

CAPITAN SILVER CORP.
INFORMATION CIRCULAR
FOR THE 2025 ANNUAL GENERAL MEETING OF SHAREHOLDERS

This information is given as of May 20, 2025

SOLICITATION OF PROXIES

This Information Circular is provided to registered and beneficial owners of the Company's shares in connection with the solicitation of proxies by the management of **CAPITAN SILVER CORP.** (the "**Company**") for use at the Annual General Meeting (the "**Meeting**") of the shareholders of the Company, to be held at the time and place and for the purposes set forth in the accompanying Notice of Meeting and at any adjournment(s) or postponement(s) thereof.

PERSONS OR COMPANIES MAKING THE SOLICITATION

The enclosed instrument of proxy is solicited by management. Solicitations will be made by mail and possibly supplemented by telephone or other personal contact to be made without special compensation by regular officers and employees of the Company. The Company may reimburse shareholders' nominees or agents (including brokers holding shares on behalf of clients) for the cost incurred in obtaining authorization from their principals to execute the instrument of proxy. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company. None of the directors of the Company have advised management in writing that they intend to oppose any action intended to be taken by management as set forth in this Information Circular.

APPOINTMENT AND REVOCATION OF PROXIES

This Information Circular is accompanied by a management instrument of proxy that permits registered shareholders who do not attend the Meeting in person to have their shares voted at the Meeting by a proxyholder appointed by the registered shareholder. The persons named in the accompanying instrument of proxy are directors or officers of the Company. **A shareholder has the right to appoint a person to attend and act for him on his behalf at the Meeting other than the persons named in the enclosed instrument of proxy. To exercise this right, the shareholder must strike out the names of the persons named in the instrument of proxy and insert the name of his nominee in the blank space provided or complete another instrument of proxy.**

The completed instrument of proxy must be dated and signed and the duly completed instrument of proxy must be deposited at the Company's transfer agent, Olympia Trust Company, Suite 1900, 925 West Georgia Street, Vancouver, BC V6C 3L2, at least 48 hours before the time of the Meeting or any adjournment(s) or postponement(s) thereof, excluding Saturdays, Sundays and holidays.

The instrument of proxy must be signed by the shareholder or by their duly authorized attorney. If signed by a duly authorized attorney, the instrument of proxy must be accompanied by the original power of attorney or a notarially certified copy thereof. If the shareholder is a corporation, the instrument of proxy must be signed by a duly authorized attorney, officer, or corporate representative, and must be accompanied by the original power of attorney or document whereby the duly authorized officer or corporate representative derives their power, as the case may be, or a notarially certified copy thereof. The Chairman of the Meeting has discretionary authority to accept proxies that do not strictly conform to the foregoing requirements.

In addition to revocation in any other manner permitted by law, a shareholder may revoke a proxy by

- (a) signing a proxy bearing a later date and depositing it at the place and within the time aforesaid,**
- (b) signing and dating a written notice of revocation (in the same manner as the instrument of proxy is required to be executed as set out in the notes to the instrument of proxy) and either depositing it at the place and within the time aforesaid or with the Chairman of the Meeting on the day of the Meeting or on the day of any adjournment(s) or postponement(s) thereof, or**
- (c) registering with the scrutineer at the Meeting as a registered shareholder present in person, whereupon such proxy shall be deemed to have been revoked.**

VOTING OF SHARES AND EXERCISE OF DISCRETION OF PROXIES

On any poll, the persons named as proxyholder in the enclosed instrument of proxy will vote the shares in respect of which they are appointed and, where directions are given by the shareholder in respect of voting for or against any resolution, will do so in accordance with such direction.

In the absence of any direction in the instrument of proxy, it is intended that such shares will be voted in favour of the resolutions placed before the Meeting by management and for the election of the management nominees for directors and auditor, as stated under the headings in this Information Circular. The instrument of proxy enclosed, when properly completed and deposited, confers discretionary authority with respect to amendments or variations to the matters identified in the Notice of Meeting and with respect to any other matters that may be properly brought before the Meeting. At the time of printing of this Information Circular, the management of the Company is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. However, if any such amendments, variations or other matters should properly come before the Meeting, the proxies hereby solicited will be voted thereon in accordance with the best judgement of the nominee.

ADVICE TO BENEFICIAL HOLDERS OF SHARES

The following information is of significant importance to shareholders who do not hold shares in their own name. Beneficial shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by registered shareholders (those whose names appear on the records of the Company as the registered holders of shares).

If shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those shares will not be registered in the shareholder's name on the records of the Company. Such shares will most likely be registered under the names of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms), and in the United States, under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks).

Intermediaries are required to seek voting instructions from beneficial shareholders in advance of shareholders' meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients. There are two kinds of beneficial owners - those who object to their name being made known to the issuers of securities which they own (called "**OBOs**" for "**Objecting Beneficial Owners**") and those who do not object to the issuers of the securities they own knowing who they are (called "**NOBOs**" for "**Non-Objecting Beneficial Owners**").

In the event that voting instructions are requested from OBOs or NOBOs, such instructions will typically be sought by the shareholder receiving a voting instruction form. If a form of proxy is supplied to you by your broker, it will be similar to the proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote on your behalf. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in Canada and the United States. Broadridge obtains voting instructions by mailing a voting instruction form (the "**Broadridge VIF**") which appoints the same persons as the Company's proxy to represent you at the Meeting. You have the right to appoint a person (who need not be a beneficial shareholder of the Company), other than the persons designated in the Broadridge VIF, to represent you at the Meeting. To exercise this right, you should insert the name of the desired representative in the blank space provided in the Broadridge VIF. The completed Broadridge VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting.

If you plan to vote in person at the Meeting:

- nominate yourself as the appointee to attend and vote at the Meeting by printing your name in the space provided on the enclosed voting instruction form. Your vote will be counted at the Meeting so do NOT complete the voting instructions on the form;
- sign and return the form, following the instructions provided by your nominee; and
- register with the Scrutineer when you arrive at the Meeting.

You may also nominate yourself as appointee online, if available, by typing your name in the “Appointee” section on the electronic ballot.

If you bring your voting instruction form to the Meeting, your vote will not count. Your vote can only be counted if you have completed, signed and returned your voting instruction form in accordance with the instructions above and attend the Meeting and vote in person.

NOTICE AND ACCESS

The Company has elected to use the “notice-and-access” provisions under National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* (the “**Notice-and-Access Provisions**”) for the Meeting. The Notice-and-Access Provisions are a set of rules developed by the Canadian Securities Administrators intended to reduce the volume of materials which are mailed to shareholders by allowing a reporting issuer to post proxy-related materials in respect of a meeting of its shareholders online.

