholders can be effected by an instrument in writing (which includes a form of proxy bearing a later date) signed by a Shareholder or the Shareholder's attorney duly authorized in writing (in the case of a corporation, such instrument must be executed under its corporate seal or signed by a duly authorized officer or attorney for the corporation) which is either delivered to TSX Trust at Proxy Department, P.O. Box 721, Agincourt, Ontario, M1S 0A1, Canada any time up to and including the close of business on the last business day preceding the day of the Meeting, or any adjournment or postponement thereof, or deposited with the Meeting Chair prior to the hour of commencement on the day of the Meeting.

A Beneficial Shareholder who has submitted a proxy may revoke it by contacting the Intermediary through which the Beneficial Shareholder’s Common Shares are held and following the instructions of the Intermediary respecting the revocation of proxies.

**If you vote on a ballot, you will be revoking any, and all, previously submitted proxies. If you DO NOT wish to revoke your previously submitted proxies, do not vote at the Meeting.**

**Q&A ON VOTING**

**Q: What am I voting on?**

A: Holders of Common Shares are voting on the appointment of the Company’s auditor, the election of the directors of the Company, the adoption of a new long-term incentive plan (“**LTI Plan**”) to replace the Company’s restricted share unit plan (the “**RSU Plan**”), amendments to the deferred share unit plan (“**DSU Plan**”), the approval of all unallocated deferred share units (“**DSUs**”) issued pursuant to the DSU Plan, the approval of all unallocated options (“**Options**”) issuable pursuant to the Company’s stock option plan (“**Option Plan**”), and the approval of all unallocated restricted share units (“**RSUs**”) issued pursuant to the RSU Plan, all as further described below under “*Business of the Meeting*”.

**Q: Who is entitled to vote?**

A: Holders of Common Shares at the close of business on May 6, 2025, are entitled to vote at the Meeting. Each Common Share entitles the holder to one vote.

**Q: Am I a Registered Shareholder or a Non-Registered Shareholder?**

A: You are a Registered Shareholder if you hold Common Shares registered in your own name. See above “*Registered Shareholders*” for more information. You are a non-registered or Beneficial Shareholder if you hold Common Shares that are registered in the name of an Intermediary (a bank, trust company, securities dealer or broker, director or administrator of a self-administered RRSP, RRIF, RESP, TFSA or similar plan) or a depository, such as CDS Clearing and Depository Services Inc. See above “*Beneficial Shareholders*” for more information. Canadian NOBOs will receive a VIF with a 12-digit control number directly from the Company, while the remaining Beneficial Shareholders will receive a VIF with a 16-digit control number from their Intermediary.

**Q: If I am a Registered Shareholder, how do I vote?**

A: If you are a Registered Shareholder, you may vote at the Meeting or you may sign the form of proxy or VIF sent to you, appointing the named persons or some other person you choose, to represent you as a Proxyholder and vote your Common Shares at the Meeting. Whether or not you plan to attend the Meeting in person, you are requested to vote. If you wish to vote by proxy, you should complete the form of proxy and return it based on the instructions set out on page 2 above.

Registered Shareholders can vote in one of the following ways:

<b>Internet</b>	Go to <a href="http://www.meeting-vote.com">www.meeting-vote.com</a> . Enter the 13-digit control number printed on the form of proxy or VIF and follow the instructions.
<b>Mail</b>	Enter voting instructions, sign the form of proxy and send your completed form of proxy to: TSX Trust Company, Attn: Proxy Department

	P.O. Box 721, Agincourt, ON M1S 0A1
<b>Fax</b>	Enter voting instructions, sign the form of proxy and send your completed form of proxy to: 416-595-9593
<b>Attend the Meeting</b>	If you are a Registered Shareholder, you can attend and vote at the Meeting. Do not fill out and return your form of proxy if you intend to vote at the Meeting.

**Q: If I am a Beneficial Shareholder, how do I vote?**

A: In accordance with the requirements of applicable securities law, the Company will distribute copies of the notice package to the depository and to Intermediaries who in turn distribute to Beneficial Shareholders. Accordingly, included in your package you will have received from your Intermediary a VIF for the number of Common Shares you beneficially own. You should follow the instructions you have received from your Intermediary and contact your Intermediary promptly if you need assistance.

You are not required to attend the Meeting; however, you are requested to vote your Common Shares. The Company has limited access to the names of its Beneficial Shareholders. If you plan to attend and vote at the Meeting, the Company may have no record of your shareholdings unless your Intermediary has appointed you as Proxyholder. Accordingly, you must insert your name in the space provided on the VIF and return it as set out in the instructions provided to you.

Beneficial (Canadian OBO or US NOBO/OBO) Shareholders can vote in one of the following ways:

<b>Internet</b>	Go to <a href="http://www.proxyvote.com">www.proxyvote.com</a> . Enter the 16-digit control number printed on the VIF and follow the instructions on screen.
<b>Phone</b>	<i>Canadian OBO Shareholders:</i> 1-800-474-7493 (English) 1-800-474-7501 (French) <i>US NOBO/OBO Shareholders:</i> 1-800-454-8683 You will need to enter your 16-digit control number. Follow the interactive voice recording instructions to submit your vote.
<b>Fax</b>	<i>Canadian OBO Shareholders:</i> Enter voting instructions, sign the VIF and fax your completed form to: 905.507.7793 or 514.281.8911.
<b>Attend the Meeting</b>	Insert your name in the space provided on the VIF and return it as set out in the instructions provided to you.

**Q: Who is soliciting my proxy?**

A: Proxies are being solicited by management of the Company and the associated costs are borne by the Company. The solicitation is being done primarily by sending you proxy materials by email or mail and by posting this Circular on the Company’s website at [www.discoverysilver.com](http://www.discoverysilver.com) and under the Company’s profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

**Q: When is the deadline for me to vote by proxy?**

A: Regardless of whether you submit your vote by mail, fax or online, you must submit your vote by no later than 11:00 a.m. (Toronto Time) on Monday, June 23, 2025, or 48 hours (excluding Saturdays, Sundays, or holidays) before any adjournment or postponement of the Meeting. Further instructions with respect to voting by proxy are provided in the form of proxy and above. The time limit for deposit of proxies may be waived or extended by the Meeting Chair at his or her discretion without notice.

**Q: Who counts the votes?**

A: The Transfer Agent, TSX Trust Company, counts and tabulates the votes.

**Q: If I need to contact TSX Trust, how do I reach them?**

A: For general Shareholder inquiries you can contact TSX Trust directly by mail at 301 – 100 Adelaide Street West, Toronto ON, M5H 4H1 or by telephone, toll free in North-America at 1-800-387-0825 or by fax at 416-682-3860 or on its website at [www.tsxtrust.com](http://www.tsxtrust.com).

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

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Other than with respect to the election of directors, the proposed amendments to the DSU Plan and the adoption of the LTI Plan, no (a) director or executive officer of the Company who has held such position at any time since January 1, 2024; (b) proposed nominee for election as a director of the Company; or (c) associate or affiliate of a person in (a) or (b), has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

**VOTING SECURITIES**

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The authorized capital of the Company consists of an unlimited number of Common Shares. As at May 6, 2025 the Record Date, the Company had 800,705,615 Common Shares issued and outstanding as fully paid and non-assessable shares, each share carrying the right to one vote. The Company is also authorized to issue an unlimited number of preferred shares of which there were none outstanding as of the Record Date.

Shareholders of record at the close of business on the Record Date will be entitled to one vote for each Common Share held. Only those Shareholders of record as of the Record Date will be entitled to vote at the Meeting or any adjournment or postponement thereof.

The Company will prepare a list of Shareholders as of the Record Date. Shareholders named on that list will be entitled to vote the Common Shares then registered in their name at the Meeting (unless prohibited from voting by applicable regulatory authorities on a particular matter to be considered at the Meeting) except to the extent that the Shareholder has transferred ownership of any of the Common Shares after the Record Date and the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that the transferee owns the Common Shares, and demands at any time before the Meeting that the transferee's name be included in the list of persons entitled to vote at the Meeting. In that case the transferee will be entitled to vote their Common Shares at the Meeting or any postponement or adjournment thereof.

**PRINCIPAL HOLDERS**

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To the knowledge of the directors and executive officers of the Company, other than as set out below, no person or company beneficially owns, directly or indirectly, or exercises control or direction over voting securities carrying more than 10% of the voting rights attached to the Common Shares.

As of the Record Date, 2176423 Ontario Ltd. (a company beneficially owned by Mr. Eric Sprott) beneficially held and exercised control or direction over an aggregate 121,843,998 Common Shares, representing approximately 15.2% of the Company's issued and outstanding Common Shares as of the Record Date.

As of the Record Date, Newmont Corporation indirectly held and exercised control or direction over an aggregate of 119,716,667 Common Shares, representing approximately 15.0% of the issued and outstanding Common Shares as of the Record Date.

## BUSINESS OF THE MEETING

### PRESENTATION OF FINANCIAL STATEMENTS

The audited consolidated financial statements of the Company as at and for the years ended December 31, 2024, and 2023, and the report of the auditor thereon will be tabled at the Meeting but no vote by the Shareholders with respect thereto is proposed to be taken. The audited consolidated financial statements of the Company and the related Management’s Discussion and Analysis (“**MD&A**”) for the years ended December 31, 2024 and 2023, are available under the Company’s profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on the Company’s website at [www.discoverysilver.com](http://www.discoverysilver.com).

### APPOINTMENT OF AUDITOR

At the Meeting, Shareholders will be asked to consider and, if deemed appropriate, pass an ordinary resolution to appoint the firm of PricewaterhouseCoopers LLP (“**PwC**”), Chartered Professional Accountants, of Toronto, Ontario to serve as auditor of the Company until the next annual meeting of Shareholders and to authorize the directors of the Company to fix the auditor’s remuneration, subject to approval by the Audit Committee.

The following table discloses the aggregate fees billed to the Company by its external auditor during the financial year ended December 31, 2024, and the financial year ended December 31, 2023.

Year Ended	Audit Fees <sup>(1)</sup> (\$)	Audit Related Fees <sup>(2)</sup> (\$)	Tax Fees <sup>(3)</sup> (\$)	All Other Fees <sup>(4)</sup> (\$)
December 31, 2024	242,540	Nil	19,260	Nil
December 31, 2023	215,297	Nil	18,680	Nil

**Notes:**

- (1) “Audit Fees” refer to the aggregate fees billed by the Company’s external auditor for audit services, including fees incurred in relation to quarterly reviews, procedures in connection with securities filings, and statutory audits.
- (2) “Audit-Related Fees” refer to the aggregate fees billed 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 not reported under Audit Fees.
- (3) “Tax Fees” refer to the aggregate fees billed for the professional services rendered by the Company’s external auditor for tax compliance.
- (4) “All Other Fees” refer to the aggregate fees billed for products and services provided by the Company’s external auditor, other than the services reported under (1), (2), and (3), above.
- (5) During 2024, the external auditors billed work of approximately \$137,000 for 2023 annual audit fees. During 2025, the external auditors have billed work of approximately \$108,000 for 2024 annual audit fees.

All fees for any services provided by PwC are subject to pre-approval by the Audit Committee.

For further information with respect to the Company’s auditor, please see the Company’s annual information form for the year ended December 31, 2024, available under the Company’s profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on the Company’s website at [www.discoverysilver.com](http://www.discoverysilver.com).

To be effective, the resolution approving the appointment of PwC, to serve as auditor of the Company until the next annual meeting of Shareholders and authorizing the directors to fix the auditor’s remuneration, subject to approval by the Audit Committee, must be approved by not less than a majority of the votes cast by Shareholders present in person or represented by proxy and entitled to vote at the Meeting.

The Board unanimously recommends that Shareholders vote in favour of the appointment of PricewaterhouseCoopers LLP, to serve as auditor of the Company until the next annual meeting of Shareholders.

Unless authority to do so is withheld, the persons named in the enclosed form of proxy intend to vote FOR the appointment of PricewaterhouseCoopers LLP, to serve as auditor of the Company until the next annual meeting of Shareholders and to authorize the directors to fix the auditor's remuneration, subject to approval by the Audit Committee.

## **ELECTION OF DIRECTORS**

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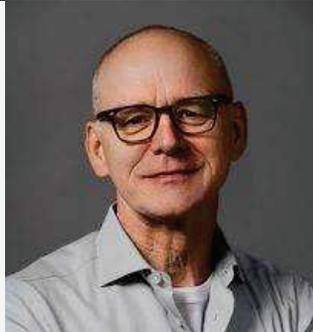
The Board presently consists of seven directors and the intention is that at the Meeting, six directors be elected for the ensuing year. Jennifer Wagner, one of the current directors, is not standing for re-election due to joining the management team as the Company's Executive Vice President of Corporate Affairs and Sustainability. Management does not contemplate that any of the individuals nominated for election as a director (each, a "Nominee" and collectively, the "Nominees") will be unable to serve as a director of the Company, but if that should occur for any reason prior to the Meeting, it is intended that discretionary authority shall be exercised by the persons named in the accompanying form of proxy to vote for the election of any other person or persons in place of any Nominee or Nominees unable to serve. Each director elected will hold office until the next annual meeting of Shareholders of the Company, or any adjournment or postponement thereof, unless his or her office is earlier vacated or until his or her successor is elected or appointed.

**The Board unanimously recommends that Shareholders vote in favour of the election of the six Nominees listed below. Unless authority to do so is withheld, the persons named in the enclosed form of proxy intend to vote FOR the election of the six Nominees whose names are set forth below.**

Information about each Nominee is set out below. This information includes their respective principal occupations or employment, residence, directorships with other reporting issuers, and the number of securities of the Company which each Nominee beneficially owns, directly or indirectly, or over which control or direction is exercised as of the date of this Circular. In addition, set out below is the value of securities held by each Nominee, based on the closing price of the Common Shares on the Toronto Stock Exchange ("TSX") as of the Record Date, being \$3.03, assuming a vesting and/or exercise date as of the Record Date for all convertible/exchangeable securities. The information pertaining to the Nominees presented below, not being within the direct knowledge of the Company, has been provided by the respective Nominee.

Directors are elected for a term of one year ending at the next following annual general meeting of Shareholders. Accordingly, the term of office of each of the current directors of the Company will expire at the Meeting.

**MURRAY JOHN**  
**INDEPENDENT CHAIR**  
 British Columbia, Canada



Director since June 27, 2017  
 Age: 66

Mr. John currently serves as Chair of Prime Mining Corp. is a Lead Director of O3 Mining Inc. and a Director of Osisko Gold Royalties Ltd. Prior to his retirement in December 2014, he was the President and CEO of Dundee Resources Limited and Managing Director and a Portfolio Manager with Goodman & Company, Investment Counsel Inc., where he was responsible for managing private equity resource and precious metals focused mutual funds and flow-through limited partnerships. He is also a former director of several other public companies including Breakwater Resources Ltd., Dundee Precious Metals Inc., Osisko Mining Inc and O3 Mining Inc. Mr. John is a mining engineer and has been involved with the resource investment industry since 1992 working as an investment banker, buy-side mining analyst, sell-side mining analyst, and portfolio manager.

<b>Principal Occupation</b>		Retired mining engineer, investment fund manager and mining industry executive	
<b>Other Public Board Directorships</b>		Osisko Gold Royalties Ltd. Prime Mining Corp.	
<b>Securities Held</b>		<b>Board and Committee Memberships</b>	<b>2024 Attendance</b>
Common Shares	1,800,000	Board	11 of 11 (100%)
Share Value	\$5,454,000	Audit Committee	4 of 4 (100%)
DSUs	512,219	Compensation Committee	5 of 5(100%)
DSU Value	\$1,552,024	Nominating and Corporate Governance Committee	5 of 5 (100%)
Stock Options (#)	1,000,000	Technical Committee	7 of 7 (100%)
Stock Option Value	\$3,030,000	Special Committee	3 of 3 (100%)
<b>TOTAL VALUE</b>	\$10,036,024		

**JEFFREY PARR**  
**INDEPENDENT**  
 Ontario, Canada



Director since June 27, 2017  
 Age: 68

Mr. Parr serves as Vice Chair of the Board of Agnico Eagle Mines Limited. Prior to the merger of the two companies Mr. Parr served as the Chairman of the Board for Kirkland Lake Gold (2019 to 2022) and preceding that, Independent Director from 2014 to 2019. He has over 30 years of executive leadership experience in mining and related industries. Mr. Parr joined Centerra Gold Inc. in 2006 as VP Finance and was appointed Chief Financial Officer in 2008 where he served until his retirement in 2016. Mr. Parr was also the Chief Financial Officer for Acres International for nine years. From 1988 to 1997 he held progressively senior financial positions at WMC International (a subsidiary of Western Mining Corporation) with responsibility for operations and exploration in the Americas. He ultimately served as the Company's Executive Vice President. Mr. Parr is a Chartered Professional Accountant (CPA, CA 1984) and obtained the ICD.D designation from the Institute of Corporate Directors (2018). He holds a Master of Business Administration (McMaster University) and a Bachelor of Arts in Economics (University of Western Ontario).

<b>Principal Occupation</b>		Retired Mining Executive, Corporate Director	
<b>Other Public Board Directorships</b>		Agnico Eagle Mines Limited	
<b>Securities Held</b>		<b>Board and Committee Membership</b>	<b>2024 Attendance</b>
Common Shares	760,732	Board	11 of 11 (100%)
Share Value	\$2,305,018	Audit Committee	4 of 4 (100%)
		Compensation Committee	5 of 5 (100%)
DSUs	512,219	Special Committee	3 of 3 (100%)
DSU Value	\$1,552,024		
Stock Options (#)	800,000		
Stock Option Value	\$2,424,000		
<b>TOTAL VALUE</b>	\$6,281,042		

**MOIRA SMITH**  
**INDEPENDENT**  
 Nevada, U.S.A.



Director since June 26, 2019  
 Age: 63

Dr. Smith is a Director of Galiano Gold Corp, Corporate Technical Advisor to Liberty Gold Corp, former Vice-President Exploration and Geoscience with Liberty Gold., former President of Pilot Gold USA Inc. and former Chief Geologist, Nevada, for Fronteer Gold. Dr. Smith has been overseeing the exploration program at Black Pine in Idaho and was instrumental in the successful advancement of Long Canyon, Fronteer Gold’s flagship project. She developed an understanding of the geology and controls on mineralization at Long Canyon and built the geological model for ongoing exploration and resource growth. Prior to Fronteer Gold, she served as U.S. Exploration Manager, Senior Geologist and Project Manager for Teck Resources Ltd., where she managed exploration programs for several high-profile, advanced-stage projects throughout the Americas, including the 5.5 million ounce Pogo gold deposit, now in production; the 1.5 billion tonne Petaquilla Cu-MoAu porphyry deposit in Panama; and the 3.5 million ounce El Limon gold deposit in Mexico. Dr. Smith has a Ph.D. in geology from the University of Arizona and is a P.Ge. (British Columbia). She has held board or executive positions with numerous industry associations and is a Fellow and recent President of the Society of Economic Geologists.

<b>Principal Occupation</b>		Corporate Technical Advisor for Liberty Gold Corp.	
<b>Other Public Board Directorships</b>		Galiano Gold Corp.	
<b>Securities Held</b>		<b>Board and Committee Membership</b>	<b>2024 Attendance</b>
Common Shares	1,665,000	Board	11 of 11 (100%)
Share Value	\$5,044,950	Sustainability Committee	4 of 4 (100%)
		Technical Committee	7 of 7 (100%)
DSUs	512,219		
DSU Value	\$1,552,024		
Stock Options (#)	800,000		
Stock Option Value	\$2,424,000		
<b>TOTAL VALUE</b>	<b>\$9,020,974</b>		

**BARRY OLSON**  
**INDEPENDENT**  
**Idaho, USA**



Director since August 21, 2023  
 Age: 72

Mr. Olson has over 30 years experience in strategic management and leadership in engineering, construction, start-up and operations of large-scale mining projects. Prior to his retirement in 2013, Mr. Olson was Senior Vice President of Project Development with Goldcorp Inc. During his time with Goldcorp (2006 – 2013) he was responsible for the successful development of Peñasquito, the largest open pit mine in Mexico, on schedule and on budget, as well as other major development projects in Chile, Argentina and Canada. Prior to Goldcorp, Mr. Olson held general manager roles with Coeur Mining Inc. (2001 – 2006) and Amax Gold Inc. (1988 – 1998). Mr. Olson is currently on the Advisory Committee for Agnico Eagle Mines Ltd. and is also a former Director of Kirkland Lake Gold (2014 – 2021).

<b>Principal Occupation</b>		Retired Mining Executive, Corporate Director.	
<b>Other Public Board Directorships</b>		None	
<b>Securities Held</b>		<b>Board and Committee Membership</b>	<b>2024 Attendance</b>
Common Shares	Nil	Board	11 of 11 (100%)
Share Value	\$Nil	Technical Committee	7 of 7 (100%)
		Sustainability Committee	4 of 4 (100%)
		Audit Committee	4 of 4 (100%)
DSUs	692,186	Special Committee	3 of 3 (100%)
DSU Value	\$2,097,324		
Stock Options (#)	Nil		
Stock Option Value	\$Nil		
<b>TOTAL VALUE</b>	<b>\$2,097,324</b>		

**DANIEL VICKERMAN**

**INDEPENDENT**

Arinsol, Andorra



Director since August 2, 2019  
Age: 54

Mr. Vickerman joined the Board through Discovery’s 2019 merger with Levon Resources Ltd. where he was Board Chairman. Mr. Vickerman is a seasoned institutional sales and corporate finance professional with 25 years of experience in the financial industry. Mr. Vickerman is currently a Director of Yukon Metals Corp. and Senior Vice President of Corporate Development and Director of Blackrock Silver Corp. and formerly, Managing Director, Head of UK of Beacon Securities UK from 2016 to 2019, and former Managing Director, Head of UK for Edgecrest Capital. Prior to joining Edgecrest Capital, Mr. Vickerman was Managing Director, Co-Head of Canadian Equity Sales UK at Canaccord Genuity. Mr. Vickerman also formerly worked at Thomas Weisel Partners where he served as Senior Vice President. Mr. Vickerman has extensive experience working with mineral exploration and development companies, raising over \$1 billion for private and listed companies. He holds a Bachelor of Arts, Economics from the University of Western Ontario.

<b>Principal Occupation</b>		SVP Corporate Development and Director of Blackrock Silver Corp.	
<b>Other Public Board Directorships</b>		Blackrock Silver Corp. Yukon Metals Corp.	
<b>Securities Held</b>		<b>Board and Committee Membership</b>	<b>2024 Attendance</b>
Common Shares	240,000	Board	11 of 11 (100%)
Share Value	\$727,200	Audit Committee	4 of 4 (100%)
DSUs	512,219	Nominating and Corporate Governance Committee	5 of 5 (100%)
DSU Value	\$1,552,024		
Stock Options (#)	650,000		
Stock Option Value	\$1,969,500		
<b>TOTAL VALUE</b>	<b>\$4,248,724</b>		

**ANTHONY MAKUCH**  
**PRESIDENT AND CHIEF EXECUTIVE OFFICER**  
 Ontario, Canada

		<p>Mr. Makuch has over 35 years of mining industry experience and was most recently President, CEO and Director of Kirkland Lake Gold Ltd. (“Kirkland”). During his five-year tenure as CEO of Kirkland, Mr. Makuch led the transformation of the company, with annual gold production increasing from 315,000 oz to over 1,400,000 oz, the market capitalization of the company increasing from approximately \$1 billion to over \$13 billion and Kirkland’s share price increasing over 530%. These milestones were achieved on the back of two successful acquisitions, industry-leading operational performance and significant exploration success and ultimately culminated in Kirkland’s merger with Agnico Eagle Mines Limited in 2022. Mr. Makuch is a Professional Engineer (P.Eng) and holds a Bachelor of Science Degree (Honours Applied Earth Sciences) from the University of Waterloo (Ontario), and both a Master of Science Degree in Engineering and a Master of Business Administration from Queen’s University (Ontario) and has obtained the Institute of Corporate Directors ICD.D designation from the University of Toronto Rotman School of Business.</p>	
Director Since April 11, 2022 Age: 66			
<b>Principal Occupation</b>		Chief Executive Officer of Discovery	
<b>Other Public Board Directorships</b>		None	
<b>Securities Held</b>		<b>Board and Committee Membership</b>	<b>2024 Attendance</b>
Common Shares	9,903,878	Board	11 of 11 (100%)
Share Value	\$30,008,750	Sustainability Committee	4 of 4 (100%)
RSUs	2,535,048	Technical Committee	7 of 7 (100%)
RSU Value	\$7,681,195		
Stock Options (#)	2,000,000		
Stock Option Value	\$6,060,000		
<b>TOTAL VALUE</b>	<b>\$43,749,946</b>		

As at May 6, 2025, the directors who are standing for election as set out above and the key executive officers of the Company, as a group, beneficially owned, directly or indirectly, or exercised control over, a total of 19,533,627 Common Shares, representing approximately 2.4% of the issued and outstanding Common Shares. The total dollar value of securities held by the directors set out above is based on the closing share price of the Common Shares on the TSX as of the Record Date, being \$3.03.

**CORPORATE CEASE TRADE ORDERS**

No proposed director of the Company is, as at the date hereof, or has been, within 10 years before the date hereof, a director, chief executive officer, or chief financial officer of any company (including the Company) that:

- (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued while the proposed director was acting in the capacity as director, chief executive officer, or chief financial officer; or

- (ii) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, 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, chief executive officer, or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer, or chief financial officer.

## **BANKRUPTCIES AND OTHER PROCEEDINGS**

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No proposed director of the Company:

- (i) is, as at the date hereof, or has been within the 10 years prior to the date hereof, 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
- (ii) has, within the 10 years prior to the date hereof, 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.

## **PENALTIES AND SANCTIONS**

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No proposed director of the Company has been subject to:

- (i) 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
- (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important in deciding whether to vote for a proposed director.

## **AMENDMENT AND ADOPTION OF EQUITY COMPENSATION PLANS**

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To ensure consistency across the Company's equity compensation plans, the Board has determined that it would be appropriate and in the best interests of the Company to implement the LTI Plan to replace the Company's existing restricted share unit plan (the "**RSU Plan**"). In order to align with interests of shareholders, the new LTI Plan will allow the Board to issue share units of any kind, including performance share units ("**PSUs**"), in addition to restricted share units ("**RSUs**"). The purpose of the amendment is to ensure that executives are incentivized and rewarded on the long-term performance of the Company, which is in the best interests of shareholders. The full text of the proposed LTI Plan is attached as Schedule A to this Circular.

If the LTI Plan is adopted by the Shareholders in replacement of the RSU Plan, no further awards will be granted under the RSU Plan. The RSU Plan will, however, continue to be authorized for the sole purposes of facilitating the vesting and exercise of existing awards previously granted under the RSU Plan. Once the existing awards granted under the RSU Plan are exercised or terminated, the RSU Plan will terminate and be of no further force or effect. In the event that the LTI Plan is not adopted by Shareholders at the Meeting, the RSU Plan will continue to be in force and awards will continue to be granted under the RSU Plan.

The Board has also determined that it would be appropriate to amend the Company's DSU Plan to clarify limits with respect to cash settlement of DSUs and to clarify timelines with respect to the redemption of vested DSUs. The proposed

amendments to the DSU Plan are summarized as follows. The following is intended as a summary only and should be reviewed in conjunction with the full details of the proposed amendment to the DSU Plan set out in Schedule B to this Circular.

- The DSU Plan caps the annual grant value of Common Shares issuable to each Participant (as defined in the DSU Plan) under the DSU Plan at \$150,000, which cap excludes: (i) the value of the initial grant of DSUs to the Participant, as of the grant date of such DSUs; and (ii) any amount of remuneration that a Participant has elected to receive in the form of DSUs in lieu of cash on a value-for-value exchange. The proposed amendment to the DSU Plan clarifies that the \$150,000 also excludes the value of any DSUs which are not issued as equity and are settled in cash.
- The DSU Plan is proposed to be amended to clarify that Participants may choose to redeem their vested DSUs in tranches over a period of twelve (12) months.

The full text of the proposed revisions to the DSU Plan is set forth in the blackline attached as Schedule B to this Circular.

The amendments to the DSU Plan and the adoption of the LTI Plan, are proposed to align the equity compensation plans with one another and to enhance the Company's ability to attract and retain key talent. Effective May 6, 2025, the Board authorized the amendments to the DSU Plan and the adoption of the LTI Plan, as described herein, subject to the approval of the Shareholders as set forth below.

Summaries of the proposed LTI Plan, the DSU Plan and the proposed amendments thereto, the Company's stock option plan (the "**Option Plan**"), and the RSU Plan, are set forth in this Circular under the heading "*Equity Compensation Plans*". Each summary is qualified in its entirety by the full text of each plan, as applicable. There are no proposed revisions to the Option Plan or the RSU Plan.

To be effective, the resolutions approving the amendment of the DSU Plan, and the adoption of the LTI Plan, must be approved by not less than a majority of the votes cast by Shareholders present in person or represented by proxy and entitled to vote at the Meeting.

In order to effect the adoption of the LTI Plan, Shareholders will be asked to consider and, if thought fit, to pass ordinary resolutions substantially in the following form (the "**LTI Plan Resolution**"):

BE IT RESOLVED AS ORDINARY RESOLUTIONS THAT:

1. the Long-Term Incentive Plan, as summarized in the Company's management information circular dated May 6, 2025, and as detailed in Schedule A thereto, be and is hereby approved, and such Long-Term Incentive Plan be adopted as the Company's Long-Term Incentive Plan;
2. any director or executive officer of the Company is authorized to execute and file such documents and take such further action, including any filings with the Toronto Stock Exchange that may be necessary to reflect the amendments and adoption, as applicable of the Deferred Share Unit Plan and the Long-Term Incentive Plan; and
3. the board of directors is hereby authorized, at any time in its sole discretion, to determine whether or not to proceed with this resolution without further approval, ratification, or confirmation by the shareholders of the Company.

**The Board unanimously recommends that Shareholders vote in favour of the LTI Plan Resolution. Unless authority to do so is withheld, the persons named in the enclosed form of proxy intend to vote FOR the LTI Plan Resolution.**

In order to effect the amendments to the DSU Plan, Shareholders will be asked to consider and, if thought fit, to pass ordinary resolutions substantially in the following form (the “**DSU Plan Amendment Resolution**”):

BE IT RESOLVED AS ORDINARY RESOLUTIONS THAT:

1. the amendment of the Company’s Deferred Share Unit Plan, as summarized in the Company’s management information circular dated May 6, 2025, and as detailed in Schedule B thereto, be and is hereby approved, and such amended Deferred Share Unit Plan be adopted as the Company’s Deferred Share Unit Plan;
2. any director or executive officer of the Company is authorized to execute and file such documents and take such further action, including any filings with the Toronto Stock Exchange that may be necessary to reflect the amendments and adoption, as applicable of the Deferred Share Unit Plan and the Long-Term Incentive Plan; and
3. the board of directors is hereby authorized, at any time in its sole discretion, to determine whether or not to proceed with this resolution without further approval, ratification, or confirmation by the shareholders of the Company.

