



**Annual General Meeting of Shareholders  
to be held Friday, September 24, 2021**

**NOTICE OF MEETING**

**AND**

**MANAGEMENT INFORMATION CIRCULAR**

August 10, 2021



## NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

TO BE HELD ON SEPTEMBER 24, 2021

NOTICE IS HEREBY GIVEN that an annual general meeting (the “**Meeting**”) of the shareholders of Guanajuato Silver Company Ltd., formerly VanGold Mining Corp. (the “**Company**”) will be held at 999 Canada Place, Suite 578, Vancouver, B.C., on Friday, September 24, 2021, at 10:00 a.m. (Pacific time).

**However, due to the ongoing pandemic of COVID-19 and variants of concern and current provincial and federal restrictions and guidance (including potential future restrictions and guidance) regarding public gatherings, shareholders and proxyholders are strongly encouraged to vote by proxy in advance of the Meeting and not attend the Meeting in person so that the Company can mitigate potential risks to the health and safety of shareholders, employees, and the community. Strict limitations on the number of persons permitted entry to the physical meeting location will apply and guests will not be permitted entry. In the event the Company decides to change the date, time, location and/or format of the Meeting to electronic or virtual as part of its efforts to reduce the spread of COVID-19 and variants of concern, the Company will issue a press release announcing the change and take all reasonable steps necessary to inform all parties involved in the proxy infrastructure, including intermediaries and the Company’s transfer agent, of the change. The Company encourages all shareholders to monitor the Company’s public filings on SEDAR for any changes to Meeting arrangements.**

The Meeting will be held for the following purposes:

1. To receive the audited financial statements of the Company for the year ended December 31, 2020 and the report of the auditor on those statements.
2. To set the number of directors for the ensuing year at six.
3. To elect directors for the ensuing year.
4. To appoint the auditor for the Company for the ensuing year and to authorize the directors to fix the remuneration to be paid to the auditor.
5. To consider and, if thought advisable, pass an ordinary resolution ratifying and approving the Company’s existing “rolling” stock option plan as more particularly described in the Company’s management information circular dated August 10, 2021 (the “**Information Circular**”) accompanying this Notice of Meeting.
6. To transact such other business as may properly come before the Meeting or any adjournments thereof.

This Notice of Meeting is accompanied by the Information Circular and either a form of proxy for registered shareholders or a voting instruction form for beneficial shareholders. Shareholders are requested to read the Information Circular and, if unable to attend the Meeting in person, complete, date, sign and return the proxy or voting instruction form, as applicable, so that as large a representation as possible may be had at the Meeting.

This year, as described in the notice and access notification mailed to shareholders of the Company, the Company will deliver the applicable Meeting Materials to shareholders by posting the Meeting Materials on <https://gsilver.com/investors/agm>. The use of this alternative means of delivery is more environmentally friendly as it

will help reduce paper use and it will also reduce the Company's printing and mailing costs. The Meeting Materials will be available on <https://gsilver.com/investors/agm> as of August 25, 2021, and will remain on the website for one full year thereafter. The Meeting Materials will also be available on SEDAR at [www.sedar.com](http://www.sedar.com) as of August 25, 2021.

All shareholders will receive a notice and access notification, together with a proxy or voting instruction form, as applicable, which will contain information on how to obtain electronic and paper copies of the Meeting Materials in advance of the Meeting.

Shareholders who wish to receive paper copies of the Meeting Materials may request copies using the control number as it appears on the proxy or voting instruction form accompanying your notice and access notification. You may request materials by calling toll free, within North America – 1-888-996-4034 or direct, from outside North America – 1-604-913-5998 and providing your control number as indicated on your proxy or voting instruction form. Meeting Materials will be sent to you at no cost within three business days of your request, if such request is made before the Meeting. To ensure that you receive the Meeting Materials in advance of the voting deadline and Meeting date, all requests must be received no later than Tuesday, September 14, 2021. If you do request paper copies of the Meeting Materials, please note that another proxy/voting instruction form will not be sent and you should retain your current one for voting purposes. To obtain paper copies of the Meeting Materials after the Meeting date, please contact 1-604-913-5998.

The Board of Directors of the Company has fixed the close of business on August 10, 2021 as the record date, being the date for the determination of the registered holders of common shares entitled to receive notice of, and to vote at, the Meeting and any adjournment thereof. The Board of Directors has also fixed 10:00 a.m. (Pacific time) on Wednesday, September 22, 2021, or no later than 48 hours before the time of any adjourned Meeting (excluding Saturdays, Sundays and holidays), as the time before which proxies to be used or acted upon at the Meeting or any adjournment thereof shall be deposited with the Company's registrar and transfer agent, Odyssey Trust Company.

DATED at Vancouver, British Columbia, as of the 10th day of August, 2021.

**GUANAJUATO SILVER COMPANY LTD.**

By: (signed) "*James Anderson*"

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James Anderson  
President and Chief Executive Officer





## INFORMATION CIRCULAR

### FORWARD-LOOKING INFORMATION

Information contained in this Information Circular that is not current or historical factual information may constitute forward-looking information within the meaning of applicable Canadian securities laws. All information other than historical information included in this Information Circular that addresses activities, events or developments that the Company expects or anticipates will or may occur in the future, including without limitation, information regarding any objectives, expectations, intentions, plans, results, levels of activity, goals or achievements is or involves forward-looking information. Although forward looking information contained in this Information Circular is based on what management considers to be reasonable assumptions based on information currently available to it, there can be no assurances that actual events, performance or results will be consistent with this forward-looking information, and management's assumptions may prove to be incorrect. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "anticipates", "assumes", "believes", "budget", "could", "estimates", "expects", "forecasts", "guidance", "indicates", "intends", "likely", "may", "objective", "outlook", "plans", "potential", "predicts", "scheduled", "should", "target", "trends", "will", or "would" or the negative or other variations of these words or other comparable words or phrases. All such forward-looking information is subject to important risks, uncertainties and assumptions. This information is forward-looking because it is based on current expectations, estimates and assumptions. It is important to know that: (i) unless otherwise indicated, forward-looking information in this Information Circular describes expectations as at the date hereof; (ii) actual results and events could differ materially from those expressed or implied in the forward-looking information in this Information Circular, if known or unknown risks affect the business of the Company, or if its estimates or assumptions turn out to be inaccurate; as a result, the Company cannot guarantee that the results or events expressed or implied in any forward-looking information will materialize, and accordingly, you are cautioned not to place undue reliance on this forward-looking information; and (iii) the Company disclaims any intention and assumes no obligation to update or revise any forward-looking information even if new information becomes available, as a result of future events or for any other reason, except in accordance with applicable securities laws. The Company has made a number of assumptions in making forward-looking information in this Information Circular. Additional information identifying risks and uncertainties is contained in filings by the Company with the Canadian securities regulators, which filings are available on SEDAR at [www.sedar.com](http://www.sedar.com).

### GENERAL INFORMATION

The information contained in this Information Circular, unless otherwise indicated, is as of August 10, 2021.

This Information Circular is being mailed by management of the Company to everyone who was a shareholder of record of the Company on August 10, 2021 (the "**Record Date**"), which is the date that has been fixed by the Board of Directors of the Company (the "**Board**") as the record date to determine the shareholders who are entitled to receive notice of and to vote at the Meeting.

This Information Circular is furnished in connection with the solicitation of proxies by and on behalf of management for use at the annual general meeting of the shareholders of the Company (the "**Meeting**") that is to be held on Friday, September 24, 2021 at 10:00 a.m. (Pacific time) at 999 Canada Place, Suite 578, Vancouver, B.C. V6C 3E1. The solicitation of proxies will be primarily by mail. Certain employees, officers or directors of the Company may also solicit proxies by telephone, email or in person. The cost of solicitation will be borne by the Company.

As referenced in the Notice of Meeting, as part of its efforts to reduce the spread of COVID-19 and variants of concern and mitigate potential risks to the health and safety of shareholders, employees, and the community, the Company strongly encourages all shareholders to vote by proxy as early as possible in advance of the Meeting and not attend the Meeting in person. In accordance with current provincial and federal restrictions and guidance (including potential future restrictions and guidance) regarding public gatherings, there will be strict limitations on the number of persons permitted entry to the physical meeting location and guests will not be permitted entry. Furthermore, in the event the Company decides to change the date, time, location and/or format of the Meeting to electronic or virtual the Company will issue a press release announcing any such change and take all reasonable steps necessary to inform all parties involved in the proxy infrastructure, including intermediaries and the Company's transfer agent, of the change. The Company encourages all shareholders to monitor the Company's public filings on SEDAR for any changes to Meeting arrangements.

The Meeting Materials (as defined below) are being sent to both registered and non-registered owners of the Company's common shares as of the Record Date (each a "Share") in accordance with National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("NI 54-101") and arrangements have been made with clearing agencies, brokerage houses and other financial intermediaries to deliver proxy solicitation materials to the beneficial owners of the Shares. The Company may pay the reasonable costs incurred by such persons in connection with such delivery. This year, as described in the notice and access notification (the "Notice and Access Notice") mailed to Shareholders, the Company will deliver the Meeting Materials to Shareholders by posting the Meeting Materials on <https://gsilver.com/investors/agm>. The Meeting Materials will be available on this website as of August 25, 2021, and will remain on the website for one full year thereafter. The Meeting Materials will also be available on SEDAR at [www.sedar.com](http://www.sedar.com) as of August 25, 2021. See "Notice and Access" below.

*If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of Shares have been obtained in accordance with applicable securities laws from the Intermediary (as defined below) holding the Shares on your behalf. By choosing to send these materials to you directly, the Company (and not the Intermediary holding on your behalf) has assumed responsibility for: (i) delivering these materials to you; and (ii) executing proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.*

Under the Company's articles (the "Articles"), two shareholders present in person or represented by proxy must be present at the Meeting before any action may validly be taken at the Meeting. If such a quorum is not present in person or by proxy, the Company will reschedule the Meeting.

## **PART 1 – VOTING**

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### **HOW A VOTE IS PASSED**

Voting at the Meeting will be by a show of hands, each shareholder having one vote, unless a poll is requested or otherwise required, in which case each shareholder is entitled to one vote for each Share held.

In order to approve a motion proposed at the Meeting a majority of greater than 50% of the votes cast will be required (an "ordinary resolution") unless the motion requires a special resolution in which case a majority of 66 2/3% of the votes cast will be required (a "special resolution").

### **WHO CAN VOTE?**

Registered shareholders whose names appear on the Company's central securities register maintained by Odyssey Trust Company ("Odyssey"), the Company's registrar and transfer agent, as of the close of business on August 10, 2021, the Record Date, are entitled to attend and vote at the Meeting. Each Share is entitled to one vote.

If your Shares are registered in the name of a "nominee" (usually a bank, trust company, securities dealer or other financial institution) you should refer to the section entitled "Non-Registered Shareholders" set out below.

