

GR SILVER MINING LTD.
c/o Suite 600 – 890 West Pender Street
Vancouver, BC V6C 1J9

FORM 51-102F6V
STATEMENT OF EXECUTIVE COMPENSATION
(for the fiscal year ended December 31, 2023)

DIRECTOR AND EXECUTIVE COMPENSATION

GR Silver Mining Ltd. (the “**Company**”) is a “*venture issuer*” as defined under National Instrument 51-102 – *Continuous Disclosure Obligations* and is disclosing its director and executive compensation in accordance with Form 51-102F6V – *Statement of Executive Compensation-Venture Issuers* (“**Form 51-102F6V**”).

Definitions

In this statement of executive compensation (“**Disclosure Statement**”):

- ◆ “**Board**” means the board of directors of the Company.
- ◆ “**Chief Executive Officer**” or “**CEO**” means an individual who served as chief executive officer of the Company, or performed functions similar to a chief executive officer, for any part of the most recently completed financial year.
- ◆ “**Chief Financial Officer**” or “**CFO**” means an individual who served as chief financial officer of the Company, or performed functions similar to a chief financial officer, for any part of the most recently completed financial year.
- ◆ “**Exchange**” or “**TSXV**” means the TSX Venture Exchange.
- ◆ “**Named Executive Officer**” or “**NEO**” means each of the following individuals:
 - (i) a CEO;
 - (ii) a CFO;
 - (iii) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the CEO and CFO 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 Form 51-102F6V for that financial year; and
 - (iv) each individual who would be an NEO under paragraph (iii) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table sets out a summary of compensation (excluding compensation securities) paid, awarded to or earned by the Named Executive Officers and any non-NEO directors of the Company for the periods noted therein:

Table of compensation excluding compensation securities							
Name and position	Year Ended Dec 31	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Marcio Fonseca <i>President, COO & Director and Former CEO⁽¹⁾</i>	2023 2022	260,000 ⁽²⁾ 260,000	Nil Nil	Nil Nil	Nil Nil	Nil Nil	260,000 ⁽²⁾ 260,000
Eric Zaunscherb <i>CEO, Chair & Director⁽³⁾</i>	2023 2022	90,000 ⁽⁴⁾ 60,000	Nil Nil	Nil Nil	Nil Nil	Nil Nil	90,000 ⁽⁴⁾ 60,000
Blaine Bailey <i>CFO & corporate secretary⁽⁵⁾</i>	2023 2022	97,333 ⁽⁶⁾ 175,000	Nil Nil	Nil Nil	Nil Nil	Nil Nil	97,333 ⁽⁶⁾ 175,000
Trevor Woolfe <i>Director And Former VP Corporate Development; VP Exploration⁽⁷⁾</i>	2023 2022	90,000 ⁽⁸⁾ 180,000	Nil Nil	Nil Nil	Nil Nil	Nil Nil	90,000 ⁽⁸⁾ 180,000
Larry Taddei <i>Director⁽⁹⁾</i>	2023 2022	Nil --	Nil --	Nil --	Nil --	Nil --	Nil --
Fernando Jose Berdegue de Cima <i>Director⁽¹⁰⁾</i>	2023 2022	Nil --	Nil --	Nil --	Nil --	Nil --	Nil --
Gino DeMichele <i>Former Director⁽¹¹⁾</i>	2023 2022	Nil ⁽¹²⁾ 7,250 ⁽¹²⁾	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil 7,250
Laura Diaz <i>Former Director⁽¹³⁾</i>	2023 2022	83,275 ⁽¹⁴⁾⁽¹⁵⁾ 209,232 ⁽¹⁴⁾	Nil Nil	Nil Nil	Nil Nil	Nil Nil	83,275 ⁽¹⁵⁾ 209,232
Samantha Shorter <i>Former CFO⁽¹⁶⁾</i>	2023 2022	21,500 ⁽¹⁷⁾⁽¹⁸⁾ --	Nil --	Nil --	Nil --	Nil --	21,500 ⁽¹⁸⁾ --
Brenda Dayton <i>Former VP Corporate Communications⁽¹⁹⁾</i>	2023 2022	60,000 120,000	Nil Nil	Nil Nil	Nil Nil	Nil Nil	60,000 120,000
Jonathan Rubenstein <i>Former Director⁽²⁰⁾</i>	2023 2022	2,000 18,000 ⁽²¹⁾⁽²²⁾	Nil Nil	Nil Nil	Nil Nil	Nil Nil	2,000 18,000 ⁽²²⁾

Notes:

- (1) Mr. Fonseca ceased to be the CEO of the Company and was appointed Chief Operating Officer of the Company effective as of March 1, 2022.
- (2) \$128,644 of which is accrued and/or unpaid.
- (3) Mr. Zaunscherb was appointed Chair of the Board on July 1, 2021, and CEO of the Company effective March 1, 2022.
- (4) \$23,566 of which is accrued and/or unpaid.
- (5) Mr. Bailey resigned as CFO effective April 30, 2023 and was re-appointed CFO on July 8, 2023.
- (6) \$19,572 of which is accrued and/or unpaid.
- (7) Mr. Woolfe was re-appointed Vice-President Exploration on March 1, 2022. Mr. Woolfe resigned as Vice-President Exploration and Vice-President Corporate Development on June 30, 2023. On July 7, 2023, Mr. Woolfe was appointed a director of the Company.
- (8) \$1,759 of which is accrued and/or unpaid.
- (9) Mr. Taddei was appointed a director of the Company on January 17, 2023.
- (10) Mr. Berdegue de Cima was appointed a director of the Company on July 7, 2023.
- (11) Mr. DeMichele resigned as a director of the Company on July 5, 2023.