**The Board unanimously recommends that Shareholders vote in favour of the DSU Plan Amendment Resolutions. Unless authority to do so is withheld, the persons named in the enclosed form of proxy intend to vote FOR the DSU Plan Amendment Resolution.**

#### **APPROVAL OF UNALLOCATED AWARDS UNDER THE STOCK OPTION PLAN, DSU PLAN & RSU PLAN**

Pursuant to section 613 of the TSX Company Manual, unallocated options, rights or other entitlements under a security-based compensation arrangement which does not have a fixed maximum aggregate of securities issuable must be approved by a majority of the issuer’s directors and by the issuer’s security holders three years after institution, and every three years thereafter. The Company’s stock option plan (the “**Option Plan**”) and DSU Plan are “rolling evergreen” plans and provide that the number of common shares of the Company available for issuance from treasury under each plan shall not exceed 10% of the issued and outstanding Common Shares at the time of grant, on a non-diluted basis. Currently, the Company has a total of 12,271,875 Options, 3,253,281 DSUs and 9,451,742 RSUs outstanding, representing approximately 3% of the current issued and outstanding Common Shares as of the Record Date.

The Option Plan, DSU Plan and RSU Plan were each instituted when the Company graduated from the TSX Venture Exchange to the TSX on February 9, 2023. Since the Company’s 2026 annual general meeting is likely to occur after the three-year anniversary of the institution of the plans, the Company is seeking shareholder approval at the Meeting to approve all unallocated Options (as defined herein) issuable pursuant to the Option Plan, all unallocated DSUs issuable pursuant to the DSU Plan, and all unallocated RSUs issuable pursuant to the RSU Plan. A summary of the Option Plan, DSU Plan and RSU Plan are set forth in this Circular under the heading “*Equity Compensation Plans*”. The summaries are qualified in its entirety by the full text of each plan, as applicable.

As at the date of this Circular, the Company has 800,705,615 Common Shares issued and outstanding, and accordingly, a maximum of 80,070,562 Common Shares are available for issuance under the Option Plan, DSU Plan and RSU Plan. As of the date of this Circular, there were 12,271,875 Options of the Company outstanding under the Option Plan, 3,253,281 DSUs outstanding under the DSU Plan, and 9,451,743 RSUs outstanding under the RSU Plan, representing approximately 3% of the total issued and outstanding Common Shares.

If approval is obtained at the Meeting, the Company will not be required to seek further approval of the grant of unallocated Options under the Option Plan, unallocated DSUs under the DSU Plan, and unallocated RSUs under the RSU

Plan, until the Company's 2028 annual and special shareholders' meeting (provided that such meeting is held on or prior to June 25, 2028). If approval is not obtained at the Meeting, any currently unallocated Common Shares or Options under the Options Plan, any currently unallocated Common Shares or DSUs under the DSU Plan, and any currently unallocated Common Shares or RSUs under the RSU Plan, will no longer be available for grant, and previously granted Options, DSUs and RSUs, as applicable, will not be available for reallocation if they are cancelled prior to exercise.

To be effective, the resolutions approving the unallocated awards under each of the Option Plan, DSU Plan and RSU Plan must be approved by not less than a majority of the votes cast by Shareholders present in person or represented by proxy and entitled to vote at the Meeting.

With respect to the unallocated Options, Shareholders will be asked to consider and, if thought fit, to pass ordinary resolutions substantially in the following form (the "**Unallocated Option Resolution**"):

BE IT RESOLVED AS ORDINARY RESOLUTIONS THAT:

1. all unallocated stock options issuable pursuant to the Option Plan are hereby approved and authorized;
2. the Company is hereby authorized to continue granting options under the Option Plan until June 25, 2028, being three years from the date of the Meeting;
3. the board of directors is hereby authorized, at any time in its sole discretion, to determine whether or not to proceed with this resolution without further approval, ratification, or confirmation by the shareholders of the Company.

**The Board unanimously recommends that Shareholders vote in favour of the Unallocated Option Resolution. Unless authority to do so is withheld, the persons named in the enclosed form of proxy intend to vote FOR the Unallocated Option Resolution.**

With respect to the unallocated DSUs, Shareholders will be asked to consider and, if thought fit, to pass ordinary resolutions substantially in the following form (the "**Unallocated DSU Resolution**"):

BE IT RESOLVED AS ORDINARY RESOLUTIONS THAT:

1. all unallocated deferred share units issuable pursuant to the DSU Plan are hereby approved and authorized;
2. the Company is hereby authorized to continue granting deferred share units under the DSU Plan until June 25, 2028, being three years from the date of the Meeting;
3. the board of directors is hereby authorized, at any time in its sole discretion, to determine whether or not to proceed with this resolution without further approval, ratification, or confirmation by the shareholders of the Company.

**The Board unanimously recommends that Shareholders vote in favour of the Unallocated DSU Resolution. Unless authority to do so is withheld, the persons named in the enclosed form of proxy intend to vote FOR the Unallocated DSU Resolution.**

With respect to the unallocated RSUs, Shareholders will be asked to consider and, if thought fit, to pass ordinary resolutions substantially in the following form (the "**Unallocated RSU Resolution**"):

BE IT RESOLVED AS ORDINARY RESOLUTIONS THAT:

1. all unallocated deferred share units issuable pursuant to the RSU Plan are hereby approved and authorized;
2. the Company is hereby authorized to continue granting restricted share units under the RSU Plan until June 25, 2028, being three years from the date of the Meeting;
3. the board of directors is hereby authorized, at any time in its sole discretion, to determine whether or not to proceed with this resolution without further approval, ratification, or confirmation by the shareholders of the Company.

**The Board unanimously recommends that Shareholders vote in favour of the Unallocated RSU Resolution. Unless authority to do so is withheld, the persons named in the enclosed form of proxy intend to vote FOR the Unallocated RSU Resolution.**

## REPORT ON CORPORATE GOVERNANCE PRACTICES

The Company and the Board recognize the importance of corporate governance for the effective management of the Company and for the protection of its stakeholders, particularly Shareholders. The Company's approach to issues of corporate governance is designed with a view to ensuring that the business and affairs of the Company are effectively managed so as to enhance Shareholder value. The Board fulfills its mandate directly and through its committees at regularly scheduled meetings or as otherwise may be required. The directors are kept informed regarding the Company's operations at regular meetings and through reports and discussions with management on matters within their particular areas of expertise. The frequency of meetings may be increased, and the nature of the agenda items may be changed depending upon the state of the Company's affairs and in light of opportunities or risks that the Company faces.

The Company believes that its corporate governance practices are in compliance with applicable Canadian guidelines including National Policy 58-201 – *Corporate Governance Guidelines*. The Company has considered the applicable requirements and believes that its approach is appropriate and works effectively for the Company and its Shareholders. The Company continues to monitor developments in Canada and will revise its governance policies and practices, as appropriate. In support of good governance practices, the Board ensures the following procedures and policies are maintained and upheld, including but not limited to: (i) governance practices; (ii) independent Chair and at least two-thirds of the Board being independent; (iii) annual and individual director elections; (iv) in-camera sessions in all Board and committee meetings; (v) 100% director attendance at all meetings in 2024; (vi) annual Board and director assessments; (vii) development and annual review of the Board skills matrix; and (viii) facilitating topical continuing education programs for directors annually.

In addition, the Company has adopted the following policies, charters, and codes, each of which are available on the Company's website at [www.discoverysilver.com](http://www.discoverysilver.com).

- Board Mandate
- Charters for Board Committees (Audit, Compensation, Sustainability, Technical and Nominating & Corporate Governance)
- Code of Business Conduct and Ethics
- Whistleblower Policy
- Advance Notice Policy
- Anti-Bribery and Anti-Corruption Policy
- Human Rights, Diversity and Inclusion Policy
- Fitness for Duty Policy

- Confidentiality and Securities Trading Policy
- Disclosure Policy
- Majority Voting Policy
- Share Ownership Policy
- Executive Compensation Clawback Policy

The following is a description of the Company's corporate governance practices, which has been prepared by the Nominating and Corporate Governance Committee and has been approved by the Board.

## **THE BOARD OF DIRECTORS**

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The Board is currently comprised of seven directors, six of whom are "independent" directors in accordance with National Instrument 52-110 – *Audit Committees*. Mr. Makuch, the President and Chief Executive Officer of the Company, is not considered independent by virtue of being a member of the Company's management. See "*Election of Directors*" above.

The Board discharges its responsibility to supervise the management of the business and affairs of the Company by delegating the day-to-day management of the Company to senior officers. The Board oversees the Company's systems of corporate governance, financial reporting and internal controls directly and indirectly through its committees, to ensure that the Company reports adequate and fair information to Shareholders while adhering to the Company's Code of Business Conduct and Ethics. The Board has adopted a formal mandate setting out the roles and responsibilities of the Board, a copy of which is attached as Schedule C to this Circular.

## Independence

To facilitate the functioning of the Board independently of management, the following structures and processes will be in place immediately following the Meeting:

if a matter for the Board's consideration involves a non-independent director, that director is required to recuse him or herself from the meeting for the consideration of such matter so that the directors who are not so involved can have an open and candid discussion and vote

each of the Audit Committee, Corporate Governance and Nominating Committee and the Compensation Committee are comprised solely of independent directors

the President and Chief Executive Officer's compensation is considered, in his absence, by the Compensation Committee at least once a year

in addition to the standing committees of the Board, independent committees may be appointed from time to time, when appropriate

the Board's policy is to hold "*in camera*" meetings with the independent directors at the conclusion of each Board or committee meeting.

As of the date of this Circular, Jennifer Wagner is a member of management and a member of the Board. However, she is not seeking re-election and as such, immediately following the Meeting, the only member of management on the Board will be Tony Makuch, the President and Chief Executive Officer of the Company.

## Director Conflict of Interest

In addition to the corporate governance policies set out above, the Board requires all directors to comply with the conflict of interest provisions of governing corporate legislation and relevant securities legislation, regulatory instruments and TSX policies which require that interested directors disclose any conflict of interest and recuse themselves from the consideration of, and voting on, matters which require directors to exercise independent judgement when consideration transactions and agreements in respect of which any director has any interest.

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## BOARD COMMITTEES

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### Compensation Committee

The Compensation Committee is responsible for determining the compensation of the members of the Board, the CEO of the Company, and other members of senior management of the Company, with input from independent third-party reports.

The Compensation Committee will be comprised entirely of independent directors immediately after the Meeting. Following her appointment to the senior management team of the Company on April 25, 2025, Ms. Wagner remained on the Compensation Committee, as a non-independent Board member, for the sole purpose of facilitating transitional matters. Ms. Wagner is not standing for re-election to the Board and, as a result, immediately following the Meeting she will no longer be a member of the Compensation Committee.

The Compensation Committee is primarily responsible for annually reviewing and approving corporate goals and objectives relevant to the CEO and senior executive officer compensation, evaluating the performance of the CEO and each senior executive officer's performance in light of those goals and objectives and recommending to the Board for approval the compensation level for the CEO and each senior executive officer based on this evaluation, reviewing and approving the perquisites and supplemental benefits granted to the CEO and senior executive officers, annually reviewing the compensation systems that are in place for employees of the Company, administering and making recommendations to the Board regarding the adoption, amendment or termination of the Company's incentive compensation plans and equity-based plans in which the CEO and senior executive officers may participate, ensuring that all necessary Shareholder and regulatory approvals have been obtained for equity-based compensation plans, recommend to the Board compensation and expense reimbursement policies for directors, reviewing and approving employment agreements, severance arrangements and change in control agreements and other similar arrangements for the CEO and senior executive officers, comparing on an annual basis the total remuneration (including benefits) and the main components thereof for the senior executive officers with the remuneration practices in the same industry, establishing levels of director compensation for Board approval based on reviews of director compensation of comparable companies, and reviewing and recommending to the Board for its approval disclosure regarding executive and director compensation in the management proxy circular and in any offering documents prior to their public release.

The Compensation Committee is currently comprised of Barry Olson (Chair), Jeff Parr, and Murray John, each of whom is an independent director of the Board, and Jennifer Wagner who is currently a non-independent Board member not standing for re-election. Following the Meeting, the Compensation Committee shall be comprised of Barry Olson (Chair), Jeff Parr and Murray John, each of whom is an independent director of the Board. Each member of the Compensation Committee has experience relevant to his or her responsibilities as a Compensation Committee member. For each committee members' skills and experience that enable the Compensation Committee to make decisions on the suitability of the Company's compensation policies and practices, please see their biographies beginning on page 11 of this Circular and the skills matrix on page 29 of this Circular for more information. During the year ended December 31, 2024, the Compensation Committee met five times.

## Audit Committee

The Audit Committee, which is comprised entirely of independent directors, provides assistance to the Board in fulfilling its oversight responsibility to the Shareholders of the Company, potential Shareholders, the investment community and others, relating to: (i) the integrity of the Company's financial statements; (ii) the Company's compliance with legal and regulatory requirements relating to disclosure of financial information and any other matters as may be required; and (iii) the independent auditors' qualifications and independence.

The Audit Committee retains and compensates any outside legal, accounting or other advisors as it considers necessary in discharging its role.

The Audit Committee is primarily responsible for: advising the Board, the Board's recommendation to Shareholders in respect of the appointment, compensation and retention of the auditors, the oversight of the work of the auditors, preparing or issuing an audit report or performing other audit, review or attestation services for the Company, obtaining and reviewing the auditor's report, working with the auditors throughout the year, receiving written confirmation from the auditors declaring their independence, evaluating the auditors' qualifications, performance and independence, determining that the auditors have a process in place to address the rotation of the lead audit partner and other audit partners servicing the Company's account as required under Canadian independence standards, pre-approving all audit and non-audit services provided by the auditors, discussing the overall scope and plans for audits with the auditors, regularly reviewing audit problems or difficulties with the auditors, reviewing and recommending for approval the financial statements for submission to the Board, as well as the related MD&A, receiving and reviewing the auditor's report prior to releasing and filing the annual financial statements, reviewing and approving all related party transactions not in the ordinary course of business, reviewing all earnings press releases before they are issued, discussing with management and the auditors the adequacy and effectiveness of internal control over financial reporting, reviewing the results of procedures undertaken by the auditors relating to the Company's compliance with the *Extractive Sector Transparency Measures Act* ("**ESTMA**"), reviewing with management the Company's compliance systems in light of applicable legal and regulatory requirements, reviewing with management the risk of the Company being subject to fraud and the controls in place to manage such risk, reviewing financial summaries and disclosures made in accordance with the ESTMA, ensuring the Company establishes appropriate policies and procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters, ensuring that the Company has in effect clear hiring policies for partners, employees and former partners and employees of the Company's present and former auditors that meet applicable legal and regulatory requirements, assessing risks or exposures, both internal and external, to which the Company is subject, including without limitation, risks associated with tax, hedging, insurance, accounting, cybersecurity, information services and systems, financial controls and management reporting, and review the actions which the senior officers have taken to minimize such risks, determining the funding needed by the Audit Committee of payments of auditors, advisors and administrative expenses for carrying out its duties, evaluating its performance annually and determining whether it is functioning effectively, and reviewing and reassessing its duties at least annually.

The Audit Committee is currently comprised of Jeff Parr (Chair), Murray John, Barry Olson and Daniel Vickerman, each of whom is an independent director of the Board and financially literate, as required by applicable securities legislation. See each committee members' biography beginning on page 11 and the skill matrix on page 29 for more information. During the year ended December 31, 2024, the Audit Committee met four times.

Further information regarding the Audit Committee is contained in the Company's current annual information form, under the heading "Audit Committee". A copy of the Audit Committee charter is attached to the annual information form as Schedule A. The Company's annual information form for the financial year ended December 31, 2024, is available under the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). A copy of the Audit Committee charter is also available on the Company's website at [www.discoverysilver.com](http://www.discoverysilver.com).

## Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee is responsible for assessing the effectiveness of the Board, its committees, or individual directors.

The Nominating and Corporate Governance Committee will be comprised entirely of independent directors immediately after the Meeting. Following her appointment to the senior management team of the Company on April 25, 2025, Ms. Wagner remained on the Nominating and Corporate Governance Committee, as a non-independent Board member, for the sole purpose of facilitating transitional matters. Ms. Wagner is not standing for re-election to the Board and, as a result, immediately following the Meeting she will no longer be a member of the Nominating and Corporate Governance Committee.

The Nominating and Corporate Governance Committee's responsibilities include monitoring compliance with the Company's corporate governance policies, conducting a periodic review of the Company's corporate governance policies and making policy recommendations, developing appropriate codes of business conduct and ethics along with the Audit Committee and assisting the Board with monitoring compliance of same, conducting a periodic review of the relationship between management and the Board, reviewing on an ongoing basis the Company's approach to governance and recommending the establishment of appropriate governance policies and standards in light of securities regulatory and stock exchange requirements, overseeing management's response to risks, both internal and external, to which the Company is subject to, including without limitation, risks associated with insurance, information services and systems, and management reporting, overseeing management's response to cyber risks and the protection of data belonging to third parties, overseeing management's response to ensure the Company's compliance with Canada's anti-spam legislation, reviewing and assessing the adequacy of the risk matrix ensuring it captures key areas of concern and the identified risks align with the Company's strategic objectives, reporting to the Board on the status of risk management efforts, including updates on the risk matrix, key risk indicators, and the effectiveness of risk mitigation strategies, reviewing corporate governance practices disclosure, reviewing and recommending to the Board changes to the way directors are to be elected, and overseeing the structure, composition, membership and activities of the Board and its committees.

In addition, the mandate of the Nominating and Corporate Governance Committee is to fulfill its oversight responsibilities with respect to identifying individuals qualified to be nominated as members of the Board, Board succession and development, evaluating the performance and effectiveness of the Board, and developing a director education program. The Nominating and Corporate Governance Committee reviews the director skills matrix in order to assess the effectiveness of the Board as a whole and to consider whether there is a lack of any competencies and skills on the Board. Further, the Nominating and Corporate Governance Committee oversees the process of identifying and recruiting new candidates for election or appointment as Directors and for overseeing the Company's corporate governance disclosure.

The Nominating and Corporate Governance Committee is currently comprised of Daniel Vickerman (Chair), Murray John, each of whom is an independent director of the Board, and Jennifer Wagner, who is currently a non-independent Board member not standing for re-election. Following the Meeting, the Nominating and Corporate Governance Committee shall be comprised of Daniel Vickerman (Chair), Murray John and Moira Smith, each of whom is an independent director of the Board. See each committee members' biography beginning on page 11 and the skill matrix on page 29 for more information. During the year ended December 31, 2024, the Nominating and Corporate Governance Committee met a total of four times.

## Sustainability Committee

The Sustainability Committee assists the Board in fulfilling its oversight responsibilities relating to monitoring sustainable development practices, and the development and implementation of any environmental, health, and safety policies of the Company.

The Sustainability Committee's responsibilities include encouraging, assisting, supporting and counselling management in developing short and long term policies, standards and principles with respect to sustainability, environment, health and safety, reviewing and monitoring the sustainability, environmental, safety and health policies and activities of the Company, reviewing periodic sustainability, environmental, health and safety reports, reviewing the Company's annual ESG report and annual reporting by management on sustainable development, environmental, safety and health issues, periodically reviewing community, environmental, health and safety response compliance issues and incidents, reviewing results of operational community, environmental, health and safety audits and management's activities to maintain appropriate internal and external environmental and safety audits, ensuring that principle areas of community, environmental, health and safety risk and impacts are identified and that sufficient resources are allocated to address these, ensuring that the Company's directors are kept abreast of their duties and responsibilities related to the scope of the Sustainability Committee, making periodic visits, as individual members or as the Sustainability Committee as a group, to site locations in order to become more familiar with the nature of the operations, and reviewing relevant objectives, procedures and performance with respect to sustainability, environment, governance, health and safety, investigating, or causing to be investigated, any extraordinary negative sustainability, environmental, and health and safety performance where appropriate, ensuring there is a high level of preparedness to react to environmental accidents in order to contain, control, clean up, and eliminate negative environmental effects, and ensuring there exists the utmost respect for the local cultures, values, and traditions and adopting an open communication policy regarding the Company's activities with all impacted parties in order to achieve transparency in the Company socio-environmental performance.

The Sustainability Committee is currently comprised of Moira Smith (Chair), Barry Olson, each of whom is an independent director of the Board, and Tony Makuch and Jennifer Wagner, who are non-independent directors of the Board. Following the Meeting, the Sustainability Committee shall be comprised of Ms. Smith and Mr. Olson, each of whom is an independent director of the Board, and Tony Makuch. See each committee members' biography beginning on page 11 and the skill matrix on page 29 for more information. During the year ended December 31, 2024, the Sustainability Committee met a total of four times.

## Technical Committee

In January 2024, the Company formed a new subcommittee of the Board whose specific mandate was to review all technical aspects of the Company's operations. The creation of the Technical Committee reinforces the Company's commitment to accurate, complete and transparent reporting, enhanced accountability practices and risk mitigation. The Technical Committee assists the Board in fulfilling its oversight responsibilities with respect to any current or future exploration, development and operational activities, and any future expansion or other developments thereof, from a strategic, technical, financial and scheduling perspective. The Technical Committee is also responsible for Board oversight of preliminary economic assessments, pre-feasibility studies, feasibility studies, production forecasts, budgets, life of mine plans, mineral reserves and mineral resources and the Company's proposed public disclosure of said technical information.

The Technical Committee's responsibilities include overseeing management's technical goals, policies and programs relative to exploration, feasibility and pre-feasibility studies, development, operations and closure plans; reviewing management updates on mining, processing, tailings, projects and construction activities at the Company's mineral properties; reviewing the potential effect that any new major exploration, development, operating, or new business activity may have on the Company from a technical and risk management perspective; reviewing the mineral resources

or mineral reserves estimates and the reports of the Qualified Person(s); reviewing an annual reconciliation of Mineral Resources and Mineral Reserves to mine production; overseeing along with the Audit Committee, the Company's internal and disclosure controls relating to Mineral Resources or Mineral Reserves estimation and related disclosure; reviewing reports from management from time to time on all material matters relating to Mineral Resources or Mineral Reserves estimation, including technical reports under National Instrument 43-101 - *Standards of Disclosure for Mineral Projects*; reviewing the evaluation of mining, processing, projects and construction merits of proposed investments and opportunities; reviewing the results of the technical due diligence conducted by management and independent advisors (if applicable), in connection with proposed acquisition of assets and conducting periodic visits, as individual members or the Technical Committee, to project sites and corporate locations as considered appropriate, in order to become familiar with the nature of the operations of the Company.

The Technical Committee is currently comprised of Barry Olson (Chair), Moira Smith, Murray John and Tony Makuch. Dr. Smith, Mr. Olson and Mr. John are independent directors of the Board. See each committee members' biography beginning on page 11 and the skill matrix on page 29 for more information. The Technical Committee was formed in January 2024 and during the year ended December 31, 2024, the Technical Committee met a total of seven times.

### Other Committees of the Board

Each of the committees noted above report directly to the Board. From time to time, when appropriate, ad-hoc committees of the Board may be appointed by the Board.

### MEETINGS OF THE BOARD AND COMMITTEES OF THE BOARD

The Board meets a minimum of **five** times a year and as otherwise may be required. The Audit Committee, the Nominating and Corporate Governance Committee, the Technical Committee and the Sustainability Committee of the Board meet a minimum of **four** times a year and the Compensation Committee of the Board meets a minimum of **two** times a year. All committees can meet more frequently as deemed necessary by the applicable committee. During the year ended December 31, 2024, the Board met **eleven** times, the Nominating and Corporate Governance Committee met **five** times, the Compensation Committee met **five** times, the Audit Committee met **four** times, the Sustainability Committee met **four** times and the Technical Committee met **seven** times. In connection with the acquisition of the Porcupine Complex which was completed in January 2025, the Board formed a committee of independent directors to review and make recommendations to the Board with respect to the acquisition (the "**Special Committee**"). During the year ended December 31, 2024 the Special Committee met **three** times. All directors had a 100% attendance record to all Board and Committee meetings. See each committee members' biography and attendance records beginning on page 11 for more information.

### BOARD SKILLS MATRIX

The Nominating and Corporate Governance Committee maintains a skills matrix designed to assist the Board in evaluating the experience, expertise, and competencies that each current director possesses, as well as the overall diversity of the Board. The skills matrix is reviewed by both the Nominating and Corporate Governance Committee and the Board annually. By design, each individual director contributes to the overall depth and breadth of experience on the Board. The Nominating and Corporate Governance Committee has developed the skills matrix based on consultation and agreement on each director's primary strengths and key areas of expertise. The competencies and skills identified in the matrix are those considered necessary for the robust oversight of the Company giving consideration to the overall short, medium and long-term strategic objectives of the Company. The skills matrix not only assesses Board composition but may assist in recruiting new directors in the future.

COMPETENCIES	Murray John	Jeff Parr	Moira Smith	Dan Vickerman	Tony Makuch	Barry Olson
(1) Board Experience and Corporate Governance	✓	✓	✓	✓	✓	✓
(2) Mining and Industry Experience	✓	✓	✓	✓	✓	✓
(3) Enterprise Risk Management	✓	✓	✓	✓	✓	✓
(4) Executive Management	✓	✓	✓	✓	✓	✓
(5) Financial Expertise/Financial Literacy	✓	✓		✓	✓	✓
(6) Capital Markets and Corporate Finance	✓	✓	✓	✓	✓	✓
(7) Mergers and Acquisitions	✓	✓	✓	✓	✓	✓
(8) Human Resources and Compensation	✓	✓			✓	✓
(9) Health, Safety and Environment	✓		✓		✓	✓
(10) Corporate Social Responsibility and Sustainable Development	✓	✓	✓	✓	✓	✓

**DEFINITIONS**

- Board Experience/Corporate Governance:** Knowledge of corporate governance best practices and expertise regarding issues facing directors of publicly listed companies. Current or prior experience serving on the board of directors of publicly listed companies.
- Mining and Industry Experience:** Knowledge and understanding of key issues facing the mining industry and mining operations including mining methods, market participants and regulatory environment.
- Enterprise Risk Management:** Experience in identifying and assessing principal risks facing the Company and developing applicable risk management solutions. Knowledge and understanding of some or all of the key risk areas that a publicly listed mining company faces, and an ability to probe risk controls and exposures.
- Executive Management:** Experience in strategic leadership direction and growth of a company including oversight of key development projects.
- Financial Expertise and Financial Literacy:** Experience in finance, investments and financial accounting and reporting, including prior experience as a professional accountant, CFO or CEO. Experience overseeing the allocation of capital, evaluating capital investment decisions, and knowledge of, or experience with, financial accounting and corporate finance.
- Capital Markets and Corporate Finance:** Knowledge of equity capital markets within the metals and mining sectors.
- Mergers and Acquisitions:** Experience with various M&A transactions involving publicly listed entities including among others, evaluation and execution of mergers, acquisitions and asset sales.
- Human Resources and Compensation:** Experience in oversight of performance objectives, succession planning, talent development and retention programs.
- Health, Safety and Environment:** Experience in overseeing the implementation of health, safety and environmental standards and procedures which includes effective oversight of systems to minimize health, safety and environmental risks in compliance with all regulatory requirements and best practices.
- Corporate Social Responsibility and Sustainable Development:** Experience in the oversight of voluntary or required activities by companies to operate in an economic, social and environmentally sustainable manner. Knowledge of, or experience with sustainable development and corporate responsibility practices and reporting.

**BOARD DIVERSITY**

The Board and the Corporate Governance and Nominating Committee believe that diversity and inclusion provide essential perspectives that enhance Board effectiveness and Company performance. The Corporate Governance and Nominating Committee regularly reviews the composition of the Board and, when applicable, considers qualified candidates who are best able to meet the skills matrix developed for the Board. The Corporate Governance and Nominating Committee takes into consideration the overall knowledge, experience, skills, expertise and diversity of the Board as a whole.

The Company has adopted a comprehensive Diversity, Equity and Inclusion Policy that recognizes gender, racial, ethnic, and other forms of diversity as significant aspects of an inclusive organization. In accordance with this policy, the Corporate Governance and Nominating Committee actively considers diversity criteria when evaluating Board composition and reviewing candidates for Board and executive positions. The Board aims to maintain a minimum representation of 30% women directors within one year from the date of the Meeting. This approach ensures that the

most qualified candidates are selected to fulfill vacancies on the Board and executive offices while advancing diversity objectives. The Corporate Governance and Nominating Committee regularly reviews progress against these objectives as part of its oversight responsibilities. The Company is committed to continuing to increase diverse representation at all levels of the organization and reports annually on its progress.

The Board has integrated diversity considerations into its succession planning processes for both Board and executive positions. The Corporate Governance and Nominating Committee regularly reviews the Board's succession plan to ensure that diversity objectives are considered when planning for potential vacancies and director retirements. When evaluating candidates for Board and executive positions, the Corporate Governance and Nominating Committee considers individual merit and qualifications relevant to the specific role, while also taking into account the Company's diversity objectives. The final recommendation for nomination or appointment is based on identifying candidates who bring the optimal combination of skills, experience, and diverse perspectives to enhance the Board's overall effectiveness.

Following the completion of the acquisition of Newmont Corporation's Porcupine assets, as of the Record Date, Newmont Corporation had certain Board nomination rights under an investors rights agreement that may affect Board composition (the "Nomination Rights"). For as long as Newmont Corporation continues to hold 10% or greater of the issued and outstanding Common Shares of the Company, the Corporate Governance and Nominating Committee will continue to work collaboratively with Newmont Corporation to ensure that any Board nominees put forward under the Nomination Rights align with the Company's diversity goals and contribute to the Board's overall effectiveness. The Corporate Governance and Nominating Committee will provide guidance to Newmont Corporation regarding the Company's diversity objectives and the skills matrix developed for the Board to facilitate the nomination of qualified diverse candidates.

The Board is currently comprised of seven directors, two of whom are women, comprising 28.57% of the Board. The Company is committed to continuing to increase diverse representation at all levels of the organization. As disclosed above in this Circular, Jennifer Wagner is not seeking re-election to the Board. In order to promote and increase gender diversity on the Board, the Nominating and Corporate Governance Committee and the Board previously adopted a target of 30% female directors, which target was achieved in 2024. Assuming all nominees are elected at the Meeting, female directors will represent 16.67% of the Board at the close of the Meeting. In order to support the Board in its efforts to increase the level of female representation on the Board following the Meeting, and in considering a suitable replacement for Ms. Wagner, the Board will continue to encourage practices that: (i) require any search for nominees to the Board to specifically include diverse candidates generally, and female candidates in particular; and (ii) the Nominating and Corporate Governance Committee and the Board will periodically review progress on achieving targets, as applicable.