## HOW TO VOTE

If you are a registered shareholder and eligible to vote, you can vote your shares in person at the Meeting or by signing and returning the accompanying form of proxy (the “**Proxy**”) by mail in the return envelope provided or vote using the Internet as indicated on the form. Please see “Registered Shareholders” below.

If your shares are not registered in your name but are held by a nominee (usually a bank, trust company, securities broker or other financial institution), please see “Non-Registered Shareholders” below.

## REGISTERED SHAREHOLDERS

### Voting Instructions:

- complete, date and sign the Proxy and return it to Odyssey by mail or hand delivery to Odyssey Trust Company, United Kingdom Building, #350 – 409 Granville Street, Vancouver, B.C. V6C 1T2.
- log on to Odyssey’s website at <https://login.odysseytrust.com/pxlogin>, click on “VOTE” and follow the instructions given on the website. You will need to insert your Control Number found printed with your address at the bottom right hand side of page 2 of your Proxy to vote by the Internet.

Whichever method you choose, the Proxy must be received or voting instructions completed at least forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays) prior to the time set for the Meeting or any adjournment thereof. In the case of a corporation, the Proxy must be executed under its corporate seal or signed by a duly authorized officer or attorney for the corporation.

If you plan to vote in person at the Meeting do NOT complete and return the Proxy. Instead, you will need to register with Odyssey when you arrive at the Meeting and your vote will be taken and counted at the Meeting. If your Shares are registered in the name of a corporation, a duly authorized officer of the corporation may attend on its behalf but documentation indicating such officer’s authority should be presented at the Meeting.

## NON-REGISTERED SHAREHOLDERS

Only registered shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. Most shareholders are “non-registered shareholders” (“**Non-Registered Holders**”) because the Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Shares. Shares beneficially owned by a Non-Registered Holder are registered either: (i) in the name of an intermediary (an “**Intermediary**”) that the Non-Registered Holder deals with in respect of the Shares (including, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSP’s, RRIFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc. or The Depository Trust & Clearing Corporation) of which the Intermediary is a participant. In accordance with applicable securities law requirements, the Company has distributed copies of the Notice of Meeting, this Information Circular and the Proxy or voting instruction form, as applicable, (collectively, the “**Meeting Materials**”) to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders. This year, the Company will use notice and access to deliver the Meeting Materials to Shareholders. The Meeting Materials will be available on <https://gsilver.com/investors/agm> as of August 25, 2021, and will remain on the website for one full year thereafter. The Meeting Materials will also be available on SEDAR at [www.sedar.com](http://www.sedar.com) as of August 25, 2021. All Shareholders will receive a Notice and Access Notice which will contain information on how to obtain electronic and paper copies of the Meeting Materials in advance of the Meeting. See “Notice and Access” below.

Intermediaries are required to forward the Meeting Materials to Non-Registered Holders and seek voting instructions unless in the case of certain proxy-related materials the Non-Registered Holder has waived the right to receive them. The majority of Intermediaries now delegate responsibility for obtaining instructions from Non-Registered Holders to Broadridge Financial Solutions Inc. (“**Broadridge**”). Broadridge typically mails a scannable voting instruction form or “VIF” to Non-Registered Holders and asks Non-Registered Holders to return the VIF to Broadridge in accordance with its instructions. Alternatively, where applicable, a Non-Registered Holder may go online to <https://login.odysseytrust.com/pxlogin> to vote or return the completed and signed VIF directly to Odyssey as provided above.

The purpose of these procedures is to permit Non-Registered Holders to direct the voting of the Shares they beneficially own. However, without specific voting instructions, Intermediaries and their agents and nominees are prohibited from voting shares for their clients. **Accordingly, each Non-Registered Shareholder should ensure that voting instructions are communicated to the appropriate party well in advance of the Meeting so that your nominee has enough time to submit your instructions to us.**

A Non-Registered Holder cannot use the VIF provided to vote directly at the Meeting. Should a Non-Registered Holder wish to attend and vote at the Meeting in person, the Non-Registered Holder must insert his or her name (or the name of such other person as the Non-Registered Holder wishes to attend and vote on his or her behalf) in the blank space provided for that purpose on the VIF and return the completed VIF in accordance with the instructions provided well in advance of the Meeting. If you bring your VIF to the Meeting, your vote will NOT count.

**Only registered shareholders have the right to revoke a proxy. Non-Registered Holders of Shares who wish to change their vote must, in sufficient time in advance of the Meeting, arrange for their respective Intermediaries to change their vote and if necessary, revoke their proxy in accordance with the revocation procedures set out below. See “Revocation of Proxies”.**

*You May Choose Your Own Proxyholder*

The persons named in the Proxy are directors or officers of the Company. **YOU HAVE THE RIGHT TO APPOINT A PERSON (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT ON YOUR BEHALF AT THE MEETING OTHER THAN THE PERSONS NAMED IN THE PROXY AS PROXYHOLDERS. TO EXERCISE THIS RIGHT, YOU MUST STRIKE OUT THE NAMES OF THE PERSONS NAMED IN THE PROXY AS PROXYHOLDERS AND INSERT THE NAME OF YOUR NOMINEE IN THE SPACE PROVIDED OR COMPLETE ANOTHER PROXY.**

*Your Voting Instructions*

A shareholder completing the enclosed Proxy may indicate the manner in which the persons named in the Proxy are to vote with respect to any matter by marking an “X” in the appropriate space. On any poll requested, those persons will vote or withhold from voting the shares in respect of which they are appointed in accordance with the directions, if any, given in the 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. **In such instance, the Proxyholder, if nominated by management, intends to vote the Shares represented by the Proxy in favour of the motion.**

The Proxy, when properly completed and delivered and not revoked, confers discretionary authority upon the person appointed proxy thereunder to vote with respect to amendments or variations of matters identified in the Notice of Meeting and other matters which may properly come before the Meeting. **It is the intention of the persons designated in the Proxy to vote in accordance with their best judgement on such matters or business.** At the time of printing of this Information Circular, management of the Company is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting.

The Proxy must be dated and signed by the shareholder or the shareholder’s attorney authorized in writing. In the case of a corporation, the Proxy must be dated and duly executed under its corporate seal or signed by a duly authorized officer 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 Odyssey in accordance with the above instructions before the time set out in the Proxy. Non-Registered Holders must deliver their completed VIF in accordance with the instructions given by the Intermediary that forwarded the VIF to them.**

**In order to be effective, a Proxy must be deposited at the office of Odyssey, no later than 10:00 a.m. (Pacific Time) on Wednesday, September 22, 2021 or not less than 48 hours (excluding Saturdays, Sundays and holidays) before any adjournment or postponement of the Meeting. The deadline for the deposit of Proxies may be waived by the Chairman of the Meeting at his or her sole discretion without notice. Failure to properly complete or deposit a Proxy may result in its invalidation.**

### Revocation of Proxies

Only registered shareholders have the power to revoke Proxies previously given. Revocation can be effected by an instrument in writing (which includes a Proxy bearing a later date) executed by the shareholder or by the shareholder's attorney authorized in writing and in the case of a corporation, duly executed under its corporate seal or signed by a duly authorized officer or attorney for the corporation, and either delivered at any time up to the close of business on the last business day preceding the day of the Meeting, or any adjournment thereof, to:

<b>GSilver's Head Office</b>		<b>Odyssey Trust Company</b>	
999 Canada Place, Suite 578 Vancouver, B.C. V6C 3E1	Or	United Kingdom Building #350 – 409 Granville Street Vancouver, B.C. V6C 1T2	
Or deposited with the Chairman of the Meeting on the day of the Meeting, prior to the hour of commencement			

Non-Registered Holders of Shares who wish to change their vote must, in sufficient time in advance of the Meeting, arrange for their respective Intermediaries to change their vote and if necessary, revoke their proxy in accordance with the revocation procedures set out above.

### NOTICE AND ACCESS

The Company will deliver the Meeting Materials to Shareholders by posting the Meeting Materials on <https://gsilver.com/investors/agm>. The Meeting Materials will be available on this website as of August 25, 2021, and will remain on the website for one full year thereafter. The Meeting Materials will also be available on SEDAR at [www.sedar.com](http://www.sedar.com) as of August 25, 2021.

The Company will mail paper copies of the Meeting Materials to those registered and beneficial Shareholders who have previously elected to receive paper copies of the Company's meeting materials. All other Shareholders will receive a Notice and Access Notice which will contain information on how to obtain electronic and paper copies of the Meeting Materials in advance of the Meeting.

Shareholders who wish to receive paper copies of the Meeting Materials may request copies using the control number as it appears on the Proxy or VIF accompanying your Notice and Access Notice. You may request materials by calling toll free, within North America – 1-888-996-4034 or direct, from outside North America – 1-604-913-5998, and providing your control number as indicated on your Proxy or VIF. Meeting Materials will be sent to you at no cost within three business days of receipt of your request, if such request is made before the Meeting. To ensure that you receive the Meeting Materials in advance of the voting deadline and Meeting date, all requests must be received no later than Tuesday, September 14, 2021. If you do request paper copies of the Meeting Materials, please note that another Proxy/VIF will not be sent and you should retain your current one for voting purposes. To obtain paper copies of the Meeting Materials after the Meeting date, please contact 1-604-913-5998.

### UNITED STATES SHAREHOLDERS

This solicitation of proxies involves securities of a corporation incorporated in Canada and is being effected in accordance with the corporate laws of the Province of British Columbia, Canada and securities laws of the provinces of Canada. The proxy solicitation rules under the United States *Securities Exchange Act of 1934*, as amended, are not applicable to the Company or this solicitation. Shareholders should be aware that disclosure and proxy solicitation requirements under the securities laws of the provinces of Canada differ from the disclosure and proxy solicitation requirements under United States securities laws. The enforcement by shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is incorporated under the *Business Corporations Act* (British Columbia), the majority of its directors and executive officers are residents of Canada and a significant portion of its assets and the assets of such persons are located outside the United States. Shareholders may not have standing to bring a claim against a foreign corporation or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign corporation and its officers and directors to subject themselves to a judgment by a United States court.

## **PART 2 - VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

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The Company has only one class of shares entitled to be voted at the Meeting, namely, common shares without par value. All issued Shares are entitled to be voted at the Meeting and each has one vote. As of August 10, 2021 there were 201,242,730 Shares issued and outstanding.

Only those shareholders of record on August 10, 2021 will be entitled to vote at the Meeting or any adjournment thereof.

To the knowledge of the directors and executive officers of the Company, only the following persons beneficially own, or exercise control or direction, directly or indirectly, over Shares carrying 10% or more of the voting rights attached to all outstanding Shares of the Company which have the right to vote in all circumstances:

<b>Name and Municipality of Residence</b>	<b>Number of Shares <sup>(1)</sup></b>	<b>Percentage of Issued and Outstanding Shares</b>
Endeavour Silver Corp.	21,331,058	10.60%
Daniel Oliver, Jr.	20,285,642 <sup>(2)</sup>	10.08%

(1) This information is not within the knowledge of the management of the Company and has been furnished by the holder, or has been extracted from the register of shareholdings maintained by the Company's transfer agent or from insider reports filed by the holder and available through the Internet at [www.sedi.ca](http://www.sedi.ca).