- (12) In fiscal 2023, \$Nil (2022 – \$6,000) was paid to Mr. DeMichele as director fees and \$Nil (2022 – \$1,250) was paid for serving as Chair of the Compensation Committee.
- (13) Ms. Diaz did not stand for re-election in 2023 and consequently ceased to be a director of the Company on September 18, 2023.
- (14) In fiscal 2023, \$Nil (2022 – \$6,000) was paid to Ms. Diaz as director fees and \$Nil (2022 - \$203,232) was paid to a law firm of which Ms. Diaz is a lawyer and partner.
- (15) \$74,218 of which is accrued and/or unpaid.
- (16) Ms. Shorter was appointed CFO on May 1, 2023 and resigned from the position effective July 8, 2023.
- (17) Paid to Red Fern Consulting Ltd., a private company controlled by Ms. Shorter.
- (18) \$21,000 of which is accrued and/or unpaid.
- (19) Ms. Dayton ceased to serve as Vice-President Corporate Communications effective March 29, 2023.
- (20) Mr. Rubenstein resigned as a director of the Company effective January 31, 2023.
- (21) Director fees.
- (22) \$12,000 of which is accrued and/or unpaid.

Stock Options and Other Compensation Securities

The following table discloses all compensation securities granted or issued to NEOs or non-NEO directors during the financial year ended December 31, 2023, for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries.

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class ⁽¹⁾	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Marcio Fonseca <i>President, COO & Director and Former CEO</i>	--	NOTE (2)	--	--	--	--	--
Eric Zaunscherb <i>CEO, Chair & Director</i>	--	NOTE (3)	--	--	--	--	--
Blaine Bailey <i>CFO and Corporate Secretary⁽⁴⁾</i>	Stock Options	300,000 ⁽⁵⁾ (3.7%)	May 10, 2023	0.09	0.09	0.08	May 10, 2028
Trevor Woolfe <i>Director And Former VP Corporate Development; VP Exploration⁽⁶⁾</i>	--	NOTE (7)	--	--	--	--	--
Larry Taddei <i>Director⁽⁸⁾</i>	Stock Options	300,000 ⁽⁹⁾ (3.7%)	Jan 18, 2023	0.12	0.12	0.08	Jan 18, 20208
Fernando Jose Berdegue de Cima <i>Director⁽¹⁰⁾</i>	--	NOTE (11)	--	--	--	--	--
Gino DeMichele <i>Former Director⁽¹²⁾</i>	--	NOTE (13)	--	--	--	--	--
Laura Diaz <i>Former Director⁽¹⁴⁾</i>	--	NOTE (15)	--	--	--	--	--
Samantha Shorter <i>Former CFO⁽¹⁶⁾</i>	Stock Options	750,000 ⁽¹⁷⁾ (9.3%)	May 10, 2023	0.09	0.09	0.08	May 10, 2028
Brenda Dayton <i>Former VP Corporate Communications⁽¹⁸⁾</i>	--	NOTE (19)	--	--	--	--	--
Jonathan Rubenstein <i>Former Director⁽²⁰⁾</i>	--	NOTE (21)	--	--	--	--	--

Notes:

- (1) There were a total of 8,065,000 outstanding options as at December 31, 2023.
- (2) As at December 31, 2023, Marcio Fonseca held outstanding stock options exercisable for a total of 1,150,000 common shares of the Company, 650,000 of which were granted to Margeo Consulting Inc., a private company wholly owned by Marcio Fonseca: 100,000 options are exercisable at a price of \$0.21/share and expire August 8, 2024; 300,000 options are exercisable at a price of \$0.185/share and expire November 27, 2024; 250,000 options are exercisable at a price of \$0.335/share and expire May 13, 2025; and 500,000 options are exercisable at a price of \$0.74/share and expire January 21, 2026.
- (3) As at December 31, 2023, Eric Zaunscherb held outstanding stock options exercisable for a total of 475,000 common shares of the Company: 300,000 options are exercisable at a price of \$0.20/share and expire April 16, 2025; 50,000 options are exercisable at a price of \$0.335/share and expire May 13, 2025; and 125,000 options are exercisable at a price of \$0.74/share and expire January 21, 2026.
- (4) Mr. Bailey resigned as CFO effective April 30, 2023 and was re-appointed CFO on July 8, 2023.
- (5) As at December 31, 2023, Blaine Bailey held outstanding stock options exercisable for a total of 885,000 common shares of the Company: 35,000 options are exercisable at a price of \$0.21/share and expire August 8, 2024; 150,000 options are exercisable at a price of \$0.185/share and expire November 27, 2024; 150,000 options are exercisable at a price of \$0.335/share and expire May 13, 2025; 250,000 options are exercisable at a price of \$0.74/share and expire January 21, 2026; and 300,000 options are exercisable at a price of \$0.09/share and expire May 10, 2028.
- (6) Mr. Woolfe was re-appointed Vice-President Exploration on March 1, 2022. Mr. Woolfe resigned as Vice-President Exploration and Vice-President Corporate Development on June 30, 2023. On July 7, 2023, Mr. Woolfe was appointed a director of the Company.
- (7) As at December 31, 2023, Trevor Woolfe held outstanding stock options exercisable for a total of 410,000 common shares of the Company: 35,000 options are exercisable at a price of \$0.21/share and expire August 8, 2024; 150,000 options are exercisable at a price of \$0.185/share and expire November 27, 2024; 150,000 options are exercisable at a price of \$0.335/share and expire May 13, 2025; and 75,000 options are exercisable at a price of \$0.74/share and expire January 21, 2026.
- (8) Mr. Taddei was appointed a director of the Company on January 17, 2023.
- (9) These options vest as to 100,000 on January 18, 2023, 100,000 on January 18, 2024 and 100,000 on January 18, 2025. These were the only stock options held by Mr. Taddei as at December 31, 2023.
- (10) Mr. Berdegue de Cima was appointed a director of the Company on July 7, 2023.
- (11) Mr. Berdegue de Cima held no stock options as at December 31, 2023.
- (12) Mr. DeMichele resigned as a director of the Company on July 5, 2023.
- (13) As at December 31, 2023, Gino DeMichele held outstanding stock options exercisable for a total of 425,000 common shares of the Company: 200,000 options exercisable at a price of \$0.185/share, 100,000 options exercisable at a price of \$0.335/share, and 125,000 options exercisable at a price of \$0.74/share. These options may be exercised until July 5, 2024, after which time they will become null and void.
- (14) Ms. Diaz did not stand for re-election in 2023 and consequently ceased to be a director of the Company on September 18, 2023.
- (15) As at December 31, 2023, Laura Diaz held outstanding stock options exercisable for a total of 475,000 common shares of the Company: 350,000 options exercisable at a price of \$0.78/share and 125,000 options exercisable at a price of \$0.74/share. These options may be exercised until September 18, 2024, after which time they will become null and void.
- (16) Ms. Shorter was appointed CFO on May 1, 2023 and resigned from the position effective July 8, 2023.
- (17) These options vested as to 250,000 on May 10, 2023, 250,000 on May 10, 2023, 2024 and 250,000 on May 10, 2025. Ms. Shorter resigned her position as CFO effective July 8, 2023, at which time only 250,000 options had vested. Consequently, the unvested options are not available for exercise and as at December 31, 2023, Ms. Shorter held 250,000 options. These options may be exercised until July 8, 2024, after which time they will become null and void.
- (18) Ms. Dayton ceased to serve as Vice-President Corporate Communications effective March 29, 2023.
- (19) As at December 31, 2023, Brenda Dayton held outstanding stock options exercisable for a total of 200,000 common shares of the Company, all of which are exercisable at a price of \$0.75/share. Subsequent to the 2023 year end, these options became null and void, unexercised, effective March 29, 2024.
- (20) Mr. Rubenstein resigned as a director of the Company effective January 31, 2023.
- (21) As at December 31, 2023, Jonathan Rubenstein held outstanding stock options exercisable for a total of 475,000 common shares of the Company: 350,000 options exercisable at a price of \$0.78/share and 125,000 options exercisable at a price of \$0.74/share. Subsequent to the 2023 year end, these options became null and void, unexercised, effective January 31, 2024.

No compensation securities were exercised by an NEO or non-NEO director during the financial year ended December 31, 2023.

Stock Option Plans and Other Incentive Plans

The Company's current omnibus long-term incentive plan (the "**Omnibus Plan**") was the Company's only equity compensation plan as of December 31, 2023.

The following is a summary of the substantive terms of the Omnibus Plan:

- ◆ **Purpose.** The Omnibus Plan is a means for the Company to grant: (i) stock options ("**Options**"); (ii) restricted share units ("**RSUs**"); (iii) deferred share units ("**DSUs**"); (iv) performance share units ("**PSUs**"); and (v) other share-based awards (the "**Other Share-Based Awards**", and together with the Options, RSUs, DSUs, PSUs and Other Share-Based Awards, the "**Awards**") to directors, officers and other employees of the Company and its subsidiaries, and to consultants and other eligible service providers providing ongoing services to the Company and its subsidiaries (collectively, the "**Participants**").
- ◆ **Administration.** The Omnibus Plan is administered by the Board. Under the terms of the Omnibus Plan, the Board may grant Awards to eligible Participants as applicable. Participation in the Omnibus Plan is voluntary. If a Participant agrees to participate, the grant of Awards will be evidenced by a written Award Agreement with each such Participant. The interest of any Participant in any Award is not assignable or transferable, whether voluntary, involuntary, by operation of law or otherwise, other than by Will or the laws of descent and distribution.
- ◆ **Number of Common Shares Reserved and Other Limitations.** The Omnibus Plan is a "rolling up to 10% and fixed up to 10%" plan, as such term is defined in TSXV Policy 4.4, permitting the issuance of:

- (a) Options of up to ten (10%) percent of the issued and outstanding common shares of the Company as at the date of grant of the Options or issuance of any security based compensation (inclusive of shares issuable upon exercise of options previously granted under the Company's former stock option plan); and
- (b) RSUs, DSUs, PSUs (collectively, "**Share Units**") and Other Share-Based Compensation Awards of up to 19,521,680 in respect of such Awards granted.