## **BOARD ASSESSMENTS**

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The Nominating and Corporate Governance Committee is responsible for assessing, monitoring, and improving the performance of the Board, its committees and directors. Evaluations and assessments are a continuous process designed to evaluate performance against the formal mandates of the Board, committees of the Board, the Board Chair, the Chief Executive Officer and other criteria. A range of dimensions are considered, such as overall performance of the Board, Board and committee structure and composition, management development, strategic planning, risk management, operational performance, Chief Executive Officer performance evaluation, Board membership, director competencies, Board processes and director involvement. The Nominating and Corporate Governance Committee engages the Board annually in a formal assessment procedure which includes the distribution of a questionnaire to each member of the Board to assess the overall performance of the Board. In addition, each Board Committee conducts a self-evaluation using a questionnaire format, and director self and peer performance reviews are conducted concurrently with an annual review of the Board skills matrix which involves each director assessing him or herself as well as his or her peers against set criteria. The Board Chair reviews the results of the peer assessments with each director individually.

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**BOARD CONTINUING EDUCATION**

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The Board considers director continuing education to be a priority for all directors and promotes opportunities to learn, develop and network. The Nominating and Corporate Governance Committee is responsible for establishing the continuing education of directors. Components of the Board's continuing education program include:

1. External advisors attend Board meetings to provide the Board with information and updates on a variety of topics including political and geopolitical risks, environmental and social issues and current industry trends.
2. Regular updates on the Company's business and issues relevant to the Company are provided to directors by senior managers at all Board meetings and at meetings of the Board's committees.
3. All directors are provided with an annual corporate membership to the Institute of Corporate Directors which includes access to continuing education courses such as webinars, short courses, and seminars. Currently, three directors have obtained their official ICD.D designations.

As part of its Board education strategy, in 2024 the Board fulfilled its continuing education program requirements as follows:

1. In June 2024, the Board received a presentation from Control Risks, a third-party geopolitical risk consultant, who provided a presentation to the Board and management on the results of the Mexico elections that covered key takeaways, public sentiment, and potential risks to the Company following the election.
2. The Board received a presentation in August 2024 on ESG and emerging sustainability disclosure regulations, following new Canadian legislation that introduced key amendments to the Canadian Competition Act through Bill C-59 which addressed potential implications for Canada and North America arising from this legislation. The Board received information and registration details for an Institute of Corporate Directors (ICD) course titled 'Oversight of Cybersecurity in an Era of Digital Acceleration,' designed to enhance directors' understanding of cybersecurity risks and governance in a rapidly evolving digital landscape.
3. The Board received an informational memo from the Company's legal counsel outlining the duties and responsibilities of the board of directors of a public company when considering an acquisition proposal. The memo was provided in the context of management's proposal to evaluate the potential acquisition of certain assets of Newmont Corporation and the associated financing transaction.
4. The Board received ongoing annual cyber security training via Curricula, the Company's inhouse training module.

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## ETHICAL BUSINESS CONDUCT

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To ensure that directors exercise independent judgment when considering transactions and agreements in respect of which any director has an interest, the Board complies with the conflict-of-interest provisions of its governing corporate legislation and relevant securities legislation, regulatory instruments and stock exchange policies (which require that interested directors recuse themselves from the consideration of, and voting on, such matters). The Board monitors compliance with the Code of Business Conduct and Ethics primarily through regular meetings of the Nominating and Corporate Governance Committee and the Audit Committee (and where applicable, the Sustainability Committee, which addresses any health and safety incidents). The Nominating and Corporate Governance Committee and the Audit Committee are responsible for the Whistleblower Hotline (to report any violation of the Code of Business Conduct and Ethics or other violation). The Board encourages and promotes a culture of ethical business conduct through its actions and its support and interaction with management and employees of the Company. In order to further promote a governance culture within the Company, the Board has adopted and approved corporate policies as discussed below.

### Code of Business Conduct and Ethics

The Board seeks to foster a culture of ethical conduct by striving to ensure the Company carries out its business in line with high business and ethical standards and applicable legal and financial requirements. In that regard, the Board has adopted a Code of Business Conduct and Ethics setting out the guidelines for the conduct expected from directors, officers, employees, consultants, and contractors. Management reports to the Audit Committee on departures from the Code of Business Conduct and Ethics, if any. A copy of the Code of Business Conduct and Ethics can be found on the Company's website at [www.discoverysilver.com](http://www.discoverysilver.com).

### Whistleblower Policy

The Board has approved a written Whistleblower Policy, which sets out procedures for the confidential and anonymous submission by employees of complaints and concerns regarding the Company's accounting, auditing and financial reporting procedures and obligations, or any violations of the Code of Business Conduct and Ethics or other Company policies. The Whistleblower Policy provides that if any employee has any information, complaints or concerns regarding such matters they are urged to present such information, complaints or concerns to the Audit Committee, without regard to the position of the persons responsible for the subject matter of the information, complaint or concern. Promptly following the receipt of any information, complaints or concerns submitted to it, the Audit Committee, with the assistance of the Nominating and Corporate Governance Committee, will investigate each matter and, if required, take appropriate corrective actions. The Audit Committee will retain, as part of its records, any information, complaints or concerns received.

### Disclosure Policy

The Board has approved the Disclosure Policy which, among other things, is designed to ensure that all disclosure made by the Company is accurate, complete and fairly presents the Company's financial position and results of operations in all material respects and is made on a timely basis in accordance with the provisions of applicable TSX regulations and securities laws.

### Majority Voting Policy

The Board has adopted a Majority Voting Policy, which requires that, in an uncontested election of directors, a director nominee who is elected with a greater number of votes "withheld" than votes "for" will be considered by the Board not to have received the support of the Shareholders. Any nominee who receives a greater number of votes "withheld" than votes "for" will tender their resignation to the Board Chair promptly following the relevant meeting. The Nominating and Corporate Governance Committee will consider the proposed resignation in light of all relevant circumstances and

make a recommendation to the Board. The Board will make a decision whether to accept or reject any such resignation within 90 days following such meeting and press release its decision including the reasons for rejecting a resignation, if applicable.

### **Anti-Bribery and Anti-Corruption Policy**

In order to ensure compliance with the *Corruption of Foreign Public Officials Act* (Canada) (the “**CFPOA**”) the Company has adopted an Anti-Bribery and Anti-Corruption Policy. The purpose of the Anti-Bribery and Anti-Corruption Policy is to provide a procedure to ensure that the Company, together with its directors, officers, employees, consultants, and contractors, conducts its business in an honest and ethical manner reflecting the highest standards of integrity and in compliance with all relevant laws and regulations applicable to it and in compliance with the CFPOA.

### **Human Rights, Diversity and Inclusion Policy**

The Board has adopted a Human Rights, Diversity and Inclusion Policy and is committed to respecting human rights as set forth in the Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights and under international humanitarian law. The purpose of the Human Rights, Diversity and Inclusion Policy is to ensure that the Company meets its commitments in the assessment of potential human rights issues, takes measures to avoid infringing on human rights, and seeks constructive dialogue and partnerships with stakeholders impacted by the Company’s activities.

### **Fitness for Duty Policy**

The Company is committed to maintaining a safe work environment and ensuring that all activities of the Company are conducted in a manner that safeguards the safety and health of employees, contractors, visitors, and the community. As an objective to achieving zero workplace incidents or injuries and ensuring the integrity and safety of the Company facilities and operations, the Board has adopted a Fitness for Duty Policy to ensure employees and contract workers are fit for work and are free from any negative impacts from the use or aftermath of alcohol and other drugs.

### **Confidentiality and Insider Trading Policy**

The Board has approved a written Confidentiality and Insider Trading Policy in order to prevent improper insider trading and the improper communication of undisclosed material information regarding the Company and to ensure that the directors, officers and senior management of the Company and persons or companies related to or controlled by them act, and are perceived to act, in accordance with applicable laws and the highest standards of ethical and professional behaviour.

### **Advance Notice Policy**

The purpose of the Advance Notice Policy as adopted by the Board is to provide Shareholders, directors, and management of the Company with a clear framework for nominating directors of the Company. The Advance Notice Policy fixes a deadline by which director nominations must be submitted to the Company prior to any annual or special meeting of Shareholders and sets forth the information that must be included in the notice to the Company for the notice to be in proper written form in order for any director nominee to be eligible for election at any annual or special meeting of Shareholders.

## Executive Compensation Clawback Policy

The Board has adopted an executive compensation clawback policy, which allows the Board to require reimbursement of excess bonus and equity-based compensation paid or granted to an executive in certain circumstances where (i) the Company is required to restate its financial statements due to material non-compliance with any financial reporting requirement under applicable securities laws, (ii) the executive engaged in fraud or willful misconduct which caused or significantly contributed to the material non-compliance that resulted in the restatement, (iii) the bonus and equity-based compensation paid to the executive would have been lower had it been based on the restated financial statements, or (iv) the Board makes a good faith determination that the executive engaged in detrimental conduct. Executive is defined as a current or former employee who is or was identified by the Company as the Company's President and Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer, any Executive Vice President, and any other vice president or officer as may be designated by the Board. The Board may delegate to the Compensation Committee all determinations to be made or actions to be taken by the Board under the executive compensation clawback policy as circumstances may require.

## ENVIRONMENT AND CORPORATE SOCIAL RESPONSIBILITY

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The Company understands that mining in an environmentally and socially responsible way is essential to our operating and financial success. For us, that means providing a safe working environment while implementing responsible practices and effective management systems throughout our organization to continually improve our performance. We believe that if we create meaningful opportunities for local employment and training, develop community relationships based on open and honest communication, and ensure that the communities in which we operate benefit from our presence, our operating and financial success will be maximized.

As set out in the Company's sustainability report for the year ended December 31, 2023, which is available on the Company's website at [www.discoverysilver.com](http://www.discoverysilver.com), the Company made significant progress advancing and advocating its efforts focused on Environment, Social and Governance ("ESG") and sustainability related initiatives and investments.

The Company's approach to social and environmental policies is guided by both the legal guidelines in the jurisdictions in which the Company operates, as well a combination of Company-specific policies and standards with a commitment to best practice management. The Company strives to uphold stakeholder expectations for the Company to act ethically and responsibly from exploration through to mine closure, and to be transparent and accountable for its conduct. Operating its mines responsibly and following good governance practices not only provides benefits for Discovery but also for the local communities and the broader provinces, states, territories and nations in which the Company operates. Responsible mining increases prosperity for all stakeholders, including governments, investors, employees, supply chain partners, communities and contractors – it provides jobs and builds skills and, through partnerships with governments and other actors, it facilitates investment in infrastructure and public services. Understanding that the Company's operations have these direct, indirect, and induced benefits, the Company pays careful attention to the value of local suppliers. In addition, the Company appreciates the benefits resulting from sponsorships and donations to various local charitable and not-for-profit organizations in the jurisdictions in which the Company operates.

## STRATEGIC OVERSIGHT

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The Board is actively involved in the strategy of the Company. Throughout the year, the Board provides oversight of a variety of strategic plans. In particular, the Board reviews all strategic initiatives with the CEO and the senior management team during its regularly scheduled Board meetings held five times per year. In addition, where required, the Board meets informally and separately from its regularly scheduled Board meetings to review various strategic initiatives as they arise, including any growth and acquisition strategies, review of the Company's current business plan with respect to its current operations and the risks and opportunities associated with such strategies. In December of each year the Board meets to review and approve the annual capital and operating budgets that support the Company's

ability to meet its strategic objectives.

The Board and the CEO, supported by the senior management team, is responsible for the strategic development of the business. In 2024, the Company focused on further defining its mid to long-term strategies which resulted in, among other things, the acquisition of the Porcupine Complex from Newmont Corporation.

## RISK OVERSIGHT AND ASSESSMENT

In support of the Company’s strategic initiatives the Board also oversees the Company’s approach to risk management which is designed to improve long-term performance and enhance shareholder value. Fundamental to risk management is the understanding of the inherent risks facing the Company, what steps are being taken to mitigate such risks and what level of risk is appropriate for the Company taking into consideration its specific corporate and operational frameworks. Through its oversight and involvement in the strategic planning of the business, the Board is involved in reviewing the levels of risk for the Company.

This risk analysis is further supplemented by the various committees who are responsible for assessing risk in certain areas as follows:

Committee	Risk Management Area	Frequency
<b>Audit Committee</b>	Assesses financial risk, focusing on financial controls. Reviews and discusses the Company’s policies regarding financial risk assessment and financial risk management with external auditor, management and the Director, Internal Audit. The Audit Committee reviews certain legal risks and applicable legislation in Canada. Along with the Corporate Governance and Nominating Committee, the Audit Committee oversees the Code of Conduct and Ethics, the Whistleblower policy and director and officer related party transactions and any potential director or officer conflicts of interest.	Meets at minimum four times annually. In addition, the Audit Committee provides its review and approval of various disclosure materials on a regular basis, where applicable, and meets with management and the external auditors frequently leading up to each financial reporting period.
<b>Compensation Committee</b>	Assesses potential risks facing the Company with respect to its compensation policies and practices, succession planning for the Board and for senior management and organizational changes within the senior management team, including leadership and development to mitigate such risks. The Compensation Committee also regularly reviews organizational changes at the senior management level and is provided with updates on a quarterly basis on human resources issues associated with the Company as a whole.	Meets a minimum of two times annually, but often meets more than six times per year for formal Compensation Committee meetings. In addition, the Compensation Committee meets on an informal and ad hoc basis to deal with issues relating to new hires, organizational changes and succession planning.
<b>Corporate Governance and Nominating Committee</b>	Receives and reviews the Company’s Enterprise Risk Management register on a quarterly basis to ensure risks are being identified and mitigated. In addition, assesses potential risks relating to ethics and compliance including applicable legislation, corporate governance best practice guidelines and proxy advisory guidelines with respect to corporate governance matters. Along with the Audit Committee, the Corporate Governance and Nominating Committee oversees the Code of Conduct and Ethics, the Whistleblower policy and director and officer related party transactions and any	Meets a minimum of four times annually but often more than five times per year in order to provide effective oversight of shareholder materials to promote transparency of disclosure materials.

Committee	Risk Management Area	Frequency
	potential director or officer conflicts of interest.	
<b>HSE Committee</b>	Assesses potential risks relating to health, safety, environment and corporate social responsibility matters associated with the Company's operations and its various capital projects in support of such operations. The HSE/CSR Committee also reviews potential improvements to and innovations in best health and safety practices and reviews key risks facing the Company with respect to ESG.	Meets a minimum of four times and a year and is actively involved in conducting site visits and tours of the Company's operations to witness firsthand the health, safety and environmental protocols which are in place at each of the Company's operations.
<b>Technical Committee</b>	Assesses potential risks associated with the Company's technical and operational matters of its mines and all related properties, including any future expansion or development of such properties from a technical, financial and scheduling perspective. The Technical Committee assesses risk with respect to the production forecasts, budgets, life of mine plans, mineral reserves and resources. In addition, the Technical Committee provides oversight with respect to tailings management facilities, water treatment plants, paste fill plants, shaft sinking, ventilation upgrades and innovation and business improvements to the operations.	Meets a minimum of four times a year and receives regular updates from management on the status of various technical services projects and updates, including frequent reporting, on significant projects. In addition, the Chair of the Technical Committee devotes a significant amount of time at each operation reviewing various technical matters with management on site.

During the year ended December 31, 2024, it was determined that the Corporate Governance and Nominating Committee would review and assess the Company's enterprise risk register on a quarterly basis going forward to ensure risks which had been addressed were being appropriately reviewed and mitigated. Upon review of the enterprise risk register, the Corporate Governance and Nominating Committee will provide an update to the Board. The areas of risk as set out above will continue to be addressed by the committees as set out above, however, the Corporate Governance and Nominating Committee will perform an additional role of oversight to ensure management accountability with respect to managing and mitigating various risks facing the Company.

## SHARE OWNERSHIP POLICY

The Board believes it is in the best interests of the Company and Shareholders to align the financial interests of its leadership with those of the Shareholders. The Company has adopted a Share Ownership Policy that sets out mandatory equity ownership requirements for both directors and executive officers of the Company (each a “Participant” with respect to the Share Ownership Policy). Pursuant to the Share Ownership Policy, mandatory equity ownership thresholds have been established as follows:

POSITION	OWNERSHIP REQUIREMENT
Chief Executive Officer	3 times annual base salary
C-Suite and Senior Management (VPs)	2 times annual base salary
Non-employee Directors	3 times annual base retainer

The minimum ownership levels required pursuant to the Share Ownership Policy are expected to be satisfied by each Participant within five years after first becoming subject to these ownership requirements or after being appointed to any one of the positions subject to the Share Ownership Policy. In the event of an increase in a Participant’s base salary or annual retainer, he or she will have five years from the time of the increase to acquire any additional equity as may be required to obtain the minimum ownership requirements under the Share Ownership Policy. Once the Participant’s level of equity ownership satisfies the applicable minimum ownership requirements, Participants are expected to maintain such minimum ownership levels for as long as the Participant is subject to the Share Ownership Policy. The following securities may be included in determining the Share ownership of each Participant:

- Common Shares owned directly (including through open market purchases or acquired and held upon vesting of Company equity awards).
- Common Shares owned jointly with or held separately by the Participant’s spouse.
- Common Shares held by any minor children (“**Minor Children**”) that share the same home as the Participant.
- Common Shares held in trust for the benefit of the Participant, the Participant’s spouse and/or Minor Children.
- Common Shares held in any trust in which the Participant and/or the Participant’s spouse is a trustee with voting and investment power.
- Common Shares owned by any private corporate entity which is at least 50% owned by any combination of the foregoing.
- RSUs and DSUs held by the Participant, whether vested or not vested.

Based on the current Share Ownership Policy, each of the directors and officers of the Company are on track to meet these minimum requirements within five years from the date of adoption or date of appointment, as applicable.

## BOARD MANDATE

The Company has established a written mandate for the Board to assist it in fulfilling its responsibility to oversee the business and affairs of the Company and the activities of management who are responsible for the day-to-day conduct thereof. A copy of the board mandate is appended as Schedule C.

## POSITION DESCRIPTIONS

The Chair of the Board is an independent director of the Board and as the non-Executive Chair of the Board, he is responsible for the management and effective performance of the Board and provides leadership to the Board by working with the Board, the Chief Executive Officer and the other senior officers to establish, implement and oversee

the long-range and short-range goals, strategies, plans and policies of the Company. He is also responsible for promoting cohesiveness among the directors, advising on the capital markets strategy and general marketing strategy of the Company and assisting the Board, the committees of the Board, individual directors and the senior officers in understanding and discharging their obligations under the Company’s system of corporate governance.

The Board has developed position descriptions for the Chair of the Board and the Chief Executive Officer, which delineate the roles and responsibilities of these positions. The position descriptions for the Chair and the Chief Executive Officer can be found within the committee charters at the Company’s website at [www.discoverysilver.com](http://www.discoverysilver.com).

**NOMINATION OF DIRECTORS**

The Board identifies potential director candidates through a search process that may include, among other things, internal and external referrals and/or the use of an executive search firm. Members of the Nominating and Corporate Governance Committee review the qualifications of potential director candidates, where applicable, and conduct interviews with such candidates, following which the Nominating and Corporate Governance Committee makes recommendations to the Board with respect to such candidates.

The Company has not adopted term limits for the directors on its Board. While director term limits can assist with board refreshment, there may be circumstances where the Board may not want to lose the deeper knowledge of the business and the skills and experience of a longer-serving director. The Company believes that with the combination of annual director elections and the monitoring of performance the Company achieves the appropriate level of Board turnover. Further, the Company assesses the skillsets of the various members of the Board and the overall Board annually and seeks to consider and where appropriate appoint, appoints new Board members where there are any key gaps in such skillsets and/or where it is necessary to consider additional Board members for succession planning purposes.

**MAJORITY VOTING POLICY**

The Board has adopted a majority voting policy which requires that, in an uncontested election of directors, any nominee who receives a greater number of “withheld” votes than “for” votes must tender their resignation to the Chair of the Board promptly following the relevant meeting. The Corporate Governance and Nominating Committee will consider the proposed resignation in light of all relevant circumstances and make a recommendation to the Board. The Board will determine whether to accept or reject any such resignation within 90 days following such meeting and press release its decision immediately and absent exceptional circumstances, will accept the resignation. The resignation will be effective when accepted by the Board. A director who tenders a resignation pursuant to this policy will not participate in any meeting of the Board or the Corporate Governance and Nominating Committee at which the resignation is considered. If the Board determines not to accept a resignation, the news release will fully state the reasons for that decision and a copy of such news release will be provided to the TSX. A copy of this policy can be found on the Company’s website at [www.discoverysilver.com](http://www.discoverysilver.com).

At the annual meeting of shareholders of the Company held on May 14, 2024, each director nominee was elected with the following approvals set out below.

<b>Name of Nominee</b>	<b>% Votes cast FOR</b>	<b>% Votes WITHHELD</b>
Murray John	99.21%	0.79%
Anthony Makuch	98.57%	1.43%
Barry Olson	99.04%	0.96%
Jeffrey Parr	99.24%	0.76%

Moira Smith	99.25%	0.75%
Daniel Vickerman	99.24%	0.76%

## SHAREHOLDER ENGAGEMENT

As at the Record Date, members of management and the Board held various meetings in person and by teleconference with Shareholders during the year ended December 31, 2024, and during the first quarter of 2025, including the following:

Event	Shareholder/Stakeholder Group	Attendance	Discussions
Special Meeting of Shareholders	Shareholders and other stakeholders	CEO, Board, senior management and officers of the Company	Shareholder vote on the share issuance to Newmont Corporation in connection with the acquisition of the Porcupine Complex
Annual Meeting of Shareholders (AGM)	Shareholders and other stakeholders	CEO, Board, senior management and officers of the Company	Presentation and approval of Board, Q&A and receive feedback from shareholders
Marketing Post Acquisition	Institutional and retail investors Investor Day	CEO, Board, senior management and officers of the Company	Company presentation and Q&A
Institutional and Retail Conferences	Investment community, bankers, analysts and portfolio managers, junior exploration companies	Investor Relations	Public presentations and one-one meetings with the larger investment community
Trade Shows and Industry Specific Conventions	Shareholders, local stakeholders and community members	CEO, Investor Relations, Corporate Development	Review the Company's business with investors, suppliers, peers and potential employees for recruitment
Site Visits	Senior management, financial and legal advisors, Board members	Investor Relations and senior management	Tours of company assets with detailed presentations
Meetings with Government officials	Ministers for Economic Development, Town Mayors	Senior management (Canada), Board (Technical Committee)	Discussions around government engagement to achieve aligned outcomes and promoting development of regional economy
Meetings with the First Nations and Aboriginal Community Members	First Nation Chiefs, Council Members	CEO, senior management	Discuss mutual cooperation and collaboration

Event	Shareholder/Stakeholder Group	Attendance	Discussions
Quarterly Results Conference Call and Webcast	Stakeholders	CEO, senior management	Review and discuss quarterly financial and production releases, any material discoveries and outlook for the next quarter
Individual meetings with Shareholders and Other Stakeholders	Shareholders and Interested Parties	Chair of the Board, Chair of the Compensation Committee, Chair of the Corporate Governance Committee, CEO, senior management and officers of the Company.	Review of the Company's activities and performance, on a one on one basis with various shareholders.
News Releases	Stakeholders	CEO, Chairman of the Board, directors, senior management and officers of the Company	Report on material information through the year
Social Media	Stakeholders	CEO, Investor Relations, senior management	All news releases, Company announcements and community involvements are posted on a regular basis

The Company has established a number of ways to received feedback from interested parties:

- Telephone at 416-613-9410
- Email to [info@discoverysilver.com](mailto:info@discoverysilver.com)

Shareholders, employees and others can contact the Chair of the Board, or other members of the Board, directly by:

- Writing to the Chair of the Board, or other members of the Board at our head office address:

#701-55 University Avenue  
 Toronto, Ontario  
 M5J 2H7  
 Attention: Chair

- Telephone at 416-613-9410
- Email to [murray.john@discoverysilver.com](mailto:murray.john@discoverysilver.com)

Available Board members and committee chairs will also be present at the Meeting to receive questions from Shareholders.

## SUCCESSION PLANNING

The Board regularly considers succession planning within the organization as part of its overall compensation, leadership and development strategy. The Corporate Governance and Nominating Committee has primary responsibility for Board succession planning and for developing a list of nominees for election as directors at each annual meeting. The Corporate Governance and Nominating Committee Chair regularly reports to the Board on its Board succession planning process.

In particular, the Corporate Governance and Nominating Committee reviews, on annual basis, the competencies and skills of each director to take into account the Company's strategic plan and needs of the Board. The Corporate Governance and Nominating Committee also considers expected turnover and Board refreshment, taking into consideration Board tenure and age. Working with the Chair of the Board, the Corporate Governance and Nominating Committee Chair reviews the expected term of office for each director and whether any director is likely to retire in the near term.

With respect to succession planning at the executive level, the Board, along with the Compensation Committee, have responsibility for overseeing management's planning process for executive development and succession planning. On an annual basis the Compensation Committee and the Board review the current management structure at the executive level and below to ensure a natural pipeline of high performing executives to ensure orderly senior leadership transitions. Succession planning at the executive level is used to progress the Company's overall business strategy. The CEO regularly presents updates to the Company's organizational structure noting critical positions and the internal candidates qualified to fill such positions. Where any gaps are identified, the Compensation Committee, along with the Board, will consider potential lateral movements within the organization and may also research external talent opportunities. In addition, the CEO identifies internal high potential successor candidates for senior management roles to the Board. High potential candidates are encouraged to have direct interactions with the Board members so that the Board may become familiar with all potential candidates and gain exposure to their individual skills and expertise. In 2024, the Board and the CEO reviewed a near term succession plan for senior management.

As part of the executive succession planning program, the Board, supported by the CEO, is responsible for CEO succession. The Board meets in camera to discuss CEO succession no less than once per year and the development of potential candidates is reviewed and assessed. In addition, the Board maintains a succession plan in the event of an unexpected departure of the CEO.

Following the completion of the acquisition of the Porcupine Complex in early 2025, management undertook a review of its existing organizational structure with the view to supplement and grow the executive management teams at both the corporate and site levels. As a result, various critical positions were identified and filled. The CEO and the Board, along with the oversight of the Compensation Committee, will continue to work on the succession planning of Discovery as it transitions to a mid-tier producer, taking into consideration the Company's immediate and long-term succession planning needs.

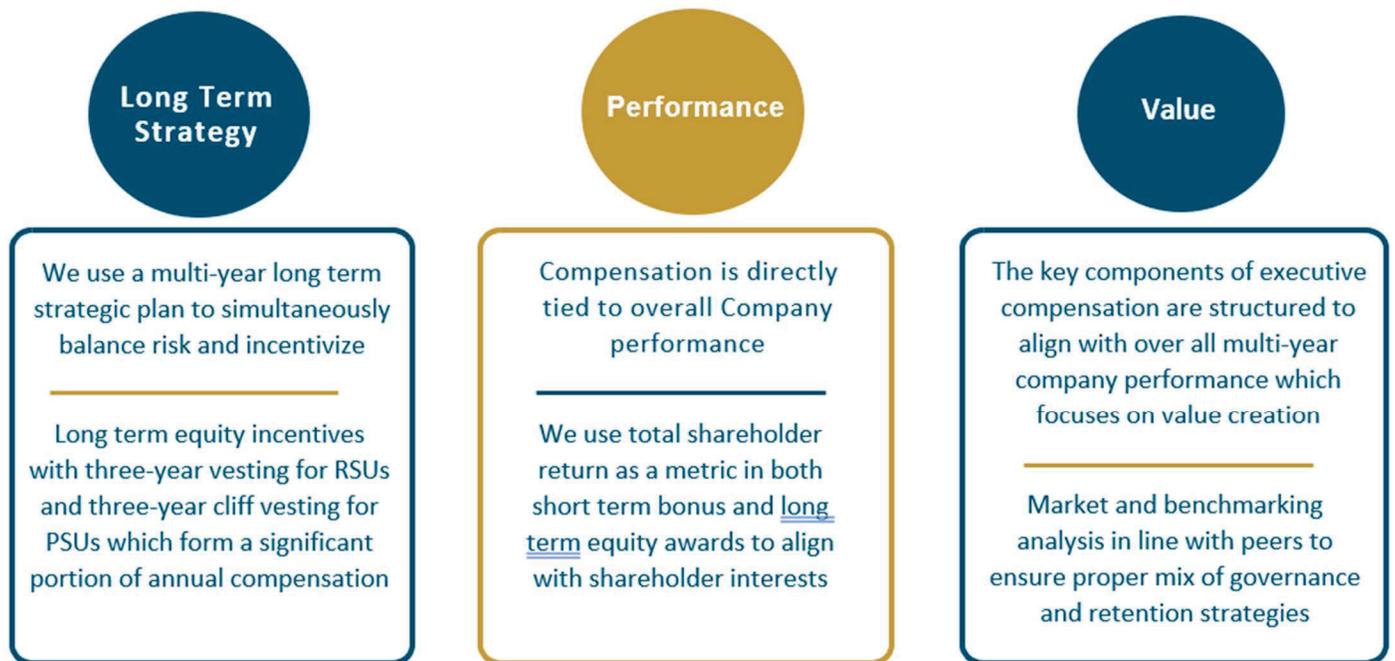
**REPORT ON EXECUTIVE COMPENSATION**

The Company’s Statement of Executive Compensation, made in accordance with the requirements of Form 51-102F6 – *Statement of Executive Compensation* (“**Form 51-102F6**”), is set forth below and contains information about the compensation paid to, or earned by, the Company’s CEO, CFO, and the three most highly compensated executive officers of the Company earning more than \$150,000 in total compensation during the year ended December 31, 2024 (each, an “**NEO**”). During the year ended December 31, 2024, the NEOs were Tony Makuch (Chief Executive Officer), Andreas L’Abbé (Chief Financial Officer), Gernot Wober (VP Exploration), Forbes Gemmell (VP Corporate Development) and Roman Solis (SVP, Mexico).

**PHILOSOPHY AND APPROACH**

The Company compensates its directors and executives in a competitive and balanced manner based on performance. Corporate performance is the most significant factor in determining executive compensation. The Company’s compensation principles are:

**Executive Compensation Framework**



**COMPENSATION DISCUSSION AND ANALYSIS**

The Company’s primary objective is building a sustainable mining company that is recognized as safe and responsible while maximizing profitable production to increase Shareholder value. To succeed in this, it is imperative that competitive compensation packages be provided to executive management to ensure that executives are appropriately retained and engaged to effectively manage, operate and implement the long-term growth strategy of the Company.