The Company will not use procedures known as “stratification” in relation to the use of the Notice-and-Access Provisions, meaning that both registered shareholders and Beneficial Shareholders will be mailed a notification of availability of Meeting materials directing them to those websites where they can access the Information Circular and other relevant information (the “**Notice-and-Access Notification**”). If you receive the Notice-and-Access Notification and would like to receive a paper copy of the Information Circular and the financial statements of the Company to be approved at the Meeting and the management’s discussion and analysis related to those financial statements (the “**Financial Statements**”), please follow the instructions printed on the Notice-and-Access Notification and the materials will be mailed to you at the Company’s expense.

The Company anticipates that notice-and-access will directly benefit the Company through substantial reductions in postage and printing costs. The Company believes that notice-and-access is more environmentally responsible to the extent that it reduces the large volume of paper documents generated by printing proxy-related materials.

Shareholders with questions about notice-and-access can call Olympia Trust Company toll free 1-866-668-8379.

The Meeting materials have been posted on the Company’s website at www.capitansilver.com and on the System for Electronic Document Analysis and Retrieval (“**SEDAR+**”) under the Company’s profile at www.sedarplus.ca. In order to receive a paper copy of this Information Circular and the Financial Statements, requests by shareholders may be made up to one year from the date the Information Circular is posted on the Company’s website by email to Olympia Trust Company at cssnoticeandaccess@olympiatrust.com or by calling toll-free at 1-866-668-8379.

To ensure that a paper copy of the Information Circular can be delivered to a requesting shareholder in time for such shareholder to receive and review the Information Circular and return the completed instrument of proxy or voting instruction form prior to the deadline of at least 48 hours before the time of the Meeting or any adjournment(s) or postponement(s) thereof, excluding Saturdays, Sundays and holidays as set out under the heading “Appointment and Revocation of Proxies” in this Information Circular, it is strongly suggested that a shareholder’s request is received **no later than June 12, 2025**. The Information Circular will be sent to such shareholders within three business days of their request if such requests are made before the Meeting. Following the Meeting, the Information Circular will be sent to such shareholders within ten days of their request.

Those registered shareholders and Beneficial Shareholders with existing instructions on their account to receive printed materials will receive a printed copy of the Meeting materials.

Beneficial shareholders who are OBOs will not receive the Notice and Access Notification or the proxy materials unless their intermediary assumes the costs of delivery.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

On May 20, 2025, 98,342,884 common shares without par value were issued and outstanding, each share carrying the right to one vote. At a general meeting of the Company, on a show of hands, every shareholder present in person has one vote and, on a poll, every shareholder has one vote for each share of which he is the holder.

Only shareholders of record at the close of business on May 20, 2025, will be entitled to have their shares voted at the Meeting or any adjournment(s) or postponement(s) thereof.

To the knowledge of the directors and executive officers of the Company, as of the date of this Information Circular, the Shareholders who beneficially own, or exercise control or direction, directly or indirectly, Common Shares carrying 10% or more of the votes attached to Common Shares are:

Name	Number of Common Shares Owned, or Controlled or Directed, Directly or Indirectly ⁽¹⁾	Approximate Percentage of Total Outstanding Common Shares
Michael Gentile	14,200,000	14.44%

Note:

(1) The above information was derived from the Shareholder directly or from insider reports available at www.sedi.ca.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Other than as disclosed elsewhere in this Information Circular, 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 and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, other than the election of directors, the appointment of the auditor and the approval of the New Option Plan (as defined below).

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

For the purposes of this Information Circular, "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, directly or indirectly, voting securities of the Company or who exercises control or direction over 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 if it has purchased, redeemed or otherwise acquired any of its own securities, for so long as it holds any of its securities.

Other than as disclosed elsewhere in this Information Circular, no informed person, no proposed director of the Company and no associate or affiliate of any such informed person or proposed director, has any material interest, direct or indirect, in any material transaction since the commencement of the Company's last completed financial year or in any proposed transaction, which, in either case, has materially affected or will materially affect the Company or any of its subsidiaries.

MANAGEMENT CONTRACTS

Other than as described herein, the management functions of the Company or any subsidiary of the Company are not, to any substantial degree, performed by a person other than the directors or executive officers of the Company or its subsidiaries. See "*Statement of Executive Compensation – Employment, Consulting and Management Agreements*".

STATEMENT OF EXECUTIVE COMPENSATION

In this section, "Named Executive Officer" or "NEO" means (a) the Chief Executive Officer ("CEO"), (b) the Chief Financial Officer ("CFO"), (c) the most highly compensated executive officer of the Company, and its subsidiaries, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V *Statement*

of *Executive Compensation – Venture Issuers*, for that financial year; and (d) each individual who would be a Named Executive Officer under (c) but for the fact that the individual was not an executive officer of the Company and was not acting in a similar capacity, at the end of that financial year.

In this section, “compensation securities” includes stock options, convertible securities, exchangeable securities and similar instruments, including stock appreciation rights, deferred share units and restricted stock 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.

During the Company’s financial years ended September 30, 2024, the following individuals were the Named Executive Officers of the Company:

- Alberto Orozco, the President, CEO and a director of the Company; and
- Robert Scott, the CFO of the Company.

Director and Named Executive Officer Compensation Excluding Compensation Securities

Particulars of compensation, excluding compensation securities, paid by the Company or a subsidiary of the Company to each NEO and director in the two most recently completed financial years is set out in the table below:

Name and position	Year ending	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees(\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Alberto Orozco ⁽¹⁾ President, CEO and Director	09/30/24	150,000	Nil	Nil	Nil	Nil	150,000
	09/30/23	150,000	Nil	Nil	Nil	Nil	150,000
	09/30/22	150,000	Nil	Nil	Nil	Nil	150,000
Robert J. Scott CFO	09/30/24	72,000	Nil	Nil	Nil	Nil	72,000
	09/30/23	72,000	Nil	Nil	Nil	Nil	72,000
	09/30/22	72,000	Nil	Nil	Nil	Nil	72,000
John-Mark Staude Director	09/30/24	Nil	Nil	Nil	Nil	Nil	Nil
	09/30/23	Nil	Nil	Nil	Nil	Nil	Nil
	09/30/22	20,000	Nil	Nil	Nil	Nil	20,000
Arturo Bonillas Director	09/30/24	Nil	Nil	Nil	Nil	Nil	Nil
	09/30/23	Nil	Nil	Nil	Nil	Nil	Nil
	09/30/22	Nil	Nil	Nil	Nil	Nil	Nil
Fernando Alanís Ortega Director	09/30/24	Nil	Nil	Nil	Nil	Nil	Nil
	09/30/23	Nil	Nil	Nil	Nil	Nil	Nil
	09/30/22	Nil	Nil	Nil	Nil	Nil	Nil

(1) See “*Employment, Consulting and Management Agreements*” below.