Common shares covered by cancelled or terminated Awards will automatically become available shares for the purposes of Awards that may be subsequently granted under the Omnibus Plan.

The maximum number of common shares that may be: (i) issued to Insiders (as such term is defined in TSXV policies) within any one-year period; or (ii) issuable to Insiders at any time, in each case, under the Omnibus Plan alone, or when combined with all of the Company's other security-based compensation arrangements, cannot exceed 10% of the aggregate number of common shares issued and outstanding from time to time determined on a non-diluted basis.

- ◆ **Stock Options.** An Option will be exercisable during a period established by the Board, which will commence on the date of the grant and terminate no later than 10 years after the date of grant of the Option, or such shorter period as the Board may determine. The minimum exercise price of an Option will be determined based on the Market Price (as such term is defined in TSXV policies) of the Company's common shares on the TSXV on the last trading day before the date such Option is granted. The Omnibus Plan provides that the exercise period will automatically be extended if the date on which it is scheduled to terminate falls during a black-out period. In such cases, the extended exercise period will terminate 10 business days after the last day of the black-out period. In order to facilitate the payment of the exercise price of the Options, the Omnibus Plan has a cashless exercise feature pursuant to which a Participant may elect to undertake either a broker assisted "cashless exercise" or a "net exercise" subject to the procedures set out in the Omnibus Plan, including the consent of the Board, where required.

The Board will determine, in its sole discretion and at the time of grant, any and all conditions to the vesting of Options, subject to:

- (a) Options granted to directors and officers of the Company will vest as to 1/3 on their date of grant and 1/3 on each of the first and second anniversaries of their date of the grant, unless the Board expressly provides to the contrary; and
- (b) at all times when the Company is listed on the TSXV, Options granted to Participants retained to provide Investor Relations Activities must vest in a period of not less than 12 months from the date of grant of such Options and with no more than 25% of the Options vesting in any three month period.

- ◆ **RSUs, DSUs, PSUs and Other Share-Based Compensation Awards.** An RSU is a right to receive a common share issued from treasury upon settlement, subject to the terms of the Omnibus Plan and the applicable Award Agreement, which generally becomes vested, if at all, following a period of continuous employment or engagement. The vesting period and settlement terms of any RSUs will be determined by the Board, in its sole discretion, at the time of grant, subject to the TSXV requirement that no RSU may vest before the date that is one year following the date it is granted or issued. Provided, however, that such vesting may be accelerated for a Participant who dies or who ceases to be an eligible Participant under the Omnibus Plan in connection with a Change of Control, take-over bid, reverse takeover or other similar transaction.

A PSU is a right to receive a common share issued from treasury upon settlement, subject to the terms of the Omnibus Plan and the applicable Award Agreement, which generally becomes vested subject to the attainment of performance criteria established by the Board in its discretion at the time of grant. The vesting period, performance criteria and settlement terms for any PSUs granted will be determined by the Board, in its sole discretion, at the time of the grant, subject to the TSXV requirement that no PSU may vest before the date that is one year following the date it is granted or issued. Provided, however, that such vesting may be accelerated for a Participant who dies or who ceases to be an eligible Participant under the Omnibus Plan in connection with a Change of Control, take-over bid, reverse takeover or other similar transaction.

The only Participants eligible to receive DSUs under the Omnibus Plan are non-employee directors of the Company. A DSU is a right to receive a common share issued from treasury upon settlement, subject to the terms of the Omnibus Plan and the applicable Award Agreement. From time to time, the Board may determine that a fixed portion of the director's fees payable to non-employee directors be paid in DSUs rather than cash. Non-employee directors may also elect to receive an increased number of DSUs in lieu of cash director's fees. No DSU may be settled prior to the date the non-employee director ceases to be a director of the Company for any reason, including change of control, resignation, retirement, death or failure to obtain re-election as a director.

The terms and conditions of grants of Share Units and Other Share-Based Compensation Awards, including the quantity, type of award, grant date, vesting conditions, vesting periods, settlement date and other terms and conditions with respect to these Awards, will be determined by the Board, in its sole discretion, subject to the policies of the TSXV, and will be set out in the Participant's Award Agreement. Notwithstanding the foregoing:

- (a) RSUs and PSUs must vest and be settled no later than the final business day of the third calendar year following the year in which such RSU or PSU was granted (and TSXV Policies mandate that these Awards must vest no earlier than one year from the date of their grant); and
- (b) DSUs will not be settled prior to a Participant's retirement, termination of employment or directorship or death and in the case of a Canadian Participant, no later than one year following the date of the Participant's retirement, termination of employment or directorship or death.

On the settlement date of any Share Unit, each vested Share Unit will be redeemed for (a) one common share of the Company issued from treasury to the Participant or as the Participant may direct; (b) cash; or (c) a combination of common shares and cash, in each case determined by the Board in its sole discretion. Any cash payments made in respect of Share Units to be redeemed in cash will be calculated by multiplying the number of Share Units to be redeemed for cash by the Market Price per common share of the Company as at the settlement date.