The Company's compensation philosophy looks to align compensation with performance, taking into account the Company's overall financial position, which ultimately aligns with the interests of Shareholders. The goal is to motivate employees to achieve higher levels of performance which will serve to provide greater value to Shareholders.

The Company balances its compensation program with rewards for the attainment of corporate and operational measures and risk management that are within the executive's ability to influence. Each year, the Board, upon recommendation from the Compensation Committee, adopts a scorecard that sets out the key performance indicators ("KPIs") to guide and motivate the senior executive team in realizing the Company's corporate strategy for the following year. At the end of each year, with the input of the CEO, the Compensation Committee reviews the corporate performance against each indicator and recommends to the Board the specific weightings or performance score for each category of KPIs. Various corporate, divisional, and departmental objectives are set for the following year in order to ensure that the Company's objectives are aligned with the key long-term priorities for the future success of the Company.

The compensation program of the Company places a significant emphasis on at-risk compensation. This is achieved in the form of performance-based, short-term cash incentives ("STIs"), as well as long-term incentives based on a three-year vesting schedule for restricted share units and a three-year cliff vesting schedule for performance share units ("LTIs"). This compensation strategy illustrates the Company's strong focus on pay-for-performance over the long term. Compensation programs will continue to emphasize "pay for performance", with each individual's short- and long-term compensation and career advancement being dependent on both Company performance and individual performance, with the objective of increasing long-term Shareholder value. If the Company or the individual does not meet its objectives, awards will be adjusted in accordance with pre-established processes or as otherwise determined at the discretion of the Board.

**What we DO:**

- **Pay for Performance** – 80% of the CEO’s pay is at-risk which is variable, not guaranteed and contingent on overall Company performance
- **Performance Based Vesting** – 100% of our LTI Awards are based on 3 Year vesting and/or 3 year cliff vesting
- **Cap Payouts** – STI payouts are capped at a maximum of 150% of target for senior officers and 200% of target for the CEO
- **Realizable Pay** – compensation ultimately paid from LTI awards can vary significantly from date of grant. TSR forms a central component in payout value of LTI awards
- **Double Trigger** – severance provisions in our employment agreements and LTI plans have double triggers in the event of a change of control
- **Minimum Equity Ownership** – both the Board and the senior management team are subject to minimum equity ownership guidelines
- **Executive Compensation Claw Back Policy** – reimbursement or claw back on executive bonuses and equity compensation in certain circumstances
- **Anti-Hedging Policy for Directors and Officers** – restrictions on purchase of any financial instrument by directors or officers that may hedge or offset a decrease in the market value of the Company’s securities

**What we DON’T DO:**

- **Provide Guarantees** – executive compensation is not guaranteed and is based on performance. There are no minimum payouts on the STIs or LTIs and could result in a zero payout if performance not achieved
- **Issue Stock Options** – since 2021, the Company has not granted any stock options
- **Excessive Severance** – the Company does not enter into employment agreements with severance exceeding two years in the event of a change of control
- **Provide Loans** – the Company does not provide loans to directors or executives

The Company uses a process for determining executive compensation whereby the Compensation Committee reviews executive base compensation, STIs and LTIs and with the assistance of compensation consultants, provides a recommendation to the Board for discussion and approval. For the 2024 STI, the CEO’s target was set at 100% with a stretch target set at 200% of base salary, while all other executives had targets set at 50% with stretch targets of 75% of base salary, if all KPIs were met and exceeded.

The Compensation Committee takes into consideration the current stage of the Company and the individual knowledge and expertise required with respect to development and long-term growth strategy of the Company when considering new hires and the importance of special one-time hire awards in acquiring such talent. The Board then reviews this information, along with the Compensation Committee recommendations in making their ultimate decisions regarding executive base compensation, short-term non-equity incentives and long-term equity-based incentives.

The KPIs in the scorecard used by the Compensation Committee in recommending short-term non-equity compensation are grouped into nine categories with specific weightings for each executive based on the specific objective. The overarching objectives for 2024 were comprised of the following key areas: share performance, exploration, feasibility study, permitting, project agreements, ESG, financial, human resources, corporate development, growth strategy and project financing. Following the acquisition of the Porcupine Complex, the Compensation Committee will look to further develop and align these KPIs to take into consideration certain key production, financial and operating targets set for the Porcupine Complex for 2025.

In 2024, the Compensation Committee conducted a comprehensive review of the various KPIs, taking into particular consideration the transformative acquisition of the Porcupine Complex from Newmont Corporation which was

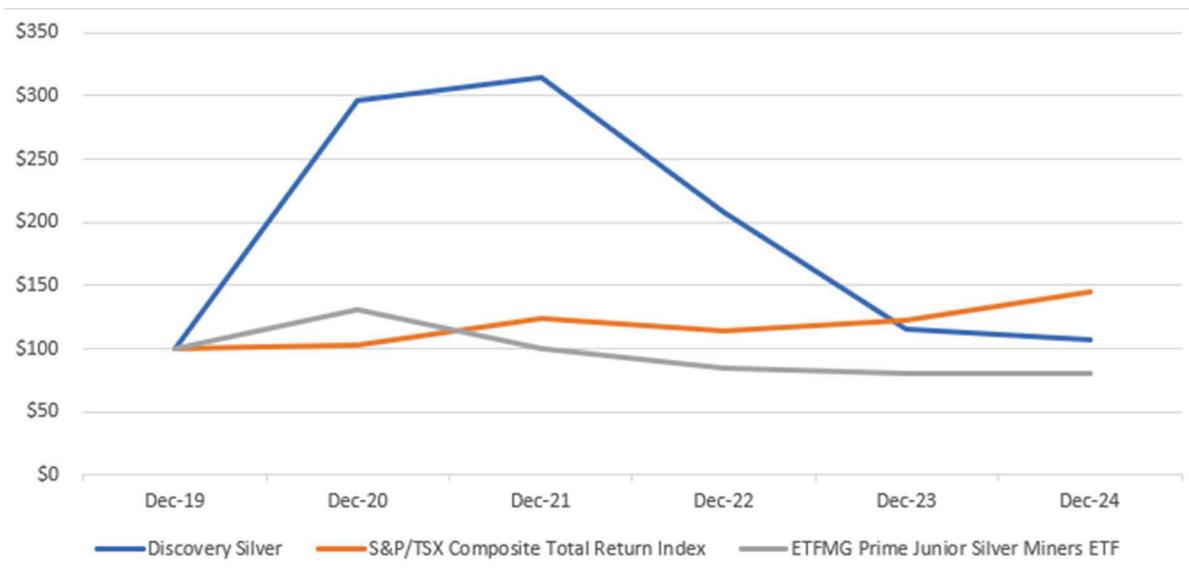
undertaken in 2024 and announced on January 27, 2025. This strategic acquisition has significantly accelerated the Company’s transition from developer to producer, resulting in substantial Shareholder value creation. In recognition of the executive team’s exceptional performance in identifying, negotiating, and executing this value-accretive transaction, while maintaining operational excellence across existing assets, all executives achieved stretch target weightings with respect to their short-term cash incentives. The Compensation Committee believes this compensation decision appropriately reflects the efforts and results achieved by management in positioning the Company as a gold producer with enhanced growth prospects and a strengthened market position. Although earned for 2024 performance, the short-term non-equity incentive was paid to executives in January of 2025 and is reflected in the table on page 49.

The Compensation Committee assesses potential risks facing the Company with respect to its compensation policies and practices, succession planning for the Board and for senior management, and organizational changes within the senior management team, including leadership and development to mitigate such risks. The Compensation Committee also regularly reviews organizational changes at the senior management level and is provided with updates on a quarterly basis on human resources issues associated with the Company as a whole.

NEOs and directors of the Company are expressly prohibited from purchasing financial instruments. NEOs and directors are required to comply with the Company’s Code of Business Conduct and Ethics as outlined above.

**Performance Graph**

The following graph compares and tracks the effect of \$100 invested in Common Shares on December 31, 2018, against the total Shareholder return of the S&P/TSX Composite Index and the ETFMG Prime Junior Silver Miners ETF for the five most recently completed financial years of the Company, assuming the reinvestment of all dividends.



The Company’s executive compensation strategy is designed to align the Company’s interests with both the short- and long-term interests of Shareholders. The Company has developed a comprehensive compensation strategy with the following goals: (i) providing compensation levels that are competitive with comparator group companies in the mining industry; (ii) linking executive compensation to corporate performance and the creation of Shareholder value, including through at-risk compensation; (iii) rewarding achievement of corporate and individual performance objectives; and (iv) promoting internal equity and disciplined assessment of performance. For the past five years, the Company has continued to outperform the EFTMG Prime Silver Junior Miners ETF. In addition, the Company has experienced record growth following the acquisition of the Porcupine Complex with a 400% share price increase from \$0.76 at the beginning of 2024 to \$3.03 as at the Record Date.

## Share-based and Option-based Awards

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The Company uses a common method in determining share-based and option-based awards to executive officers and directors. The Compensation Committee reviews current share-based awards or option-based awards outstanding compared to the total available awards to grant which is based on the combined maximum of 10% of Common Shares issued and outstanding across all long-term incentive plans (Options, RSUs and DSUs). Previous grants are considered in determining new grants. Amendments to any of the existing incentive plans are first reviewed by the Compensation Committee and then recommended to the Board for approval.

## Compensation Governance

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During the year ended December 31, 2024, the Board engaged Bedford Consulting, an independent compensation consultant, to provide an appropriate benchmarking analysis for the Company's compensation framework for both the senior management team and the Board. With the successful acquisition of the Porcupine Complex announced earlier this year and the Company's evolution to a gold producer, the Compensation Committee and the Board felt it appropriate to re-engage an independent third-party compensation consultant to undertake an independent compensation review benchmarking Discovery against similar companies to gauge whether the Company's compensation package is both reasonable and competitive. It was determined that going forward, the Compensation Committee and the Board would formally adopt a benchmark group for compensation of senior management and the Board, to ensure alignment with the Company's new operational profile in 2025 and beyond. The updated independent third-party compensation benchmarking analysis completed in early 2025, provided the Compensation Committee and the Board with market intelligence on compensation practices among mid-tier gold producers. Additionally, the analysis also evaluated appropriate compensation levels for management and the Board tailored to the size and scale of the Company. Additional long-term compensation strategies were reviewed to further enhance alignment of management and the Board with Shareholders and stakeholders.

As a result of this independent review, the Company strengthened its focus on pay for performance by adjusting its compensation strategy to: (a) increase the percentage of LTI grants; and (b) add a three year cliff vesting performance based share unit which would account for at least 50% of the executives LTI annual LTI grant. This was done to ensure that a greater percentage of compensation was "at-risk" and only payable on the long-term success of the Company. In the event certain thresholds are not met, the vesting of the performance share units three years from the date of grant could result in a nil payout, if the Company fails to perform vis-a-vis its peers. Going forward, the Compensation Committee and Board is committed to further strengthening its STI program significantly by including additional operational and departmental target weightings to enhance overall performance metrics. With an expanded STI plan, the Company can ensure a pay for performance success-based results plan will serve to properly motivate and incentivize the executive management team.

During the years ended December 31, 2024 and December 31, 2023, the Company paid the following compensation consulting advisory fees.

Name of Consultant	Executive Compensation-Related Fees (\$)		All Other Fees (\$)	
	Amount invoiced in 2024	Amount invoiced in 2023	Amount invoiced in 2024	Amount invoiced in 2023
Bedford Consulting	30,133	\$Nil	Nil	Nil
Lane Caputo	Nil	19,210	Nil	Nil

When making compensation recommendations for NEOs to the Board, the Compensation Committee considers factors beyond market data, including input from management and external corporate governance consultants, as applicable. The Compensation Committee also considers various factors which result in a holistic approach to compensation recommendations, as set out below. There is no mandatory framework that determines which of these additional factors may be more or less important, and the emphasis placed on any of these additional factors may vary among the Compensation Committee members.

### SUMMARY COMPENSATION TABLE

The following table provides information regarding compensation earned by the NEOs for the years ended December 31, 2024, December 31, 2023, and December 31, 2022.

Name and principal position	Year	Salary (\$)	Share-based awards (\$) <sup>(1)</sup>	Option-based awards (\$) <sup>(2)</sup>	Non-equity incentive plan compensation (\$)		Pension Value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Tony Makuch Director, President and CEO <sup>(4)</sup>	2024	600,000	840,000	Nil	1,200,000	Nil	Nil	Nil	2,640,000
	2023	600,000	1,936,901	1,200,000	525,000	Nil	Nil	Nil	4,261,901
	2022	277,083	Nil	404,000	155,167	Nil	Nil	Nil	836,250
Andreas L'Abbé CFO	2024	310,000	162,750	Nil	232,500	Nil	Nil	Nil	705,250
	2023	310,000	314,366	Nil	135,625	Nil	Nil	Nil	759,991
	2022	250,000	Nil	620,000	100,000	Nil	Nil	Nil	970,000
Gernot Wober VP Exploration	2024	325,000	170,625	Nil	243,750	Nil	Nil	Nil	739,375
	2023	325,000	329,577	Nil	142,188	Nil	Nil	Nil	796,765
	2022	305,000	Nil	620,000	122,000	Nil	Nil	Nil	1,047,000
Forbes Gemmill VP Corporate Development	2024	310,000	162,750	Nil	310,000	Nil	Nil	Nil	782,750
	2023	300,000	304,226	Nil	131,250	Nil	Nil	Nil	735,476
	2022	275,000	Nil	620,000	110,000	Nil	Nil	Nil	1,005,000
Roman Solis SVP, Mexico <sup>(5)</sup>	2024	305,000	160,125	Nil	228,750	Nil	Nil	Nil	762,500
	2023	290,000	294,084	Nil	126,875	Nil	Nil	Nil	710,959
	2022	240,000	Nil	620,000	96,000	Nil	Nil	Nil	956,000

Notes:

(1) The fair values of the share units granted have been measured using the market value of the shares on the date that the share units were granted and do not represent the actual amounts received by the NEOs. The actual amount received will be determined by the market value of the shares on the date that the share units vest and the corresponding shares are received by the NEOs.

The fair values of the Options granted have been estimated using the Black-Scholes option-pricing model and do not represent the actual amounts received by the NEOs. The actual amount received will be determined by the market value of the shares on the date that the Option is exercised. Assumptions used in the pricing model on grant date are as follows: For the Options granted to Mr. Makuch in 2023: (exercise price: \$1.42, Expected life 5.00 years, Risk Free rate: 3.50%, expected volatility: 87.0%, expected forfeiture rate: 5.2%, expected dividend yield: nil). For the Options granted to Mr. Makuch in 2022 in his capacity as director prior to being appointed President and CEO: (exercise price: \$1.76, Expected life 5.00 years, Risk Free rate: 2.43%, expected volatility: 92.0%, expected forfeiture rate: 5.3%, expected dividend yield: nil). For the Options granted to NEOs: (exercise price: \$2.05, Expected life 5.00 years, Risk Free rate: 3.32%, expected volatility: 93.0%, expected forfeiture rate: 5.4%, expected dividend yield: nil).

- (2) The annual incentive plan amount under the non-equity incentive plan is an amount earned for that year in accordance with the Company's short-term incentive plan with the actual cash payment made in the subsequent year.
- (3) Mr. Roman Solis was appointed Senior Vice President, Mexico from Vice President, Mexico on January 1, 2024.
- (4) Mr. Makuch was appointed to the Board on April 11, 2022 and was granted 400,000 Options. On June 6, 2022, Mr. Makuch was appointed Interim Chief Executive Officer. The salary earned by Mr. Makuch as interim CEO is for the period beginning June 6, 2022 through December 31, 2022.

**INCENTIVE PLAN AWARDS**

**Outstanding Share-Based Awards and Option-Based Awards**

The following tables (presented in accordance with Form 51-102F6) sets forth for each NEO all awards outstanding at the end of the financial year ended December 31, 2024, including awards granted, but not necessarily vested, before December 31, 2024.

Name	OPTION-BASED AWARDS <sup>(1)</sup>				SHARE-BASED AWARDS		
	Number of securities underlying unexercised Options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money Options (\$) <sup>(1)</sup>	Number of RSUs that have not vested (#)	Market or payout value of share-based awards that have not vested (\$) <sup>(1)</sup>	Market or payout value of vested share-based awards not paid out or distributed (\$)
Tony Makuch Director, President and CEO <sup>(2)</sup>	1,600,000 400,000	1.42 1.76	Jan 26, 2028 Apr 11, 2027	Nil Nil	2,096,713	1,488,666	Nil
Andreas L'Abbé Chief Financial Officer	500,000 500,000 400,000	2.05 1.89 0.47	Jan 5, 2027 Jan 12, 2026 Apr 27, 2025	Nil Nil 96,000	378,040	268,408	Nil
Gernot Wober VP Exploration	500,000 500,000 372,100	2.05 1.89 0.47	Jan 5, 2027 Jan 12, 2026 Apr 27, 2025	Nil Nil 89,304	396,332	281,396	Nil
Forbes Gemmell VP Corporate Development	500,000 500,000 410,000 90,000	2.05 1.89 0.47 0.65	Jan 5, 2027 Jan 12, 2026 Apr 27, 2025 Jan 6, 2025	Nil Nil 98,400 5,400	373,345	265,075	Nil

Name	OPTION-BASED AWARDS <sup>(1)</sup>				SHARE-BASED AWARDS		
	Number of securities underlying unexercised Options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money Options (\$) <sup>(1)</sup>	Number of RSUs that have not vested (#)	Market or payout value of share-based awards that have not vested (\$) <sup>(1)</sup>	Market or payout value of vested share-based awards not paid out or distributed (\$)
Roman Solis SVP, Mexico <sup>(3)</sup>	500,000 500,000 400,000	2.05 1.89 0.47	Jan 5, 2027 Jan 12, 2026 Apr 27, 2025	Nil Nil 96,000	364,900	259,079	Nil

**Notes:**

- (1) Based on the December 30, 2024, Common Share closing price of \$0.71 less the exercise price of the Option, multiplied by the number of Options in that tranche.
- (2) Mr. Roman Solis was appointed Senior Vice President, Mexico from Vice President, Mexico on January 1, 2024.

**Value Vested or Earned During the Year**

The following table (presented in accordance with Form 51-102F6) sets forth details of the value vested or earned during the financial year ended December 31, 2024.

Name	Option-based Awards – Value vested during the year (\$) <sup>(1)</sup>	Share-based Awards – Value vested during the year (\$) <sup>(2)</sup>	Non-Equity Compensation Plan Compensation – Value earned during the year (\$) <sup>(3)</sup>
Tony Makuch Director, President, and Chief Executive Officer <sup>(2) (3)</sup>	Nil	325,758	1,200,000
Andreas L’Abbé Chief Financial Officer	Nil	52,872	232,500
Gernot Wober VP Exploration	Nil	55,430	243,750
Forbes Gemmell VP Corporate Development	Nil	51,166	310,000
Roman Solis SVP, Mexico	Nil	49,461	228,750

**Notes:**

- (1) All Options that vested during the financial year ended December 31, 2024 were “out-of-the-money”. Value vested during the year is calculated based on the difference between the closing price of the Common Shares on the TSX on the vesting date and the exercise price of the Option, multiplied by the number of Options vested.
- (2) RSUs that vested during the financial year ended December 31, 2024 were all redeemed at a Fair Value of \$0.73.
- (3) Comprised of cash bonus awarded at the discretion of the Compensation Committee, forming part of the total compensation for the financial year for the NEOs in question. This amount was paid in 2025.

## Option Exercise Gains realized by Executives

Between January 1, 2024 and December 31, 2024, NEOs exercised Options as follows.

Name	Number of Options (#)	Exercise Price (\$)	Market Price on date of exercise (\$)	Realized Gain (\$) <sup>(1)</sup>
Tony Makuch Director, President, and Chief Executive Officer	N/A	N/A	N/A	N/A
Andreas L'Abbé Chief Financial Officer	700,000	0.48	0.83	245,000
Gernot Wober VP Exploration	572,100	0.48	0.97	280,329
Forbes Gemmell VP Corporate Development	310,000	0.65	1.06	127,100
Roman Solis SVP Mexico	150,000	0.48	1.19	106,500

**Notes:**

- (1) Realized gain is calculated as the market price on the date of exercise less the exercise price of the Option multiplied by the number of Options exercised. Options exercised by Mr. L'Abbé, Mr. Wober and Mr. Solis were set to expire on August 19, 2024. Options exercised by Mr. Gemmell were set to expire on January 6, 2025.

## PENSIONS PLAN BENEFITS

No pension, retirement, defined contribution, or deferred contribution plans have been instituted by the Company or any of its subsidiaries, and none are proposed to be adopted at this time.

**TERMINATION AND CHANGE OF CONTROL BENEFITS**

Upon hire or promotion, all members of the senior executive team enter into an agreement with the Company relating to their employment for an indefinite period. The employment agreements set out compensation terms for the executive, along with additional terms and conditions of employment. In general, the employment agreements will provide for:

- Base salary
- Bonus
- Participation in equity incentive plans
- Outline of benefits and applicable perquisites

In addition, the employment agreements include various restrictions on disclosure of confidential information, competing against the Company and restrictions on non-solicitation in the event the executive is terminated or resigns from their position.

**Compensation on Termination Without Cause or Termination Following a Change of Control**

The tables below outline the compensation payable to the CEO, the NEOs other than the SVP Mexico and the SVP Mexico whose entitlement differs as a result of certain Mexican labour regulations, in the event of a termination without cause by the Company, a termination following a change of control, or the resignation of an executive following a Triggering Event. In this context and as a general summary, a “**Triggering Event**” is a material adverse change which occurs without the CEO’s written agreement to any of the CEO’s duties, powers, rights, title, or salary, as they existed immediately prior to a change of control.

Provision	Termination Without Cause	Termination Following Change of Control (including 12 months following a Change of Control or if a Triggering Event occurs)
<b>CEO</b>		
Lump sum severance payment equal to the aggregate of:	Two times base salary, and the greater of the target bonus and bonus paid in the preceding year.  Unpaid salary and the greater of target bonus and bonus paid in the preceding year, prorated to the date of termination.	Two times base salary, and the greater of the target bonus and bonus paid in the preceding year.  Unpaid salary and the greater of target bonus and bonus paid in the preceding year, prorated to the date of termination.
Benefits:	Continuation of participation in any pension, RRSP matching, disability and life insurance benefits and other perquisites as the Company has in effect for a period of two years following the date of termination, or a lump sum to obtain comparable replacement benefits.	Continuation of participation in any pension, RRSP matching, disability and life insurance benefits and other perquisites as the Company has in effect for a period of two years following the date of termination, or a lump sum to obtain comparable replacement benefits.
RSUs and Options:	All RSUs and Options will immediately vest on the date of termination.	On the date of termination, all Options will immediately vest and all RSUs will immediately be redeemable.

Provision	Termination Without Cause	Termination Following Change of Control (including 12 months following a Change of Control or if a Triggering Event occurs)
<b>NEOs (other than SVP Mexico)</b>		
Lump sum severance payment equal to the aggregate of:	Unpaid salary, lump sum amount equal to 1 x base salary, bonus earned to termination date (upon condition that executive worked until the end of the year and satisfied all conditions of bonus).	Unpaid salary, 24 months base salary, and bonus equal to the average annual cash bonus amount for the 24 months preceding termination.
Benefits	Continued coverage under the Company's health, medical, and other benefit plans until the earlier of (i) the date the NEO obtains new employment with such benefits, and (ii) one year from the termination date.	Continued coverage under the Company's health, medical, and other benefit plans until the earlier of (i) the date the NEO obtains new employment with such benefits, and (ii) the second anniversary of the termination date.
RSUs and Options:	Vesting of all Options continue to the termination date and remain open for exercise until the earlier of their expiry or 90 days from the termination date. Unvested Options are cancelled. All RSUs will immediately be redeemable.	On the date of termination, all Options will immediately vest and all RSUs will immediately be redeemable.
<b>SVP, MEXICO</b>		
Lump sum severance payment equal to the aggregate of:	Unpaid salary, lump sum amount equal to 1 x base salary, bonus equal to the greater of 1 x annual bonus at target or bonus amount earned the previous year.	Unpaid salary, lump sum amount equal to 1 x base salary, bonus equal to the greater of 1 x annual bonus at target or bonus amount earned the previous year
Benefits	Continued coverage under the Company's health, medical, and other benefit plans until the earlier of (i) the date the NEO obtains new employment with such benefits, and (ii) one year from the termination date.	Continued coverage under the Company's health, medical, and other benefit plans until the earlier of (i) the date the NEO obtains new employment with such benefits, and (ii) one year from the termination date.
RSUs and Options:	Vesting of all Options continue to the termination date and remain open for exercise until the earlier of their expiry or 90 days from the termination date. Unvested Options are cancelled. All RSUs will immediately be redeemable.	On the date of termination, all Options will immediately vest and all RSUs will immediately be redeemable.

As a general summary, in the context of compensation payable to the NEOs and as set out in their respective employment agreements: (i) change of control means the occurrence of a consolidation, merger, amalgamation, or other reorganization of the Company and its subsidiaries resulting in the change of control of more than 50% of the Company's outstanding Common Shares, or an acquisition of more than 50% of the shares of the Company; (ii) in the CEO's employment agreement, change of control also includes a sale of more than 50% of the consolidated assets of the Company and its subsidiaries, or a resolution adopted by the Board that a change of control has occurred or is imminent; and (iii) in the employment agreements of each NEO except for the CEO, change of control also includes a sale of all or substantially all of the assets of the Company, or the removal by extraordinary resolution of the Company's Shareholders of more than 51% of the then-incumbent directors of the Company or the election of a majority of directors to the Board who were not nominees of the Company's incumbent Board at the time immediately preceding such election.

## Compensation on Retirement or Death

Provision	Retirement	Death
<b>Salary</b>	<u>All NEOs:</u> Unpaid salary and accrued vacation pay to date of retirement.	<u>All NEOs:</u> Unpaid salary and accrued vacation pay to date of death.
<b>Pension and Benefits:</b>	<u>All NEOs:</u> Health and medical benefits cease effective the date of retirement. Pension benefits cease and NEOs retain accumulated value to the date of retirement.	<u>All NEOs:</u> Health and medical benefits cease, pension benefits cease as of the date of death and accumulated value to date is assumed by beneficiary.
<b>RSUs and Options:</b>	<u>All NEOs:</u> All Options will terminate on the earlier of their expiry date and the date that is 90 days after the NEO's retirement, subject to any extensions at the discretion of the Board.  All RSUs will immediately be cancelled.	<u>All NEOs:</u> All Options will terminate on the earlier of their expiry date and the date that is six months after the NEO's death, subject to any extensions at the discretion of the Board.  All RSUs will immediately be redeemable.

## Summary of Termination Payments

The estimated incremental payments, payables, and benefits that might be paid to the current NEOs pursuant to the above noted agreements in the event of termination without cause or after a change in control, assuming such termination without cause or change of control occurred as of December 31, 2024, are detailed below.

Name	Termination Without Cause (\$) <sup>(1)</sup>	Termination on Change of Control (\$) <sup>(1)</sup>
Tony Makuch Director, President, and Chief Executive Officer	Salary: 1,200,000 Bonus: 1,200,000 Total: 2,400,000	Salary: 1,200,000 Bonus: 1,200,000 Total: 2,400,000
Andreas L'Abbé Chief Financial Officer	Salary: 310,000 Bonus: 51,667 Total: 361,667	Salary: 620,000 Bonus: 184,063 Total: 804,063
Gernot Wober VP Exploration	Salary: 325,000 Bonus: 54,167 Total: 379,167	Salary: 650,000 Bonus: 192,969 Total: 842,969
Forbes Gemmell VP Corporate Development	Salary: 310,000 Bonus: 51,667 Total: 361,667	Salary: 620,000 Bonus: 220,625 Total: 840,624

Name	Termination Without Cause (\$) <sup>(1)</sup>	Termination on Change of Control (\$) <sup>(1)</sup>
Roman Solis SVP, Mexico	Salary: 305,000 Bonus: 228,750 Total: 533,750	Salary: 305,000 Bonus: 228,750 Total: 533,750

(1) The bonus on termination without cause for NEOs (except the CEO) assumes a termination date with the bonus payment calculated as total target achieved (50% of base salary) prorated for the period prior to the assumed termination date of December 31, 2024. The bonus on termination on change of control for NEOs (except the CEO) assumes a change of control date, with the bonus payment calculated as the average annual cash bonus paid for the 24 months preceding the change of control.

**DIRECTOR COMPENSATION**

Compensation of directors of the Company is reviewed annually and determined by the Compensation Committee of the Board with input from independent third-party reports. The level of compensation for directors is determined after consideration of various relevant factors, including input from independent third-party reports, the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the availability of financial resources.

Prior to the completion of the acquisition of the Porcupine Complex in early 2025, the Board took the position that a formalized compensation plan for the directors was not required. While the Board considers Option and DSU grants to directors under the Option Plan and DSU Plan from time to time to non-executive directors, the Board previously did not employ a prescribed methodology when determining the grant or allocation of Options or DSUs. Other than the Option Plan and the DSU Plan, as discussed above, the Company does not offer any long-term incentive plans, share compensation plans, or any other such benefit programs for directors.

In 2024, following the review of the Bedford benchmarking analysis, the Compensation Committee determined it was appropriate to implement a formalized approach to director compensation for the year ended December 31, 2025. As a result, the Compensation Committee considered the long-term alignment of directors with Shareholders through the issuance of DSUs. Further, in 2024, the Company did not grant any Options to non-executive directors. Taking into consideration best compensation practices, the Board approved a DSU grant to directors in 2025 to align director and Shareholder interests. In addition, based on the recommendation of the benchmarking analysis, the Board approved an increase to director fees to take effect in 2025. DSUs are only paid to directors upon separation from the Board and in accordance with the terms of the DSU Plan.

The following table (presented in accordance with Form 51-102F6) sets forth all amounts of compensation provided to the directors (other than Mr. Makuch) for the Company’s financial year ended December 31, 2024.