Stock Options and Other Compensation Securities

2,400,000 compensation securities granted or issued to the NEO and director in the most recently completed financial years for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries.

At the end of the most recently completed financial year, the Company's NEOs and directors held the stock options set forth in the following.

Name and Position	Type of compensation security	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 year end (\$)	Expiry date (\$)
Alberto Orozco President, CEO and Director	Stock Options	1,500,000	2024-06-11	\$0.200	\$0.200	\$0.200	2029-06-11
	Stock Options	1,000,000	2020-09-08	\$0.250	\$0.250	\$0.250	2025-09-08
	Stock Options	41,504	2020-08-14	\$0.100	\$0.100	\$0.100	2024-11-15
Robert J. Scott CFO	Stock Options	500,000	2024-06-11	\$0.200	\$0.200	\$0.200	2029-06-11
	Stock Options	250,000	2020-09-08	\$0.250	\$0.250	\$0.250	2025-09-08
John-Mark Staude Director	Stock Options	200,000	2024-06-11	\$0.200	\$0.200	\$0.200	2029-06-11
	Stock Options	400,000	2020-09-08	\$0.250	\$0.250	\$0.250	2025-09-08
	Stock Options	38,910	2020-08-14	\$0.100	\$0.100	\$0.100	2024-11-15
	Stock Options	12,970	2020-08-14	\$0.100	\$0.100	\$0.100	2024-11-15
Arturo Bonillas Director	Stock Options	200,000	2024-06-11	\$0.200	\$0.200	\$0.200	2029-06-11
	Stock Options	100,000	2020-09-08	\$0.250	\$0.250	\$0.250	2025-09-08
Fernando Alanís Ortega Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil

No compensation securities were re-priced, cancelled or replaced, extended or otherwise materially modified during the most recently completed financial year.

Exercise of Compensation Securities by Directors and NEO's

No compensation securities were exercised by any director or NEO during the financial year ended September 30, 2024.

Stock Option Plans and Other Incentive Plans

Stock Option Plan

The Company adopted a 10% rolling stock option plan (the “**Stock Option Plan**”) in accordance with the policies of the TSX Venture Exchange (the “**Exchange**”), which provides that the Board may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Company non-transferable options, which are exercisable for a period of up to ten years (subject to an extension if the expiry date occurs during a black-out period), to purchase up to 10% of the issued and outstanding Common Shares in the capital of the Company. The Stock Option Plan is intended to reinforce commitment to long-term growth in profitability and shareholder value. The size of stock option grants to officers is dependent on each officer's level of responsibility, authority and importance to the Company and the degree to which such executive office's long-term contribution to the Company will be key to its long-term success.

Previous grants of stock options are taken into account when considering new grants. The Stock Option Plan was approved by the shareholders of the Company at the Company's annual general and special meeting that was held on August 1, 2024. See *"Particulars of Matters to be Acted Upon – Approval of Stock Option Plan"* for further details.

External Management Contracts

See *"Employment, Consulting and Management Agreements"* for a description of the consulting agreement between the Company and Alberto Orozco.

Employment, Consulting and Management Agreements

Other than as disclosed elsewhere in this Information Circular and below no services were provided to the Company during the most recently completed financial year by a director or Named Executive Officer, or any other party who provided services typically provided by a director or Named Executive Officer, pursuant to any employment, consulting or management agreement between the Company and any other party, and the Company has no agreement or arrangement with any director, Named Executive Officer or any other party with respect to any change of control of the Company or any severance, termination or constructive dismissal of any director, Named Executive Officer or any other party, or any incremental payments triggered by any such change of control, severance, termination or constructive dismissal.

Consulting Agreement with Alberto Orozco

Effective January 1, 2023, the Company entered into a consulting agreement in Mexico with Alberto Orozco (the "Orozco Agreement") as CEO of the Company. Pursuant to the consulting agreement, the Company currently pays Mr. Orozco a maximum monthly fee of CAD \$12,500. Mr. Orozco will also be reimbursed for any direct out-of-pocket expenses reasonably incurred in connection with the provision of his services.

Oversight and Description of Director and Named Executive Officer Compensation

Compensation of the Company's Named Executive Officers and directors is determined by the full Board, based on the recommendations of the Compensation Committee. Compensation is determined based on factors considered relevant and appropriate, including the level of service provided, the background and expertise of the individual director or officer, amounts paid by other companies in similar industries at similar stages of development, and compensation levels necessary to attract, retain and develop management of a high caliber. Compensation is typically reviewed annually by the Compensation Committee and the Board, usually in the first fiscal quarter, but may also be reviewed on an ad hoc basis as the need arises.

The Company's compensation structure has two primary components, cash compensation and share-based compensation in the form of incentive stock options. Cash compensation has two components, base salary/consulting fee and bonuses. For the Company's financial year ended September 30, 2024, the significant element of compensation paid to Alberto Orozco was consulting fees paid pursuant to the Orozco Agreement.

The Company regards the strategic use of incentive stock options as a significant component of its compensation structure. In evaluating option grants issues, the Board evaluates a number of factors including, but not limited to: (i) the number of options already held by or issued to an individual; (ii) a fair balance between the number of options held by or issued to an individual and those held by or issued to other directors or officers, in light of their responsibilities and objectives; and (iii) the value of the options (generally determined using a Black-Scholes analysis) as a component of the individual's overall compensation.

No significant events occurred during the most recently completed financial year that significantly affected compensation. While the Board considers amounts paid by other companies in similar industries at similar stages of development in determining compensation, no specifically selected peer group has been identified as a comparable. No significant changes were made to the Company's compensation policies since the commencement of the most recently completed financial year.

Pension Disclosure

Neither the Company nor any of its subsidiaries currently has a pension benefits arrangement under which the Company or any of its subsidiaries has made payments to the directors or Named Executive Officers of the Company during its financial year ended September 30, 2024 or intends to make payments to the Company's directors or Named Executive Officers upon their retirement (other than the payments made, if any, pursuant to the Canada Pension Plan or any government plan similar to it).

CORPORATE GOVERNANCE

General

"Corporate Governance" refers to the process and structure used to direct and manage the business and affairs of a corporation. The objective is to enhance shareholder value, including ensuring the financial viability of the business. Corporate governance processes and structures define the division of power among the shareholders, the board of directors and management, and establish ways to ensure accountability. They also take into account how the direction and management of the business will affect other stakeholders such as employees, customers, suppliers and communities.

The Canadian Securities Administrators have adopted National Policy - 58-201 *Corporate Governance Guidelines* ("NI 58-201") and National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("NI 58-101").