Other Share-Based Awards must receive TSXV approval at their time of grant or issue.

- ◆ ***Impact of Participant Ceasing to be Eligible Participant.*** The following table describes the impact of certain events upon the rights of holders of Options and Share Units under the Omnibus Plan, including termination for cause, resignation, retirement, termination other than for cause or death, subject to the terms of a Participant's employment agreement, Award Agreement and/or the change of control provisions described in the Omnibus Plan:

Event	Provisions
Termination for Cause	Immediate forfeiture of all unexercised Options and all unvested Share Units.
Retirement	All unvested Options and/or Share Units will continue to vest in accordance with their vesting schedules, and all vested Options and/or Share Units held may be exercised until the earlier of their expiry date or one (1) year following the retirement date; provided that if there is a breach of any post-employment restrictive covenants in favour of the Company then all Options and Share Units held by the Participant will immediately expire and the Participant will be required to pay the Company "in-the-money" amounts realized upon exercise following the retirement date.
Other Termination or Cessation	All unexercised unvested Options and Share Units will terminate on the effective date of termination or cessation. With respect to Options and Share Units that are vested and exercisable by the Participant on the effective date of termination or cessation, such Options and/or Share Units

will expire on the earlier of: (i) their original expiry date; and (ii) one year after the effective date of termination or cessation of a Participant that is a Director or Officer of the Company or a Subsidiary; or 90 days after the effective date of termination or cessation of any other Participant.

Death

All unexercised unvested Options and Share Units will terminate on the date of death. Options and Share Units that are vested and exercisable by the Participant on the date of death will expire on the earlier of: (i) their original expiry date; and (ii) one year after the date of death.

Change of Control

If a Participant is terminated without cause or resigns for good reason during the 12-month period following a change of control, or after the Company has signed a written agreement to effect a change of control but before the change of control is completed, then any unvested Options and Share Units will immediately vest and may be exercised prior to the earlier of 90 days of such date or the expiry date of such Options and Share Units.

- ◆ ***Change of Control.*** In connection with a change of control of the Company, the Board will take such steps as are reasonably necessary or desirable to cause the conversion or exchange or replacement of outstanding Awards into, or for, rights or other securities of substantially equivalent (or greater) value in the continuing entity, as applicable. If the surviving successor or acquiring entity does not assume the outstanding Awards, or if the Board otherwise determines in its discretion, the Company will give written notice to all Participants advising that the Omnibus Plan will be terminated effective immediately prior to the change of control and all Awards, as applicable, will be deemed to be vested and, unless otherwise exercised, settle, forfeited or cancelled prior to the termination of the Omnibus Plan, will expire or, with respect to the RSUs and PSUs be settled, immediately prior to the termination of the Omnibus Plan. In the event of a change of control, the Board has the power to: (i) make such other changes to the terms of the Awards as it considers fair and appropriate in the circumstances, provided such changes are not adverse to the Participants; (ii) otherwise modify the terms of the Awards to assist the Participants to tender into a takeover bid or other arrangement leading to a change of control, and thereafter; and (iii) terminate, conditionally or otherwise, the Awards not exercised or settled, as applicable, following successful completion of such change of control. If the change of control is not completed within the time specified therein (as the same may be extended), the Awards which vest will be returned by the Company to the Participant and, if exercised or settled, as applicable, the common shares issued on such exercise or settlement will be reinstated as authorized but unissued common shares and the original terms applicable to such Awards will be reinstated.
- ◆ ***Adjustments.*** The Omnibus Plan provides that appropriate adjustments, if any, will be made by the Board in connection with a reclassification, reorganization or other change of the Company's common shares, share split or consolidation, distribution, merger or amalgamation, in the common shares issuable or amounts payable to preclude a dilution or enlargement of the benefits under the Omnibus Plan.
- ◆ ***Termination and Amendment of Omnibus Plan.*** The Board may, in its sole discretion, suspend or terminate the Omnibus Plan at any time, or from time to time, amend, revise or discontinue the terms and conditions of the Omnibus Plan or of any securities granted under the Omnibus Plan and any Award Agreement relating thereto, subject to any required regulatory and TSXV approval, provided that such suspension, termination, amendment, or revision will not adversely alter or impair any Award previously granted except as permitted by the terms of the Omnibus Plan or as required by applicable laws. At all times when the Company is listed on the TSXV, the Company will be required to obtain prior TSXV acceptance of any amendments to the Omnibus Plan.

External Management Companies

During the year ended December 31, 2023, no management functions of the Company were to any substantial degree performed by a person other than the directors or executive officers of the Company.

Employment, Consulting and Management Agreements

The Company has entered into agreements or arrangements under which it pays its NEOs, directors and other executive officers as follows:

Named Executive Officers & Other Executive Officers

1. Marcio Fonseca – President & COO and a director

Mr. Marcio Fonseca was appointed the CEO and President of the Company's predecessor, Goldplay Exploration Ltd. ("**Goldplay EL**"), on January 1, 2017. Goldplay EL and Soleil Capital Corp. amalgamated on March 1, 2018, forming the Company, at which time Mr. Fonseca was appointed CEO and President of the amalgamated Company. Effective as of March 1, 2022, Mr. Fonseca was appointed Chief Operating Officer ("**COO**") and ceased to be CEO of the Company.