Name	Fees earned (\$) <sup>(1)</sup>	Share-based awards (\$) <sup>(2)</sup>	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$) <sup>(3)</sup>	Total (\$)
Murray John	100,000	150,000	Nil	Nil	Nil	Nil	250,000
Jeff Parr	65,000	150,000	Nil	Nil	Nil	Nil	215,000
Moira Smith	50,000	150,000	Nil	Nil	Nil	Nil	200,000
Daniel Vickerman	45,000	150,000	Nil	Nil	Nil	Nil	195,000
Jennifer Wagner	80,000	150,000	Nil	Nil	Nil	Nil	230,000
Barry Olson	60,000	150,000	Nil	Nil	Nil	Nil	210,000

**Notes:**

- (1) Includes all fees awarded, earned, paid, or payable in cash for services as a director, including annual retainer fees, committee, chair, and meeting fees. The annual retainer for Board members is \$35,000. The Chair of the Board receives an additional \$35,000, the Chair of the Audit Committee receives an additional \$15,000 while the Chairs of the other committees receive an additional \$10,000. Directors also receive an additional \$5,000 per committee of which they are a member. Chairs of the committees do not receive this additional \$5,000. A Special Committee was formed to oversee the Porcupine transaction. The Chair of the Special Committee was paid an additional \$20,000 and each member was paid an additional \$10,000.
- (2) The fair values of the share units granted are equal to the maximum annual grant value of \$150,000 allowable under the DSU Plan for the year ended December 31, 2024. The actual amount received will be determined by the market value of the Common Shares on the date that the corresponding Common Shares are received by the directors.
- (3) Includes all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company, or a subsidiary of the Company, to a director in any capacity, under any other arrangement, including all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given, or otherwise provided to the director for services provided, directly or indirectly, to the Company or a subsidiary of the Company.

## Outstanding Share-Based Awards and Option-Based Awards

The following tables (presented in accordance with Form 51-102F6) sets forth, for each director, all awards outstanding at the end of the financial year ended December 31, 2024, including awards granted, but not necessarily vested, before December 31, 2024.

Name	OPTION-BASED AWARDS <sup>(1)</sup>				SHARE-BASED AWARDS		
	Number of securities underlying unexercised Options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money Options (\$) <sup>(1)</sup>	Number DSUs that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Murray John	500,000	2.05	Jan 5, 2027	Nil	150,000	106,500	153,364
	500,000	1.89	Jan 12, 2026	Nil			
	200,000	0.47	Apr 27, 2025	48,000			
Jeff Parr	400,000	2.05	Jan 5, 2027	Nil	150,000	106,500	153,364
	400,000	1.89	Jan 12, 2026	Nil			
	350,000	0.47	Apr 27, 2025	84,000			
Jennifer Wagner	400,000	2.05	Jan 5, 2027	Nil	150,000	106,500	153,364
	300,000	2.08	Mar 12, 2026	Nil			
Maira Smith	400,000	2.05	Jan 5, 2027	Nil	150,000	106,500	153,364
	400,000	1.89	Jan 12, 2026	Nil			
	350,000	0.47	Apr 27, 2025	84,000			
Daniel Vickerman	400,000	2.05	Jan 5, 2027	Nil	150,000	106,500	153,364
	250,000	1.89	Jan 12, 2026	Nil			
	70,000	0.47	Apr 27, 2025	16,800			
Barry Olson	Nil	Nil	NA	Nil	150,000	106,500	281,140

**Notes:**

- (1) Based on the Common Share closing price at December 31, 2024 of \$0.71 less the exercise price of the Option, multiplied by the number of Options in that tranche.

### Value Vested or Earned During the Year

The following table (presented in accordance with Form 51-102F6) sets forth details of the value vested or earned during the financial year ended December 31, 2024.

Name	Option-based Awards – Value vested during the year (\$) <sup>(1)</sup>	Share-based Awards – Value vested during the year (\$)	Non-Equity Compensation Plan Compensation – Value earned during the year (\$) <sup>(2)</sup>
Murray John	Nil	153,364	Nil
Jeff Parr	Nil	153,364	Nil
Moira Smith	Nil	153,364	Nil
Daniel Vickerman	Nil	153,364	Nil
Jennifer Wagner	Nil	153,364	Nil
Barry Olson	Nil	281,140	Nil

**Notes:**

- (1) All Options that vested during the financial year ended December 31, 2024 were “out-of-the-money”. Value vested during the year is calculated based on the difference between the closing price of the Common Shares on the TSX on the vesting date and the exercise price of the Option, multiplied by the number of Options vested.
- (2) Comprised of cash bonus awarded at the discretion of the Compensation Committee, forming part of the total compensation for the financial year for the directors in question.

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides details of compensation plans under which equity securities of the Company were authorized for issuance as of December 31, 2024:

Plan Category	Number of securities to be issued upon exercise of outstanding options, RSUs, or DSUs	Weighted-average price of outstanding options, RSUs, or DSUs (\$)	Number of securities remaining available for future issuance under equity compensation plans <sup>(4)</sup>
Equity compensation plans approved by securityholders	15,851,875 Options <sup>(1)</sup> 5,600,615 RSUs <sup>(2)</sup> 2,375,997 DSUs <sup>(3)</sup> Total: 23,828,487	1.63 for Options 0.71 for RSUs 0.71 for DSUs	16,217,637
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	15,851,875 Options <sup>(1)</sup> 5,600,615 RSUs <sup>(2)</sup> 2,375,997 DSUs <sup>(3)</sup> Total: 23,828,487	1.63 for Options 0.71 for RSUs 0.71 for DSUs	16,217,637

Notes:

- (1) Represents the number of Common Shares reserved for issuance upon exercise of the denoted outstanding Options issued in accordance with the terms of the Option Plan.
- (2) Represents the number of Common Shares reserved for issuance upon maturity of the denoted outstanding RSUs in accordance with the terms of the RSU Plan. The weighted average price for RSUs is the closing share price at the date of this Circular. The actual price will be determined by the market value of the Common Shares on the date that the RSUs are exercised.
- (3) Represents the number of Common Shares reserved for issuance upon maturity of the denoted outstanding DSUs in accordance with the terms of the DSU Plan. The weighted average price for DSUs is the closing Common Share price at the date of this Circular. The actual price will be determined by the market value of the Common Shares on the date that the DSUs are exercised.
- (4) Based on the maximum aggregate number of Common Shares that were available for issuance under all equity compensation plans of the Company, collectively, being 40,046,124 Common Shares, or 10% of the 400,461,244 outstanding Common Shares as at December 31, 2024.

Subsequent to December 31, 2024, and to the date of this Circular, the Company issued an aggregate of 5,688,257 RSUs and 877,284 DSUs. A total of 3,580,000 Options were exercised and 1,837,129 RSUs were released, resulting in a total aggregate of 12,271,875 Options, 9,451,743 RSUs, and 3,253,281 DSUs issued and outstanding as of the date of this Circular, representing approximately 3% of the Company's issued and outstanding Common Shares as of the Record Date. Further information on these equity compensation issuances is available in the Company's annual information form for the year ended December 31, 2024, available under the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on the Company's website at [www.discoverysilver.com](http://www.discoverysilver.com).

The Option Plan, the RSU Plan, and the DSU Plan are consistent with current TSX policies and are summarized below.

## EQUITY COMPENSATION PLANS

### Stock Option Plan

The Company has adopted the Option Plan, pursuant to which the Board may grant stock options (each, an “**Option**”) to Participants (as defined in the Option Plan). The purpose of the Option Plan is to attract, retain, and motivate directors, officers, employees, and consultants by providing them with the opportunity, through Options, to acquire an interest in the Company and benefit from the Company's growth.

Under the Option Plan:

- the maximum number of Common Shares that may be reserved for issuance upon the exercise of Options granted thereunder, together with the aggregate number of Common Shares which may be issuable under any other security-based compensation plan of the Company, is limited to 10% of the issued and outstanding Common Shares at the time of grant. If an Option is surrendered, terminated, or expires without being exercised, the Common Shares reserved for issuance pursuant to such Option will become available for new Options granted under the Option Plan;
- the aggregate number of Common Shares reserved for issuance to any one eligible person in any 12-month period under the Option Plan and any other security-based compensation plan of the Company may not exceed 5% of the issued and outstanding Common Shares at the time of the grant;
- the aggregate number of Common Shares issued to insiders of the Company pursuant to the exercise of Options, with any 12-month period, under the Option Plan and any other security-based compensation plan of the Company may not exceed 10% of the Company's issued and outstanding securities at the time of the grant; and

- the aggregate number of Common Shares reserved for issuance to insiders of the Company under the Option Plan and any other security-based compensation plan of the Company may not exceed 10% of the Company's issued and outstanding securities at the time of the grant.

The Option Plan provides the Board with the authority to establish the exercise price of an Option at the time that each Option is granted, provided that the exercise price shall be established as one of the following: (i) an exercise price that is not less than the "market price" of the Common Shares, as the term "market price" is defined in the TSX Company Manual, (ii) an exercise price that is the closing market price of the Common Shares on the trading day preceding the date of grant of the Options, or (iii) an exercise price that is not less than the weighted average of the trading prices or average daily high and low Board lot trading prices on the five consecutive trading days preceding the date of grant of the Options.

The directors of the Company may, by resolution, determine the time period during which any Option may be exercised (the "**Exercise Period**"), provided that the Exercise Period does not contravene any rule or regulation of such exchange on which the Common Shares may be listed. Options have a maximum term of 10 years from the date of grant. If an Option expires during a Blackout Period (as defined in the Option Plan), the expiry date of the Option will be the 10<sup>th</sup> Business Day (as defined in the Option Plan) after the expiry of the Blackout Period (as defined in the Option Plan).

The Option Plan provides the Board with the authority to determine when any Option will become exercisable, and the Board may determine that the Option will be exercisable in instalments or pursuant to a vesting schedule.

Options are non-assignable and will terminate on the expiry of their original term. However, the Option Plan provides for early termination of Options in the event of the death of a Participant or in the event a Participant ceases to be a director, officer, employee, or consultant of the Company or of a subsidiary thereof, as the case may be. Specifically:

- if a Participant who is an officer, employee, or consultant is terminated for cause, each Option held by such Participant shall terminate and shall therefore cease to be exercisable upon such termination for cause;
- if a Participant dies prior to otherwise ceasing to be an eligible Participant, each Option held by such Participant shall terminate and shall therefore cease to be exercisable no later than the earlier of the expiry date of the Option and the date which is 6 months after the date of the Participant's death, subject to the authority of the Board to, in its discretion and subject to the Option Plan, extend the date of such termination and the resulting period in which such Option remains exercisable; and
- if a Participant ceases to be an eligible Participant other than as a result of the circumstances described above (i.e., death or termination for cause), each Option held by such Participant shall terminate and shall cease to be exercisable no later than the earlier of the expiry date of the Option and the date which is 90 days after such event, subject to the authority of the Board to, in its discretion and subject to the Option Plan, extend the date of such termination and the resulting period in which such Option remains exercisable.

The Option Plan provides the Board with the authority to amend or revise the Option Plan and/or outstanding Options, as follows:

- Subject to the requisite Shareholder and regulatory approvals, the Board may from time to time amend or revise the terms of the Option Plan or may suspend or discontinue the Option Plan at any time, provided however that no such action may, without the consent of an eligible Participant, in any manner adversely affect the Participant's rights under any Option theretofore granted under the Option Plan.
- The Board may, subject to receipt of requisite Shareholder and regulatory approval, make certain prescribed amendments to the Option Plan or any Options granted thereunder, including: (i) any amendment to increase the number of securities issuable under the Option Plan; (ii) any reduction to the exercise price of any Option issued under the Option Plan or cancellation and reissue of Options or other entitlements; (iii) any amendment

that extends the term of Options beyond the original expiry; and (iv) any other amendments that may lead to significant or unreasonable dilution in the Company's outstanding securities or may provide additional benefits to eligible Participants, especially insiders of the Company, at the expense of the Company and its existing Shareholders.

- The Board may, and without further Shareholder approval, subject to receipt of requisite regulatory approval, where required, in its sole discretion make certain prescribed amendments to the Option Plan or any Option granted and any Option agreement, that are not of the type contemplated above, including: (i) a change to the vesting provisions of an Option or the Option Plan; (ii) a change to the termination provisions of an Option or the Option Plan which does not entail an extension beyond the original expiry date of an Option; (iii) amendments of an administrative nature; (iv) amendments required to comply with applicable laws or the requirements of the TSX or any regulatory body or stock exchange with jurisdiction over the Company; and (v) any change fundamental or otherwise, not requiring Shareholder approval under applicable laws or the rules of the TSX, including amendments of a "clerical" or "housekeeping" nature and amendments to ensure that the Options granted under the Option Plan will comply with any provisions respecting income tax and other laws in force in any country or jurisdiction of which an eligible Participant may from time to time be resident or a citizen.
- With the consent of the affected Participant and any applicable regulatory authorities (if required), and without further Shareholder approval, the Board may amend or modify any outstanding Option in any manner to the extent that the Board would have had the authority to initially grant the Option as so modified or amended, including without limitation, to change the date or dates as of which, or the price at which, an Option becomes exercisable. If the amendment of an Option requires regulatory or Shareholder approval, such amendment may be made prior to such approvals being given, but no such amended Options may be exercised unless and until such approvals are given.

As of the date of this Circular, there are (i) 12,271,875 Options outstanding under the Option Plan, representing approximately 1.53% of the Company's issued and outstanding Common Shares, of which 9,550,000 are held directly or indirectly by NEOs or directors of the Company, and (ii) in accordance with the terms of the Option Plan, an aggregate of 68,433,740 Common Shares remain available for reservation and issuance upon the exercise of Options which may be granted hereafter, representing approximately 1.19% of the Company's issued and outstanding Common Shares.

During the years ended December 31, 2024, December 31, 2023, and December 31, 2022, the Company's annual burn rate with respect to the Options granted under the Option Plan during these periods was nil%, 0.42%, and 2.46%, respectively. The burn rate for Options under the Option Plan is equal to the maximum number of Common Shares subject to the Options granted, divided by the weighted average number of Common Shares outstanding as of December 31, 2024, December 31, 2023, and December 31, 2022, being 398,385,856, 382,703,062, and 342,905,448, respectively.

The Company has not granted any Options in 2025 to senior management and is looking to phase out the use of Options entirely over time so ensure proper alignment between the non-executive directors and Shareholders.

The Option Plan was last amended and approved by the Shareholders at the Company's annual general meeting on May 15, 2024.

### Long-Term Incentive Plan

Subject to the approval of the TSX and the Shareholders, it is intended that the Company will adopt the LTI Plan in substantially the form attached as Schedule B to this Circular. The LTI Plan is being placed before Shareholders at the Meeting for approval. The following is a summary of the key provisions of the LTI Plan. The following summary is qualified in all respects by the full text of the LTI Plan.

The LTI Plan provides for the issuance of RSUs and PSUs (collectively, the “**Share Units**”) to employees, officers and eligible contractors of the Company and its affiliates. Recipients of RSUs and PSUs are defined as “**Participants**”. A director of the Company is not eligible to participate in the LTI Plan unless he or she is also an employee, officer or eligible contractor of the Company or its affiliates. Each Share Unit granted to a particular Participant is compensation for services rendered by the Participant to the Company or its affiliates.

The LTI Plan provides that the aggregate number of Common Shares to be reserved for issuance under the LTI Plan will not exceed such number of Common Shares as would, when combined with all other Common Shares subject to grants under DSUs, RSUs and PSUs of the Company, including grants under any existing legacy plans, be equal to 10% of the Common Shares then issued and outstanding, subject to adjustments pursuant to the terms of the LTI Plan, and provided, for greater clarity that any stock options or other incentive securities of a third party entity assumed by the Company as a result of the acquisition of such entity by the Company in the future will not be factored in the calculation of the foregoing limits.

As at May 6, 2025, the Company had 800,705,615 Common Shares issued and outstanding (on a non-diluted basis). Accordingly, excluding the Options, DSUs and RSUs currently outstanding, the maximum number of Common Shares remaining available for issuance pursuant to the Long Term Incentive Plan and all other DSUs, RSUs and PSUs of the Company is 55,093,663, being 6.9% of the number of Common Shares issued and outstanding.

The LTI Plan limits the aggregate number of Common Shares (a) issuable to insiders pursuant to Share Units and all other security-based compensation arrangements of the Company, at any time, to 10% of the total number of Common Shares issued and outstanding (on a non-diluted basis) immediately prior to the proposed grant, and (b) issued to insiders pursuant to Share Units and all other security-based compensation arrangements of the Company within a one year period to 10% of the total number of Common Shares issued and outstanding (on a non-diluted basis) immediately prior to the proposed grant.

In no case can a Participant, immediately after being granted an award of Share Units (i) hold a beneficial interest in greater than 5% of the Common Shares, or (ii) be in a position to control the casting of greater than 5% of the votes that might be cast at a general meeting of Shareholders of the Company (“**Ownership Restrictions**”).

RSUs vest on the entitlement date, as determined by the Board in its discretion, which will not be later than December 31 of the third calendar year following the calendar year in which the services were performed to which the award relates (the “**Entitlement Date**”). On an Entitlement Date, the Company will make a payment to the relevant Participant in either: (a) cash equal to the five-day volume weighted average trading price of the Common Shares on the TSX multiplied by the number of Share Units being settled, or the issuance, or (b) the issuance of Common Shares to the Participant in accordance with the terms of the LTI Plan in an amount equal to the number of Share Units being settled.

PSUs vest on the entitlement date, as determined by the Board in its discretion, which will not be later than December 31 of the third calendar year following the calendar year in which the services were performed to which the award relates (the “**Entitlement Date**” with respect to a PSU). In addition, at the time PSUs are granted, the Board makes the payment of such PSUs subject to the satisfaction of performance conditions or measures to be achieved by the Company, the Participant or a class of Participants, before the relevant Entitlement Date. On an Entitlement Date, the Company will make a payment to the relevant Participant in either: (a) cash equal to the five-day volume weighted average trading price of the Common Shares on the TSX multiplied by the number of Share Units being settled, or (b) the issuance of Common Shares to the Participant in accordance with the terms of the LTI Plan in an amount equal to the number of Share Units being settled, and in each (a) and (b) case above, multiplied by 0% to 200%, quantifying the performance achievement realized on an Entitlement Date (the “**Payout Factor**”).

The Board may, in its discretion, elect to credit each Participant with additional Share Units in the event any dividend is paid on the Common Shares. In such case, the number of additional Share Units will be equal to the aggregate amount

of dividends that would have been paid to the Participant if the Share Units in the Participant's account had been Common Shares divided by the five-day volume weighted average trading price of the Common Shares on the TSX immediately prior to the date on which dividends were paid by the Company. Such additional Share Units will vest on the Entitlement Date of the particular Share Unit (and will be subject to the same terms) to which the additional Share Units relate.

Subject to specific exceptions and restrictions outlined in the LTI Plan, Share Units are not assignable other than by will or the laws of descent and distribution, and will become void on the termination (with or without cause) of a Participant, except as otherwise determined by the Board in its discretion. However, if a Participant retires, any Share Units held by the Participant will continue to vest in accordance with the terms of the LTI Plan until the earlier of (i) the date determined by the Board, in its sole discretion, or (ii) the Participant's Entitlement Date.

In addition, unless the Board determines otherwise, the Entitlement Date for all of a Participant's Share Units will be accelerated as follows: (i) in the event of the death of the Participant, the Entitlement Date will be the date of death; and (ii) in the event of the total disability of the Participant, the Entitlement Date will be the date which is 60 days following the date on which the Participant becomes totally disabled. Where the Entitlement Date of a PSU is accelerated as a result of death or disability, unless the Board determines otherwise, the Payout Factor will be calculated based on (x) in the case of any performance measurement periods that are complete on or prior to the Entitlement Date, the actual performance, and (y) in the case of any performance measurement periods that are not complete on or prior to the Entitlement Date, assuming 100% performance achievement during such measurement period.

If within 12 months of a Change of Control (as defined in the LTI Plan) of the Company, a Participant that is: (i) a director, is terminated or is not re-elected or re-appointed; (ii) an employee, is terminated without cause; (iii) an officer, is removed or is not re-elected or re-appointed; (iv) an employee or an officer, experiences a material adverse change imposed by the Company or an affiliate (as the case may be) to (a) their duties, powers, rights, discretion, prestige, salary, benefits, perquisites, as they exist, and (b) with respect to their financial entitlements, the conditions under and manner in which they were payable, immediately prior to the change of control, or a material diminution of title imposed by the Company as it exists immediately prior to the change of control in either case without the employee's or the officer's written agreement; and (v) an eligible contractor, is terminated, then all outstanding Share Units held by such Participant will immediately vest and the Entitlement Date for such Share Units will occur.

In the event the Participant's Entitlement Date is accelerated in the foregoing circumstances, in the case of PSUs, the Payout Factor will be calculated based on actual performance during the performance measurement period commencing on the date of grant of the PSUs and ending on the Entitlement Date (on a continued basis subject to adjustments in accordance with the LTI Plan). In the event the successor entity fails to assume the unvested PSUs following a change of control or in the event the Board adopts a resolution to wind-up, dissolve or liquidate the Company, the Entitlement Date in respect of the PSUs will be accelerated to the date immediately prior to the change of control or the date the Board adopts a resolution to wind-up, dissolve or liquidate the Company (as applicable), and any performance measurement periods that are not complete on or prior to the change of control or the date the Board adopts a resolution to wind-up, dissolve or liquidate the Company (as applicable), will be calculated based on actual performance during the performance measurement period commencing on the date of grant of the PSUs and ending on the accelerated Entitlement Date in accordance with the above.

Subject to any applicable regulatory or TSX requirements, the Board may from time to time in its discretion (without Shareholder approval) amend, modify and change the provisions of the LTI Plan (including any grant letters), including, without limitation, amendments of a housekeeping nature or any change to the Entitlement Date of any Share Units, except that it may not make any of the following amendments to the LTI Plan without first having obtained the approval of a majority of Shareholders voting at a Shareholders meeting:

- increase the number of Common Shares or maximum percentage of Common Shares which may be issued pursuant to the LTI Plan other than in the event of a change in the Common Shares whether by reason of a stock dividend, consolidation, subdivision, reclassification, amalgamation, merger, business combination or arrangement;
- reduce the range of amendments requiring Shareholder approval;
- permit Share Units to be transferred or assigned other than for normal estate settlement purposes;
- change insider participation limits which would result in Shareholder approval being required on a disinterested basis;
- materially modify the eligibility requirements for participation in the LTI Plan (including, for greater clarity, allowing participation in the LTI Plan by non-employee directors); or
- modify the Ownership Restrictions.

The LTI Plan has not yet been approved by Shareholders and no awards have been granted under the LTI Plan. Since the LTI Plan is being adopted in replacement of the RSU Plan, refer to the annual burn rate disclosure of the RSU Plan in the section titled “*Restricted Share Unit Plan*”.

### **Restricted Share Unit Plan**

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The Company has adopted the RSU Plan, pursuant to which the Board may grant RSUs to employees, officers, and consultants of the Company or affiliated corporations. If the LTI Plan is adopted by the Shareholders at the Meeting, the LTI Plan will replace the RSU Plan, and no further awards will be granted under the RSU Plan. The RSU Plan will, however, continue to be authorized for the sole purposes of facilitating the vesting and exercise of existing awards previously granted under the RSU Plan. Once the existing awards granted under the RSU Plan are exercised or terminated, the RSU Plan will terminate and be of no further force or effect. In the event that the LTI Plan is not adopted by Shareholders at the Meeting, the RSU Plan will continue to be in force and awards will continue to be granted under the RSU Plan.

The current RSU Plan was most recently amended and approved by the Shareholders at the Company’s annual general meeting on May 15, 2024. A resolution to adopt the amended RSU Plan will be presented to the Shareholders for approval at the Meeting.

The purpose of the RSU Plan is to allow for certain discretionary awards as an incentive and reward for selected eligible persons (employees, consultants and officers) related to the achievement of long-term financial and strategic objectives of the Company and the resulting increases in Shareholder value. The RSU Plan is intended to promote a greater alignment of interests between the Shareholders and the selected eligible persons by providing an opportunity to participate in increases in the value of the Company. RSUs track the value of the underlying Common Shares but do not entitle the recipient to the actual underlying Common Shares until such RSUs vest. It is at the discretion of the Board whether the value of the RSUs on vesting is settled in Common Shares or cash, or a combination of both.

The maximum number of Common Shares available for issuance upon the vesting of RSUs under the current RSU Plan is, in combination with all security-based compensation arrangements of the Company (including the Option Plan and the DSU Plan), 10% of the issued and outstanding Common Shares (on a non-diluted basis), or such greater number of Common Shares as shall have been duly approved by the Board and, if required, by the TSX (if applicable) or any other stock exchange on which the Common Shares may then be listed, and by the Shareholders.

Under the RSU Plan, if and for so long as the Common Shares are listed on the TSX, the number of Common Shares which may be issuable under the RSU Plan and any other security-based compensation plan of the Company:

- to any one eligible Participant (as defined in the RSU Plan), shall not exceed 5% of the total number of issued and outstanding Common Shares on a non-diluted basis at the grant date;
- within any one-year period: (i) to any one eligible Participant, shall not exceed 5% of the total number of issued and outstanding Common Shares on the grant date (on a non-diluted basis); and (ii) to insiders of the Company as a group, shall not exceed 10% of the total number of issued and outstanding Common Shares on the grant date (on a non-diluted basis); and
- to insiders of the Company as a group, shall not exceed 10% of the total number of issued and outstanding Common Shares (on a non-diluted basis).

The RSU Plan provides that, unless redeemed earlier in accordance with the RSU Plan, the RSUs of each eligible Participant will be redeemed on or about (but not later than 30 days following) each applicable redemption date, but in any case no later than December 31 of the third calendar year following the year in which the grant date occurs, and the eligible Participant will be entitled to receive and the Company will issue and/or pay to the eligible Participant, as applicable and as determined by the Board in its sole discretion: (i) a number of Common Shares equal to the number of RSUs (net of any applicable statutory withholdings) that have vested on the redemption date(s), (ii) a cash amount equal to the number of Common Shares set out in subsection (i) above multiplied by the applicable share price (as prescribed by the RSU Plan) on the applicable redemption date, net of any applicable statutory withholdings, or (iii) a combination of the foregoing.

The RSU Plan provides the Board with the authority to determine that the RSUs will be redeemable in instalments or pursuant to a vesting schedule, subject to the terms of the RSU Plan.

RSUs granted under the RSU Plan are not transferable or assignable other than by will or the laws of descent and distribution, and are treated as follows in the event of a termination of employment or death of the eligible Participant:

- If an eligible Participant is terminated by the Company for cause, or if an eligible Participant voluntarily terminates employment for any reason prior to a redemption date, all of the eligible Participant's RSUs shall be cancelled and no amount shall be paid by the Company to the eligible Participant in respect of the RSUs so cancelled.
- The RSUs of an eligible Participant which have vested who is involuntarily terminated by the Company, for reasons other than cause, shall be redeemed on the redemption date for an equal number of Common Shares, cash consideration in lieu thereof or a combination of both, as determined by the Board in its sole discretion.
- All of the RSUs of an eligible Participant who dies shall be redeemed on the redemption date (being, the date of the eligible Participant's death) for an equal number of Common Shares, cash consideration in lieu thereof or a combination of both, as determined by the Board in its sole discretion.

The RSU Plan provides the Board with the authority to amend or revise the RSU Plan and/or outstanding RSUs, as follows:

- The Board may in its sole discretion, amend, suspend or terminate the RSU Plan or any portion thereof at any time, in accordance with applicable legislation, provided that such amendment, suspension, or termination (i) may require Shareholder approval and/or TSX approval, and (ii) shall not adversely affect the rights of any eligible Participant with respect to the RSUs to which the eligible Participant is then entitled under the RSU Plan without the consent of the eligible Participant.

- The Board may, subject to receipt of requisite Shareholder and regulatory approval, make certain prescribed amendments to the RSU Plan or any RSUs granted thereunder, including: (i) any amendment to increase the number of securities issuable under the RSU Plan; (ii) any amendment that extends the term of RSUs beyond the original expiry date; (iii) any amendment to the amending provisions of the RSU Plan, or which would permit RSUs to be assigned or transferred, other than for normal estate settlement purposes; and (iv) any other amendments that may lead to significant or unreasonable dilution in the Company's outstanding securities or may provide additional benefits to eligible Participants, especially insiders of the Company, at the expense of the Company and its existing Shareholders.
- The Board may, and without further Shareholder approval, subject to receipt of requisite regulatory approval, where required, in its sole discretion make certain prescribed amendments to the RSU Plan or any RSU granted and any grant agreement, that are not of the type contemplated above, including: (i) a change to the vesting provisions of a RSU or the RSU Plan; (ii) a change to the termination provisions of a RSU or the RSU Plan which does not entail an extension beyond the original expiry date; (iii) amendments of an administrative nature or which are required to comply with applicable laws or the requirements of the TSX or any regulatory body or stock exchange with jurisdiction over the Company; and (iv) any change fundamental or otherwise, not requiring Shareholder approval under applicable laws or the rules of the TSX, including amendments of a "clerical" or "housekeeping" nature and amendments to ensure that the RSUs granted under the RSU Plan will comply with any provisions respecting income tax and other laws in force in any country or jurisdiction of which an eligible Participant may from time to time be resident or a citizen.
- With the consent of the affected Participant and any applicable regulatory authorities (if required), and without further Shareholder approval, the Board may amend or modify any outstanding RSU in any manner to the extent that the Board would have had the authority to initially grant the RSU as so modified or amended, including without limitation, to change the date or dates as of which a RSU becomes redeemable. If the amendment of RSUs requires regulatory or Shareholder approval, such amendment may be made prior to such approvals being given, but no such amended RSU may be redeemed unless and until such approvals are given.

As of the date of this Circular, there are (i) 9,451,743 RSUs outstanding under the RSU Plan, representing approximately 1.2% of the Company's issued and outstanding Common Shares, 4,862,089 of which are held directly or indirectly by NEOs or directors of the Company, and (ii) in accordance with the terms of the current RSU Plan, an aggregate of 55,093,663 Common Shares remain available for reservation and issuance upon the vesting of RSUs which may be granted hereafter, representing approximately 6.9% of the Company's issued and outstanding Common Shares.

The RSU Plan was most recently approved by Shareholders on May 15, 2024. During the years ended December 31, 2024, December 31, 2023, and December 31, 2022, the Company's annual burn rate with respect to the RSUs granted under the RSU Plan during these periods was 0.81%, 1.05%, and 0.07% respectively. The burn rate for RSUs under the RSU Plan is equal to the maximum number of Common Shares subject to the RSU awards divided by the weighted average number of Common Shares outstanding of December 31, 2024, December 31, 2023, and December 31, 2022, being 398,385,856, 382,703,062, and 342,905,448, respectively.

## Deferred Share Unit Plan

The Company has adopted the DSU Plan, pursuant to which the Board may grant DSUs to non-employee directors of the Company or its subsidiaries, or to directors of the Company or its subsidiaries otherwise designated by the Board to be eligible for the DSU Plan.