(2) 9,745,642 shares are held indirectly through Myrmikan Gold Fund LLC and 10,540,000 shares are held indirectly through Myrmikan SPV 1, LLC, both limited liability companies based in New York, NY, U.S.A. Mr. Oliver is the managing member of both Myrmikan Gold Fund LLC and Myrmikan SPV 1, LLC.

## **PART 3 - THE BUSINESS OF THE MEETING**

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### **FINANCIAL STATEMENTS**

The audited financial statements of the Company for the year ended December 31, 2020 will be placed before you at the Meeting. A copy of these financial statements, together with the auditor's report thereon, and management's discussion and analysis, were mailed to those shareholders who indicated that they wished to receive same in response to the Company's annual and interim financial statement request inquiry mailed to shareholders in connection with the Company's last annual general meeting held on November 23, 2021. These financial statements and MD&A are also available for review under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com). See Part 8 "OTHER INFORMATION – Additional Information" below.

### **ELECTION OF DIRECTORS**

Directors of the Company are elected for a term of one year. Management proposes to nominate the persons named under the heading "*Nominees for Election*" below for election as directors of the Company. Each director elected will hold office until the next annual general meeting or until his successor is duly elected or appointed, unless his office is earlier vacated in accordance with the Articles of the Company or he becomes disqualified to act as a director.

It is proposed to set the number of directors at six. This requires the approval of the shareholders of the Company by an ordinary resolution. Accordingly, at the Meeting the shareholders will be asked to consider, and if deemed advisable, to pass the following resolution:

"RESOLVED, as an ordinary resolution, THAT the number of directors of the Company for the ensuing year be set at six."

**Unless the shareholder directs that his or her Shares be otherwise voted or withheld from voting in connection with the setting of the number of directors, the persons named in the enclosed Proxy will vote FOR the number of directors of the Company to be set at six (6).**

### *Nominees for Election*

The Board of the Company presently consists of six (6) directors to be elected annually. At the Meeting, it is proposed to maintain the number of directors elected at six (6) directors to hold office until the next annual general meeting or until their successors are duly elected or appointed. The Company has nominated the six (6) nominees whose names are set forth below for election as directors of the Company at the Meeting. Management does not contemplate that any of such nominees will be unable to serve as a director; however, if that should occur for any reason prior to the Meeting, the persons named in the enclosed Proxy shall have the right to vote for another nominee in their discretion.

The following table and notes thereto state the names, provinces/states and countries of residence of all persons proposed to be nominated for election as directors, the date on which each of them first became a director of the Company, all positions and offices with the Company held by each of them, the principal occupation or employment of each of them, and the approximate number of Shares of the Company beneficially owned, or controlled or directed, directly or indirectly, by each of them as at the Record Date. The biographical information set out below as to principal occupation of, and number of Shares owned by, each of the nominees, not being within the knowledge of the Company, has been furnished by the nominees. The Company also has an audit committee, a corporate governance and compensation committee and a health and safety committee, the members of which are indicated below.

<b>Name, Province/State and Country of Residence and Position with Company</b>	<b>Present Principal Occupation <sup>(1)</sup></b>	<b>Previously a Director Since</b>	<b>Shares Owned <sup>(2)</sup></b>
<b>James Anderson</b> <sup>(5)</sup> B.C., Canada <i>Chairman, President, CEO and Director</i>	President and Chief Executive Officer, Guanajuato Silver Company Ltd., March 2019 to present; Director, Orestone Mining Corp., May 2019 to present; previously Chief Executive Officer, NuLegacy Gold Corporation (TSXV); July 2012 to April 2019	January 7, 2019	5,313,236
<b>Ramon Davila</b> <sup>(3)</sup> Durango, Mexico <i>Director</i>	Mining Industry Consultant, June 2020 to present; former Minister of Economic Development for the State of Durango, Mexican Government; September 2016 to June 2020; former Chief Operating Officer, First Majestic Silver Corp., 2004 to 2013 (director from 2004 to 2015)	May 12, 2021	Nil
<b>William T. Gehlen</b> <sup>(3) (4) (5)</sup> B.C., Canada <i>Director</i>	Manager of Geology, JR Resources Corp (private company), Jan. 2021 to present; Manager of Corporate Development, Gold Standard Ventures Corp. (TSX, NYSE American), April 2018 to Dec. 2020; Manager of Resource Development in the Americas, OceanaGold Corp. (TSX), 2013 to 2018; former VP Exploration, Pacific Rim Mining Corp., 1997 to 2013. Certified Professional Geologist with the AIPG (CPG-10626).	Since March 31, 2020	Nil
<b>Daniel Oliver, Jr.</b> <sup>(3) (4)</sup> New York, U.S.A. <i>Director</i>	Managing Member of Myrmikan Gold Fund LLC (research/gold fund), New York, NY, since 2009; President of the Committee for Monetary Research & Education.	October 2, 2019	20,285,642 <sup>(6)</sup>

Name, Province/State and Country of Residence and Position with Company	Present Principal Occupation <sup>(1)</sup>	Previously a Director Since	Shares Owned <sup>(2)</sup>
<b>Richard Silas</b> <sup>(4)</sup> B.C., Canada <i>Vice-President, Corporate Development, Secretary and Director</i>	Vice-President, Corporate Development and Corporate Secretary, Guanajuato Silver Company Ltd., May 2021 to present; Corporate Secretary, Barksdale Resources Corp. (TSXV) August 2016 to February 2021 (previously President and director of Barksdale from June 2015 to April 2019); CEO, CFO and director of Sanibel Ventures Corp. (TSXV), October 2017 to present; Director and Corporate Secretary, Northern Lion Gold Corp. (TSXV), September 2019 to present; Principal of Universal Solutions Inc., private company providing management and administration services to TSX Venture Exchange issuers, 1997 to present.	October 18, 2019	1,200,000
<b>Hernan Dorado Smith</b> <sup>(5)</sup> Ontario, Canada <i>Chief Operating Officer and Director</i>	Chief Operating Officer, Guanajuato Silver Company Ltd., May 2021 to present; Mining engineer since 2003. Member of the Mining and Metallurgical Society of America (MMSA).	April 26, 2017	4,750,000

- (1) Includes occupations for preceding five years unless the director was elected at the previous annual meeting and was shown as a nominee for election as a director in the information circular for that meeting.
- (2) The approximate number of Shares of the Company carrying the right to vote in all circumstances beneficially owned, directly or indirectly, or over which control or direction is exercised by each proposed nominee as of August 10, 2021. This information is not within the knowledge of the management of the Company and has been furnished by the respective individuals, or has been extracted from the register of shareholdings maintained by the Company's transfer agent or from insider reports filed by the individuals and available through the Internet at [www.sedi.ca](http://www.sedi.ca).
- (3) Member of audit committee. Ramon Davila is the Chair of the audit committee.
- (4) Member of corporate governance and compensation committee. Daniel Oliver, Jr. is the Chair of the corporate governance and compensation committee.
- (5) Member of health and safety committee. William T. Gehlen is the Chair of the health and safety committee.
- (6) Held indirectly through Myrmikan Gold Fund LLC and Myrmikan SPV 1, LLC. See Part 2 "VOTING SHARES AND PRINCIPAL HOLDERS THEREOF" above.

The Company does not have an executive committee. Pursuant to the provisions of the *Business Corporations Act* (British Columbia), the Company is required to have an audit committee whose members are indicated above. See also Part 6 "AUDIT COMMITTEE" below. The Company also has a corporate governance and compensation committee and a health and safety committee whose members are indicated above. See also Part 4 "EXECUTIVE COMPENSATION" and Part 7 "CORPORATE GOVERNANCE" – *Board Committees*".

At the Meeting the shareholders will be asked to consider, and if deemed advisable, to pass the following resolution with respect to the election of directors of the Company:

"RESOLVED, as an ordinary resolution, THAT James Anderson, Ramon Davila, William T. Gehlen, Daniel Oliver, Jr., Richard Silas and Hernan Dorado Smith be elected as directors of the Company for the ensuing year to hold office until the next annual general meeting or until their successors are elected or appointed."

The Company's management recommends that shareholders vote in favour of the above nominees for election as directors. **Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the election of the six nominees as directors of the Company for the ensuing year.**

### ***Corporate Cease Trade Orders or Bankruptcy***

Save as set out below, as of the date of this Information Circular, no proposed nominee for election as a director of the Company is, or has been, within ten years before the date of this Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- (b) was subject to an event that resulted, after the director or executive officer ceased to be director or executive officer, in the company being subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (c) 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.

Mr. Silas is the Chief Executive Officer and a director of Sanibel Ventures Corp., a capital pool company that was suspended from trading by the TSX Venture Exchange (the “TSXV”) on July 30, 2020 for failure to complete a qualifying transaction within 24 months of its listing. Mr. Silas is also a former director of Spirit Bear Capital Corp., a capital pool company that was suspended from trading by the TSXV on May 15, 2014 for failure to complete a qualifying transaction within 24 months of its listing.

### ***Penalties or Sanctions***

Save as set out below, as of the date of this Information Circular, no proposed nominee for election as a director of the Company is, or has been, subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely to be considered important to a reasonable investor making an investment decision.

On April 29, 2013, Mr. Silas was fined \$8,000 by the Autorité des marchés financiers in Quebec for failure to file insider reports within the prescribed time periods in respect of changes in his control over securities of Northern Star Mining Corp., a reporting issuer whose common shares were previously listed for trading on a predecessor to the TSXV, in November 2008 and April 2010. Such fine has been paid in full.

### ***Personal Bankruptcy***

As of the date of this Information Circular, no proposed nominee for election as a director of the Company has, within the ten years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

### ***Conflicts of Interest***

Certain of the directors are currently, or may in the future become, involved in managerial or director positions with other issuers, both reporting and non-reporting, whose operations may, from time to time, be in direct competition with those of the Company or with entities which may, from time to time, provide financing to, or make equity investments in, competitors of the Company.

The directors are required by law to act honestly and in good faith with a view to the best interest of the Company and to disclose any interests which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the directors will consider, among other things, the degree of risk to which the Company may be exposed relative to the potential reward and its financial position at that time.

In addition, the directors of the Company also have other employment or other business or time restrictions placed on them and accordingly will only be able to devote part of their time to the business and affairs of the Company.

Save as aforesaid or otherwise disclosed in this Information Circular, to the Company's knowledge, there are no known existing or potential conflicts of interest among the Company and its promoters, directors, officers or other members of management as a result of their outside business interests.