NI 58-201 sets forth a set of guidelines or "best practices" for reporting issuers to consider when evaluating their own corporate governance practices. Recognizing that not all of the guidelines set forth in NP 58-201 will be appropriate for all companies, full implementation of the guidelines is not mandated by either NP 58-201 or the Exchange. NI 58-101 mandates the disclosure of the corporate governance practices actually implemented by a reporting issuer, in certain prescribed disclosure documents.

As the business of the Company is straightforward, the Company is at an early stage of development and its Board is relatively small, the Company's corporate governance practices are at an early stage of evolution. The following describes the Company's approach to corporate governance, in compliance with NI 58-101.

Board of Directors

The Company's Board consists of a total of four directors, Alberto Orozco, John-Mark Staude, Arturo Bonillas and Fernando Alanís Ortega. Alberto Orozco is not independent in that he is the Chief Executive Officer of the Company. The other three directors are independent. Accordingly, the majority of the directors are independent.

Directorships

The following table sets out details of directorships in other public issuers, held by each of the current directors standing for re-election:

Director	Other Reporting Issuer(s)
Alberto Orozco	None
John-Mark Staude	Riverside Resources Inc.; Mandala Capital Inc.
Arturo Bonillas	Magna Gold Corp.
Fernando Alanís Ortega	Compañía Minera Autlan SAB de CV

Director	Other Reporting Issuer(s)
Graham Scott	Condor Resources Inc.

Orientation and Continuing Education

The Company does not have a formal process of orientation for new Board members. However, the Company does orient and educate new Board members by providing background information, conducting personal meetings and responding to questions, during the early stages of a new Board member's involvement with the Company.

The Company does not have a formal process of continuing education for directors. Generally, the Company expects that existing and new Board members will have a familiarity with the business of mineral exploration and development. Professional advisors may be invited to attend Board meetings, as needed. The Company also relies on the relatively straightforward nature of its business, and the established qualifications and expertise of its Board members.

Ethical Business Conduct

The Board has adopted a Disclosure Policy (the "**Policy**") to ensure the disclosure of material information to the public about the Company and any wholly owned subsidiaries of the Company. To the greatest extent possible, the Company attempts to provide equal access to the shareholders about the information that may affect their investment decisions.

In considering a transaction in which a director has a material interest, the director is required to disclose the nature and extent of his interest to the Board and to abstain from voting on any resolution pertaining to the transaction.

Nomination of Directors

The Board does not have a Nominating Committee to identify new candidates for Board nomination. Potential candidates for appointment to the Board are considered by the Board as a whole, in reliance on the recommendations, qualifications and experience of its members. Nominees are interviewed by the Board and are asked to join the Board where consensus regarding the nominee is obtained. The Board recognizes that, in accordance with good corporate governance practices, it is desirable to appoint additional members who are independent and gives weight to this consideration in its Board appointments.

Compensation

A Compensation Committee has been established by the Board, the current members of which are Alberto Orozco, John-Mark Staude, and Arturo Bonillas, of which Messrs. Staude and Bonillas are independent within the meaning of NI 52-10.

The Compensation Committee of the Board of Directors of the Company was formed to conduct annual reviews of the compensation of directors, the CEO and other senior executives and consultants. While the Board considers amounts paid by other companies in similar industries at similar stages of development in determining compensation, no specifically selected peer group has been identified as comparable. See "*Statement of Executive Compensation*".

Other Board Committees

The Board has no committees other than its Audit Committee and Compensation Committee.

Assessments

The Board has no specific procedures for regularly assessing the effectiveness and contribution of the Board, its committees or individual directors. As the business of the Company is relatively straightforward and its Board relatively small, it is expected that a significant lack of performance on the part of a committee or individual director would become readily apparent and could be dealt with on a case-by-case basis. With respect to the Board as a whole, the Board monitors its performance on an ongoing basis, and as part of that process considers the overall performance of the Company and input from its shareholders.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

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

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by securityholders	6,171,730	\$0.22	2,234,014
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	6,171,730	\$0.22	2,234,014

Note: Based on 84,057,438 common shares of the Company issued and outstanding as at September 30, 2024. The maximum aggregate number of common shares that may be reserved for issuance under the Plan is equal to 10% of the issued and outstanding common shares at the time of the option grant.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No current or former executive officer, director or employee of the Company, proposed nominee for election as a director of the Company, or associate of any such person has been indebted to the Company or its subsidiaries at any time since the commencement of the Company's last completed financial year. No guarantee, support agreement, letter of credit or other similar arrangement or understanding has been provided by the Company or its subsidiaries at any time since the beginning of the most recently completed financial year with respect to any indebtedness of any such person.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

National Instrument 52-110 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 its independent auditor, as set forth in the following.

Audit Committee Charter

The Company's Audit Committee is governed by an Audit Committee Charter. A copy of the Audit Committee Charter is attached as Schedule "A" to this Information Circular.

Composition of the Audit Committee

The Company's Audit Committee is comprised of three directors, Alberto Orozco, John-Mark Staude, and Arturo Bonillas. As defined in NI 52-110, all of the members of the Audit Committee are "independent". Also as defined in NI 52-110, all of the Audit Committee members are "financially literate". The experience of the Audit Committee members is set forth in the following.

Alberto Orozco, Director

Alberto Orozco holds an MSc from the University of Sonora, Mexico, in collaboration with Saint Mary's University in Canada. He was also a PhD candidate at Dalhousie University in Earth Science and his academic work was published in Tectonophysics. He also holds the LEAD Certificate in Corporate Innovation from Stanford Graduate School of Business. He has 19 years of experience in the mining industry having worked for Linear Gold Corp., Pediment Gold and more recently in Argonaut Gold with roles of increasing responsibility. He has held the roles of Country Manager, Director of Exploration and more recently Vice President of Corporate Affairs and Sustainability and has been involved in exploring, developing and

permitting a number of +1M Oz gold deposits in Mexico including, Ixhuatán, San Antonio, La Colorada and San Agustín. Alberto has a technical background and is also experienced in leading institutional and government affairs. Mr. Orozco is currently the President of the Sonora Mining Cluster in Mexico.

John-Mark Staude, Director

John-Mark Staude holds a Ph.D. in economic geology and has over 20 years of diverse mining and exploration experience in precious and base metals. He earned a Master of Science from Harvard University in 1989 and a Ph.D. in economic geology from the University of Arizona in 1995. Mr. Staude held positions of increasing responsibility with a number of major international mining companies including Kennecott, BHP-Billiton, and most recently Teck Cominco. He also worked with smaller commodity-focused companies like Magma Copper Company and consulted private investment groups. Mr. Staude's extensive Latin America mineral resource experience began in Mexico and then extended through South America. Recently, Mr. Staude has ventured into Europe and Asia initiating companies and managing successful exploration programs in Turkey, Romania and China. Mr. Staude has been successful in creating shareholder value through discoveries of gold and copper in Mexico, Peru and Turkey. He has located additional resources in known districts and helped convert discoveries into new mining operations. His technical and managerial experience spans more than 30 countries in diverse geologic environments. Through Riverside Resources, Mr. Staude will continue to build strong portfolios and profitable businesses through prospect generation, early stage partnering and drill discoveries.