The DSU Plan was most recently amended and approved by the Shareholders at the Company's annual general meeting on May 15, 2024. On May 13, 2025, the Board authorized certain amendments to the DSU Plan as set forth herein,

subject to approval of the Shareholders at the Meeting. A resolution to approve the amended DSU Plan will be presented to the Shareholders for approval at the Meeting.

A summary of the proposed revisions to the DSU Plan is set out above in this Circular under “*Business of the Meeting – Amendment and Adoption of Equity Compensation Plans – Summary of Proposed Amendments to DSU Plan*”, and the full text of the proposed revisions to the DSU Plan is set out as Schedule B to this Circular.

The purpose of the DSU Plan is to provide eligible directors of the Company with the opportunity to acquire DSUs and enable them to participate in the long-term success of the Company and to promote a greater alignment of interests between directors of the Company and its Shareholders. A DSU essentially tracks the value of the underlying Common Shares but does not entitle the recipient to the actual underlying Common Shares until such DSU vests. It is at the discretion of the Board whether the value of the DSUs on vesting is settled in Common Shares or cash, or a combination of both.

The maximum number of Common Shares available for issuance upon the vesting of DSUs under the current DSU Plan is, in combination with all security-based compensation arrangements of the Company (including the Option Plan and the DSU Plan), 10% of the issued and outstanding Common Shares (on a non-diluted basis) or such greater number of Common Shares as shall have been duly approved by the Board and, if required, by the TSX (if applicable) or any other stock exchange on which the Common Shares may then be listed, and by the Shareholders.

Under the DSU Plan, if and for so long as the Common Shares are listed on the TSX, the number of Common Shares which may be issuable under the DSU Plan and any other security-based compensation plan of the Company:

- to any one eligible Participant (as defined in the DSU Plan), shall not exceed 5% of the total number of issued and outstanding Common Shares on a non-diluted basis at the grant date;
- within any one-year period: (i) to any one eligible Participant, shall not exceed 5% of the total number of issued and outstanding Common Shares on the grant date (on a non-diluted basis); and (ii) to insiders of the Company as a group, shall not exceed 10% of the total number of issued and outstanding Common Shares on the grant date (on a non-diluted basis);
- to insiders of the Company as a group, shall not exceed 10% of the total number of issued and outstanding Common Shares (on a non-diluted basis); and
- to each Participant shall not exceed an annual grant date value of \$150,000 under the DSU Plan and all other security-based compensation plans of the Company in the aggregate, excluding: (i) the value of the initial grant of DSUs to the Participant, as of the grant date of such DSUs; (ii) any amount of remuneration that a Participant has elected to receive in the form of DSUs in lieu of cash on a value-for-value exchange; **and, if approved by Shareholders at the Meeting, (iii) the value of any DSUs which are not issued as equity and are settled in cash (see “*Business of the Meeting – Amendment and Adoption of Equity Compensation Plans*” in this Circular.**

The DSU Plan provides that each Participant shall be entitled to redeem his or her DSUs during the period commencing on the business day immediately following the applicable termination date and ending on the 90th day following the said termination date.

Upon redemption, subject to the terms of the DSU Plan, the Participant shall be entitled to receive, and the Company shall issue or provide, as applicable and as determined by the Board in its sole discretion: (i) a number of Common Shares issued from treasury equal to the number of DSUs in the Participant’s account, subject to any applicable deductions and withholdings, (ii) a number of Common Shares purchased by an independent administrator of the DSU Plan in the open market (for the purpose of satisfying the Company’s redemption obligations) equal to the number of DSUs in the

Participant's account, subject to any applicable deductions and withholdings, (iii) a cash amount equal to the number of DSUs multiplied by the applicable share price (as prescribed by the DSU Plan), subject to any applicable deductions and withholdings, or (iv) a combination of the foregoing. **If approved by Shareholders at the Meeting, the DSU Plan will be amended to clarify that Participants may choose to redeem their vested DSUs in tranches over a period of twelve (12) months (see “Business of the Meeting – Amendment and Adoption of Equity Compensation Plans” in this Circular.**

DSUs granted under the DSU Plan are not transferable or assignable other than by will or the laws of descent and distribution.

The DSU Plan provides the Board with the authority to amend or revise the DSU Plan and/or outstanding DSUs, as follows:

- The Board may in its sole discretion, amend, suspend or terminate the DSU Plan or any portion thereof at any time, in accordance with applicable legislation, provided that such amendment, suspension, or termination (i) may require Shareholder approval and/or TSX approval, and (ii) shall not adversely affect the rights of any eligible Participant with respect to the DSUs to which the eligible Participant is then entitled under the DSU Plan without the consent of the eligible Participant.
- Unless otherwise required by the TSX, the Board may make the following amendments to the DSU Plan, without obtaining Shareholder approval: (i) amendments to the terms and conditions of the DSU Plan necessary to ensure that the DSU Plan complies with the applicable regulatory requirements, including the rules of the TSX, in place from time to time; or (ii) amendments to the DSU Plan that are of a “housekeeping” nature, including for the purposes of making formal minor or technical modifications to any of the provisions of the DSU Plan, or to correct any ambiguity, defective provision, error, or omission in the provisions of the DSU Plan, provided that no such amendment of the DSU Plan may be made without the consent of each affected Participant in the DSU Plan if such amendment would adversely affect the rights of such affected Participant(s) under the DSU Plan.
- The Board may, subject to receipt of requisite Shareholder and regulatory approval, make certain prescribed amendments to the DSU Plan or any DSUs granted thereunder, including: (i) any amendment to increase the number of securities issuable under the DSU Plan; (ii) any amendment that extends the term of DSUs beyond the original expiry date; (iii) any amendment to the amending provisions of the DSU Plan, or which would permit DSUs to be assigned or transferred, other than for normal estate settlement purposes; and (iv) any other amendments that may lead to significant or unreasonable dilution in the Company's outstanding securities or may provide additional benefits to eligible Participants, especially insiders of the Company, at the expense of the Company and its existing Shareholders.
- The Board may, and without further Shareholder approval, subject to receipt of requisite regulatory approval, where required, in its sole discretion make certain prescribed amendments to the DSU Plan or any DSU granted and any grant agreement, that are not of the type contemplated above, including: (i) a change to the vesting provisions of a DSU or the DSU Plan; (ii) a change to the termination provisions of a DSU or the DSU Plan which does not entail an extension beyond the original expiry date; (iii) amendments of an administrative nature or which are required to comply with applicable laws or the requirements of the TSX or any regulatory body or stock exchange with jurisdiction over the Company; and (iv) any change fundamental or otherwise, not requiring Shareholder approval under applicable laws or the rules of the TSX, including amendments of a “clerical” or “housekeeping” nature and amendments to ensure that the RSUs granted under the RSU Plan will comply with any provisions respecting income tax and other laws in force in any country or jurisdiction of which an eligible Participant may from time to time be resident or a citizen.
- With the consent of the affected Participant and any applicable regulatory authorities (if required), and without further Shareholder approval, the Board may amend or modify any outstanding DSU in any manner to the extent

that the Board would have had the authority to initially grant the DSU as so modified or amended. If the amendment of a DSU requires regulatory or Shareholder approval, such amendment may be made prior to such approvals being given, but no such amended RSU may be redeemed unless and until such approvals are given.

As of the date of this Circular, there are (i) 3,253,281 DSUs outstanding under the DSU Plan, representing approximately 0.4% of the Company's issued and outstanding Common Shares, 3,253,281 of which are held directly or indirectly by NEOs or directors of the Company and (ii) in accordance with the terms of the current DSU Plan, an aggregate of 55,093,663 Common Shares remain available for reservation and issuance upon the vesting of DSUs which may be granted hereafter, representing approximately 6.9% of the Company's issued and outstanding Common Shares.

The DSU Plan was most recently approved by Shareholders on May 15, 2024. During the years ended December 31, 2024, December 31, 2023, and December 31, 2022, the Company's annual burn rate with respect to the DSUs granted under the DSU Plan during these periods was 0.23%, 0.39%, and Nil% respectively (there were no DSUs granted during the year ended December 31, 2022). The burn rate for DSUs under the DSU Plan is equal to the maximum number of Common Shares subject to the DSU awards divided by the weighted average number of Common Shares outstanding of December 31, 2024, December 31, 2023, and December 31, 2022, being 398,385,856, 382,703,062, and 342,905,448, respectively.

## **ADDITIONAL MATTERS**

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

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None of the Company's directors or executive officers, nor any associate of such director or executive officer is as at the date hereof, or has been, during the year ended December 31, 2024, indebted to the Company or any of its subsidiaries in connection with a purchase of securities or otherwise. In addition, no indebtedness of these individuals to another entity has been the subject of a guarantee, support agreement, letter of credit, or similar arrangement or understanding of the Company or any of its subsidiaries.

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

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No informed person of the Company, Nominee, or any associate or affiliate of an informed person or Nominee, has had any material interest, direct or indirect, in any transaction involving the Company, or in any proposed transaction which has materially affected or would materially affect the Company or its subsidiaries since January 1, 2024 and to the date of this Circular.

### **MANAGEMENT CONTRACTS**

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Neither the Company nor any of its subsidiaries are parties to any agreements or arrangements whereby the management functions of the Company or any of its subsidiaries are to any substantial degree performed other than by the directors or executive officers of the Company.

### **SCIENTIFIC AND TECHNICAL INFORMATION**

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Scientific and technical Information in this Circular with respect to the Company's Cordero project has been prepared and presented based on the technical report entitled "*Cordero Silver Project, Technical Report & Feasibility Study*" with an effective date of February 16, 2024, available on the Company's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca), and such scientific and technical information is subject to the assumptions and qualifications contained in the said technical report.

Scientific and technical Information in this Circular with respect to the Company's Porcupine complex has been prepared and presented based on the technical report entitled "*Porcupine Complex, Ontario, Canada, NI 43-101 Technical Report on Preliminary Economic Assessment*" with an effective date of January 13, 2025, available on the Company's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca), and such scientific and technical information is subject to the assumptions and qualifications contained in the said technical report.

Pierre Rocque, P.Eng., the Company's Chief Operating Officer and Gernot Wober, P. Geo., the Company's Vice President Exploration, a "Qualified Person" within the meaning of National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* has prepared and approved the scientific and technical information included in this Circular.

## **ADDITIONAL INFORMATION**

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Additional information relating to the Company may be found under the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Additional financial information is provided in the Company's audited consolidated financial statements for the year ended December 31, 2024, and accompanying MD&A, which can be found under the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) or on the Company's website at [www.discoverysilver.com](http://www.discoverysilver.com). Shareholders may also request copies of these documents from the Chief Financial Officer by phone at 416-613-9410 or by email at [info@discoverysilver.com](mailto:info@discoverysilver.com).

## **BOARD OF DIRECTORS' APPROVAL**

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The contents of this Circular, the providing of this Circular by Notice-and-Access, and the providing of the Notice of Meeting and proxy to the Shareholders have been approved by the Board.

### **BY ORDER OF THE BOARD OF DIRECTORS**

(Signed) "Tony Makuch"

Tony Makuch

President, Chief Executive Officer and Director

Toronto, Ontario

May 6, 2025

**SCHEDULE A**  
**LTI PLAN**

(As attached.)



**Discovery Silver Corp.**  
**LONG TERM INCENTIVE PLAN**

•, 2025

## ARTICLE 1

### DEFINITIONS AND INTERPRETATION

1.1 For the purposes of this Plan, unless such word or term is otherwise defined herein or the context in which such word or term is used herein otherwise requires, the following words and terms with the initial letter or letters thereof capitalized shall have the following meanings:

- A. **“Act”** means the *Business Corporations Act* (British Columbia), or its successor, as amended, from time to time;
- B. **“Affiliate”** means any corporation that is an affiliate of the Corporation as defined in National Instrument 45-106 – *Prospectus and Registration Exemptions*, as may be amended from time to time;
- C. **“Associate”** with any person or company, is as defined in the *Securities Act* (British Columbia), as may be amended from time to time;
- D. **“Board”** means the board of directors of the Corporation or if established and duly authorized to act, a committee appointed for such purpose by the board of directors of the Corporation;
- E. **“Change of Control”** shall occur if any of the following events occur:
  - (i) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Corporation or any of its Affiliates and another corporation or other entity, whereby all or substantially all of the Shares or assets of the Corporation become the property of any other person (the **“Successor Entity”**), as a result of which the holders of Shares prior to the completion of the transaction hold less than 50% of the outstanding shares of the successor corporation after completion of the transaction;
  - (ii) 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 Corporation 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 Affiliates of the Acquiror to cast or to direct the casting of 50% or more of the votes attached to all of the Corporation’s outstanding Voting Securities which may be cast to elect directors of the Corporation or the successor corporation (regardless of whether a meeting has been called to elect directors);
  - (iii) the Corporation shall sell or otherwise transfer, including by way of the grant of a leasehold interest or joint venture interest (or one or more Subsidiaries shall sell or otherwise transfer, including without limitation by way of the grant of a leasehold interest or joint venture interest) property or assets (A) aggregating more than 50% of the consolidated assets (measured by either book value or fair market value) of the Corporation and the Subsidiaries as at the end of the most recently completed financial year of the Corporation or (B) which during the most recently completed financial year of the Corporation generated, or during the then most recently completed financial year of the Corporation are expected to generate, more than 50% of the consolidated operating income or cash flow of the Corporation and the Subsidiaries, to any person or group of persons (other than one or more Subsidiaries), in which case the Change of Control shall be deemed to occur on the date of the transfer of the property of assets representing one dollar more than 50% of

the consolidated assets in the case of clause (A) or 50% of the consolidated operating income or cash flow in the case of clause (B), as the case may be;

- (iv) the Board of the Corporation adopts a resolution to the effect that a Change of Control as defined herein has occurred or is imminent; and
  - (v) the replacement by way of election or appointment at any time of one-half or more of the total number of the then incumbent members of the Board, unless such election or appointment is approved by 50% or more of the Board in office immediately preceding such election or appointment in circumstances where such election or appointment is to be made other than as a result of a dissident public proxy solicitation, whether actual or threatened;
- F. **"Corporation"** means Discovery Silver Corp., a corporation existing under the Act, and includes any successor corporation thereof;
- G. **"Eligible Contractors"** means (A) persons who are not employees, officers or directors of the Corporation that (i) are engaged to provide on a bona fide basis consulting, technical, management or other services to the Corporation or any Affiliates under a written contract with the Corporation or the Affiliate and not in connection with the offer or sale of securities in a capital-raising transaction, and do not directly or indirectly promote or maintain a market for the the Corporation's securities and (ii) in the reasonable opinion of the Board, spend or will spend a significant amount of time and attention on the affairs and business of the Corporation or an Affiliate; and (B) directors of the Corporation that (i) are engaged, beyond the scope of their regular duties as a director, to provide on a bona fide basis consulting, technical, management or other services to the Corporation or any Affiliates under a written contract with the Corporation or the Affiliate and (ii) in the reasonable opinion of the Board, spend or will spend a significant amount of time and attention on the affairs and business of the Corporation or an Affiliate in connection with such engagement;
- H. **"Entitlement Date"** means the date as determined by the Board in its sole discretion in accordance with the Plan, provided, in the case of Participants who are liable to taxation under the provisions of the Tax Act in respect of amounts payable under this Plan, that such date, or amendment of such date as contemplated by section 3.8 of this Plan, shall not be later than December 31 of the third calendar year following the calendar year in which the services were performed in respect of the corresponding Share Unit Award or such later date as may be permitted under paragraph (k) the definition of "salary deferral arrangement" in subsection 248(1) of the Tax Act as amended from time to time, or other applicable provisions thereof, so as to ensure that the Plan is not considered to be a "salary deferral arrangement" for purposes of the Tax Act;
- I. **"Grant Date"** means the date that a Share Unit Award is granted to a Participant under this Plan, as evidenced by the register or registers maintained by the Corporation for Share Unit Awards;
- J. **"Insider"** means a "reporting insider" as defined in National Instrument 55-104 – *Insider Reporting Requirements and Exemptions*, as may be amended or replaced from time to time;
- K. **"Market Price"** at any date in respect of the Shares shall be, the volume weighted average trading price of such Shares on the TSX for the five trading days ending on the last trading date immediately before the date on which the Market Price is determined. In the event that the Shares are not then listed and posted for trading on the TSX, the Market Price shall be the fair market value of such Shares as determined by the Board in its sole discretion;

- L. **“Participant”** means any director, employee, officer or Eligible Contractor of the Corporation or any Affiliate of the Corporation or of any Affiliate to whom Share Units are granted hereunder;
- M. **“Payout Factor”** means, for any Share Unit, the percentage, ranging from 0% to 200% (or within such other range as the Board may determine from time to time), quantifying the performance achievement realized on an Entitlement Date determined in accordance with the performance conditions or measures and other terms outlined in the Share Unit grant letter evidencing such Share Unit;
- N. **“person”** means any individual, corporation, partnership, firm, joint venture, syndicate, association, trust, government, governmental agency and any other form of entity or organization;
- O. **“Plan”** means this Long Term Incentive Plan, as same may be amended from time to time;
- P. **“Required Shareholder Approval”** means the approval of this Plan by the shareholders of the Corporation, as may be required by the TSX or any other Stock Exchange on which the Shares are listed, as a plan allowing for the issuance of Shares from treasury to satisfy Share Units on an applicable Entitlement Date, as contemplated in Article 4;
- Q. **“Resignation”** means the cessation of Board membership by a director, or employment (as an officer or employee) of the Participant with the Corporation or an Affiliate as a result of resignation;
- R. **“Retirement”** or **“Retire”** means the Participant voluntarily ceasing to be an employee, officer or director of the Corporation or an Affiliate after attaining sixty (60) years of age or earlier with the Corporation's consent, provided that, in respect of any Share Unit that continues following Retirement, the Participant does not subsequently become employed with another employer for more than twenty days in any sixty day period during a period for which the Share Unit is outstanding (in which case, for avoidance of doubt, a Termination of the Participant shall be deemed to have occurred and the Share Unit shall immediately become void);
- S. **“Shares”** means the common shares in the capital of the Corporation;
- T. **“Share Unit”** means a unit (which may be referred to as a restricted share unit or a performance share unit, as applicable) credited by means of an entry on the books of the Corporation to a Participant, representing the right to receive, on the Participant's Entitlement Date, a cash payment equal to the then Market Price of a Share (subject to adjustments), and, if applicable, multiplied by the Payout Factor. Subject to the Required Shareholder Approval being obtained, if the Board so elects, the Corporation may satisfy the amount for such payment obligation by issuing such number of Shares from treasury determined in accordance with Section 3.5(ii) and Article 4;
- U. **“Share Unit Award”** means an award of Share Units under this Plan to a Participant;
- V. **“Stock Exchange”** means the TSX or any other stock exchange on which the Shares are listed for trading at the relevant time;
- W. **“Subsidiary”** means a person (other than an individual) which is controlled, directly or indirectly, by the Corporation, whether as a result of registered or beneficial ownership of a majority of the voting securities of such person, a contractual arrangement or otherwise;

- X. **"Tax Act"** means the *Income Tax Act* (Canada), and its regulations thereunder, as amended from time to time;
- Y. **"Termination"** means: (i) in the case of a director, the termination of Board membership of the director by the Corporation or any Affiliate, the failure to re-elect or re-appoint the individual as a director of the Corporation or an Affiliate, or Resignation, other than through Retirement; (ii) in the case of an employee, the termination of the employment of the employee, with or without cause, as the context requires by the Corporation or an Affiliate, or Resignation, other than through Retirement; (iii) in the case of an officer, the removal of or failure to re-elect or re-appoint the individual as an officer of the Corporation or an Affiliate, or Resignation, other than through Retirement; or (iv) in the case of an Eligible Contractor, the termination of the services of the Eligible Contractor by the Eligible Contractor or the Corporation or any Affiliate; provided that in each case if the Participant continues as a director, employee, officer or Eligible Contractor after such Termination, then a Termination will not occur until such time thereafter that the Participant ceases to be a director, employee, officer or Eligible Contractor in accordance with this definition;
- Z. **"Triggering Event"** means (i) in the case of a director, the termination of Board membership of the director by the Corporation or any Affiliate, or the failure to re-elect or re-appoint the individual as a director of the Corporation or an Affiliate; (ii) in the case of an employee, the termination of the employment of the employee, without cause, as the context requires by the Corporation or an Affiliate; (iii) in the case of an officer, the removal of or failure to re-elect or re-appoint the individual as an officer of the Corporation or an Affiliate; (iv) in the case of an employee or an officer, a material adverse change imposed by the Corporation or the Affiliate (as the case may be) in duties, powers, rights, discretion, prestige, salary, benefits, perquisites, as they exist, and with respect to financial entitlements, the conditions under and manner in which they were payable, immediately prior to the Change of Control, or a material diminution of title imposed by the Corporation or the Affiliate (as the case may be), as it exists immediately prior to the Change of Control in either case without the employee's or the officer's written agreement; and (v) in the case of an Eligible Contractor, the termination of the services of the Eligible Contractor by the Corporation or any Affiliate;
- AA. **"TSX"** means the Toronto Stock Exchange; and
- BB. **"Voting Securities"** means any securities of the Corporation ordinarily carrying the right to vote at elections of directors and any securities immediately convertible into or exchangeable for such securities.

1.2 The headings of all Articles, Sections and paragraphs in this Plan are inserted for convenience of reference only and shall not affect the construction or interpretation of this Plan.

1.3 Whenever the singular or masculine are used in this Plan, the same shall be construed as being the plural or feminine or neuter or vice versa where the context so requires.

1.4 The words "herein", "hereby", "hereunder", "hereof" and similar expressions mean or refer to this Plan as a whole and not to any particular Article, Section, paragraph or other part hereof.

1.5 Unless otherwise specifically provided, all references to dollar amounts in this Plan are references to lawful money of Canada.

## ARTICLE 2

### PURPOSE AND ADMINISTRATION OF THE PLAN

2.1 This Plan provides for the granting of Share Unit Awards and the settlement of such Share Unit Awards through the payment of cash (or, with respect to Share Units that are subject to performance conditions or measures, subject to the Required Shareholder Approval and at the election of the Board in its sole discretion, the issuance of Shares from treasury) for services to be rendered, for the purpose of advancing the interests of the Corporation, its Affiliates and its shareholders through the motivation, attraction and retention of employees, officers and Eligible Contractors and the alignment of their interest with the interest of the Corporation's shareholders. It is intended that this Plan not be treated as a "salary deferral arrangement" by reason of paragraph (k) of the definition thereof in Section 248(1) of the Tax Act.

2.2 This Plan shall be administered by the Board and the Board shall have full authority to administer this Plan, including the authority to interpret and construe any provision of this Plan and to adopt, amend and rescind such rules and regulations for administering this Plan as the Board may deem necessary in order to comply with the requirements of this Plan. All actions taken and all interpretations and determinations made by the Board in good faith shall be final and conclusive and shall be binding on the Participants and the Corporation. No member of the Board shall be personally liable for any action taken or determination or interpretation made in good faith in connection with this Plan and all members of the Board shall, in addition to their rights as directors of the Corporation, be fully protected, indemnified and held harmless by the Corporation with respect to any such action taken or determination or interpretation made in good faith. The appropriate officers of the Corporation are hereby authorized and empowered to do all things and execute and deliver all instruments, undertakings and applications and writings as they, in their absolute discretion, consider necessary for the implementation of this Plan and of the rules and regulations established for administering this Plan. All costs incurred in connection with this Plan shall be for the account of the Corporation.

2.3 The Corporation shall maintain a register in which it shall record the name and address of each Participant and the number of Share Units granted to each Participant.

2.4 Subject to Section 3.1, the Board shall from time to time determine the Participants who may participate in this Plan. The Board shall from time to time determine the Participants to whom Share Units shall be granted and the provisions and restrictions with respect to such grant, all such determinations to be made in accordance with the terms and conditions of this Plan.

### **ARTICLE 3**

#### **SHARE UNIT AWARDS**

3.1 This Plan is hereby established for employees, officers and Eligible Contractors of the Corporation and its Affiliates. No grant of a Share Unit Award shall be made to a director of the Corporation, unless the director is an employee, officer or Eligible Contractor of the Corporation or its Affiliates.

3.2 A Share Unit Award granted to a particular Participant in a calendar year will be a bonus for services to be rendered by the Participant to the Corporation or an Affiliate, as the case may be, as determined in the sole and absolute discretion of the Board. The number of Share Units awarded will be credited to the Participant's account, effective as of the Grant Date. Each Share Unit vests on its Entitlement Date.

For the avoidance of doubt, a Participant will have no right or entitlement whatsoever to receive any cash payment (or receive the equivalent in Shares) until the Entitlement Date.

3.3 Subject to the absolute discretion of the Board, the Board may elect to credit each Participant with additional Share Units as a bonus in the event any dividend is paid on Shares. In such case, the number of additional Share Units will be equal to the aggregate amount of dividends that would have been paid to the Participant if the Share Units in the Participant's account had been Shares divided by the Market Price of a Share on the date on which dividends were paid by the Corporation.

The additional Share Units will vest on the Participant's Entitlement Date of the particular Share Unit Award (and will be subject to the same terms) to which the additional Share Units relate.

3.4 Except as otherwise set forth in this Section 3.4, a Share Unit Award granted to a Participant will entitle the Participant, subject to the satisfaction of any conditions, performance conditions or measures, restrictions (including any claw-back policy that may be adopted by the Board from time to time) or limitations imposed under this Plan or the applicable Share Unit grant letter, to receive on the Participant's Entitlement Date, as the case may be, a payment in cash or the equivalent Shares (in accordance with, and subject to, Article 4) as contemplated in Section 3.5 and as set forth in the applicable Share Unit grant letter as provided for in Section 3.7.

Notwithstanding the foregoing, unless the Board determines otherwise, a Participant's Entitlement Date shall be accelerated as follows:

- (i) in the event of the death of the Participant, the Participant's Entitlement Date shall be the date of death; and
- (ii) in the event of the total disability of the Participant, the Participant's Entitlement Date shall be the date which is 60 days following the date on which the Participant becomes totally disabled.

Subject to Section 3.6, in the event a Participant Retires, (A) any Share Units held by the Participant shall continue to vest in accordance with the terms of this Plan until the earlier of: (i) the date determined by the Board, in its sole discretion; and (ii) the Participant's Entitlement Date of the particular Share Unit Award (and will be subject to the same terms) to which the additional Share Units relate; and (B) such Participant's eligibility to receive further grants of Share Units under the Plan will cease as of the date of Retirement.

Subject to Section 3.6, in the event of the Termination with or without cause of a Participant, all Share Units credited to the Participant shall become void and the Participant shall have no entitlement and will forfeit any rights to any payment (or, for greater certainty, Shares) under this Plan, except as may otherwise be determined by the Board in its sole and absolute discretion.

For greater certainty, all amounts payable, or Shares to be issued, to, or in respect of a Participant, on the settlement of Share Units shall be paid, or issued, to the Participant or the Participant's estate on or immediately following the Entitlement Date provided in no case shall payment be made or Shares issued after December 31 of the third calendar year following the year in which the services were rendered.

3.5 Subject to Section 5.1, the Corporation will satisfy its payment obligation, net of any applicable taxes and other source deductions required by law to be withheld by the Corporation (or any of its Affiliates), for the settlement of Share Units by either:

- (i) a payment in cash to the Participant equal to the Market Price of a Share on the Entitlement Date multiplied by the number of Share Units being settled, or
- (ii) the issuance of Shares to the Participant (in accordance with Article 4) in an amount equal to the number of Share Units being settled,

in each case (in the case of Share Units that are subject to performance conditions or measures) multiplied by the Payout Factor.

In the event the Participant's Entitlement Date is accelerated as a result of the death or total disability of the Participant in accordance with Section 3.4(i) or Section 3.4(ii), in the case of Share Units that are subject to performance conditions or measures, unless the Board determines otherwise, the Payout Factor will be calculated based on (x) in the case of any performance measurement periods that are complete on or prior to the Entitlement Date, the actual performance, and (y) in the case of any performance measurement periods that are not complete on or prior to the Entitlement Date, assuming 100% performance achievement during such measurement period.

3.6 If a Triggering Event occurs within the 12-month period immediately following a Change of Control (or the determination by the Board by resolution that a Change of Control has occurred), all outstanding Share Units of the Participant who is subject to such Triggering Event, shall vest and the Entitlement Date shall occur, on the date of such Triggering Event. In the event the Participant's Entitlement Date is

accelerated in the foregoing circumstances, in the case of Share Units that are subject to performance conditions or measures, the Payout Factor will be calculated based on actual performance during the performance measurement period commencing on the date of grant of the Share Units and ending on the Entitlement Date (on a continued basis subject to adjustments in accordance with Section 6.6). In the event the Successor Entity fails to assume the unvested Share Units following a Change of Control or in the event the Board adopts a resolution to wind-up, dissolve or liquidate the Corporation, the Entitlement Date in respect of Share Units shall be accelerated to the date immediately prior to the Change of Control or the date the Board adopts a resolution to wind-up, dissolve or liquidate the Corporation (as applicable), and any performance measurement periods that are not complete on or prior to the Change of Control or the date the Board adopts a resolution to wind-up, dissolve or liquidate the Corporation (as applicable), shall be calculated based on actual performance during the performance measurement period commencing on the date of grant of the Share Units and ending on the accelerated Entitlement Date in accordance with the above.

3.7 The Corporation will not contribute any amounts to a third party or otherwise set aside any amounts to fund its obligations under this Plan.

3.8 Each grant of a Share Unit under this Plan shall be evidenced by a Share Unit grant letter agreement issued to the Participant by the Corporation. Such Share Unit grant letter shall be subject to all applicable terms and conditions of this Plan and may be subject to any other terms and conditions which are not inconsistent with this Plan and which the Board deems appropriate for inclusion in a Share Unit grant letter. The provisions of the various Share Unit grant letters issued under this Plan need not be identical.

3.9 Concurrent with the determination to grant Share Units to a Participant, the Board shall determine the Entitlement Date applicable to such Share Units, provided the Board shall have discretion to amend the Entitlement Date after such grant. In addition, for Share Units that may be satisfied by the issuance of Shares, the Board shall at the time they are granted, make such Share Units subject to performance conditions or measures to be achieved by the Corporation, the Participant or a class of Participants, prior to the Entitlement Date, for such Share Units.

3.10 The Board shall establish criteria for the grant of Share Units to Participants.

#### **ARTICLE 4**

##### **ADDITIONAL PROVISION FOR TREASURY BASED SHARE ISSUANCES**

4.1 Article 4 shall become effective only on receipt by the Corporation of any Stock Exchange approval and of the Required Shareholder Approval. On Article 4 becoming effective, the Corporation shall have the power, at the Board's discretion, to satisfy any obligation of the Corporation under Share Units (including those outstanding at the time Article 4 becomes effective) by the issuance of Shares from treasury as determined in accordance with Section 3.5(ii). If the Required Shareholder Approval and Stock Exchange approval are not obtained, no Shares shall be issuable from treasury in respect of Share Units issuable under this Plan. From the time after Article 4 becomes effective, the Board can, at its sole discretion, grant Share Units that can only be satisfied by the issuance of Shares from treasury or by a cash payment or any combination thereof.