Prior to January 1, 2021, Mr. Fonseca was engaged to provide services to the Company through his private consulting company, Margeo Consulting Inc. Commencing January 1, 2021, Mr. Fonseca entered into an executive employment agreement with the Company pursuant to which he was formally employed to provide full-time services as the CEO and President of the Company. Concurrent with his change of position from President and CEO to President and COO, Mr. Fonseca and the Company entered into an amended and restated agreement dated and made effective as of March 1, 2022 (the "**Amended & Restated Fonseca Agreement**").

Mr. Fonseca's employment will continue until terminated in accordance with the termination provisions set out in the Amended & Restated Fonseca Agreement. Pursuant to the Amended & Restated Fonseca Agreement, Mr. Fonseca is paid a base annual salary of \$260,000, less statutory deductions and remittances, paid monthly. The salary will be subject to review by the Company annually, and may be adjusted upwards by the Company in its sole discretion to reflect general economic conditions, performance and changes to Mr. Fonseca's position and/or duties and responsibilities. Mr. Fonseca is entitled to, but not guaranteed, performance bonuses at such times and in such amounts as may be determined by the Board. Mr. Fonseca is also eligible to participate in the Company's stock option plan in effect from time to time, with any grant of options thereunder being made by the Board in its sole discretion. Pursuant to the Amended & Restated Fonseca Agreement, Mr. Fonseca is entitled to participate in Company's employee benefit plans, if and when any are implemented by the Company. The Company is required to provide and pay for liability insurance to cover all potential liability to Mr. Fonseca in providing services to the Company, including officer liability insurance. Mr. Fonseca is entitled to six (6) weeks (30 working days) annual vacation per calendar year. Mr. Fonseca will be issued a computer laptop and any other devices, equipment or technology requested by him and approved by the Board for authorized business use purposes, and he will be reimbursed for charges related to cellular phone service/data plan as well as other expenses he incurs in performing his duties on behalf of the Company.

Mr. Fonseca may terminate the Amended & Restated Fonseca Agreement at any time by providing 30 days' prior written notice to the Company in which case he will be entitled to receive accrued and unpaid salary and vacation to the end of such notice period. Mr. Fonseca may also terminate the agreement under certain circumstances in the event of a change of control event, in which case he will be entitled to receive the severance set out below.

The Company may terminate the Amended & Restated Fonseca Agreement:

- (a) at any time for just cause without providing any notice of termination, pay in lieu of such notice, severance pay or any other termination entitlement (other than accrued and unpaid salary and vacation, if any due at the time of termination); or

- (b) except where such termination is made within 9 months following a Change of Control (as such term is defined in the Amended & Restated Fonseca Agreement), at any time without cause or upon disability of Mr. Fonseca provided that in such case the Company will provide Mr. Fonseca with (i) a payment equal to any salary due and owing and expenses owing as at the date of termination and (ii) a lump sum cash payment of the amount equal to 24 months' salary calculated at the salary rate in effect at the time of termination, which payment will be inclusive of Mr. Fonseca's entitlement to notice and severance pay at common law or by statute.

If a Change of Control occurs and at any time during the 9 month period following such Change of Control either the Company terminates Mr. Fonseca's employment or Mr. Fonseca resigns employment for Good Reason (as such term is defined in the Amended & Restated Fonseca Agreement), then Mr. Fonseca will be entitled to receive a lump sum cash payment of the amount equal to 36 months' salary calculated at the salary rate in effect at the time of termination.

Mr. Fonseca has covenanted not to seek employment or consulting work in the state of Sinaloa, Mexico without the prior approval of the Company for a period of 24 months following termination of the Amended & Restated Fonseca Agreement. Mr. Fonseca has also entered into a confidentiality agreement with the Company.

2. Eric Zaunscherb – CEO, Board Chair and a director

Mr. Zaunscherb was appointed the Chair of the Board on July 1, 2021, and the CEO of the Company effective March 1, 2022.

The Board approved the payment of \$5,000/month to Mr. Zaunscherb commencing July 1, 2021, in consideration for his services as Chair, pursuant to a verbal arrangement between the parties. Commencing March 1, 2022, Mr. Zaunscherb ceased to be paid for his services as Chair and thereafter and until April 1, 2023, was paid \$5,000/month for his services as CEO of the Company.

Mr. Zaunscherb and the Company entered into an executive employment agreement made effective as of April 1, 2023, which was replaced by an amended and restated executive employment agreement made effective as of April 1, 2024 (the "**CEO Agreement**"). Mr. Zaunscherb's employment will continue until terminated in accordance with the termination provisions set out in the CEO Agreement. Pursuant to the CEO Agreement, effective April 1, 2023, Mr. Zaunscherb is paid an annual salary of \$100,000, less statutory deductions and remittances. The salary will be subject to review by the Company annually, and may be adjusted upwards by the Company in its sole discretion to reflect general economic conditions, performance and changes to Mr. Zaunscherb's position and/or duties and responsibilities. Mr. Zaunscherb is eligible to receive, but not guaranteed, performance bonuses at such times and in such amounts as may be determined by the Board. Mr. Zaunscherb is also eligible to participate in the Company's Omnibus Plan in effect from time to time. Any grant of options and other forms of security-based compensation thereunder will be made by the Board acting reasonably. Pursuant to the CEO Agreement, Mr. Zaunscherb is entitled to participate in Company's employee benefit plans, subject to all terms and conditions of such plans. The Company is required to provide and pay for officer liability insurance to cover all potential liability to Mr. Zaunscherb in providing services to the Company. The Company also provided an indemnity to Mr. Zaunscherb in relation thereto. Mr. Zaunscherb is entitled to four (4) weeks (20 working days) annual vacation per calendar year. Mr. Zaunscherb will be issued a computer laptop and any other devices, equipment or technology requested by him and approved by the Board for authorized business use purposes, and he will be reimbursed for charges related to cellular phone service/data plan as well as other expenses he incurs in performing his duties on behalf of the Company.