Arturo Bonillas, Director

Arturo Bonillas is an Industrial Engineer with over 40 years of experience in the Mexican mining industry and extensive experience in all aspects of exploration, financing, building and operations. His knowledge and experience with international markets has helped solidify partnerships with long time shareholders and institutions, vested in the mining projects and ventures he has developed. During his 10 year tenure as President of Timmins Gold Corp. (now Alio Gold), he spearheaded the company's transition from one of exploration and development to a mid-tier gold producer, a crucial strategy in securing several years of positive reserve and resource growth, throughput and production. Prior to Timmins Gold, he was President and Co-Founder of Silvermex Resources Inc. for 3 years; General Manager (Latin America) for Continuum Resources Ltd. Overseeing the development of the San Jose del Progreso project in Oaxaca, Mexico (sold to Fortuna Silver Mines Inc); and has also had operational and financial roles with Compañía Minera de Cananea (owned by Grupo Mexico) and Minera de Real de Angeles (Placer Dome Inc./Empresas Frisco joint venture). Mr. Bonillas has in-depth knowledge and experience in corporate social responsibility and government relations, with an impeccable track record in community relations over the course of his career. In 2017, Mr. Bonillas received the prestigious Ostotakani Award, given to distinguished leaders in the Mexican mining industry. Mr. Bonillas earned his B.Sc. degree in Industrial Engineering from the University of Arizona.

As a result of their respective business experience, each member of the audit committee (i) has an understanding of the accounting principles used by the Company to prepare its financial statements, (ii) has the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves, (iii) has experience in analyzing and evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to that that can reasonably be expected to be raised by the Company's financial statements, and (iv) has an understanding of internal controls and procedures for financial reporting.

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, the Company's Board of Directors has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year, the Company has not relied on the exemptions in sections 2.4 or 8 of NI 52-110 (*De Minimis Non-audit Services*), the exemptions in Subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*), Subsection 6.1.1(5) (*Events Outside Control of Member*), Subsection 6.1.1(6) (*Death, Incapacity or Resignation*) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110 (*Exemptions*).

Pre-Approval Policies and Procedures

No specific policies or procedures have been adopted with respect to the provision of non-audit services by the Company's external auditor although, under the Company's Audit Committee Charter, such services are required to be approved by the Audit Committee.

External Auditor 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 billed to the Company by its auditor in each of the last two fiscal years, by category, are as follows:

Financial Year Ending	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
September 30, 2024	\$38,464	Nil	\$1,600	Nil
September 30, 2023	\$35,427	Nil	\$1,600	Nil

Exemption in Section 6.1

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.

PARTICULARS OF MATTERS TO BE ACTED UPON

Election of Directors

The Board presently consists of four (4) directors and the Board intends to determine that the number of directors at five (5) and to elect five (5) directors for the ensuing year, subject to such increase as may be permitted by the articles of the Company.

Each director of the Company is elected annually and holds office until the next Annual General Meeting of the shareholders unless that person ceases to be a director before then. In the absence of instructions to the contrary, the shares represented by proxy will, on a poll, be voted for the nominees herein listed. Management does not contemplate that any of the nominees will be unable to serve as a director.

Information Concerning Nominees Submitted by Management

The following table sets out the names of the persons nominated for election as directors, the positions and offices which they presently hold with the Company, their respective principal occupations and the number of shares of the Company which each beneficially owns, or controls or directs, directly or indirectly, as of the date of this Information Circular:

Name of Nominee, Residence and Present Positions Held	Principal Occupation	Director Since	Number of Shares Beneficially Owned, Controlled or Directed
ALBERTO OROZCO ^{(1) (2)} Hermosillo, Sonora, Mexico Director & CEO	CEO of Capitan since October 2019; Vice President, Corporate Development of Riverside Resources Inc. from 2019-2020; and various roles with Argonaut Gold Inc., a Canadian gold company, from 2011 to 2019, including Country Manager, Director of Exploration and Vice-President of Corporate Affairs and Sustainability	08/14/2020	1,499,837
JOHN-MARK STAUDE ^{(1) (2)} Vancouver, British Columbia, Canada Director & Chairman	Director; President & CEO of Riverside since July 2007.	08/14/2020	1,207,189 ⁽³⁾
ARTURO BONILLAS ^{(1) (2)} Hermosillo, Sonora, Mexico Director	Director; President and CEO of Magna Gold Corporation, a mineral exploration company, from January 2018 to present;	08/21/2020	633,333
GRAHAM SCOTT Vancouver, British Columbia, Canada Proposed Director	Lawyer; Principal of Graham Scott Law Corporation, Vancouver, BC	Nominee	Nil
FERNANDO ALANIS ORTEGA Huixquilucam State of Mexico, Mexico Director	Independent Consultant	10/31/2024	Nil

(1) Member of the Audit Committee

(2) Member of the Compensation Committee

(3) 552,585 Common Shares held by Arriva Management Inc., a private company controlled by John-Mark Staude.

The terms of office of those nominees who are presently directors will expire as of the date of the Meeting. All of the directors who are elected at the Meeting will have their term of office expire at the next Annual General Meeting of the Company, unless terminated earlier.

Shareholders can vote for all of the proposed nominees, vote for some of the proposed nominees and withhold for others, or withhold votes for all of the proposed nominees. **Unless otherwise instructed, the named proxyholders will vote FOR the election of each of the proposed nominees set forth above as directors of the Company.**

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

- (a) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or;
- (b) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity of director, chief executive officer or chief financial officer.

For the purposes of the preceding paragraph, “order” means a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, and which, in each case, was in effect for a period of more than 30 consecutive days.

Except as outlined below, No proposed director of the Company is, at the date of this Information Circular, or has been within the 10 years before the date of this Information Circular, a director or executive officer of any company that, while that person was acting in that capacity, or within one 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. Bonillas was the CEO of Magna Gold Corp, a company listed on the TSX-V when it received a Cease Trade Order for not meeting its continuous disclosure obligations under NI 51-102 in May 2023 and is still in effect.

No proposed director of the Company or personal holding company of a proposed director has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

No proposed director of the Company or personal holding company of a proposed director has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

During the ten years preceding the date of this Information Circular, no proposed director has 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 that person.

The above information was provided by management of the Company.