### **Advance Notice Provisions**

The Company's Articles contain advance notice provisions with a view to providing shareholders, directors and management of the Company with a fair and transparent procedure for nominating directors. The advance notice provisions establish a deadline on or before which holders of record of Shares must submit, in writing, director nominations to the Company prior to any annual general or special meeting of shareholders, and the information that such holder(s) must include with such nominations in order for any director nominee to be eligible for election at any annual general or special meeting of shareholders. A copy of the Company's Articles are available for review under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com). As of the date of this Information Circular, the Company has not received notice of any additional director nominations in connection with the Meeting.

### **APPOINTMENT OF THE AUDITOR**

Lancaster & David, Chartered Professional Accountants, were first appointed as auditor of the Company in July, 2016. See also Part 6 "AUDIT COMMITTEE – *External Auditor Service Fees*".

At the Meeting the shareholders will be asked to consider, and if deemed advisable, to pass the following resolution with respect to the appointment of auditors for the Company:

"RESOLVED, as an ordinary resolution, THAT Lancaster & David, Chartered Professional Accountants, be appointed as the Company's auditor for the ensuing year, at a remuneration to be fixed by the Board of Directors."

**Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the above resolution with respect to the re-appointment of Lancaster & David as the auditor of the Company for the ensuing year and authorizing the Board to fix the remuneration to be paid to the auditor.**

### **ANNUAL RATIFICATION OF STOCK OPTION PLAN**

Policy 4.4 of the TSXV specifies that all listed issuers must implement a stock option plan. The Company's current stock option plan, which was adopted on November 6, 2019 (the "**Option Plan**"), is a "rolling" plan as characterized by TSXV policy pursuant to which the aggregate number of Shares reserved for issuance thereunder may not exceed, at the time of grant, in aggregate 10% of the Company's issued and outstanding Shares from time to time. TSXV policy requires that shareholder approval for "rolling" stock option plans must be obtained annually.

The principal purposes of the Option Plan are to provide the Company with the advantages of the incentive inherent in share ownership on the part of those persons responsible for the success of the Company; to create in those persons a proprietary interest in, and a greater concern for, the welfare and success of the Company; to encourage such persons to remain with the Company; to attract new talent to the Company; and to reduce the cash compensation the Company would otherwise have to pay.

The material terms of the Option Plan are as follows:

1. The number of Shares subject to each option is determined by the Board, or if appointed, by a special committee of directors appointed from time to time by the Board, provided, at the time the options are granted, that:
  - (a) the number of Shares subject to option, in the aggregate, shall not exceed 10% of the Company's then issued shares;
  - (b) no more than 5% of the issued Shares of the Company may be granted to any one optionee in any 12 month period (unless the Company has obtained "disinterested" shareholder approval);

- (c) no more than 2% of the issued Shares of the Company may be granted to any one consultant in any 12 month period; and
  - (d) no more than an aggregate of 2% of the issued Shares of the Company may be granted to persons employed to provide “investor relations activities” in any 12 month period.
2. The exercise price of the options cannot be set at less than the last closing price of the Company’s Shares on the stock exchange on which the Shares of the Company are then listed before the date on which the options are granted by the Company, less the maximum allowable discount from market as may be permitted under the policies of such exchange, if any, or such other minimum exercise price as may be required by such exchange.
  3. The options may be exercisable for a period of up to 10 years.
  4. All options are non-assignable and non-transferable and, if granted to “insiders” or at an exercise price less than market, will be legended with a four month TSXV hold period commencing on the date the stock options are granted.
  5. The options shall be subject to such vesting requirements, if any, as may be determined by the Board from time to time provided that options granted to consultants performing “investor relations activities” must vest in stages over at least 12 months with no more than 1/4 of the options vesting in any three month period.
  6. Reasonable topping up of options granted to an individual will be permitted.
  7. The option can only be exercised by the optionee and only so long as the optionee is a director, officer, employee or consultant of the Company, any of its subsidiaries or a management company employee or within a reasonable period of time, not to exceed one year, after the optionee ceases to be in at least one of such positions to the extent that the optionee was entitled to exercise the option at the date of such cessation.
  8. In the event of death of an optionee, the option previously granted to him or her shall be exercisable as to all or any of the Shares in respect of which such option has not previously been exercised at the date of the optionee’s death (including the right to purchase Shares not otherwise vested at such time), by the legal representatives of the optionee at any time up to and including (but not after) a date one year following the date of death of the optionee or the expiry time of the option, whichever occurs first.
  9. In the event a take-over bid or tender offer is made for the common shares of the Company, the Board may, subject to the acceptance of the TSXV, permit all options outstanding to become immediately exercisable in order to permit the shares issuable under such options to be tendered to such bid or offer.
  10. Disinterested shareholder approval for any reduction in the exercise price of a previously granted option shall be obtained prior to the exercise of such option if the optionee is an “insider” of the Company at the time of the proposed reduction.

The full text of the Option Plan is available for review on SEDAR under the Company’s profile at [www.sedar.com](http://www.sedar.com).

At the Meeting, the shareholders will be asked to consider, and if deemed advisable, to pass the following resolutions:

“RESOLVED, as an ordinary resolution, THAT:

1. the Company’s stock option plan adopted November 6, 2019 (the “Option Plan”), be and is hereby ratified, confirmed, authorized and approved;
2. the reservation under the Option Plan of up to a maximum of 10% of the issued shares of the Company, on a rolling basis, as at the time of granting of the stock option pursuant to the Option Plan be and the same is hereby authorized and approved; and
3. any one director or officer of the Company be and is hereby authorized and directed, for and on behalf of the Company, to execute and deliver all such documents, agreements and instruments, and to do all such acts and things as such director or officer may determine to be necessary or advisable

to give effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such documents, agreements or instruments or the doing of any such act or thing.”

*Recommendation of the Board*

The Board unanimously recommends that the shareholders vote in favour of ratifying and approving the Option Plan.

**Unless the shareholder directs that his or her Shares be otherwise voted or withheld from voting in connection with the ratification and approval of the Option Plan, the persons named in the enclosed Proxy will vote FOR the approval of the above resolution.**

**PART 4 – STATEMENT OF EXECUTIVE COMPENSATION – VENTURE ISSUER**

See the “STATEMENT OF EXECUTIVE COMPENSATION – VENTURE ISSUER” attached as Exhibit “A” to this Information Circular for details of, inter alia, the executive compensation paid to the Company’s “Named Executive Officers” for the fiscal year ended December 31, 2020.

**PART 5 – SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The following information is as of December 31, 2020, the Company’s most recently completed financial year.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</b>
Equity compensation plans approved by securityholders	6,412,500	\$0.19	4,691,235
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
<b>Total</b>	<b>6,412,500</b>	<b>\$0.19</b>	<b>4,691,235</b>

As of the date of this Information Circular, the Company’s only equity compensation plan is its “rolling” stock option plan for directors, officers, employees and consultants of the Company. See Part 3 “THE BUSINESS OF THE MEETING – Annual Ratification of Stock Option Plan” for details of the material terms of the Company’s Option Plan.

**PART 6 – AUDIT COMMITTEE**

National Instrument 52-110 *Audit Committees* of the Canadian Securities Administrators (“NI 52-110”) requires the Company, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its audit committee and its relationship with the Company’s external auditor as set forth below.

**1. The Audit Committee Charter**

The Company’s audit committee is governed by an audit committee charter, the text of which is attached as Exhibit “B” to this Information Circular.

## **2. Composition of Audit Committee**

The Company's audit committee is currently comprised of three directors, Ramon Davila (Chair), Daniel Oliver, Jr. and William Gehlen, all of whom are considered "independent" as that term is defined in applicable securities legislation.

All three members of the Company's audit committee have the ability to read and understand financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements and are therefore considered "financially literate".

## **3. Relevant Education and Experience**

All of the audit committee members are business persons with experience in financial matters; each has an understanding of accounting principles used to prepare financial statements and varied experience as to general application of such accounting principles, as well as the internal controls and procedures necessary for financial reporting, garnered from working in their individual fields of endeavor.

Ramon Davila was Chief Operating Officer and a director of First Majestic Silver Corp. from 2004 to 2013 (director until 2015). In September 2016, Mr. Davila was appointed Minister of Economic Development for the State of Durango, Mexico and held such post until June 2020. Mr. Davila holds a degree in Mining and Metallurgical Engineering from the University of Guanajuato, Mexico as well as a Master of Science degree in Mineral Economics from the Colorado School of Mines.

Daniel Oliver, Jr. manages Myrmikan Gold Fund LLC of New York, NY, which actively invests in the precious metals mining sector. Mr. Oliver also serves as President of the Committee for Monetary Research & Education, an organization founded by prominent economists and businessmen in 1970 in opposition to the Bretton Woods monetary system. His articles have been published in Forbes.com, The Wall Street Journal, The Washington Times, Real Clear Markets, National Review Online, among others, and he speaks frequently at precious metals conferences. Mr. Oliver has a J.D. from Columbia Law School and an MBA from INSEAD.

William Gehlen has over 40 years experience in minerals exploration and holds a Master of Science (Geology) from the University of Idaho and a Bachelor of Science (Geology) from the University of Oregon and currently serves as Manager of Geology for JR Resources Corp (private company). From April 2018 to Dec 2020, Mr. Gehlen was Manager of Corporate Development for Gold Standard Ventures Corp. (TSX and NYSE American). From 2013 to 2018, Mr. Gehlen was Manager of Resource Development for OceanaGold Corp. (TSX) and prior to that he served as Vice-President of Exploration for Pacific Rim Mining Corp. where he managed all aspects of mineral exploration for Pacific Rim and was in charge of exploration at the El Dorado gold deposit in El Salvador, and the Diablillos silver-gold deposit in Argentina.

## **4. Audit Committee Oversight**

Since the commencement of the Company's most recently completed financial year ended December 31, 2020, the Board has not failed to adopt a recommendation of the audit committee to nominate or compensate an external auditor.

## **5. Reliance on Certain Exemptions**

Since the commencement of the Company's most recently completed financial year ended December 31, 2020, the Company has not relied on the exemptions contained in sections 2.4 or 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

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

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

## 7. External Audit Service Fees (By Category)

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

The fees paid by the Company to Lancaster & David, Chartered Professional Accountants, the Company’s auditor, for services rendered to the Company in each of the last two fiscal years, by category, are as follows:

Financial Period Ending	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
December 31, 2020	30,000	Nil	Nil	Nil
December 31, 2019	20,000	Nil	Nil	Nil

## 8. Exemption

The Company is relying on the exemption provided by section 6.1 of NI 52-110, which provides that the Company, as a venture issuer, is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

## **PART 7 – CORPORATE GOVERNANCE**

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Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day to day management of the Company. The Board and senior management consider good corporate governance to be central to the effective and efficient operation of the Company.

National Policy 58-201 *Corporate Governance Guidelines* (“**NP 58-201**”) establishes corporate governance guidelines, which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company’s practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted.

National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) also requires the Company to disclose annually in its Information Circular certain information concerning its corporate governance practices. As a “venture issuer” the Company is required to make such disclosure with reference to the requirements of Form 58-101F2, which disclosure is set forth below.