4.2 The maximum number of Shares made available for issuance under the Plan shall be determined by the Board from time to time, but in any case, shall not exceed such number of Shares as would, when combined with all other Shares subject to grants under deferred share units, restricted share units and performance share units of the Corporation, including grants under any existing legacy plans, be equal to 10% of the Shares then issued and outstanding, subject to adjustments pursuant to Section 6.6, and provided, for greater clarity that any stock options or other incentive securities of a third party entity assumed by the Corporation as a result of the acquisition of such entity by the Corporation in the future shall not be factored in the calculation of the foregoing limits. The aggregate number of Shares issuable to Insiders

pursuant to Share Units granted and all other security-based compensation arrangements, at any time, shall not exceed 10% of the total number of Shares then outstanding. The aggregate number of Shares issued to Insiders pursuant to Share Units granted and all other security-based compensation arrangements, within a one-year period, shall not exceed 10% of the total number of Shares then outstanding. For purposes of this Section 4.2, the number of Shares then outstanding shall mean the number of Shares outstanding on a non-diluted basis immediately prior to the proposed grant of the applicable Share Units. Under this Plan “**security-based compensation arrangements**” shall have the meaning ascribed thereto in the TSX Company Manual.

4.3 In no case can a Participant immediately after being granted an award of Share Units (a) hold a beneficial interest in greater than 5% of the Shares in the Corporation or (b) be in a position to control the casting of greater than 5% of the votes that might be cast at a general meeting of the Corporation.

4.4 On Article 4 being effective, the Board may from time to time in its discretion (without shareholder approval) amend, modify and change the provisions of the Plan (including any grant letters), including, without limitation:

- (i) amendments of a house keeping nature; and
- (ii) changes to the Entitlement Date of any Share Units, provided that this Plan is not considered a “salary deferral arrangement” for purposes of the Tax Act.

However, other than as set out above, any amendment, modification or change to the provisions of the Plan which would:

- (i) increase the number of Shares or maximum percentage of Shares which may be issued pursuant to the Plan other than by virtue of Section 6.6 of the Plan;
- (ii) reduce the range of amendments requiring shareholder approval contemplated in this Section 4.4;
- (iii) permit Share Units to be transferred or assigned other than for normal estate settlement purposes;
- (iv) change Insider participation limits which would result in shareholder approval being required on a disinterested basis;
- (v) materially modify the eligibility requirements for participation in the Plan (including, for greater clarity, allowing participation in the Plan by non-employee directors); or
- (vi) modify Section 4.3,

shall only be effective on such amendment, modification or change being approved by the shareholders of the Corporation. In addition, any amendment, modification or change of any provision of the Plan shall be subject to the approval, if required, by any Stock Exchange having jurisdiction over the securities of the Corporation.

## ARTICLE 5

### WITHHOLDING TAXES

5.1 The Corporation or its Affiliates may take such steps as are considered necessary or appropriate to deduct any appropriate withholding taxes, source deductions or other withholding liabilities which the Corporation or its Affiliates may be required, in accordance with the Tax Act, to withhold and remit in connection with any payment made, or Shares issued, under this Plan, including, without limiting the generality of the foregoing, the withholding of all or any portion of any payment of the withholding of the issue of Shares to be issued under this Plan, until such time as the Participant has paid the Corporation or its Affiliates for any amount which the Corporation or its Affiliates are required to withhold with respect to

such taxes. For greater certainty, immediately upon delivery of any Shares, the Corporation shall have the right to sell, as trustee for the Participant or require that a Participant sell a given number of Shares sufficient to cover any applicable withholding taxes and any other source deductions to be withheld by the Corporation in connection with Shares issued in satisfaction of the Participant's vested Share Units. Neither the Corporation nor its Affiliates shall be responsible for obtaining any particular price for the Shares nor shall the Corporation or any Affiliate be required to issue any Shares under the Plan unless the Participant has made suitable arrangements with the Corporation or its Affiliates to fund any withholding obligation.

## ARTICLE 6

### GENERAL

6.1 This Plan shall remain in effect until it is terminated by the Board.

6.2 The Board may amend or discontinue this Plan at any time in its sole discretion, provided that such amendment or discontinuance may not in any manner adversely affect the Participant's rights under any Share Unit granted under this Plan. This Section 6.2 shall be subject to the restrictions outlined in Section 4.4 on Article 4 becoming effective.

Any amendment of this Plan shall be such that this Plan will not be considered a "salary deferral arrangement" as defined in Subsection 248(1) of the Tax Act or any successor provision thereto as amended from time to time, or other applicable provisions thereof, by reason of this Plan continuously meeting the requirements under the exception in paragraph (k) of that definition. Notwithstanding the foregoing, the Corporation shall obtain requisite Stock Exchange and/or shareholder approval in respect of amendments to this Plan, to the extent such approvals are required by any applicable laws or regulations.

6.3 Except pursuant to a will or by the laws of descent and distribution, no Share Unit and no other right or interest of a Participant is assignable or transferable.

6.4 The Corporation makes no representation or warranty as to the Market Price of the Shares for the purposes of this Plan.

6.5 No holder of any Share Units shall have any rights as a shareholder of the Corporation. Except as otherwise specified herein, no holder of any Share Units shall be entitled to receive, and no adjustment is required to be made for, any dividends, distributions or any other rights declared for shareholders of the Corporation.

6.6 Nothing in this Plan shall confer on any Participant the right to continue as a director, employee, officer or Eligible Contractor of the Corporation or any Affiliate, as the case may be, or interfere with the right of the Corporation or Affiliate, as applicable, to remove such director, officer and/or employee or terminate its contractual relationship with such Eligible Contractor as applicable. Nothing contained in this Plan shall confer or be deemed to confer on any Participant the right to continue in the employment of, or to provide services to, the Corporation or its Affiliates nor to interfere or be deemed to interfere in any way with any right of the Corporation or its Affiliates to discharge any Participant at any time for any reason whatsoever, with or without cause.

6.7 In the event there is any change in the Shares, whether by reason of a stock dividend, consolidation, subdivision, reclassification, amalgamation, merger, business combination or arrangement, or otherwise, an appropriate adjustment shall be made to outstanding Share Units by the Board, in its sole discretion, to reflect such changes. If the foregoing adjustment shall result in a fractional securities or Share Unit, the fraction shall be disregarded. All such adjustments shall be conclusive, final and binding for all purposes of this Plan.

6.8 For the avoidance of doubt and notwithstanding any provisions in the Plan to the contrary, all payments under this Plan to individuals subject to United States income tax shall be made no later than the deadline set forth in Section 1.409A-1(b)(4)(i) of the United States Treasury Regulations with respect to short-term deferrals of compensation.

6.9 If any provision of this Plan or any Share Unit contravenes any law or any order, policy, by-law or regulation of any regulatory body having jurisdiction, then such provision shall be deemed to be amended to the extent necessary to bring such provision into compliance therewith.

6.10 All Share Unit Awards and the issuance of Shares underlying such Share Unit Awards issued pursuant to the Plan to persons subject to the laws of the United States will be issued pursuant to the registration requirements of the United States Securities Act of 1933, as amended, or an exemption from such registration requirements.

6.11 This Plan shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

**SCHEDULE B**  
**PROPOSED AMENDMENT TO DSU PLAN**

(As attached.)

# DISCOVERY

Discovery Silver Corp.

AMENDED DEFERRED SHARE UNIT PLAN

~~April 5~~, ~~2024~~2025

## ARTICLE 1 GENERAL PROVISIONS

### 1.1 Purpose

This Deferred Share Unit Plan has been established by the Company to promote the interests of the Company by attracting and retaining qualified persons to serve on the Board and to promote a greater alignment of long term interests between such Participants and the shareholders of the Company.

### 1.2 Definitions

As used in the Plan, the following terms have the following meanings:

- (a) “**Account**” means an account maintained for each Participant on the books of the Company which will be credited with Deferred Share Units, in accordance with the terms of the Plan;
- (b) “**Applicable Law**” means any applicable provision of law, domestic or foreign, including, without limitation, applicable securities legislation, together with all regulations, rules, policy statements, rulings, notices, orders, or other instruments promulgated thereunder and the requirements of the Exchange;
- (c) “**Blackout Period**” means a period of time imposed by the Company, pursuant to the Company’s policies, upon certain designated persons during which those persons may not trade in any securities of the Company;
- (d) “**Board**” means the board of directors of the Company, or, as applicable, a committee duly appointed to administer this Plan consisting of not less than three non-executive Directors of the Company;
- (e) “**Business Day**” means any day that is not a Saturday, Sunday, or a holiday (as defined in the *Interpretation Act* (Canada)) in Vancouver, British Columbia;
- (f) “**Change of Control**” means the occurrence of any of the following events:
  - (i) the acquisition by any persons acting jointly or in concert (as determined in accordance with the *Securities Act* (British Columbia)), whether directly or indirectly, of voting securities of the Company that, together with all other voting securities of the Company held by such persons, constitute in the aggregate more than 50% of all outstanding voting securities of the Company;
  - (ii) an amalgamation, arrangement, or other form of business combination of the Company with another company that results in the holders of voting securities of that other company holding, in the aggregate, more than 50% of all outstanding voting securities of the Company resulting from the business combination;
  - (iii) the sale, lease, or exchange of all or substantially all of the property of the Company to another person, other than in the ordinary course of business of the Company or to a related entity; or

- (iv) any other transaction that is deemed to be a “Change of Control” for the purposes of this Plan by the Board in its sole discretion;
- (g) “**Code**” means the United States *Internal Revenue Code of 1986*, as amended, and any applicable Treasury Regulations and other binding regulatory guidance thereunder;
- (h) “**Common Shares**” means common shares in the capital of the Company;
- (i) “**Company**” means Discovery Silver Corp. and its successors and assigns;
- (j) “**Deferred Share Unit**” means a unit credited to a Participant’s Account by way of a bookkeeping entry in the books of the Company pursuant to this Plan, the value of which is equivalent in value to a Common Share;
- (k) “**Director**” means a director of the Company;
- (l) “**Dividend**” means an Ordinary Dividend, and may, in the discretion of the Board, include a special or stock dividend, and may, in the discretion of the Board, include a special dividend declared and payable on a Common Share;
- (m) “**Exchange**” means, collectively, the Toronto Stock Exchange, any successor thereto and any other stock exchange or trading facilities through which the Common Shares trade or are quoted from time to time;
- (n) “**Fiscal Quarter**” means each three-month period ending on March 31, June 30, September 30, or December 31, respectively, unless otherwise designated by the Board;
- (o) “**Grant**” means any Deferred Share Unit credited to the Account of a Participant;
- (p) “**Grant Agreement**” means an agreement between the Company and the Participant under which Deferred Share Units are granted, together with such amendments, deletions, or changes thereto as are permitted under the Plan in the form appended as Schedule A hereto;
- (q) “**Grant Date**” means any date determined from time to time by the Board as a date on which a grant of Deferred Share Units will be made to one or more Participants under this Plan;
- (r) “**Insider**” means a “reporting insider” as defined in National Instrument 55-104 – *Insider Reporting Requirements and Exemptions*, as may be amended or replaced from time to time;
- (s) “**Notice of Redemption**” means written notice, on a prescribed form as determined by the Board from time-to-time, by the Participant, or the administrator or liquidator of the estate of the Participant, to the Company of the Participant’s wish to redeem his or her Deferred Share Units;

- (t) **“Ordinary Dividend”** means a dividend declared and payable on a Common Share in accordance with the Company’s dividend policy as the same may be amended from time to time;
- (u) **“Participant”** means a Director who (i) is not otherwise an employee of the Company and (ii) is designated by the Board as eligible to participate in the Plan;
- (v) **“Plan”** means this Deferred Share Unit Plan, as amended from time to time;
- (w) **“Redemption Date”** means the date that a Notice of Redemption is received by the Company, except with respect to any US Taxpayer, it shall mean the date set forth in the Grant Agreement;
- (x) **“Reorganization”** means any declaration of any stock dividend, stock split, combination, or exchange of shares, merger, consolidation, recapitalization, amalgamation, plan of arrangement, reorganization, spin-off or other distribution (other than Ordinary Dividends) of the Company assets to shareholders or any other similar corporate transaction or event which the Board determines affects the Common Shares such that an adjustment is appropriate to prevent dilution or enlargement of the rights of Participants under this Plan;
- (y) **“Security Based Compensation Plan”** means this Plan and any stock option plan, employee stock purchase plan, ~~restricted share unit~~long-term incentive plan, other deferred share unit plan, or other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares, including but not limited to a purchase of Common Shares from treasury which is financially assisted by the Company by way of loan, guarantee, or otherwise;
- (z) **“Separation From Service”** shall mean that employment or service with the Company and any entity that is to be treated as a single employer with the Company for purposes of United States Treasury Regulation Section 1.409A – 1(h) terminates such that it is reasonably anticipated that no further services will be performed;
- (aa) **“Share Price”** means the volume weighted average trading price of a Common Share on the Exchange over the five consecutive trading days immediately preceding (a) in the case of a Grant, the date of Grant in respect of a Director; or (b) in the case of a redemption, the Redemption Date, as applicable, or in the event such Common Shares are not traded on the Exchange, the fair market value of such Common Shares as determined by the Board acting in good faith;
- (bb) **“Specified Employee”** means a US Taxpayer who meets the definition of “specified employee”, as defined in Section 409A(a)(2)(B)(i) of the Code;
- (cc) **“Termination Date”** means the date of a Participant’s death, or retirement from, or loss of office or employment with the Company, within the meaning of paragraph 6801(d) of the regulations under the *Income Tax Act* (Canada) or any successor to such provision, including the Participant’s resignation, retirement, death, or otherwise; and

- (dd) “**US Taxpayer**” means any Participant whose compensation under the Plan would be subject to income tax under the Code.

### **1.3 Effective Date**

The Plan shall be effective as of the date first written above, provided that no Common Shares may be issued under the Plan until and unless all required Exchange, regulatory, and shareholder approvals have been obtained with respect to the issuance of Common Shares hereunder.

### **1.4 Governing Law; Subject to Applicable Regulatory Rules**

The Plan all Grant Agreements, the grant and redemption of Deferred Share Units hereunder, and the sale, issue and delivery of Common Shares hereunder upon redemption of Deferred Share Units shall be, as applicable, governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein. The Courts of the Province of British Columbia shall have the exclusive jurisdiction to hear and decide any disputes or other matters arising herefrom. The provisions of the Plan shall be subject to the applicable by-laws, rules, and policies of the Exchange and applicable securities legislation.

## **ARTICLE 2 DEFERRED SHARE UNITS**

### **2.1 Establishment of Annual Base Compensation**

An annual compensation amount (the “**Annual Base Compensation**”) payable to non-employee Directors of the Company shall be established from time-to-time by the Board. The amount of Annual Base Compensation will be reported annually in the Company’s management information circular.

### **2.2 Payment of Annual Base Compensation**

- (a) The Annual Base Compensation shall be payable in quarterly installments, with each installment payable as promptly as practicable following the last Business Day of the Fiscal Quarter to which it applies. Quarterly payments shall be prorated if Board service commences or terminates during a Fiscal Quarter. The number of Deferred Share Units to be paid and the terms of the Deferred Share Units shall be determined as provided in the following sections of this Plan.
- (b) Each Participant that is not a US Taxpayer may elect to receive Deferred Share Units up to 100% of his or her Annual Base Compensation by completing and delivering a written election to the Company in the form attached hereto as Schedule B on or before the last day of the Fiscal Quarter immediately preceding the Fiscal Quarter with respect to which the election is made. Such election will be effective with respect to compensation payable for the Fiscal Quarter following the Fiscal Quarter in which such written election is made. Further, where an individual becomes a Participant for the first time during a Fiscal Quarter or where any Participant is serving as a Director in the first Fiscal Quarter in which the Plan is adopted, such individual may elect to participate in the Plan with respect to the Fiscal Quarter of the Company commencing after the Fiscal Quarter in which the Company receives such individual’s written election. For greater certainty, new Participants will not be entitled to receive Deferred Share Units pursuant to an election for the Fiscal Quarter in which they submit their first election to the

Company or any previous Fiscal Quarter. Elections under this Section 2.2(b) shall be irrevocable with respect to compensation earned during the period to which such election relates and for the avoidance of doubt, may not be revoked or changed later than the last day of the Fiscal Quarter immediately preceding such period.

- (c) All Deferred Share Units granted with respect to Annual Base Compensation will be credited to the Participant's Account when such Annual Base Compensation is payable.
- (d) The Participant's Account will be credited with the number of Deferred Share Units calculated to the nearest thousandths of a Deferred Share Unit, determined by dividing the dollar amount of compensation payable in Deferred Share Units on the Grant Date by the Share Price. Fractional Common Shares will not be issued and any fractional entitlements will be rounded down to the nearest whole number.

### **2.3 Additional Deferred Share Units**

In addition to Deferred Share Units granted pursuant to Section 2.2, and subject to the limitations set out in Article 6, the Board may award such number of Deferred Share Units to a Participant as the Board deems advisable to provide the Participant with appropriate equity-based compensation for the services he or she renders to the Company. The Board shall determine the date on which such Deferred Share Units may be granted and the date as of which such Deferred Share Units shall be credited to a Participant's Account. The Company and a Participant who receives an award of Deferred Share Units pursuant to this Section 2.3 shall enter into a Grant Agreement to evidence the award and the terms applicable thereto.

## **ARTICLE 3 ADMINISTRATION**

### **3.1 Transferability**

Rights respecting Deferred Share Units shall not be transferable or assignable other than by will or the laws of descent and distribution.

### **3.2 Administration of Plan**

Except as required to ensure that the Plan continues to meet the requirements of paragraph 6801(d) of the regulations under the *Income Tax Act* (Canada) or any successor to such provision, the Board shall have the power, where consistent with the general purpose and intent of the Plan and subject to the specific provisions of the Plan:

- (a) to establish policies and to adopt rules and regulations for carrying out the purposes, provisions and administration of the Plan and to amend and rescind such rules and regulations from time to time;
- (b) to interpret and construe the Plan and to determine all questions arising out of the Plan and any such interpretation, construction or determination made by the Board shall be final, binding and conclusive for all purposes;
- (c) to prescribe the form of the instruments used in conjunction with the Plan; and

- (d) to determine which members of the Board are eligible to participate in the Plan.

### **3.3 Redemption of Deferred Share Units (other than US Taxpayers)**

- (a) Each Participant shall be entitled to redeem his or her Deferred Share Units during the period commencing on the Business Day immediately following the Termination Date and ending on the 90th day following the Termination Date by providing a written Notice of Redemption to the Company. In the event of death of a Participant, the Notice of Redemption shall be filed by the legal representative of the Participant, and must be filed within one year from the Participant's death.
- (b) Upon redemption, the Participant shall be entitled to receive, and the Company shall issue or provide:
  - (i) subject to shareholder approval of this Plan and the limitations set forth in Article 6 below, a number of Common Shares issued from treasury equal to the number of Deferred Share Units in the Participant's Account, subject to any applicable deductions and withholdings;
  - (ii) subject to and in accordance with any Applicable Law, a number of Common Shares purchased by an independent administrator of the Plan (if and when an independent administrator is so engaged by the Company) in the open market for the purposes of providing Common Shares to Participants under the Plan equal in number to the Deferred Share Units in the Participant's Account, subject to any applicable deductions and withholdings;
  - (iii) the payment of a cash amount to a Participant equal to the number of Deferred Share Units multiplied by the Share Price, subject to any applicable deductions and withholdings; or
  - (iv) any combination of the foregoing,

as determined by the Board, in its sole discretion. Unless otherwise determined by the Board at the time of the Grant, following the Termination Date, Participants may redeem their Deferred Share Units in any number of tranches over a period of twelve (12) months from the date of the Notice of Redemption for those Deferred Share Units, as specified on the Notice of Redemption.

### **3.4 Payment Notwithstanding**

Notwithstanding any other provision of this Plan, all amounts payable to, or in respect of, a Participant hereunder shall be paid on or before December 31 of the calendar year commencing immediately after the Participant's Termination Date.

## **ARTICLE 4 DIVIDENDS**

### **4.1 Payment of Dividend Equivalents**

Subject to Section 6.2, when Dividends are paid on Common Shares, a Participant shall be credited with Dividend equivalents in respect of the Deferred Share Units credited to the Participant's Account as of the record date for payment of Dividends. No payment in cash should be made to any Participant with respect to such Dividend equivalent unless the payment of the Dividend equivalent in Deferred Share Units would result in such Participant exceeding any of the participation limits set forth in Section 6.2.

Provided that the payment of a Dividend equivalent in Deferred Share Units would not result in a Participant exceeding any of the participation limits set forth in Section 6.2, such Dividend equivalents shall be converted into additional Deferred Share Units (including fractional Deferred Share Units) based on the Share Price per Common Share on the date credited and redeemed on the Redemption Date of the Deferred Share Unit with respect to which the Dividend equivalent was granted.

In the event that the payment of a Dividend equivalent in Deferred Share Units would result in a Participant exceeding any of the participation limits set forth in Section 6.2, the Company shall pay the amount of such Dividends in cash.

## **ARTICLE 5 ALTERATION OF NUMBER OF SHARES SUBJECT TO THE PLAN**

### **5.1 Subdivisions or Consolidations**

In the event that the Common Shares shall be subdivided or consolidated into a different number of Common Shares or a distribution shall be declared upon the Common Shares payable in Common Shares, the number of Deferred Share Units then recorded in the Participant's Account shall be adjusted by replacing such number by a number equal to the number of Common Shares which would be held by the Participant immediately after the distribution, subdivision, or consolidation, should the Participant have held a number of Common Shares equal to the number of Deferred Share Units recorded in the Participant's Account on the record date fixed for such distribution, subdivision, or consolidation.

### **5.2 Reorganizations**

In the event there shall be any change, other than as specified in Section 5.1, in the number or kind of outstanding Common Shares or of any shares or other securities into which such Common Shares shall have been changed or for which they shall have been exchanged, pursuant to a Reorganization or otherwise, then subject to the prior approval of the Exchange there shall be substituted for each Common Share referred to in the Plan or for each share into which such Common Share shall have been so changed or exchanged, the kind of securities into which each outstanding Common Share shall be so changed or exchanged and an equitable adjustment shall be made, if required, in the number of Deferred Share Units then recorded in the Participant's Account, such adjustment, if any, to be reasonably determined by the Board and to be effective and binding for all purposes.

### **5.3 Adjustments**

In the case of any such substitution, change, or adjustment as provided for in this Article 5: (a) the variation shall generally require that the number of Deferred Share Units then recorded in the

Participant's Account prior to such substitution, change, or adjustment will be proportionately and appropriately varied; and (b) fractional Common Shares will not be issued and any fractional entitlements will be rounded down to the nearest whole number.

## ARTICLE 6 RESTRICTIONS ON ISSUANCES

### 6.1 Maximum Number of Deferred Share Units

Deferred Share Units may be granted by the Company in accordance with this Plan, provided the maximum number of Common Shares which may be issued from treasury in connection with the redemption of Deferred Share Units, in combination with the aggregate number of Common Shares which may be issuable under any other Security Based Compensation Plan, including the Company's stock option plan and ~~restricted share unit~~ long-term incentive plan, shall not exceed 10% of the total number of issued and outstanding Common Shares on a non-diluted basis, or such greater number of Common Shares as shall have been duly approved by the Board and, if required, by the Exchange (if applicable) or any other stock exchange on which the Common Shares of the Company may then be listed, and by the shareholders of the Company.

### 6.2 Participation Limits

If and for so long as the Company's Common Shares are listed on the Exchange, the number of Common Shares which may be issuable under the Plan and any other Security Based Compensation Plan (for greater certainty including in each case any Common Shares issuable on redemption of Deferred Share Units issued as Dividends pursuant to Section 3.6):

- (a) to any one Participant, shall not exceed 5% of the total number of issued and outstanding Common Shares on a non-diluted basis at the Grant Date;
- (b) within any one-year period:
  - (i) to any one Participant, shall not exceed 5% of the total number of issued and outstanding Common Shares on a non-diluted basis; and
  - (ii) to Insiders of the Company as a group, shall not exceed 10% of the total number of issued and outstanding Common Shares on a non-diluted basis;
- (c) to Insiders of the Company as a group, shall not exceed 10% of the total number of issued and outstanding Common Shares on a non-diluted basis; and
- (d) to each Participant shall not exceed an annual Grant Date value of C\$150,000 under this Plan and all other Security Based Compensation Plans in the aggregate, excluding:
  - (i) the value of the initial grant of Deferred Share Units to the Participant, as of the Grant Date of such Deferred Share Units; ~~and~~
  - (ii) any amount of remuneration that a Participant has elected to receive in the form of Deferred Share Units in lieu of cash on a value-for-value exchange; ~~and~~ and

- (iii) the value of any Deferred Share Units not settled in as equity and settled in cash only.

### **6.3 Blackout Period**

In the event the Redemption Date, determined in accordance with the Plan, occurs during a Blackout Period applicable to the relevant Participant, then the Redemption Date, as applicable, shall be the date that is the tenth Business Day after the expiry of the Blackout Period; provided, however, that in the case of a U.S. Taxpayer, the change in the Redemption Date does not violate Section 409A of the Code.

## **ARTICLE 7 AMENDMENT, SUSPENSION, OR TERMINATION**

### **7.1 Amendments Requiring Shareholder Approval**

The Board reserves the right to amend, suspend, or terminate the Plan or any portion thereof at any time, in accordance with Applicable Law, provided that such amendment, suspension, or termination (i) may require shareholder approval-and/or Exchange approval; and (ii) will not adversely affect the rights of any Participant with respect to the Deferred Share Units to which the Participant is then entitled under the Plan without the consent of the Participant.

### **7.2 Amendments Not Requiring Shareholder Approval**

Without limiting the generality of the foregoing, unless otherwise required by the Exchange, the Board may make the following amendments to the Plan, without obtaining shareholder approval:

- (a) amendments to the terms and conditions of the Plan necessary to ensure that the Plan complies with the applicable regulatory requirements, including the rules of the Exchange, in place from time to time; or
- (b) amendments to the Plan that are of a “housekeeping” nature, including for the purposes of making formal minor or technical modifications to any of the provisions of the Plan, or to correct any ambiguity, defective provision, error, or omission in the provisions of the Plan,

provided, however, that no such amendment of the Plan may be made without the consent of each affected Participant in the Plan if such amendment would adversely affect the rights of such affected Participant(s) under the Plan.

### **7.3 Amendments and Renewals**

- (a) The Board reserves the right, in its sole discretion, to amend, suspend or terminate the Plan or any portion thereof at any time, in accordance with applicable legislation, provided that such amendment, suspension, or termination (A) may require shareholder approval and/or Exchange approval; and (B) will not adversely affect the rights of any Participant with respect to the Deferred Share Units to which the Participant is then entitled under the Plan without the consent of the Participant.

- (b) Unless a Participant otherwise agrees, any amendment to the Plan or Deferred Share Unit shall apply only in respect of Deferred Share Units granted on or after the date of such amendment.
- (c) The Board may, subject to receipt of requisite shareholder and regulatory approval, make the following amendments to the Plan or any Deferred Share Units granted thereunder:
  - (i) any amendment to increase the number of securities issuable under the Plan, including, if applicable, an increase to a fixed maximum number of securities or a change from a fixed maximum number of securities to a fixed maximum percentage;
  - (ii) any cancellation and reissue of Deferred Share Units or other entitlements;
  - (iii) any amendment that extends the term of Deferred Share Units beyond the original expiry;
  - (iv) any amendment to this Section 7.3 relating to the amending provisions of this Plan;
  - (v) any amendment to Section 3.1 of this Plan that would permit Deferred Share Units to be assigned or transferred, other than for normal estate settlement purposes;
  - (vi) a discontinuance of the Plan; and
  - (vii) any other amendments that may lead to significant or unreasonable dilution in the Company's outstanding securities or may provide additional benefits to eligible participants, especially Insiders of the Company, at the expense of the Company and its existing shareholders.
- (d) The Board may, and without further shareholder approval, subject to receipt of requisite regulatory approval, where required, in its sole discretion make the following amendments to the Plan or any Deferred Share Unit granted and any Grant Agreement, that are not of the type contemplated in Section 7.3(c) above, including:
  - (i) a change to the vesting provisions of ~~an~~ Deferred Share Unit or the Plan;
  - (ii) subject to Section 7.3(c), any other amendments to Section 3.1 relating to the redemption of Deferred Share Units;
  - (iii) a change to the termination provisions of an Deferred Share Unit or the Plan which does not entail an extension beyond the original expiry date;
  - (iv) a change to the definitions set out in Article 1 (other than the definition of "Participant");
  - (v) make amendments of an administrative nature, including but not limited to Article 3 relating to the administration of the Plan;

- (vi) make any amendments required to comply with Applicable Laws or the requirements of the Exchange or any regulatory body or stock exchange with jurisdiction over the Company; and
  - (vii) any change fundamental or otherwise, not requiring shareholder approval under Applicable Laws or the rules of the Exchange, including amendments of a “clerical” or “housekeeping” nature and amendments to ensure that the Deferred Share Units granted under the Plan will comply with any provisions respecting income tax and other laws in force in any country or jurisdiction of which an Participant may from time to time be resident or a citizen.
- (e) Notwithstanding the provisions of Section 7.3(d), the Company shall additionally obtain requisite shareholder approval in respect of amendments to the Plan that are contemplated pursuant to Section 7.3(d), to the extent such approval is required by any Applicable Laws or regulations.

#### **7.4 Tax Matters**

Notwithstanding any other provision of the Plan, any amendment of the Plan or interpretation thereof shall be such that the Plan continuously meets the requirements of paragraph 6801(d) of the regulations under the *Income Tax Act* (Canada) or any successor to such provision.

#### **7.5 Termination of the Plan**

The Board may decide to terminate or suspend the Plan or discontinue granting awards under the Plan at any time in which case no further Deferred Share Units shall be awarded or credited under the Plan. Any Deferred Share Units which remain outstanding in a Participant’s Account at that time shall continue to be dealt with according to the terms of the Plan. No termination, suspension, or discontinuation will, without the consent of the Participant or unless required by Applicable Law, adversely affect the rights of a Participant with respect to Deferred Share Units to which the Participant is then entitled under this Plan. In no event will a termination of this Plan accelerate the time at which the Participant would otherwise be entitled to receive any cash in respect of Deferred Share Units hereunder. The Plan shall terminate when all payments owing pursuant to Section 3.3 of the Plan have been made and all Deferred Share Units have been cancelled in all Participants’ Accounts. Notwithstanding the foregoing, termination of the Plan shall be such that the Plan continuously meets the requirements of paragraph 6801(d) of the regulations under *the Income Tax Act* (Canada) or any successor to such provision.