Appointment of Auditor

The shareholders will be asked to appoint Davidson & Company LLP, Chartered Professional Accountants, of Suite 1200 – 609 Granville Street, Vancouver, British Columbia, V7Y 1G6, to serve as the auditor of the Company until the close of the next Annual General Meeting of the shareholders, and to authorize the directors to fix the auditor's remuneration.

Approval of Stock Option Plan

At the Annual and Special Meeting of Shareholders of the Company held on June 23, 2023, the Shareholders approved a new stock option plan (the “**Stock Option Plan**”), which was approved by the Exchange on August 21, 2023 and which reserves a rolling maximum of 10% of the number of Common Shares issued and outstanding on the applicable date of grant. As the Stock Option Plan is a rolling plan, under Exchange policy, the Stock Option Plan must be presented to Shareholders for approval by ordinary resolution at every annual general meeting of the Company to authorize continuation of the Stock Option Plan. As at the date of this Information Circular, the Company had 98,342,884 Common Shares issued and outstanding so that a maximum of 9,834,288 Common Shares would be available for issuance pursuant to stock options (each, an “**Option**”) granted under the Stock Option Plan. As at the date of this Information Circular, there were 6,455,000 Options outstanding under the Stock Option Plan, leaving 3,379,288 Common shares available for the granting of further Options.

Summary of the Stock Option Plan

Eligibility

The Stock Option Plan allows the Company to grant Options to attract, retain and motivate qualified directors, officers, employees and consultants of the Company and its subsidiaries (collectively, the “**Option Plan Participants**”).

Number of Shares Issuable

The aggregate number of Common Shares that may be issued to Option Plan Participants under the Stock Option Plan will be that number of Shares equal to 10% of the issued and outstanding Shares on the particular date of grant of the Option, inclusive of the Outstanding Options.

Limits on Participation

The Stock Option Plan provides for the following limits on grants, for so long as the Company is subject to the requirements of the Exchange, unless disinterested Shareholder approval is obtained or unless permitted otherwise pursuant to the policies of the Exchange:

- (i) the maximum number of Shares that may be issued to any one Stock Option Plan Participant (and where permitted pursuant to the policies of the Exchange, any company that is wholly-owned by the Stock Option Plan Participant) under the Stock Option Plan, together with any other security based compensation arrangements, within a 12-month period, may not exceed 5% of the issued Shares calculated on the date of grant;
- (ii) the maximum number of Shares that may be issued to insiders collectively under the Stock Option Plan, together with any other security based compensation arrangements, within a 12-month period, may not exceed 10% of the issued Shares calculated on the date of grant; and
- (iii) the maximum number of Shares that may be issued to insiders collectively under the Stock Option Plan, together with any other security based compensation arrangements, may not exceed 10% of the issued Shares at any time.

For so long as such limitation is required by the Exchange, the maximum number of Options which may be granted within any 12-month period to Option Plan Participants who perform investor relations activities must not exceed 2% of the issued and outstanding Shares, and such Options must vest in stages over 12 months with no more than 25% vesting in any three month period. In addition, the maximum number of Shares that may be granted to any one consultant under the Stock Option Plan, together with any other security based compensation arrangements, within a 12-month period, may not exceed 2% of the issued Shares calculated on the date of grant.

Administration

The plan administrator of the Stock Option Plan (the “**Option Plan Administrator**”) will be the Board or a committee of the Board, if delegated. The Option Plan Administrator will, among other things, determine which directors, officers, employees or consultants are eligible to receive Options under the Stock Option Plan; determine conditions under which Options may be granted, vested or exercised, including the expiry date, exercise price and vesting schedule of the Options; establish the form of option certificate (“**Option Certificate**”); interpret the Stock Option Plan; and make all other determinations and take all other actions necessary or advisable for the implementation and administration of the Stock Option Plan.

Subject to any required regulatory or shareholder approvals, the Option Plan Administrator may also, from time to time, without notice to or without approval of the Shareholders or the Option Plan Participants, amend, modify, change, suspend or terminate the Options granted pursuant thereto as it, in its discretion, determines appropriate, provided that no such amendment, modification, change, suspension or termination of the Stock Option Plan or any Option granted pursuant thereto may materially impair any rights of an Option Plan Participant or materially increase any obligations of an Option Plan Participant under the Stock Option Plan without the consent of such Option Plan Participant, unless the Option Plan Administrator determines such adjustment is required or desirable in order to comply with any applicable securities laws or stock exchange requirements or as otherwise permitted pursuant to the Stock Option Plan.

All of the Options are subject to the conditions, limitations, restrictions, vesting, exercise and forfeiture provisions determined by the Option Plan Administrator, in its sole discretion, subject to such limitations provided in the Stock Option Plan, and will be evidenced by an Option Certificate. In addition, subject to the limitations provided in the Stock Option Plan and in accordance with applicable law, the Option Plan Administrator may accelerate the vesting of Options, cancel or modify outstanding Options and waive any condition imposed with respect to Options or Shares issued pursuant to Options.

Exercise of Options

Options shall be exercisable as determined by the Option Plan Administrator at the time of grant, provided that no Option shall have a term exceeding 10 years so long as the Shares are listed on the Exchange.

Subject to all applicable regulatory rules, the vesting schedule for an Option, if any, shall be determined by the Option Plan Administrator. The Option Plan Administrator may elect, at any time, to accelerate the vesting schedule of an Option, and such acceleration will not be considered an amendment to such Option and will not require the consent of the Option Plan Participant in question. However, no acceleration to the vesting schedule of an Option granted to an Option Plan Participant performing investor relations services may be made without prior acceptance of the Exchange.

The exercise price of an Option shall be determined by the Option Plan Administrator and cannot be lower than the greater of: (i) the minimum price required by the Exchange; and (ii) the market value of the Shares on the applicable grant date.

An Option Plan Participant may exercise the Options in whole or in part through any one of the following forms of consideration, subject to applicable laws, prior to the expiry date of such Options, as determined by the Option Plan Administrator:

- the Option Plan Participant may send a wire transfer, certified cheque or bank draft payable to the Company in an amount equal to the aggregate exercise price of the Shares being purchased pursuant to the exercise of the Options;
- subject to approval from the Option Plan Administrator and the Shares being traded on the Exchange, a brokerage firm may be engaged to loan money to the Option Plan Participant in order for the Option Plan Participant to exercise the Options to acquire the Shares, subsequent to which the brokerage firm shall sell a sufficient number of Shares to cover the exercise price of such Options to satisfy the loan. The brokerage firm shall receive an equivalent number of Shares from the exercise of the Options, and the Option Plan Participant shall receive the balance of the Shares or cash proceeds from the balance of such Shares; and
- subject to approval from the Option Plan Administrator and the Shares being traded on the Exchange, consideration may be paid by reducing the number of Shares otherwise issuable under the Options, in lieu of a cash payment to the Company, an Option Plan Participant, excluding those providing investor relations services, only receives the number of Shares that is equal to the quotient obtained by dividing: (i) the product of the number of Options being exercised multiplied by the difference between the volume-weighted average trading price of the Shares and the exercise price of the Options, by (ii) the volume-weighted average trading price of the Shares. The number of Shares delivered to the Option Plan Participant may be further reduced to satisfy applicable tax withholding obligations. The number of Options exercised, surrendered or converted, and not the number of Shares issued by the Issuer, must be included in calculating the number of Shares issuable under the Stock Option Plan and the limits on participation.