### 1. Board of Directors

#### *Structure and Composition*

The Board is currently composed of six directors.

NP 58-201 suggests that the board of directors of every listed company should be constituted with a majority of individuals who qualify as “independent” directors under NI 52-110, which provides that a director is independent if he or she has no direct or indirect “material relationship” with the company. “Material relationship” is defined as a relationship which could, in the view of the Company’s board of directors, be reasonably expected to interfere with the exercise of a director’s independent judgment.

The Board is responsible for determining whether a director is an independent director. Of the current directors, James Anderson, Hernan Dorado Smith and Richard Silas are not independent directors because of their positions as President and Chief Executive Officer, Chief Operating Officer and Vice-President, Corporate Development and Secretary of the Company, respectively. On the other hand, Daniel Oliver, Jr., Ramon Davila and William Gehlen are

considered “independent” directors of the Company as they are neither officers nor employees of the Company, do not receive, directly or indirectly, any consulting, advisory or other compensatory fees from the Company for acting in any capacities other than as directors of the Company and have no ongoing interest or material relationship with the Company other than their shareholdings and stock options in the Company and serving as directors.

Accordingly, while it is anticipated that following the Meeting, the Board will have an equal number of “non-independent” directors and “independent” directors, it is the objective of the Company to strive to attain a majority of independent Board members.

#### *Mandate of the Board*

The mandate of the Board is to manage or supervise the management of the business and affairs of the Company and to act with a view to the best interests of the Company. In doing so, the Board oversees the management of the Company’s affairs directly and through its committees (see “Committees of the Board of Directors” below). In fulfilling its mandate, the Board, among other matters, is responsible for reviewing and approving the Company’s overall business strategies and its annual business plan, reviewing and approving the annual corporate and exploration, development and capital budget and forecast, reviewing and approving significant capital investments outside the approved budget; reviewing major strategic initiatives to ensure that the Company’s proposed actions accord with shareholder objectives; reviewing succession planning; assessing management’s performance against approved business plans and industry standards; reviewing and approving the reports and other disclosure issued to shareholders; ensuring the effective operation of the Board; and safeguarding shareholders’ equity interests through the optimum utilization of the Company’s capital resources. The Board also takes responsibility for identifying the principal risks of the Company’s business and for ensuring these risks are effectively monitored and mitigated to the extent reasonably practicable.

The Board delegates to management, through the Company’s executive officers, responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Company’s business in the ordinary course, managing the Company’s cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board also looks to management to furnish recommendations respecting corporate objectives, long-term strategic plans and annual operating plans.

Although following the Meeting, the Board will be composed of an equal number of “non-independent” and “independent” directors, given the size of the Company’s current operations, the Board believes that the independence of the Board from management is not compromised by such composition. The Board believes that the fiduciary duties placed on management by the Company’s governing corporate legislation and common law and the restrictions on an individual director’s participation in decisions of the Board in which the director has an interest under applicable corporate and securities legislation provide the “independent” directors with significant input and leadership in exercising their responsibilities for independent oversight of management. In addition, each member of the Board understands that he is entitled to seek the advice of an independent expert if he reasonably considers it warranted under the circumstances and the “independent” directors have the ability to meet independently of management whenever deemed necessary in order to facilitate open and candid discussion among the independent directors

Notwithstanding the foregoing, it is the Board’s objective to have a majority of independent directors.

#### *Directorships*

As of the date of this Information Circular, the following directors of the Company are also directors of other reporting issuers (or equivalent) in a jurisdiction or a foreign jurisdiction.

<b>Name of Director</b>	<b>Name of Other Reporting Issuer</b>	<b>Market/Tier</b>	<b>Position</b>	<b>Period</b>
James Anderson	Orestone Mining Corp.	TSXV	Director	Since May 2019
Richard Silas	Northern Lion Gold Corp. Sanibel Ventures Corp.	TSXV TSXV	Secretary and Director CEO, CFO and Director	Since September 2019 Since October 2017

The above information has been provided by the directors and has not been independently verified by the Company.

### *Ethical Business Conduct*

The Board expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company's business plan and to meet performance goals and objectives.

The Board itself must comply with the conflict of interest provisions of the *Business Corporations Act* (British Columbia), as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

The Board has also adopted a written Code of Business Conduct and Ethics (the "Code") to assist all Company personnel in making decisions regarding the affairs of the Company. The Code establishes certain standards and procedures to be complied with by all directors, officers, employees and consultants of the Company relating to, among other things, financial reporting and disclosure, compliance with laws, conflicts of interest, confidentiality, stock trading and use of material information, environmental standards and safety, use of Company property and resources, and dealing with corporate opportunities with a view to conducting the Company's business and affairs honestly and with integrity, using high ethical standards. Any breach of the Code is reportable immediately to the Company in accordance with the provisions thereof.

### *Nomination and Assessment*

Given its current size and stage of development, the Board has not appointed a nominating committee and these functions are currently performed by the Board as a whole. Nominees are generally the result of recruitment efforts by Board members, including both formal and informal discussions among Board members and the Chief Executive Officer, and proposed directors' credentials are reviewed in advance of a Board meeting with one or more members of the Board prior to the proposed director's nomination.

New directors are briefed on strategic plans, short, medium and long term corporate objectives, business risks and mitigation strategies, corporate governance guidelines and existing company policies. However, there is no formal orientation for new members of the Board, and this is considered to be appropriate, given the Company's size and current operations.

The skills and knowledge of the Board as a whole is such that no formal continuing education process is currently deemed required. The Board is comprised of individuals with varying backgrounds, who have, both collectively and individually, extensive experience in running and managing public companies, particularly mineral resource companies. Board members are encouraged to communicate with management, auditors and technical consultants to keep themselves current with industry trends and developments and changes in legislation, with management's assistance. Board members have full access to the Company's records. Reference is made to the table under the heading "Election of Directors" in Part 3 "THE BUSINESS OF THE MEETING" for a description of the current principal occupations of the Company's Board.

As present, the Board does not have a formal process in place for assessing the effectiveness of the Board as a whole, its committees or individual directors, but will consider implementing one in the future should circumstances warrant. Based on the Company's current size, its stage of development and the limited number of individuals on the Board, the Board considers a formal assessment process to be inappropriate at this time. The Board plans to continue evaluating its own effectiveness and the effectiveness and contribution of its committees or individual directors on an ad hoc basis.

### *Committees of the Board of Directors*

At the present time, the Board of the Company has appointed three formal committees, being the Audit Committee, the Corporate Governance and Compensation Committee and the Health and Safety Committee.

The Audit Committee is comprised of Ramon Davila (Chair), Daniel Oliver, Jr. and William Gehlen and is primarily responsible for the policies and practices relating to integrity of financial and regulatory reporting of the Company, as well as internal controls to achieve the objectives of safeguarding the Company's assets; reliability of information; and compliance with policies and laws. See Part 6 "AUDIT COMMITTEE" for further information regarding the mandate

of the Company's audit committee and its composition, its specific authority, duties and responsibilities, as well as the Audit Committee Charter.

The Corporate Governance and Compensation Committee (the "CGCC") is comprised of Daniel Oliver, Jr. (Chair), William Gehlen and Richard Silas, of which Messrs. Oliver and Gehlen are independent directors, and is primarily responsible for (i) establishing the Company's corporate governance policies and procedures and monitoring compliance with such policies and procedures, and (ii) advising the Board on compensation of executive officers and directors, as well as related policies, programs and practices designed to achieve the strategic goals and financial objectives of the Company. See "Compensation" below.

The Health and Safety Committee is comprised of William Gehlen (Chair), James Anderson and Hernan Dorado Smith and is primarily responsible for establishing the Company's health and safety policies and procedures and monitoring compliance with such policies and procedures. Of the three members of the Health and Safety Committee, only William Gehlen is an independent director,

#### *Compensation*

The CCGC is responsible for, inter alia, making recommendations to the Board on all forms of compensation (including long-term incentive in the form of stock options) to be granted to the Company's executive officers and to the directors to ensure such arrangements reflect the responsibilities and risks associated with each position. See the heading "Oversight and Description of Director and Named Executive Officer Compensation" in the Company's "STATEMENT OF EXECUTIVE COMPENSATION – VENTURE ISSUER" attached as Exhibit "A" to this Information Circular for a discussion of the Company's philosophy, objectives and processes with respect to executive compensation.

## **PART 8 – OTHER INFORMATION**

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

#### *Aggregate Indebtedness*

No individual who is, or at any time during the most recently completed financial year of the Company was, a director or officer of the Company, no proposed nominee for election as a director of the Company, and no associate of any one of them is, or at any time since the beginning of the most recently completed financial year of the Company has been, indebted to the Company or any of its subsidiaries (other than in respect of amounts which would constitute routine indebtedness) or to another entity (where such indebtedness to such other entity is, or was at any time during the most recently completed financial year of the Company, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries).

#### *Indebtedness of Directors and Executive Officers under Securities Purchase and Other Programs*

As of the date hereof, there is no indebtedness owing to the Company, any of its subsidiaries or any other entity (where such indebtedness to such other entity is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries) in connection with the purchase of securities or otherwise by any current or former executive officers, directors or employees of the Company or any of its subsidiaries.

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

Other than disclosed elsewhere in this Information Circular and below, no informed person (as defined below), proposed nominee for election as a director, or any associate or affiliate of any informed person or proposed nominee, has had a material interest, direct or indirect, in any transaction with the Company or any of its subsidiaries or in any proposed transaction since the beginning of the last completed financial year that has materially affected the Company or any of its subsidiaries or is likely to do so.