Mr. Zaunscherb may terminate the CEO Agreement at any time by providing 30 days' prior written notice to the Company in which case he will be entitled to receive accrued and unpaid salary and vacation to the end of such notice period. Mr. Zaunscherb may also terminate the agreement under certain circumstances in the event of a Change of Control (as defined in the CEO Agreement) event, in which case he will be entitled to receive the severance set out below.

The Company may terminate the CEO Agreement any time for just cause without providing any notice of termination, pay in lieu of such notice, severance pay or any other termination entitlement (other than accrued and unpaid salary and vacation, if any due at the time of termination).

On any termination of the CEO Agreement by Mr. Zaunscherb at any time for Good Reason (as defined in the CEO Agreement)(but not following a Change of Control) or on termination by the Company for other than cause, the Company will pay Mr. Zaunscherb a lump sum cash payment equal to 24 months' total compensation (or 12 months' total compensation if the Company is insolvent at the time of termination), in addition to accrued and unpaid salary and vacation, payment of all bonuses, short and long term incentive payments and other forms of security-based compensation, accrued due to the termination date, accelerated vesting of all unvested stock options and other forms of security-based compensation, subject to the terms of the Omnibus Plan and any expenses owing at the time of termination.

If a Change of Control occurs and at any time during the 9 month period following such Change of Control either the Company terminates Mr. Zaunscherb's employment or Mr. Zaunscherb resigns employment for Good Reason, then Mr. Zaunscherb will be entitled to receive a lump sum cash payment equal to 18 months' total compensation for a Change of Control that occurs before April 1, 2025, and thereafter a lump sum cash payment equal to 24 months' total compensation.

Mr. Zaunscherb has covenanted not to seek employment or consulting work in the state of Sinaloa, Mexico without the prior approval of the Company for a period of 24 months following termination of the CEO Agreement.

Mr. Zaunscherb has entered into a confidentiality agreement with the Company.

3. Blaine Bailey - CFO

Mr. Bailey was re-appointed the CFO of the Company effective July 8, 2023. Concurrent therewith, the Company and Promaid Services Ltd. ("**PSL**"), a private company controlled by Mr. Bailey, entered into an independent contractor agreement (the "**CFO Agreement**") pursuant to which PSL agreed to provide the services of CFO to the Company to be performed by Mr. Bailey. PSL may not subcontract or assign the performance of the CFO services to any person other than Mr. Bailey, unless the Board provides prior written approval to same.

PSL is an independent contractor to the Company. The CFO Agreement will continue until terminated in accordance with its termination provisions. Pursuant to the terms of the CFO Agreement, PSL is paid a monthly fee of \$6,500 plus applicable taxes. The Company will reimburse PSL for all reasonable travel expenses paid or incurred while performing services for the Company outside of the Company's offices in Canada. PSL, through Mr. Bailey, will be eligible to participate in the Company's incentive bonus plan which is paid at the discretion of the Board and reviewed annually in December. PSL, through Mr. Bailey, will also be eligible to participate in the Company's Omnibus Plan in effect from time to time. Any grant of options pursuant to the Omnibus Plan will be made at the sole discretion of the Board from time to time. Since PSL is not an employee of the Company, it is not eligible for and will not participate in any employee benefit of the Company.

PSL may terminate the CFO Agreement at any time by providing four (4) weeks' written notice of its intent to terminate. The Company may terminate the CFO Agreement at any time by providing PSL with eight (8) weeks' written notice or pay in lieu of written notice. The Company may terminate the CFO Agreement immediately without notice and without payment in lieu of notice for just cause. Other than in the event the Company is insolvent and in the process of, or has filed for bankruptcy protection, if the Company disposes of more than 50% of its voting shares or all or substantially all of its assets to a non-affiliated entity or acquires all or substantially all of the assets of another non-affiliated entity or mergers or amalgamates with a non-affiliated entity, and PSL's services are materially reduced or become redundant, then the CFO Agreement will be deemed to have been terminated without cause and PSL will be entitled to a sum equivalent to 18 months of service.

PSL has also entered into a confidentiality agreement with the Company.

Non-NEO Directors

1. Non-NEO directors of the Company do not currently receive compensation for acting as a director of the Company. It is anticipated that any directors' fees that may be payable will be made on an ad hoc basis by the Board until such time as the Company has commercial revenues.
2. Non-NEO directors are entitled to be reimbursed for reasonable expenditures incurred in performing their duties as directors.
3. Non-NEO directors are entitled to participate in the Omnibus Plan.