If an exercise date for an Option occurs during a trading black-out period imposed by the Company to restrict trades in its securities, then, notwithstanding any other provision of the Stock Option Plan, the Option shall be exercised no more than ten business days after the trading black-out period is lifted by the Company, subject to certain exceptions.

Termination of Employment or Services and Change in Control

The following describes the impact of certain events that may, unless otherwise determined by the Option Plan Administrator or as set forth in an Option Certificate, lead to the early expiry of Options granted under the Stock Option Plan.

Termination by the Company for cause:

Forfeiture of all unvested Options. The Option Plan Administrator may determine that all vested Options shall be forfeited, failing which all vested Options shall be exercised in accordance with the Stock Option Plan.

Voluntary resignation of an Option Plan Participant:	Forfeiture of all unvested Options. Exercise of vested Options in accordance with the Stock Option Plan.
Termination by the Company other than for cause:	Acceleration of vesting of a portion of unvested Options in accordance with a prescribed formula as set out in the Stock Option Plan. ¹ Forfeiture of the remaining unvested Options. Exercise of vested Options in accordance with the Stock Option Plan.
Death or disability of an Option Plan Participant:	Acceleration of vesting of all unvested Options. ¹ Exercise of vested Options in accordance with the Stock Option Plan.
Termination or voluntary resignation for good reason within 12 months of a change in control:	Acceleration of vesting of all unvested Options. ¹ Exercise of vested Options in accordance with the Stock Option Plan.

Notes: (1) Any acceleration of vesting of unvested Options granted to an investor relations service provider is subject to the prior written approval of the Exchange.

Any Options granted to an Option Plan Participant under the Stock Option Plan shall terminate at a date no later than 12 months from the date such Option Plan Participant ceases to be an Option Plan Participant.

In the event of a triggering event, which includes a change in control, dissolution or winding-up of the Company, a material alteration of the capital structure of the Company and a disposition of substantially all of the Company's assets, the Option Plan Administrator may, without the consent of the Option Plan Participant, cause all or a portion of the Options granted to terminate upon the occurrence of such event.

Amendment or Termination of the Stock Option Plan

Subject to any necessary regulatory approvals, the Stock Option Plan may be suspended or terminated at any time by the Option Plan Administrator, provided that no such suspension or termination shall alter or impact any rights or obligations under an Option previously granted without the consent of the Option Plan Participant.

The following limitations apply to the Stock Option Plan and all Options thereunder as long as such limitations are required by the Exchange:

- any adjustment to Options, other than in connection with a security consolidation or security split, is subject to prior Exchange acceptance and the issuance of a news release by the Corporation outlining the terms thereof;
- any amendment to the Stock Option Plan is subject to prior Exchange acceptance, except for amendments to reduce the number of Shares issuable under the Stock Option Plan, to increase the exercise price of Options or to cancel Options;
- any amendments made to the Stock Option Plan shall require regulatory and Shareholder approval and the issuance of a news release by the Corporation outlining the terms thereof, except for amendments to: (i) fix typographical errors; and (ii) clarify existing provisions of the Stock Option Plan and which do not have the effect of altering the scope, nature and intent of such provisions; and
- the exercise price of an Option previously granted to an insider must not be reduced, or the extension of the expiry date of an Option held by an insider may not be extended, unless the Company has obtained disinterested shareholder approval to do so in accordance with Exchange policies.

Subject to the foregoing limitations and any necessary regulatory approvals, the Option Plan Administrator may amend any existing Options or the Stock Option Plan or the terms and conditions of any Option granted thereafter, although the Option Plan Administrator must obtain written consent of the Option Plan Participant (unless otherwise excepted out by a provision of the Stock Option Plan) where such amendment would materially decrease the rights or benefits accruing to an Option Plan Participant or materially increase the obligations of an Option Plan Participant.

Stock Option Plan Resolution

At the Meeting, the Shareholders of the Company will be asked to consider and approve an ordinary resolution, in substantially the following form, in order to approve the Stock Option Plan, which resolution requires approval of greater than 50% of the votes cast by the Shareholders who, being entitled to do so, vote, in person or by proxy, on the ordinary resolution at the Meeting:

“BE IT RESOLVED, AS AN ORDINARY RESOLUTION, THAT:

- (a) subject to final acceptance of the TSX Venture Exchange (the “**TSXV**”), the Company’s stock option plan (the “**Stock Option Plan**”), Capitan Silver Corp. (the “**Company**”) is hereby approved;
- (b) the directors of the Company or any committee of the board of directors of the Company are hereby authorized to grant stock options (each, an “**Option**”) pursuant to the Stock Option Plan to those eligible to receive Options thereunder;
- (c) any one director or officer of the Company is hereby authorized to execute and deliver on behalf of the Company all such documents and instruments and to do all such other acts and things as in such director’s opinion may be necessary to give effect to the matters contemplated by these resolutions; and
- (d) notwithstanding that this resolution be passed by the shareholders of the Company, the adoption of the proposed Stock Option Plan is conditional upon receipt of final approval of the TSXV, and the directors of the Company are hereby authorized and empowered to revoke this resolution, without any further approval of the shareholders of the Company, at any time if such revocation is considered necessary or desirable to the directors.”

Recommendation of the Board

The Board has determined that the Stock Option Plan is in the best interests of the Company and the Shareholders and unanimously recommends that the Shareholders vote in favour of approving the Stock Option Plan. **In the absence of any contrary directions, it is the intention of management to vote proxies in the accompanying form FOR the foregoing resolution.**

The Board reserves the right to amend any terms of the Stock Option Plan or not to proceed with the Stock Option Plan at any time prior to the Meeting if the Board determines that it would be in the best interests of the Company and the Shareholders and to do so in light of any subsequent event or development occurring after the date of the Information Circular.

ADDITIONAL INFORMATION

Additional Information concerning the Company is available on SEDAR+ at www.sedarplus.ca. Financial Information concerning the Company is provided in the Company’s comparative financial statements and Management’s Discussion and Analysis for the financial year ended September 30, 2024.