1. Since the beginning of the Company's last completed financial year ended December 31, 2020, certain directors and officers of the Company have participated in equity financings by the Company as follows:

Name of Informed Person	Position with Company	Securities Acquired	Purchase Price Per Security	Aggregate Subscription Price
James Anderson	President and CEO	150,000 units <sup>(1)</sup>	\$0.155	\$23,250
		494,273 units <sup>(2)</sup>	\$0.30	\$148,282
Daniel Oliver, Jr.	Director	2,000,000 units <sup>(1)(3)</sup>	\$0.155	\$310,000
		8,000,000 units <sup>(2)(4)</sup>	\$0.30	\$2,400,000

- (1) These units formed part of the Company's non-brokered private placement of 25,641,902 units at a price of \$0.155 per unit for gross proceeds of \$3,974,495 completed in August, 2020. Each unit consisted of one common share and one-half (1/2) of one common share purchase warrant, each whole warrant entitling the holder to purchase an additional common share at a price of \$0.25 for a period of two years from closing.
  - (2) These units formed part of the Company's non-brokered private placement of 56,500,000 units at a price of \$0.30 per unit for gross proceeds of \$16,950,000 completed in March 2021. Each unit consisted of one common share and one-half (1/2) of one common share purchase warrant, each whole warrant entitling the holder to purchase an additional common share at a price of \$0.45 for a period of three years from closing.
  - (3) Acquired indirectly through Myrmikan Gold Fund LLC, of which Mr. Oliver is the managing member. See also Part 2 "VOTING SHARES AND PRINCIPAL HOLDERS THEREOF" above.
  - (4) Acquired indirectly through Myrmikan SPV 1, LLC, of which Mr. Oliver is the managing member. See also Part 2 "VOTING SHARES AND PRINCIPAL HOLDERS THEREOF" above.
2. By amended and restated royalty purchase option agreement dated November 11, 2020 (the "**Option Agreement**"), the Company has acquired the sole and exclusive option to purchase certain existing royalties (the "**Royalties**") over the Company's El Pinguico silver and gold project situated 7 kilometres south of Guanajuato, Mexico (the "**El Pinguico Property**") from Exploraciones Mineras del Bajío S.A. de D.V. ("**EMBSA**") for the aggregate sum of C\$1,675,000 cash (of which C\$525,000 has been paid to date) and 3,750,000 units of the Company at a deemed price of \$0.12 per unit (issued), each unit consisting of one common share and one common share purchase warrant to purchase an additional common share at a price of C\$0.175 for a period of five years from the date of issuance. The Royalties include three royalties payable by the Company to EMBSA over (i) existing stockpiles of ore-bearing rock previously mined from the El Pinguico Property and (ii) products obtained from new ore-bearing rock that is mined from the El Pinguico Property as more particularly disclosed in the Company's news releases dated August 20 and November 13, 2020. EMBSA is a private Mexican company of which Hernan Dorado Smith, the Chief Operating Officer and a director of the Company, is the Managing Director and a principal shareholder.

For the above purposes, "informed person" means: (a) a director or executive officer of the Company; (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company; (c) any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of the Company or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Company after having purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

#### **INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED ON AT THE MEETING**

None of the directors or executive officers of the Company, no proposed nominee for election as a director of the Company, none of the persons who have been directors or executive officers of the Company since the commencement of the Company's last completed financial year, none of the other insiders of the Company and no associate or affiliate of any of the foregoing persons has any substantial interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of the directors and the ratification and approval of the Option Plan.

## **MANAGEMENT CONTRACTS**

The management functions of the Company are performed by its directors and executive officers (or private companies controlled by such executive officers) and the Company has no management agreements or arrangements under which such management functions are performed by persons other than the directors and executive officers (or private companies controlled by such executive officers) of the Company. See the headings “*Director and Named Executive Officer compensation, excluding compensation securities*” and “*Employment, Consulting and Management Agreements*” in the “STATEMENT OF EXECUTIVE COMPENSATION – VENTURE ISSUER” attached hereto as Exhibit “A” for details of the fees paid or payable to the Company’s Named Executive Officers (or private companies controlled by such Named Executive Officers) and directors for, inter alia, the year ended December 31, 2020.

## **OTHER MATTERS**

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

## **OTHER MATERIAL FACTS**

There are no other material facts other than as disclosed herein.

## **ADDITIONAL INFORMATION**

Financial information about the Company is provided in its comparative financial statements and Management’s Discussion and Analysis for the year ended December 31, 2020. You may obtain copies of such documents without charge upon request to us at 999 Canada Place, Suite 578, Vancouver, B.C., Canada V6C 3E1 – telephone (778) 989 - 5346. You may also access such documents, together with the Company’s additional disclosure documents, through the Internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at [www.sedar.com](http://www.sedar.com).

## **BOARD APPROVAL**

The Board of the Company has approved the contents and the delivery of this Information Circular to its shareholders.

DATED at Vancouver, British Columbia, as of the 10<sup>th</sup> day of August, 2021.

## **BY ORDER OF THE BOARD**

(signed) “*James Anderson*”

James Anderson  
President and Chief Executive Officer

**EXHIBIT "A"**

**STATEMENT OF EXECUTIVE COMPENSATION – VENTURE ISSUER**

See attached.



**Guanajuato**  
**Silver** CO  
LTD

FORM 51-102F6V

**STATEMENT OF EXECUTIVE COMPENSATION – VENTURE ISSUER  
FOR THE YEAR ENDED DECEMBER 31, 2020**

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The information contained in this statement of executive compensation (the “**Statement**”) of Guanajuato Silver Company Ltd., formerly VanGold Mining Corp. (the “**Corporation**”), unless otherwise indicated, is as of June 29, 2021.

**Forwarding Looking Information**

Certain statements contained in this Statement may constitute “forward-looking information” as such term is defined under applicable securities laws. The forward-looking information includes, without limitation, the Corporation’s intentions and plans with respect to compensation of its executive officers and directors and other statements concerning anticipated future events, conditions or results that are not historical facts. These statements reflect management’s current estimates, beliefs, intentions and expectations; they are not guarantees of future performance. The Corporation cautions that all forward-looking information is inherently uncertain and that actual performance may be affected by a number of material factors, many of which are beyond the Corporation’s control. Such factors include, among others, market conditions, risks and uncertainties relating to exploration, development and production; actual results of development and production activities; actual resource grades and recoveries of silver and gold; the ability of the Corporation to obtain additional financing; the Corporation’s history of losses; the need to comply with environmental and governmental regulations; potential defects in title to the Corporation’s properties; fluctuations in currency exchange rates; fluctuating prices of commodities; operating hazards and risks; competition; labor issues; equipment or personnel delays; delays in obtaining governmental or regulatory approvals and permits; and other risks and uncertainties. In addition, there is uncertainty about the spread of COVID-19 and variants of concern and the impact they will have on the Corporation’s operations, supply chains, ability to access the Corporation’s properties or procure equipment, contractors and other personnel on a timely basis or at all and economic activity in general. Accordingly, actual future events, conditions and results may differ materially from the estimates, beliefs, intentions and expectations expressed or implied in the forward-looking information. All forward looking information made in this Statement is qualified by these cautionary statements and those in our other continuous disclosure filings available on SEDAR at [www.sedar.com](http://www.sedar.com). The forward-looking information contained in this Statement is also made as of the date hereof and, except as required by law, the Corporation is under no obligation to update or alter such information.

**Definitions:** For the purpose of this Statement:

“*company*” includes other types of business organizations such as partnerships, trusts and other unincorporated business entities.

“*compensation securities*” includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted share units granted or issued by the company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the company or any of its subsidiaries.

“*external management company*” includes a subsidiary, affiliate or associate of the external management company.

“*Named Executive Officer*” or “*NEO*” means each of the following individuals:

- (a) each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer (“**CEO**”);

- (b) each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer (“CFO”);
- (c) in respect of the Corporation and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of National Instrument 51-102, for that financial year; and
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the Corporation, and was not acting in a similar capacity, at the end of that financial year.

“*plan*” includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, securities, similar instruments or any other property may be received, whether for one or more persons.

“*underlying securities*” means any securities issuable on conversion, exchange or exercise of compensation securities.

### Director and Named Executive Officer compensation, excluding compensation securities

The following table provides a summary of compensation paid, directly or indirectly, for each of the two most recently completed financial years, to the directors and NEOs of the Corporation, other than compensation securities:

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites <sup>(1)</sup> (\$)	Value of all other compensation (\$)	Total compensation (\$)
<b>Current NEOs and Directors (as of June 29, 2021)</b>							
James Anderson President, CEO and Director <sup>(2)</sup>	2020	141,000	Nil	Nil	Nil	Nil	141,000
	2019	87,500	Nil	Nil	Nil	Nil	87,500
Lisa Dea CFO <sup>(3)</sup>	2020	N/A	N/A	N/A	N/A	N/A	N/A
Hernan Dorado Smith Director <sup>(4)</sup>	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Daniel Oliver, Jr. Director <sup>(5)</sup>	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Richard Silas VP Corporate Development, Corporate Secretary and Director <sup>(6)</sup>	2020	40,000	Nil	Nil	Nil	Nil	40,000
	2019	Nil	Nil	Nil	Nil	Nil	Nil
William Gehlen Director <sup>(7)</sup>	2020	Nil	Nil	Nil	Nil	Nil	Nil
Ramon Davila <sup>(8)</sup>	2020	N/A	N/A	N/A	N/A	N/A	N/A

Former NEOs and Directors (as of June 29, 2021)							
Xavier Wenzel (Former CFO and Corporate Secretary) <sup>(9)</sup>	2020	71,330	Nil	Nil	Nil	Nil	71,300
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Cameron King (former President, CEO and director) <sup>(10)</sup>	2019	45,000	Nil	Nil	Nil	Nil	45,000
Praveen Varshney (former CFO and director) <sup>(11)</sup>	2019	Nil	Nil	Nil	Nil	Nil	Nil
Jonathan Challis (former director) <sup>(12)</sup>	2019	Nil	Nil	Nil	Nil	Nil	Nil
Ravinder Kang (former director) <sup>(13)</sup>	2019	Nil	Nil	Nil	Nil	Nil	Nil

- (1) The value of perquisites received by each of the Named Executive Officers and directors, including property or other personal benefits provided to the Named Executive Officers and directors that are not generally available to all employees, were not in the aggregate greater than \$15,000.
- (2) Mr. Anderson was appointed as a director of the Corporation on January 9, 2019. Subsequently, Mr. Anderson was appointed as CEO (March 14, 2019) and President (March 19, 2019) of the Corporation in place of Cameron King. During the fiscal years ended December 31, 2019 and 2020, Mr. Anderson provided management consulting services to the Corporation through Blueberry Capital Corp., a private management company controlled by Mr. Anderson, at a fee of \$12,500 per month. Subsequent to December 31, 2020, such fee was increased to \$17,500 per month in April 2021.
- (3) Ms. Lisa Dea was appointed as CFO of the Corporation in place of Xavier Wenzel on April 1, 2021.
- (4) Mr. Dorado Smith was first appointed as a director of the Corporation on April 21, 2017. Subsequent to December 31, 2020 Mr. Smith was appointed COO of the Corporation on May 12, 2021.
- (5) Mr. Oliver was appointed as a director of the Corporation on October 2, 2019.
- (6) Mr. Silas was appointed as a director of the Corporation on October 18, 2019. Subsequent to December 31, 2020 Mr. Silas was appointed as VP of Corporate Development and Corporate Secretary on May 12, 2021.
- (7) Mr. Gehlen was appointed as a director of the Corporation on March 31, 2020.
- (8) Mr. Ramon Davila was appointed as a director of the Corporation subsequent to December 31, 2020.
- (9) Mr. Wenzel served as CFO of the Corporation from May 29, 2018 to March 19, 2019 and was subsequently re-appointed as CFO on October 18, 2019. During the fiscal year ended December 31, 2020, the Corporation engaged, on an independent contractor basis, Fehr & Associates, Chartered Professional Accountants (“Fehr”), of which Mr. Wenzel is an associate, to provide the services of Mr. Wenzel as the Corporation’s CFO as well as financial consulting, accounting and bookkeeping services. Under the arrangement with Fehr, the Corporation paid a monthly fee of \$5,000 (increased to \$6,500 in July 2020) to Fehr for such services including Mr. Wenzel’s services as CFO on behalf of the Corporation. Mr. Wenzel received his remuneration through Fehr and was not paid directly by the Corporation for his services as CFO. Subsequent to December 31, 2020 Lisa Dea replaced Mr. Wenzel as CFO.
- (10) Mr. King was elected as a director and appointed President and CEO of the Corporation on April 21, 2017. On March 14, 2019 and March 19, 2019, Mr. King stepped down as CEO and President, respectively, and subsequently did not stand for re-election as a director at the Corporation’s 2019 annual general meeting held on December 11, 2019. During his tenure as President and CEO of the Corporation, Mr. King provided management services to the Corporation through King Financial Corp., a private management company controlled by Mr. King, at a fee of \$15,000 per month.
- (11) Mr. Varshney served as a director and CFO of the Corporation from March 20, 2019 to October 18, 2019.
- (12) Mr. Challis served as a director of the Corporation from April 17, 2018 to October 2, 2019.
- (13) Mr. Kang was appointed as a director of the Corporation on December 17, 2018 and subsequently resigned on March 19, 2019.