Oversight and Description of Director and NEO Compensation

Compensation Committee

The Board has appointed a Compensation Committee which is comprised of Fernando Berdegue de Cima (Chair), Larry Taddei and Eric Zaunscherb. The members of the Compensation Committee are experienced in the oversight of executive and operational management teams as a result of their experience with various private and public sector businesses. The members of the Compensation Committee review compensation policies of similar companies when making determinations about director and executive compensation. Final decisions concerning employment, consulting or other compensation arrangements between the Company and the directors or executive officers of the Company (or between any subsidiary of the Company and any director or executive officer) are considered and approved by the Compensation Committee and then put forward to the independent directors of the Board for final approval.

The Compensation Committee considers implications of the risks associated with the Company's compensation practices and policies as part of its oversight and stewardship of its affairs, and also considers previous grants of incentive stock options when making new grants.

Non-NEO Director Compensation

Non-NEO directors are currently not compensated for their services in their capacity as directors, except for the granting from time to time of equity compensation in accordance with the Omnibus Plan and the policies of the TSXV. Should the Company's financial circumstances change in fiscal 2024, the Compensation Committee will consider and determine if changes are required with respect to compensation payable to the non-NEO directors of the Company, taking into consideration general industry standards for companies similar to the Company and the time and efforts provided to the Company by each non-NEO director, and will make its recommendation to the Board for approval of its non-NEO director compensation proposals.

Given the Company's current financial situation and its desire to preserve cash, the Board believes that the granting of equity compensation Awards provides an alternative form of payment to non-NEO directors and, where applicable, reward for achieving results that improve Company performance and thereby increase shareholder value, where such improvement is reflected in an increase in the Company's share price. In making a determination as to whether a grant of equity compensation should be made, the Compensation Committee considers: the number and terms of outstanding Awards held by each non-NEO director; the aggregate value in securities of the Company that the Board intends to award as compensation; the potential dilution to shareholders; general industry standards and the limits imposed by the terms of the Omnibus Plan and Exchange policies. The granting of Awards allows the Company to pay and, if applicable, reward, non-NEO directors for their services and their efforts to increase value for shareholders without requiring the Company to use cash from its treasury. The terms and conditions of the Company's Award grants, including vesting provisions and exercise prices, are governed by the terms of the Omnibus Plan, described under "*Stock Option Plans and Other Incentive Plans*" above.

Non-NEO directors are also reimbursed for actual expenses reasonably incurred in connection with the performance of their duties as directors.

Named Executive Officer Compensation

The Company is a junior resource company focused on its principal silver and gold properties located in Mexico. The Company has, as of yet, no significant revenues from operations and from time to time operates with limited financial resources to ensure that funds are available to complete scheduled work programs on its properties. As a result, the Compensation Committee and the Board have to consider not only the financial situation of the Company at the time of the determination of executive compensation, but also the estimated financial situation of the Company in the mid and long term.

Compensation paid to NEOs during the fiscal year ended December 31, 2023 is noted in the table above. The Company has contractual agreements/arrangements with its President & COO, CEO and CFO, all of which are described above under “*Employment, Consulting and Management Agreements*”. It is anticipated that the compensation due and payable under these agreements/arrangements will remain an obligation of the Company during the next fiscal year.

As the Company advances its exploration properties and grows its business, the general objectives of the Company’s compensation strategy will be to (a) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value; (b) align management’s interests with the pursuit of the Company’s goals and growth strategies and the long-term interests of shareholders; (c) provide a compensation package that enables the Company to attract and retain talent; and (d) ensure that the total compensation package is designed in a manner that takes into account the financial constraints that the Company is under.

In considering the compensation of its NEOs, the Compensation Committee considers how it can best balance the interests of the Company and provide competitive compensation to attract and retain officers who will contribute to the success of the Company, while mindful of the financial constraints of the Company. The Compensation Committee takes into account the types of compensation and the amounts paid to directors and officers of comparable publicly traded Canadian companies. The Compensation Committee will make recommendations to the Board for its final approval of all consulting or other compensation arrangements between the Company and its NEOs.

An important element of executive compensation is the grant of equity compensation, which does not require cash disbursements by the Company. The Board believes that the granting of equity compensation Awards provides a reward to NEOs for achieving results that improve Company performance and thereby increase shareholder value, where such improvement is reflected in an increase in the Company’s share price. In making a determination as to whether an Award grant is appropriate and if so, the number and type of Awards that should be granted, the Compensation Committee considers: the number and terms of outstanding Awards held by each NEO; the aggregate value in securities of the Company that the Board intends to award as compensation; the potential dilution to shareholders; general industry standards and the limits imposed by the terms of the Omnibus Plan and TSXV policies. The granting of Awards to reward NEOs for their efforts to increase value for shareholders without requiring the Company to use cash from its treasury. The terms and conditions of the Company’s Award grants, including vesting provisions and exercise prices, are governed by the terms of the Omnibus Plan, described under “*Stock Option Plans and Other Incentive Plans*” above.

Other than as described above, there are no other perquisites provided to the NEOs. The Company does not use specific benchmark groups in determining compensation or any element of compensation.

PENSION DISCLOSURE

No pension is provided to a director or Named Executive Officer of the Company.