### **ARTICLE 8 AMENDMENT OF DEFERRED SHARE UNITS**

#### **8.1 Consent to Amend**

With the consent of the affected Participant and any applicable regulatory authorities (if required), and without further shareholder approval, the Board may amend or modify any outstanding Deferred Share Unit in any manner to the extent that the Board would have had the authority to initially grant the Deferred Share Unit as so modified or amended.

## **8.2 Amendment Subject to Approval**

If the amendment of a Deferred Share Unit requires regulatory or shareholder approval, such amendment may be made prior to such approvals being given, but no such amended Deferred Share Units may be redeemed unless and until such approvals are given.

## **ARTICLE 9 GENERAL**

### **9.1 Withholding**

The Company may withhold from any amount payable to a Participant, either under this Plan, or otherwise, such amount as may be necessary so as to ensure that the Company will be able to comply with the provisions of any Applicable Law relating to the withholding of tax or other required deductions, including on the amount, if any, includable in the income of a Participant. For greater certainty, if a Participant is or becomes subject to tax in more than one jurisdiction, the Company may be required to withhold or account for taxes in more than one jurisdiction. The Company shall also have the right in its discretion to satisfy any such withholding tax liability by, among other things, requiring the Participant to remit such amounts to the Company, or by retaining, acquiring, or selling on behalf of a Participant any Common Shares which would otherwise be issued or provided to a Participant hereunder.

Notwithstanding any provision in this Plan, the ultimate liability for all taxes legally payable by a Participant is and remains the Participant's responsibility, and such tax liability may exceed the amount actually withheld by the Company. The Company (a) makes no representations or undertakings regarding the treatment of any taxes under Applicable Laws in connection with any aspect of this Plan; and (b) does not commit to and is under no obligation to structure the terms of this Plan to reduce or eliminate a Participant's liability for taxes or achieve any particular tax result under any Applicable Law.

### **9.2 Legal Compliance**

The Company's grant of any Deferred Share Units or issuance of any Common Shares hereunder is subject to compliance with Applicable Law applicable thereto. As a condition of participating in the Plan, each Participant agrees to comply with all Applicable Law and agrees to furnish to the Company all information and undertakings as may be required to permit compliance with Applicable Law.

### **9.3 No Shareholder Rights**

Under no circumstances shall Deferred Share Units be considered Common Shares nor shall they entitle any Participant to exercise voting rights or any other rights attaching to the ownership of Common Shares nor shall any Participant be considered the owner of Common Shares by virtue of the award of Deferred Share Units.

### **9.4 No Right to Be Retained as Director**

Participation in the Plan shall not be construed to give any Participant a right to be retained or continue to be retained as a Director.

### **9.5 No Other Benefit**

No amount will be paid to, or in respect of, a Participant under the Plan to compensate for a downward fluctuation in the price of Common Shares nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose. The Company makes no representations or warranties to a Participant with respect to the Plan or any Deferred Share Units whatsoever. In seeking the benefits of participation in the Plan, a Participant agrees to exclusively accept all risks associated with a decline in the market price of Common Shares and all other risks associated with the holding of a Deferred Share Unit.

### **9.6 Participation Voluntary**

Participation in the Plan shall be entirely voluntary.

### **9.7 Unfunded Plan**

Unless otherwise determined by the Board, the Plan shall be unfunded. To the extent any Participant or his or her estate holds any rights by virtue of a grant of Deferred Share Units under the Plan, such rights (unless otherwise determined by the Board) shall be no greater than the rights of an unsecured creditor of the Company.

### **9.8 Final Determination**

Any determination or decision by or opinion of the Board made or held pursuant to the terms of the Plan shall be final, conclusive, and binding on all parties concerned. All rights, entitlements, and obligations of Participants under the Plan are set forth in the terms of the Plan and cannot be modified by any other documents, statements, or communications, except by Plan amendments referred to in Article 7 of the Plan.

### **9.9 Ability to Reorganize Company Notwithstanding Deferred Share Units**

The existence of any Deferred Share Units shall not affect in any way the right or power of the Company or its shareholders to make or authorize any adjustment, recapitalization, Reorganization, or other change in the Company's capital structure or its business, or any amalgamation, combination, merger, or consolidation involving the Company or to create or issue any bonds, debentures, shares, or other securities of the Company or the rights and conditions attaching thereto or to affect the dissolution or liquidation of the Company or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

### **9.10 Interpretation**

In this text, words importing the singular meaning shall include the plural and vice versa, and words importing the masculine shall include the feminine and neuter genders.

### **9.11 Severability**

The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from the Plan.

### **9.12 Offer of Common Shares - Change of Control**

Notwithstanding anything else herein to the contrary, subject to prior approval of the Exchange if required, in the event of a Change of Control, then the Redemption Date shall be deemed to be the date on which the Change of Control occurs, and all Deferred Share Units granted to the Participants and outstanding under the Plan shall immediately vest and be paid out in accordance with Section 3.3 or Section 10.3, as applicable.

## **ARTICLE 10 SPECIAL PROVISIONS FOR US TAXPAYERS**

### **10.1 General**

Notwithstanding any provision of the Plan to the contrary, it is intended that the provisions of this Plan comply with or are exempt from Section 409A of the Code, and all provisions of this Plan shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A of the Code. Each US Taxpayer is solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on or for the account of such US Taxpayer in connection with this Plan or any other Plan of the Company (including any taxes and penalties under Section 409A of the Code), and neither the Company nor any affiliate of the Company shall have any obligation to indemnify or otherwise hold such US Taxpayer (or any beneficiary) harmless from any or all of such taxes or penalties.

### **10.2 Payment of Annual Base Compensation for US Taxpayers**

Notwithstanding anything to the contrary in Section 2.2(b) of the Plan or otherwise, each US Taxpayer may elect to receive in Deferred Share Units up to 100% of his or her Annual Base Compensation by completing and delivering a written election to the Company in the form attached hereto as Schedule "B" on or before December 31 of the calendar year ending immediately before the calendar year with respect to which the election is made. Such election will be effective with respect to compensation payable for Fiscal Quarters during the calendar year following the calendar year in which such written election is made. Further, where an individual that is a US Taxpayer becomes a Participant for the first time during a fiscal year or where any US Taxpayer is serving as a Director in the first calendar year in which the Plan is adopted, such individual may elect to participate in the Plan with respect to Fiscal Quarters of the Company commencing after the Company receives such individual's written election, which election must be received by the Company no later than 30 days after such individual's appointment as a Director or the Plan has been adopted, as applicable. For greater certainty, new Participants that are US Taxpayers will not be entitled to receive Deferred Share Units pursuant to an election for the Fiscal Quarter in which they submit their first election to the Company or any previous Fiscal Quarter. Elections under this Section 10.2 shall be irrevocable with respect to compensation earned during the period to which such election relates and for the avoidance of doubt, may not be revoked or changed later than December 31 of the prior year.

### **10.3 Redemption of Deferred Share Units for US Taxpayers**

Notwithstanding anything to the contrary in Section 3.3 of the Plan or otherwise, a US Taxpayer must specify the Redemption Dates for his or her Deferred Share Units at the same time as the initial deferral election is made (upon becoming a newly eligible Participant or with respect to any new election filed for any subsequent years) in accordance with Section 2.2 of the Plan and such Redemption Dates shall be set forth in the applicable Grant Agreement. For the avoidance of doubt, if any additional Deferred Share

Units are issued to a US Taxpayer in accordance with Section 2.3 of the Plan, the Redemption Dates shall be set forth in the applicable Grant Agreement, in accordance with this Article 10. Notwithstanding anything to the contrary herein or otherwise, any Deferred Share Units issued to a US Taxpayer shall only be redeemed following such Participant's Separation From Service and may be redeemed in one or two tranches, with one Redemption Date occurring within 30 days of the US Taxpayer's Separation from Service but in no event later than the last day of the calendar year in which such Separation From Service occurs and, if applicable, the second Redemption Date shall be on March 1 of the calendar year following such Separation From Service.

#### **10.4 Distributions on Death**

Notwithstanding any provision of the Plan to the contrary, the Deferred Share Units issued to a US Taxpayer who dies shall be redeemed and paid to the US Taxpayer's estate in the calendar year of the US Taxpayer's death.

#### **10.5 Distributions to Specified Employees**

Solely to the extent required by Section 409A of the Code, distributions under the Plan in respect of a US Taxpayer who is determined to be a Specified Employee shall not actually be paid before the date which is six months after the Specified Employee's Separation From Service (or, if earlier, the date of death of the Specified Employee). Following any applicable six month delay of payment, all such delayed payments shall be made to the Specified Employee in a lump sum on the earliest possible payment date.

#### **10.6 Non-Exclusivity**

Nothing contained herein will prevent the Board from adopting other or additional compensation arrangements for the benefit of any Participant or holder of Deferred Share Units, subject to any required regulatory or shareholder approval.

#### **10.7 Amendment**

The Board shall retain the power and authority to amend or modify this Article 10 to the extent the Board in its sole discretion deems necessary or advisable to comply with any guidance issued under Section 409A of the Code. Such amendments may be made without the approval of any US Taxpayer.

**Schedule A**  
**Discovery Silver Corp. Deferred Share Unit Plan**  
**(the “Plan”)**

**DEFERRED SHARE UNIT GRANT AGREEMENT**

This Deferred Share Unit Grant Agreement is entered into between Discovery Silver Corp. (the “**Company**”) and the individual named below (the “**Non-Employee Director**”) pursuant to Section 2.3 of the Plan and confirms that effective \_\_\_\_\_, 20\_\_\_\_ (the “**Effective Date**”) \_\_\_\_\_ Deferred Share Units (“**DSUs**”) have been granted by the Company to the Non-Employee Director on the terms set out in this Agreement and the Plan.

The Non-Employee Director confirms and acknowledges that:

1. He/she has received a copy of the terms of the Plan and this Agreement, understands and agrees to be bound by them.
2. [OMIT FOR US TAXPAYERS: He/she will not be able to cause the Company to redeem DSUs referred to above or any additional DSUs credited to the Non-Employee Director’s Account pursuant to Section 2.2(b) of the Plan in respect of such DSUs until the date specified in the Plan following his/her Termination Date. ][FOR US TAXPAYERS ONLY: Notwithstanding anything to the contrary in the Plan or otherwise, the Non-Employee Director’s Account shall be redeemed and the DSUs issued hereunder shall be redeemed in [one][two][equal] installment[s], with one Redemption Date occurring within 30 days of the US Taxpayer’s Separation From Service but in no event later than the last day of the calendar year in which such Separation From Service occurs [and, the second Redemption Date occurring on [March 1] of the calendar year following such Separation From Service.]]
3. When DSUs referred to above and additional DSUs credited to the Non-Employee Director’s Account pursuant to his/her election are redeemed in accordance with the terms of the Plan after he/she is no longer either a Director or employee of the Company, income tax and other withholdings as required will arise at that time. Upon redemption of the DSUs, the Company will make all appropriate withholdings as required by law at that time.
4. The value of the DSUs is based on the value of the common shares of the Company and therefore is not guaranteed.
5. In the event of any discrepancy between the terms of the Plan and the terms of this Agreement, the terms of the Plan shall prevail. All capitalized expressions used herein shall have the same meaning as in the Plan unless otherwise specified herein.
6. This Agreement shall be determined in accordance with the laws of the province of British Columbia and the laws of Canada applicable therein. Words used herein which are defined in the Plan shall have the respective meanings ascribed to them in the Plan.

IN WITNESS WHEREOF the Company and Non-Employee Director have executed this Agreement as of the Effective Date.

**DISCOVERY SILVER CORP.**

**NON-EMPLOYEE DIRECTOR**

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

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

**Schedule B**  
**Discovery Silver Corp. Deferred Share Unit Plan**  
**(the "Plan")**

**FORM OF DEFERRED SHARE UNIT ELECTION NOTICE**

In order to exercise your right as a Participant, subject to the conditions in this Plan, to elect to be credited with Deferred Share Units in lieu of any amount of your Directors' Annual Base Compensation otherwise payable to you in cash in any Fiscal Quarter or, for a US Taxpayer, calendar year, please complete the information below and return a signed and dated copy of this Election Notice to the Company's Chief Financial Officer.

In order to be effective, this Election Notice, duly executed, must be returned to the Company's Chief Financial Officer (i) in the case of a Participant that is not a US Taxpayer, not later than the last day of the Fiscal Quarter immediately preceding the Fiscal Quarter in respect of which you are making this election; or (ii) in the case of a US Taxpayer, not later than the last day of the calendar year immediately preceding the calendar year in respect of which you are making this election.

I hereby elect, for the Fiscal Quarter/calendar year (circle one) ended \_\_\_\_\_, to receive in DSUs \_\_\_\_\_% (please insert applicable percentage) of the Directors' Annual Base Compensation otherwise payable to me in cash in such calendar year.

I confirm that:

1. I have received and reviewed a copy of the terms of this Plan and agreed to be bound by such terms.
2. I understand that I will not be able to cause the Company to redeem Deferred Share Units granted under this Plan until the dates set forth in the Plan.
3. I recognize that when Deferred Share Units credited pursuant to an election made under this Election Notice are redeemed in accordance with the terms of this Plan after I am no longer a Participant of the Company, income tax and other withholdings as required will arise at that time that will be my obligations (and not the Company's, except as required by law).
4. (select one)  
 I am not a US Taxpayer and I understand that this election shall be irrevocable as of the last day of the Fiscal Quarter prior to the Fiscal Quarter to which the compensation plan relates.  
 I am a US Taxpayer and I understand that this election shall be irrevocable as of December 31 of the year prior to the year to which the compensation plan relates.
5. I understand that the value of Deferred Share Units are based on the value of the Common Shares of the Company and therefore are not guaranteed.
6. I further understand that the foregoing is only a brief outline of certain key provisions of this Plan and that for more complete information, reference should be made to the Plan in its entirety. In the event of any discrepancy between the terms of the Plan and the terms of this Election

Notice, the terms of the Plan shall prevail. All capitalized expressions used herein shall have the same meaning as in the Plan unless otherwise defined above.

IN WITNESS WHEREOF the Participant has executed this Notice as of the date set forth below.

\_\_\_\_\_

Date

\_\_\_\_\_

Participant name:

**SCHEDULE C**  
**BOARD MANDATE**

(As attached.)

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# DISCOVERY

## BOARD OF DIRECTORS FRAMEWORK AND MANDATE

## 1. Corporate Governance Framework

At Discovery (the “**Company**”), we believe strongly that good corporate governance is important to the Company’s long-term success and the protection of the interests of our many stakeholders.

The board of directors of the Company (the “**Board**”) has approved a set of corporate governance guidelines to promote the effective functioning of the Board and its committees (the “**Committees**”) and to set forth a common set of expectations as to how the Board and the Company should manage its affairs and perform its responsibilities. The Company has also adopted a Code of Business Conduct and Ethics that is applicable to all members of the Board (“**Directors**”), Officers (as defined below), Senior Management (as defined below), and employees of the Company.

Corporate policies have been implemented to address the Company’ Board and Management (as defined below) needs in conducting its business activities in an appropriate and effective manner, and to synchronize its governance practices with regulatory requirements.

The Company has formalized several Committees that assist the Board with its overall responsibilities. These Committees include the Audit Committee, the Nominating and Corporate Governance Committee, the Sustainability Committee, the Technical Committee and the Compensation Committee. The Audit Committee is required by the Company’s governing statute and its regulators, whereas the Nominating and Corporate Governance Committee, the Sustainability Committee, the Technical Committee and the Compensation Committee deal with certain Board and Company matters. Each Committee has a charter outlining its main responsibilities.

The Company’s corporate governance practices comply with the national instruments of the Canadian Securities Administrators regarding corporate governance practices, including National Instrument 58-101 – “*Disclosure of Corporate Governance Practices*”.

An overview table is provided on the following page summarizing the Board and its formal Committees, which are described in full detail, along with their related policies under separate tabs in this manual.

## Board, Committee and Policy Framework

	Board of Directors	Audit	Nominating & Corporate Governance	Compensation	Sustainability	Technical
<b>Members</b>	Murray John (Chair) Tony Makuch (CEO) Jeff Parr Moira Smith Dan Vickerman Jennifer Wagner Barry Olson	Jeff Parr (Chair) Murray John Dan Vickerman Barry Olson	Jennifer Wagner (Chair) Dan Vickerman Murray John	Jennifer Wagner (Chair) Murray John Jeff Parr	Moira Smith (Chair) Jennifer Wagner Tony Makuch Barry Olson	Barry Olson (Chair) Moira Smith Murray John Tony Makuch
<b>Independent Members</b>	Murray John (Chair) Jeff Parr Moira Smith Dan Vickerman Jennifer Wagner Barry Olson	Jeff Parr (Chair) Dan Vickerman Murray John Barry Olson	Jennifer Wagner (Chair) Dan Vickerman Murray John	Jennifer Wagner (Chair) Murray John Jeff Parr	Moira Smith (Chair) Jennifer Wagner Barry Olson	Barry Olson (Chair) Moira Smith Murray John
<b>Primary Responsibilities</b>	Stewardship of the Company, supervising the management of the Company's business and affairs with the goal of enhancing shareholder value.	Assist Board's oversight of: the integrity of financial statements; compliance with legal and regulatory requirements; risk management policies of management; the qualifications, independence, and performance of the independent auditors; as well as the Company's internal control system.	Review Company's corporate governance policies and practices and recommend updates; review governance disclosure in annual proxy and information circular; monitor Board composition, performance and needs and recommend any required actions to maintain effective Board and Committee structure; recommend Committee compositions.	Make recommendations to the Board relating to the compensation of the members of the Board and members of senior management of the Company.	Assist the Board in fulfilling its oversight responsibilities for the Company's establishment of health, safety and environmental policies for its mining and exploration operations.	Assist the Board in fulfilling its oversight responsibilities for any current and future exploration, development and operations including strategic, technical, financial and scheduling aspects; oversee economic assessments, studies, forecasts, budgets, and public disclosures related to technical matters of the Company.
<b>Charter/Charter</b>	Mandate	Charter	Charter	Charter	Charter	Charter
<b>Internal policies</b>	Code of Business Conduct & Ethics, Anti-Bribery & Anti-Corruption, Human Rights & Diversity Disclosure Confidentiality & Securities/Insider Trading Majority Voting Share Ownership	Whistleblower	Code of Business Conduct and Ethics, Anti-Bribery & Anti-Corruption, Human Rights and Diversity Disclosure Confidentiality and Securities/Insider Trading			
<b>Frequency of Meetings</b>	Quarterly and as needed	Quarterly and as needed	Quarterly and as needed	Annually and as needed	Quarterly and as needed	Quarterly and as needed
<b>Term</b>	Annual	Annual	Annual	Annual	Annual	Annual
<b>Additional Notes</b>		All members are independent	All members are independent	All members are independent		

## 2. Mandate of the Board of Directors

The Board is responsible for establishing and maintaining a culture of integrity in the conduct of the affairs of the Company. The Board seeks to discharge this responsibility by satisfying itself as to the integrity of the Chair of the Board (the “**Chair**”), the Chief Executive Officer or President, as the case may be (“**CEO**”), the Chief Financial Officer (“**CFO**”), the Chief Operating Officer (the “**COO**” and collectively with the CEO and CFO, the “**Officers**”), the Executive Vice Presidents (the “**Executive VPs**”), the Senior Vice Presidents (the “**Senior VPs**”) and all other Vice Presidents (the “**VPs**” and collectively with the Executive VPs and Senior VPs, “**Senior Management**” and collectively with the Officers, “**Management**”) and by overseeing and monitoring Management, the Board ensures that a culture of integrity is maintained.

Although Directors may be nominated by certain persons to bring special expertise or a point of view to Board deliberations, they are not chosen to represent a particular constituency. The best interests of the Company must be paramount at all times.

### DUTIES OF THE DIRECTORS

The Board discharges its responsibilities directly and through the Committees. In addition to these regular and formalized committees, the Board may appoint ad-hoc committees periodically to address issues of a more short-term nature. The Board’s primary roles are overseeing corporate performance and providing quality, depth and continuity of management to meet the Company’s strategic objectives. In addition to the Board’s primary roles of overseeing the affairs of the Company, principal duties include, but are not limited to the following categories:

#### *Oversight of Management*

1. The Board has the responsibility for approving the appointment of the Officers and approving the compensation of Management of the Company following a review of the recommendations of the Compensation Committee.
2. The Board has delegated authority to the CEO for the overall management of the Company, including strategy and operations to ensure the long-term success of the Company and to maximize shareholder value.
3. The Board may, from time-to-time, delegate authority to the Officers, subject to specified limits. Matters which are outside the scope of the authority delegated to the Officers and material transactions are reviewed by and subject to the prior approval of the Board.
4. The Board is responsible for monitoring the performance of Management.

#### *Board Organization*

5. The Board retains the responsibility for managing its own affairs by giving its approval for its composition, the selection of the Chair, candidates nominated for election to the Board, Committee and Committee chair appointments, Committee charters and Management compensation.
6. The Board may delegate to Board Committees matters it is responsible for, including the approval of compensation of the Board, Officers and Senior Management, the approval of interim financial

results, the conduct of performance evaluations and oversight of internal controls systems, as well as safety matters. However, the Board retains its oversight function and ultimate responsibility for these matters and all other delegated responsibilities.

### *Composition*

7. The Board believes that better corporate governance is promoted when a board of directors is made up of highly qualified individuals i) from diverse backgrounds who reflect the changing population demographics of the markets in which the Company operates, ii) of each gender, and iii) reflective of the talent available with the required expertise. When considering recommendations for nomination to the Board, the Board shall consider:
- a) diversity criteria including gender, age, ethnicity and geographic background; and
  - b) candidates who are highly qualified based on their experience, functional expertise, and personal skills and qualities.

Notwithstanding this, the Company does not support the adoption of quotas to support its belief in the importance of diversity. In addition to the criteria set out above and elsewhere herein, employees and Directors of the Company will be recruited and promoted based upon their ability and contributions.

8. The Directors shall consist of persons who possess skills and competencies in areas that are:
- a) necessary to enable the Board and Board Committees to properly discharge their duties and responsibilities; and
  - b) relevant to the Company's activities.
9. At least two-thirds of the Directors shall be individuals who are "independent" in accordance with applicable securities laws and stock exchange policies. Subject to the size and operations of the Company, the Board is committed to setting measurable objectives for the long-term goal of improving gender representation across all levels of the organization.
10. The Board does not believe it should establish term limits for directors as term limits could result in the loss of Directors who have been able to develop, over a period of time, significant insight into the Company and its operations and an institutional memory that benefits the Board as well as the Company and its stakeholders. The Board, on its initiative and on an exceptional basis, may exercise discretion to introduce maximum terms or mandatory retirement where it considers that such a limitation would benefit the Company and its stakeholders.
11. Subject to the limitations herein, the Nominating and Corporate Governance Committee will annually (and more frequently, if appropriate) recommend candidates to the Board for election or appointment as Directors, taking into account the Board's conclusions with respect to the appropriate size and composition of the Board and Board Committees, the competencies and skills required to enable the Board and Board Committees to properly discharge their responsibilities, and the competencies and skills of the current Board.
12. No Director should serve on the board of a regulatory body with oversight of the Company. No two Directors should sit on the same board of another company without the Board's prior approval. Each Director should, when considering membership on another board or committee, make every

effort to ensure that such membership will not impair the Director's time and availability for his or her commitment to the Company as well as his or her ability to exercise their fiduciary duties as directors. Without the prior approval of the Nominating and Corporate Governance Committee: (i) the Chair shall not serve on more than two external company boards., and (ii) no Director shall serve on more than two external audit committees.

Directors should advise the chair of the Nominating and Corporate Governance Committee and the CEO of the Company before accepting membership on other public company boards of directors or any audit committee or other significant committee assignment on any other board of directors, or establishing other significant relationships with businesses, institutions, governmental units or regulatory entities, particularly those that may result in significant time commitments or a change in the director's relationship to the Company.

13. Without prior approval of the Nominating and Corporate Governance Committee: (i) the CEO of the Company should not serve on the board of any other public company, and (ii) no Officer shall serve on more than one additional external public company board.
14. The Board approves the final choice of candidates.
15. The shareholders of the Company elect the Directors annually.
16. The Corporate Secretary of the Company shall be Secretary of the Board.
17. Directors are expected to comply with the Company's Code of Business Conduct and Ethics.

*Monitoring of Financial Performance and Other Financial Reporting Matters*

18. The Board has oversight responsibility for reviewing and questioning the strategies and plans of the Company.
19. The Board has oversight responsibility for reviewing systems for managing the principal risks of the Company's business including insurance coverages, conduct of material litigation and the effectiveness of internal controls.
20. The Board is responsible for reviewing and approving annual operational budgets, capital expenditure limits and corporate objectives, and monitoring performance on each of the above.
21. The Board must approve all decisions regarding unbudgeted operating and project expenditures which exceed certain financial materiality thresholds to be determined by the Board from time to time.
20. The Board is responsible for: (i) monitoring the Company's progress toward its strategic and operational goals, and to revise its direction to Management in light of changing circumstances affecting the Company; and (ii) considering appropriate measures if the performance of the Company falls short of its goals or if other special circumstances warrant.
21. The Board shall be responsible for approving the interim and audited financial statements and the notes thereto and the Company's management discussion and analysis with respect to such financial statements, as well as the Company's annual information form and management information circular.

22. The Board is responsible for reviewing and approving material transactions outside the ordinary course of business and those matters which the Board is required to approve under its governing legislation and documents, including the payment of distributions, the issuance, purchase and redemption of securities, acquisitions and dispositions of material assets by the Company and material expenditures by the Company.
23. The Board has responsibility for effectively monitoring the principal risks of the Company.

#### *Policies and Procedures*

24. The Board is responsible for:
  - a) approving and monitoring compliance with all significant policies and procedures within which the Company operates;
  - b) approving policies and procedures designed to ensure that the Company operates at all times within applicable laws and regulations and to the highest ethical and moral standards;
  - c) implementing the appropriate structures and procedures to ensure that the Board functions independently of Management;
  - d) enforcing obligations of the Directors respecting confidential treatment of the Company's proprietary information and Board deliberations;
  - e) establishing policies and procedures whereby members of the Board will be required on an annual basis to assess their own effectiveness as directors and the effectiveness of Committees of the Board and the Board as a whole; and
  - f) the onboarding and orientation of new directors, and the continuing education of directors.
25. The Board has approved a Disclosure Policy to address communications to the public.

#### *Reporting*

26. The Board is responsible for:
  - a) overseeing the accurate reporting of the financial performance of the Company to its shareholders on a timely and regular basis;
  - b) overseeing that the financial results are reported fairly and in accordance with international financial reporting standards ("IFRS");
  - c) ensuring the integrity of the internal control and management information systems of the Company;
  - d) taking steps to enhance timely disclosure; and
  - e) ensuring the appointment of a qualified Corporate Secretary to attend to organizing the meetings of the Board and the committees in accordance with the by-laws and the corporate governance policies, and punctually preparing minutes which are an accurate, valid and completed documentation of such meetings and the business conducted therein.

#### *Authority*

27. The powers of the Board may be exercised at a meeting for which notice has been given and at which a quorum is present or, in appropriate circumstances, by resolution in writing signed by all the Directors.

28. The Board is authorized to retain, and to set and pay the compensation of, independent legal counsel and other advisers if it considers this appropriate.
29. The Board is authorized to invite Officers, Senior Management and other employees of the Company and outsiders with relevant experience and expertise to attend or participate in its meetings and proceedings, if it considers this appropriate.

#### **EXPECTATIONS OF THE DIRECTORS**

Expectations of the Directors include but are not limited to:

- a) maintaining a high attendance record at meetings of the Board and the Committees of which they are members. Attendance by telephone or video conference may be used to facilitate a Director's attendance. Directors who serve on the Audit, Compensation and Nominating and Corporate Governance Committees must attend at least 75% of the meetings for each of those committees in any one year;
- b) reviewing the materials circulated in advance of meetings of the Board and its Committees and being prepared to discuss the issues presented. Directors are encouraged to contact the Chair, the CEO and any other appropriate Officers to ask questions and discuss agenda items prior to meetings;
- c) being sufficiently knowledgeable of the business of the Company, including its financial statements, and the risks it faces, ensuring active and effective participation in the deliberations of the Board and of each Committee on which he or she serves.
- d) freely contact the CEO at any time to discuss any aspect of the Company's business. Directors should use their judgement to ensure that any such contact is not disruptive to the operations of the Company. The Board expects that there will be frequent opportunities for Directors to meet with the CEO in meetings of the Board and Committees, or in other formal or informal settings.
- e) maintaining the confidentiality of the proceedings and deliberations of the Board and its Committees. Each Director will maintain the confidentiality of information received in connection with his or her service as a Director.

#### **ADOPTION**

- This Mandate was adopted by the Board on December 12, 2017.
- Amended and approved by the Board on August 26, 2020.
- Reviewed and approved by the Board on November 13, 2023
- Amended and approved by the Board on February 16, 2024
- Amended and approved by the Board on xxxxx

### **3. Accountability of Individual Directors**

The responsibilities set out below are meant to serve as a framework to guide individual Directors in their participation on the Board, with a view to enabling the Board to meet its duties and obligations. Principal responsibilities include:

- a) assuming a stewardship role and overseeing the management of the business and affairs of the Company;
- b) maintaining a clear understanding of the Company, including its strategic and financial plans and objectives, emerging trends and issues, significant strategic initiatives and capital allocations and

expenditures, risks and management of those risks, internal systems, processes and controls, compliance with applicable laws and regulations, governance, audit and accounting principles and practices;

- c) preparing for each Board and Committee meeting by reviewing materials provided and requesting, where appropriate, information that will allow the Director to properly participate in the Board's deliberations, make informed business judgments; and exercise oversight;
- d) absent a compelling reason, attending every Board and Committee meeting, and actively participating in deliberations and decisions. When attendance is not possible a Director should become familiar with the matters to be covered at the meeting;
- e) voting on all decisions of the Board or its Committees, except when a conflict of interest may exist;
- f) preventing personal interests from conflicting with, or appearing to conflict with, the interests of the Company and disclosing details of such conflicting interests should they arise;
- g) planning a process for succession planning of the Board in collaboration with the Nominating and Corporate Governance Committee; and
- h) acting in the highest ethical manner and with integrity in all professional dealings.