## External Management Companies

Save and except as disclosed under “*Employment, Consulting and Management Agreements*” below, as of the date of this Statement, there are no contracts with external management companies in effect.

## Stock Options and Other Compensation Securities

The following table discloses all compensation securities granted or issued to each Named Executive Officer or director during the most recently completed financial year ended December 31, 2020 for services provided or to be provided, directly or indirectly, to the Corporation or any of its subsidiaries.

Compensation securities – Stock Options						
Name and position	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion, or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at financial year end (\$)	Expiry date
James Anderson President, CEO, and Director	400,000 stock options <sup>(1)(2)</sup> 200,000 stock options <sup>(1)(3)</sup> or 0.52% <sup>(4)</sup>	Mar 31, 2020 Oct 13, 2020	\$0.075 \$0.30	\$0.04 \$0.295	\$0.275	Mar. 30, 2023 Oct. 12, 2023
Richard Silas Director	250,000 stock options <sup>(1)(2)</sup> 200,000 Stock options <sup>(1)(3)</sup> or 0.41% <sup>(4)</sup>	Mar 31, 2020 Oct 13, 2020	\$0.075 \$0.30	\$0.04 \$0.295	\$0.275	Mar. 30, 2023 Oct. 12, 2023
Daniel Oliver, Jr. Director	250,000 stock options <sup>(1)(2)</sup> 200,000 Stock options <sup>(1)(3)</sup> or 0.41% <sup>(4)</sup>	Mar 31, 2020 Oct 13, 2020	\$0.075 \$0.30	\$0.04 \$0.295	\$0.275	Mar. 30, 2023 Oct. 12, 2023
William Gehlen Director	250,000 stock options <sup>(1)(2)</sup> 200,000 Stock options <sup>(1)(3)</sup> or 0.41% <sup>(4)</sup>	Mar 31, 2020 Oct 13, 2020	\$0.075 \$0.30	\$0.04 \$0.295	\$0.275	Mar. 30, 2023 Oct. 12, 2023
Hernan Dorado Smith Director	250,000 stock options <sup>(1)(2)</sup> 200,000 Stock options <sup>(1)(3)</sup> or 0.41% <sup>(4)</sup>	Mar 31, 2020 Oct 13, 2020	\$0.075 \$0.30	\$0.04 \$0.295	\$0.275	Mar. 30, 2023 Oct. 12, 2023
Xavier Wenzel (Former CFO)	130,000 stock options <sup>(1)(2)</sup> 130,000 stock options <sup>(1)(3)</sup> or 0.23% <sup>(4)</sup>	Mar 31, 2020 Oct 13, 2020	\$0.075 \$0.30	\$0.04 \$0.295	\$0.275	Mar. 30, 2023 Oct. 12, 2023

- (1) Each stock option entitles the holder to purchase one common share of the Corporation.
- (2) These stock options are subject to vesting on the basis of 1/3 on March 31, 2020, 1/3 on August 30, 2020 and 1/3 on March 31, 2021.
- (3) These stock options are subject to vesting on the basis of 1/3 on October 31, 2020, 1/3 on March 31, 2021 and 1/3 on October 31, 2021.
- (4) This figure represents the aggregate number of underlying common shares issuable upon exercise of the stock options as a percentage of the total issued and outstanding common shares of the Corporation as at December 31, 2020 (being 111,037,351 shares).

No stock options or other compensation securities were re-priced, cancelled and replaced, extended or otherwise materially modified during the Corporation's most recently completed financial year ended December 31, 2020.

As of December 31, 2020, the total compensation securities held by Named Executive Officers and directors of the Corporation were as follows:

Name and Position	Type of Compensation Security <sup>(1)</sup>	Total Number of Compensation Securities Held	Total Number of Common Shares Underlying Compensation Securities
James Anderson President, CEO and Director <sup>3</sup>	Stock options	600,000	600,000 or 0.54% <sup>(2)</sup>
Hernan Dorado Smith Director	Stock options	900,000	900,000 or 0.81% <sup>(2)</sup>
Richard Silas Director	Stock options	450,000	450,000 or 0.41% <sup>(2)</sup>
Daniel Oliver, Jr. Director	Stock options	450,000	450,000 or 0.41% <sup>(2)</sup>
William Gehlen Director	Stock options	450,000	450,000 or 0.41% <sup>(2)</sup>
Xavier Wenzel (Former CFO)	Stock options	385,000	385,000 or 0.35% <sup>(2)</sup>

(1) Each stock option entitles the holder to purchase one common share of the Corporation.

(2) This figure represents the aggregate number of underlying common shares issuable upon exercise of the stock options as a percentage of the total issued and outstanding common shares of the Corporation as at December 31, 2020 (being 111,037,351 shares).

No compensation securities were exercised by any Named Executive Officer or director of the Corporation during the most recently completed financial year ended December 31, 2020.

### Stock Option Plans and Other Incentive Plans

On December 11, 2019, the shareholders of the Corporation approved a new "10% rolling" stock option plan (the "**Stock Option Plan**") for the directors, officers, employees and consultants of the Corporation and its affiliates (collectively "**Eligible Persons**") as characterized by the policies of the TSX Venture Exchange (the "**TSXV**") pursuant to which the aggregate number of common shares reserved for issuance thereunder may not exceed, at the time of grant, in aggregate 10% of the Corporation's issued and outstanding shares.

The principal purposes of the Stock Option Plan are to provide the Corporation with the advantages of the incentive inherent in share ownership on the part of those persons responsible for the success of the Corporation; to create in those persons a proprietary interest in, and a greater concern for, the welfare and success of the Corporation; to encourage such persons to remain with the Corporation; to attract new talent to the Corporation; and to reduce the cash compensation the Corporation would otherwise have to pay.

The material terms of the Stock Option Plan are as follows:

1. The number of common shares subject to each option is determined by the board of directors (the "**Board**"), or if appointed, by a special committee of directors appointed from time to time by the Board, provided, at the time the options are granted, that:
  - (a) the number of shares subject to option, in the aggregate, shall not exceed 10% of the Corporation's then issued shares;
  - (b) no more than 5% of the issued shares of the Corporation may be granted to any one optionee in any 12-month period (unless the Corporation has obtained "disinterested" shareholder approval);

- (c) no more than 2% of the issued shares of the Corporation may be granted to any one consultant in any 12-month period; and
  - (d) no more than an aggregate of 2% of the issued shares of the Corporation may be granted to persons employed to provide “investor relations activities” in any 12-month period.
2. The exercise price of the options cannot be set at less than the last closing price of the Corporation’s shares on the stock exchange on which the shares of the Corporation are then listed before the date on which the options are granted by the Corporation, less the maximum allowable discount from market as may be permitted under the policies of such exchange, if any, or such other minimum exercise price as may be required by such exchange.
  3. The options may be exercisable for a period of up to 10 years.
  4. All options are non-assignable and non-transferable and, if granted to “insiders” or at an exercise price less than market, will be legended with a four-month TSXV hold period commencing on the date the stock options are granted.
  5. The options shall be subject to such vesting requirements, if any, as may be determined by the Board from time to time provided that options granted to consultants performing “investor relations activities” must vest in stages over at least 12 months with no more than 1/4 of the options vesting in any three month period.
  6. Reasonable topping up of options granted to an individual will be permitted.
  7. The option can only be exercised by the optionee and only so long as the optionee is a director, officer, employee or consultant of the Corporation, any of its subsidiaries or a management company employee or within a reasonable period of time, not to exceed one year, after the optionee ceases to be in at least one of such positions to the extent that the optionee was entitled to exercise the option at the date of such cessation.
  8. In the event of death of an optionee, the option previously granted to him or her shall be exercisable as to all or any of the shares in respect of which such option has not previously been exercised at the date of the optionee’s death (including the right to purchase shares not otherwise vested at such time), by the legal representatives of the optionee at any time up to and including (but not after) a date one year following the date of death of the optionee or the expiry time of the option, whichever occurs first.
  9. In the event a take-over bid or tender offer is made for the common shares of the Corporation, the Board may, subject to the acceptance of the TSXV, permit all options outstanding to become immediately exercisable in order to permit the shares issuable under such options to be tendered to such bid or offer.
  10. Disinterested shareholder approval for any reduction in the exercise price of a previously granted option shall be obtained prior to the exercise of such option if the optionee is an “insider” of the Corporation at the time of the proposed reduction.

As at December 31, 2020, there were a total of 6,412,500 stock options outstanding under the Stock Option Plan.

Under the policies of the TSXV, as a “rolling plan”, the Stock Option Plan must be presented for approval by the Corporation’s shareholders annually at the Corporation’s annual general meeting. The Stock Option Plan was most recently approved by the Corporation’s shareholders at the Corporation’s annual general meeting held on November 23, 2020.

There are currently no other equity or non-equity incentive plan awards in place for the Corporation’s Named Executive Officers or directors.

## Employment, Consulting and Management Agreements

James Anderson is the CEO and President of the Corporation and was appointed to such offices on March 14, 2019 and March 19, 2019, respectively. See the summary compensation table under the heading “Director and Named Executive Officer compensation, excluding compensation securities” above for details of the executive compensation paid to Mr. Anderson during the fiscal years ended December 31, 2019 and 2020. Subsequent to December 31, 2020, the Corporation entered into a formal consulting agreement with a private company controlled by James Anderson (the “**Anderson Agreement**”) to provide, on an independent contractor basis, corporate and management services to the Corporation, at an annual base fee of \$210,000 (\$17,500 per month) to be reviewed annually. In conjunction with the Anderson Agreement, James Anderson acts as Chairman, President and CEO of the Corporation.

Subsequent to December 31, 2020 the Corporation entered into an employment agreement with Lisa Dea (the “**Dea Agreement**”) to act as the Corporation’s CFO on a full time basis at an annual salary of \$180,000 (\$15,000 per month) to be reviewed annually.