Shareholders wishing to obtain a copy of the Company’s financial statements and Management’s Discussion and Analysis may contact the Company as follows:

Robert J. Scott, Chief Financial Officer
550-800 W. Pender Street, Vancouver, British
Columbia, Canada, V6E 4M3 Telephone:
(778) 327-6671
Fax: (778) 327-6675

REQUEST FOR FINANCIAL STATEMENTS

National Instrument 51-102 - *Continuous Disclosure Obligations* sets out the procedures for a shareholder to receive financial statements. If you wish to receive financial statements, you may use the enclosed form or provide instructions in any other written format. Registered shareholders must also provide written instructions in order to receive the financial statements.

BOARD APPROVAL

The contents of this Information Circular have been approved and its mailing has been authorized by the directors of the Company.

DATED at Vancouver, British Columbia, the 20th day of May 2025.

ON BEHALF OF THE BOARD

“Alberto Orozco”

Alberto Orozco

President, Chief Executive Officer & Director

CAPITAN SILVER CORP.
(the "Company")

AUDIT COMMITTEE CHARTER

1. Mandate

The audit committee will assist the board of directors (the "Board") in fulfilling its financial oversight responsibilities. The audit committee will review and consider in consultation with the auditors the financial reporting process, the system of internal control and the audit process. In performing its duties, the committee will maintain effective working relationships with the Board, management, and the external auditors. To effectively perform his or her role, each committee member must obtain an understanding of the principal responsibilities of committee membership as well and the company's business, operations and risks.

2. Composition

The Board will appoint from among their membership an audit committee after each annual general meeting of the shareholders of the Company. The audit committee will consist of a minimum of three directors.

2.1 Independence

A majority of the members of the audit committee must not be officers, employees or control persons of the Company. If the Company ceases to be a "venture issuer" as that term is defined in Multilateral Instrument 52-110 entitled "Audit Committees" ("MI 52-110"), then all of the members of the audit committee shall be free from any material relationship with the Company within the meaning of MI 52-110.

2.2 Financial Literacy of Committee Members

Each member of the audit committee must be financially literate or must become financially literate within a reasonable period of time after his or her appointment to the committee. A person is generally considered "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. Meetings

The audit committee shall meet at least annually with the Company's Chief Financial Officer and external auditors in separate executive sessions.

4. Roles and Responsibilities

The audit committee shall fulfill the following roles and discharge the following responsibilities:

4.1 External Audit

The audit committee shall be directly responsible for overseeing the work of the external auditors in preparing or issuing the auditor's report, including the resolution of disagreements between management and the external auditors regarding financial reporting and audit scope or procedures. In carrying out this duty, the audit committee shall:

- (a) recommend to the Board the external auditor to be nominated by the shareholders for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company;
- (b) review (by discussion and enquiry) the external auditors' proposed audit scope and approach;
- (c) review the performance of the external auditors and recommend to the Board the appointment or discharge of the external auditors;
- (d) review and recommend to the Board the compensation to be paid to the external auditors; and
- (e) review and confirm the independence of the external auditors by reviewing the non-audit services provided and the external auditors' assertion of their independence in accordance with professional standards.

4.2 Internal Control

The audit committee shall consider whether adequate controls are in place over annual and interim financial reporting as well as controls over assets, transactions and the creation of obligations, commitments and liabilities of the Company. In carrying out this duty, the audit committee shall:

- (a) evaluate the adequacy and effectiveness of management's system of internal controls over the accounting and financial reporting system within the Company; and
- (b) ensure that the external auditors discuss with the audit committee any event or matter which suggests the possibility of fraud, illegal acts or deficiencies in internal controls.

4.3 Financial Reporting

The audit committee shall review the financial statements and financial information prior to its release to the public. In carrying out this duty, the audit committee shall:

General

- (a) review significant accounting and financial reporting issues, especially complex, unusual and related party transactions; and
- (b) review and ensure that the accounting principles selected by management in preparing financial statements are appropriate.

Annual Financial Statements

- (a) review the draft annual financial statements and provide a recommendation to the Board with respect to the approval of the financial statements;
- (b) meet with management and the external auditors to review the financial statements and the results of the audit, including any difficulties encountered; and
- (c) review management's discussion & analysis respecting the annual reporting period prior to its release to the public.

Interim Financial Statements

- (a) review and approve the interim financial statements prior to their release to the public; and
- (b) review management's discussion & analysis respecting the interim reporting period prior to its release to the public.

Release of Financial Information

- (a) where reasonably possible, review and approve all public disclosure, including news releases, containing financial information, prior to its release to the public.

4.4 *Non-Audit Services*

All non-audit services (being services other than services rendered for the audit and review of the financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements) which are proposed to be provided by the external auditors to the Company or any subsidiary of the Company shall be subject to the prior approval of the audit committee.

Delegation of Authority

- (a) The audit committee may delegate to one or more independent members of the audit committee the authority to approve non-audit services, provided any non-audit services approved in this manner must be presented to the audit committee at its next scheduled meeting.

De-Minimis Non-Audit Services

- (a) The audit committee may satisfy the requirement for the pre-approval of non-audit services if:
 - (i) the aggregate amount of all non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Company and its subsidiaries to the external auditor during the fiscal year in which the services are provided; or
 - (ii) the services are brought to the attention of the audit committee and approved, prior to the completion of the audit, by the audit committee or by one or more of its members to whom authority to grant such approvals has been delegated.

Pre-Approval Policies and Procedures

- (a) The audit committee may also satisfy the requirement for the pre-approval of non-audit services by adopting specific policies and procedures for the engagement of non-audit services, if:
 - (i) the pre-approval policies and procedures are detailed as to the particular service;
 - (ii) the audit committee is informed of each non-audit service; and
 - (iii) the procedures do not include delegation of the audit committee's responsibilities to management.

4.5 Other Responsibilities

The audit committee shall:

- (a) establish procedures for the receipt, retention and treatment of complaints received by the company regarding accounting, internal accounting controls, or auditing matters;
- (b) establish procedures for the confidential, anonymous submission by employees of the company of concerns regarding questionable accounting or auditing matters;
- (c) ensure that significant findings and recommendations made by management and external auditor are received and discussed on a timely basis;
- (d) review the policies and procedures in effect for considering officers' expenses and perquisites;
- (e) perform other oversight functions as requested by the Board; and
- (f) review and update this Charter and receive approval of changes to this Charter from the Board.

4.6 Reporting Responsibilities

The audit committee shall regularly update the Board about committee activities and make appropriate recommendations.

5. Resources and Authority of the Audit Committee

The audit committee shall have the resources and the authority appropriate to discharge its responsibilities, including the authority to

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for any advisors employed by the audit committee; and
- (c) communicate directly with the internal and external auditors.