Subsequent to December 31, 2020, the Corporation entered into a consulting agreement with a private company controlled by Richard Silas (the “**Silas Agreement**”) to provide, on an independent contractor basis, certain corporate and administrative services to the Corporation, at an annual base fee of \$150,000 (\$12,500 per month) to be reviewed annually. In conjunction with the Silas Agreement, Richard Silas acts as VP Corporate Development and Corporate Secretary of the Corporation.

Save as aforesaid, as of the date of this Statement, the Corporation is not a party to any other written employment, consulting or management agreements with other Named Executive Officers or directors of the Corporation.

Each of the Anderson Agreement, the Dea Agreement and the Silas Agreement provides for termination payments in certain circumstances. Each of James Anderson, Lisa Dea and Richard Silas will be entitled to receive, directly or indirectly, a lump sum termination payment equal to one times their annual compensation (i.e. base fee/salary plus annual bonus, if applicable) in the event they are terminated without cause (or by the executive for good reason) or two times their annual compensation if terminated without cause (or by the executive for good reason) following a change of control of the Corporation.

The following table sets out the estimated incremental payments payable to the above Named Executive Officers of the Corporation that would be triggered by, or result from, a change of control, severance, termination or constructive dismissal as of the date of this Statement.

	<b>James Anderson</b> (\$)	<b>Lisa Dea</b> (\$)	<b>Richard Silas</b> (4)
<b>Termination Without Cause/ Constructive Dismissal</b> Annual Compensation Termination Payment <sup>(1)</sup>	210,000	180,000	150,000
<b>Change of Control</b> Annual Compensation Termination Payment <sup>(1)</sup>	420,000	360,000	300,000

(1) This figure assumes that no bonuses payments were made to the Named Executive Officers during the preceding fiscal year.

Save as aforesaid, as of the date of this Statement, there is no compensatory plan, contract or arrangement whereby a Named Executive Officer is entitled to receive any severance or termination payment from the Corporation or its subsidiaries, including periodic payments or instalments, in the event of the termination or constructive dismissal of the officer’s employment with the Corporation or its subsidiaries or following a change of control of the Corporation.

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

### *Director Compensation*

The Corporation has no standard arrangement pursuant to which non-executive directors are compensated by the Corporation for their services in their capacity as directors, other than the granting from time to time of incentive stock options in accordance with the Stock Option Plan and the policies of the TSXV. The granting of incentive stock options provides a link between director compensation and the Corporation's share price. It also rewards directors for achieving results that improve Corporation performance and thereby increase shareholder value. In making a determination as to whether a grant of long-term incentive stock options is appropriate, and if so, the number of options that should be granted, the Board considers, inter alia, the number and terms of outstanding incentive stock options held by each director; the value in securities of the Corporation that the Board intends to award as compensation; the potential dilution to shareholders and the cost to the Corporation; general industry standards; and the limits imposed by the terms of the Stock Option Plan and the TSXV. Any "interested" director who is being considered for the grant of an option by the Corporation is required to declare his interest in such grant and abstain from voting thereon.

The granting of incentive stock options allows the Corporation to reward the directors' efforts to increase value for shareholders without requiring the Corporation to use cash from its treasury. The terms and conditions of the Corporation's stock option grants, including vesting provisions and exercise prices, are governed by the terms of the Stock Option Plan, the material terms of which are described under "*Stock Option Plans and Other Incentive Plans*" above.

See the table under "*Stock Options and Other Compensation Securities*" above for details of the stock options granted to the Corporation's non-executive directors under the Stock Option Plan during the fiscal year ended December 31, 2020.

The directors may also be reimbursed for actual expenses reasonably incurred by them in the performance of their duties as directors.

### *Named Executive Officer Compensation*

The Corporation does not have a formal compensation program. However, the Board meets annually subsequent to the annual general meeting or more frequently as determined by the Board to discuss and determine management compensation. The general objectives of the Corporation's compensation strategy are to attract, retain and motivate talented employees, contractors and consultants who will contribute to the long term success of the Corporation by aligning compensation with market conditions, corporate performance, and the interest of shareholders to maximize shareholder value.

The Board generally considers three elements of compensation – a base fee/salary for the current financial year, a discretionary cash bonus for the previously completed financial year and a grant of long-term incentive stock options.

Base fee/salary is used to provide the Named Executive Officers with a set amount of money during the year with the expectation that they will perform their responsibilities to the best of their ability and in the best interests of the Corporation. The Board determines what the Named Executive Officer's base fee/salary for the upcoming year will be based on the overall performance of the Corporation, the performance of the Named Executive Officer, general trends in the industry and the Corporation's then financial resources.

The granting of incentive stock options provides a link between management compensation and the Corporation's share price. It also rewards management for achieving results that improve the Corporation's performance and thereby increase shareholder value. In making a determination as to whether a grant of long-term incentive stock options is appropriate, and if so, the number of options that should be granted, the Board will consider, inter alia, the number and terms of outstanding incentive stock options held by the Named Executive Officer; the value in securities of the Corporation that the Board intends to award as compensation; the potential dilution to shareholders and the cost to the Corporation; general industry standards; and the limits imposed by the terms of the Stock Option

Plan and policies of the TSXV. Major consideration is given to the fact that the Corporation does not currently generate any revenue and must rely exclusively on funds raised from equity or debt financings. Therefore, greater emphasis may be placed on incentive stock option compensation and share based awards in lieu of cash to attract and retain the Corporation's Named Executive Officers. The terms and conditions of the Corporation's stock option grants, including vesting provisions and exercise prices, are governed by the Stock Option Plan, the material terms of which are described under "*Stock Option Plans and Other Incentive Plans*" above. See also "*Stock Options and Other Compensation Securities*" above for details of the stock options granted to the Corporation's Named Executive Officers under the Stock Option Plan during the fiscal year ended December 31, 2020.

Finally, the Board will consider whether it is appropriate and in the best interests of the Corporation to award a discretionary cash bonus to the Named Executive Officers for the most recently completed financial year and if so, in what amount. A cash bonus may be awarded to reward extraordinary performance that has led to increased value for shareholders through property acquisitions or divestitures, the formation of new strategic or joint venture relationships and/or capital raising efforts. Demonstrations of extraordinary personal commitment to the Corporation's interests, the community and the industry may also be rewarded through a cash bonus.

Currently, the Corporation does not use specific benchmark groups in determining compensation or any element of compensation for the Named Executive Officers.

Other than as described above there are no other prerequisites provided to the Named Executive Officers.

### **Pension Disclosure**

The Corporation does not have any pension, retirement or deferred compensation plans, including defined contribution plans.

## EXHIBIT "B"

### GUANAJUATO SILVER COMPANY LTD. AUDIT COMMITTEE CHARTER

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#### Purpose

The overall purpose of the Audit Committee (the "**Audit Committee**") of Guanajuato Silver Company Ltd. (the "**Company**") is to ensure that the Company's management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the consolidated financial statements and related financial disclosure of the Company, and to review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of financial information. It is the intention of the Board that through the involvement of the Committee, the external audit will be conducted independently of the Company's management to ensure that the independent auditors serve the interests of Shareholders rather than the interests of management of the Company. The Committee will act as a liaison to provide better communication between the Board and the external auditors. The Committee will monitor the independence and performance of the Company's independent auditors.

#### Composition, Procedures and Organization

- (1) The Committee shall consist of at least three members of the Board of Directors (the "Board").
- (2) At least two members of the Committee shall be independent, and the Committee shall endeavor to appoint a majority of independent directors to the Committee, who in the opinion of the Board, would be free from a relationship which would interfere with the exercise of the Committee members' independent judgment. At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices applicable to the Company. For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.
- (3) The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
- (4) Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair and a secretary from among their number.
- (5) The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.
- (6) The Committee shall have access to such officers and employees of the Company and to the Company's external auditors, and to such information respecting the Company, as it considers to be necessary or advisable in order to perform its duties and responsibilities.
- (7) Meetings of the Committee shall be conducted as follows:
  - (a) the Committee shall meet at least four times annually at such times and at such locations as may be requested by the chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee;

- (b) the external auditors shall receive notice of and have the right to attend all meetings of the Committee; and
  - (c) management representatives may be invited to attend all meetings except private sessions with the external auditors.
- (8) The internal auditors and the external auditors shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee in the Company as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.

#### Role and Responsibilities

- (1) The overall duties and responsibilities of the Committee shall be as follows:
- (a) to assist the Board in the discharge of its responsibilities relating to the Company's accounting principles, reporting practices and internal controls and its approval of the Company's annual and quarterly consolidated financial statements and related financial disclosure;
  - (b) to establish and maintain a direct line of communication with the Company's internal and external auditors and assess their performance;
  - (c) to ensure that the management of the Company has designed, implemented and is maintaining an effective system of internal financial controls; and
  - (d) to report regularly to the Board on the fulfilment of its duties and responsibilities.
- (2) The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:
- (a) to recommend to the Board a firm of external auditors to be engaged by the Company, and to verify the independence of such external auditors;
  - (b) to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;
  - (c) review the audit plan of the external auditors prior to the commencement of the audit;
  - (d) to review with the external auditors, upon completion of their audit:
    - A. contents of their report;
    - B. scope and quality of the audit work performed;
    - C. adequacy of the Company's financial and auditing personnel;
    - D. co-operation received from the Company's personnel during the audit;
    - E. internal resources used;
    - F. significant transactions outside of the normal business of the Company;
    - G. significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and
    - H. the non-audit services provided by the external auditors;
  - (e) to discuss with the external auditors the quality and not just the acceptability of the Company's accounting principles; and
  - (f) to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management.

- (3) The duties and responsibilities of the Committee as they relate to the internal control procedures of the Company are to:
- (a) review the appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;
  - (b) review compliance under the Company's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate;
  - (c) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Company; and
  - (d) periodically review the Company's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.
- (4) The Committee is also charged with the responsibility to:
- (a) review the Company's quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto;
  - (b) review and approve the financial sections of:
    - A. the annual report to Shareholders;
    - B. the annual information form, if required;
    - C. annual and interim MD&A;
    - D. prospectuses;
    - E. news releases discussing financial results of the Company; and
    - F. other public reports of a financial nature requiring approval by the Board, and report to the Board with respect thereto;
  - (c) review regulatory filings and decisions as they relate to the Company's consolidated financial statements;
  - (d) review the appropriateness of the policies and procedures used in the preparation of the Company's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
  - (e) review and report on the integrity of the Company's consolidated financial statements;
  - (f) review the minutes of any audit committee meeting of subsidiary companies;
  - (g) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Company and the manner in which such matters have been disclosed in the consolidated financial statements;
  - (h) review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information; and

- (i) develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board of Directors following each annual general meeting of shareholders.
- (5) The Committee shall have the authority:
  - (a) to engage independent counsel and other advisors as it determines necessary to carry out its duties,
  - (b) to set and pay the compensation for any advisors employed by the Committee; and
  - (c) to communicate directly with the internal and external auditors.