



NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

AUGUST 31, 2026

NOTICE IS HEREBY GIVEN that an annual general and special meeting (the “**Meeting**”) of the holders of the common shares (the “**Shareholders**”) of Safi Silver Corp. (“**Safi**” or the “**Corporation**”) will be held at the offices of the Corporation’s legal counsel, Miller Thomson LLP, 40 King Street West, Suite 6600, Toronto, Ontario, M5H 3S1, on Thursday, October 15, 2026 at 10:00 a.m. (Toronto time).

The purpose of the Meeting is as follows:

1. **Financial Statements.** Receive and consider the audited consolidated financial statements as at and for the fiscal year ended March 31, 2026, together with the report of the auditors thereon;
2. **Fix the number of directors** of the Corporation at five (5) or such other number determined by the board of directors of the Corporation in accordance with the *Canada Business Corporations Act*;
3. **Elect Directors.** Consider and elect the directors for the ensuing year;
4. **Auditor Appointment.** Consider and, if acceptable, appoint McGovern Hurley LLP, Chartered Accountants, as auditor of the Corporation;
5. **Stock Option Plan.** Consider and, if acceptable, re-approve the Corporation’s stock option plan; and
6. **Other Business.** Consider other business as may properly come before the Meeting or any postponement(s) or adjournment(s) thereof.

This notice is accompanied by a form of proxy, a management information circular (the “**Circular**”) and the audited consolidated financial statements of the Corporation as at and for the fiscal year ended March 31, 2026 and related management’s discussion and analysis of the financial condition.

Shareholders are requested to complete, date, sign and return the enclosed form of proxy so that as large a representation as possible may be had at the Meeting. Please review the enclosed Circular and date, sign and return the enclosed form of proxy to the Corporation’s transfer agent by Tuesday, October 13, 2026 at 10:00 a.m. (Toronto time). Alternatively, shareholders may cast their vote online at vote.odysseytrust.com. Proxy inquiries can be sent via email to shareholders@odysseytrust.com.

The directors of the Corporation have fixed the close of business on August 31, 2026, as the record date, being the date for the determination of the registered holders entitled to notice and to vote at the Meeting and any postponement(s) or adjournments(s) thereof.

BY ORDER OF THE BOARD OF DIRECTORS

"Jed Richardson"

President, Chief Executive Officer & Executive Chairman

MANAGEMENT INFORMATION CIRCULAR

ABOUT THE SHAREHOLDER MEETING

AUGUST 31, 2026

Solicitation of Proxies

You have received this management information circular (the “**Circular**”) because you owned common shares (the “**Common Shares**” or “**Safi Shares**”) of Safi Silver Corp. (“**Safi**” or the “**Corporation**”) as of August 31, 2026. You are, therefore, entitled to vote at the annual general and special meeting (the “**Meeting**”) of common shareholders (the “**Safi Shareholders**” or “**Shareholders**”) to be held at the offices of Miller Thomson LLP, 40 King Street West, Suite 6600, Toronto, Ontario, M5H 3S1 on Thursday, October 15, 2026 at 10:00 a.m. (Toronto time) for the purposes set forth in the accompanying Notice of Meeting and at any postponement(s) or adjournment(s) thereof.

The Board of Directors (the “**Board**”) of the Corporation has set the record date for the Meeting as August 31, 2026 (the “**Record Date**”).

Management is soliciting your proxy for the Meeting. The Board has fixed 10:00 a.m. (Toronto time) on October 13, 2026 or 48 hours (excluding Saturdays, Sundays or holidays) before any postponement(s) or adjournment(s) of the Meeting, as the time by which proxies to be acted upon at the Meeting shall be deposited with the Corporation’s transfer agent. The costs of solicitation of proxies by management will be borne by the Corporation. It is expected that the solicitation will be primarily by mail. Proxies may also be solicited personally by directors, officers or employees of Safi. In addition to the use of mail, proxies may be solicited by personal interviews, personal delivery, telephone or any form of electronic communication or by directors, officers and employees of Safi at nominal cost.

Appointment and Revocation of Proxies

The individuals named in the accompanying form of proxy are directors and officers of the Corporation. **A Safi Shareholder wishing to appoint some other person (who need not be a Safi Shareholder) to represent him, her or it at the Meeting has the right to do so by inserting the desired person’s name in the blank space provided in the form of proxy or by completing another form of proxy.** A Safi Shareholder wishing to be represented by proxy at the Meeting or any adjournment thereof, must, in all cases, deposit the completed proxy with the Corporation’s registrar and transfer agent, Odyssey Trust Company, by email at appointee@odysseytrust.com or at the following address: 1100 - 67 Yonge Street, Toronto, Ontario, M5E 1J8, Attention: Proxy Department, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting or any adjournment thereof, or deliver it to the Chairman of the Meeting prior to the commencement of the Meeting.

A Safi Shareholder who has given a proxy may revoke it by an instrument in writing executed by the Safi Shareholder or by his, her or its attorney authorized in writing or, where the Safi Shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered to the Corporation’s registrar and transfer agent, Odyssey Trust Company, by fax via 1-800-517-4553 or at the following address: 1100 - 67 Yonge Street, Toronto, Ontario, M5E 1J8, Attention: Proxy Department, at any time up to and including the last business day preceding the day of the Meeting, or if adjourned, any reconvening thereof, or to the Chairman of the Meeting on the day of the Meeting or, if adjourned, any reconvening thereof or in any other manner provided by law. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

Exercise of Discretion by Proxies

The shares represented by proxies in favour of management nominees will be voted or withheld from voting in accordance with the instructions of the Safi Shareholder on any ballot that may be called for and, if a Safi Shareholder specifies a choice with respect to any matter to be acted upon at the Meeting, the shares represented by the proxy shall be voted accordingly. Where no choice is specified, the proxy will confer discretionary authority and will be voted:

- for the fixing of the number of directors of Safi at five (5);
- for the nominated directors;
- for the appointment of the auditors;
- for the re-approval of the Stock Option Plan (as defined below);

The enclosed form of proxy also confers discretionary authority upon the persons named therein to vote with respect to any amendments or variations to the matters identified in the Notice of Meeting accompanying this Circular and with respect to other matters which may properly come before the Meeting in such manner as such nominee in his, her or its judgment may determine. At the time of printing this Circular, the management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting.

Non-Registered Safi Shareholders

Only registered holders of Common Shares (the “**Registered Holders**”) or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Common Shares beneficially owned by a person (a “**Non-Registered Holder**”) are registered either: (i) in the name of an intermediary (an “**Intermediary**”) with whom the Non-Registered Holder deals in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans) or (ii) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), the Corporation will have distributed copies of this Circular and the accompanying Notice of Meeting and form of proxy (collectively, the “**Meeting Materials**”) to the clearing agencies and Intermediaries for onward distribution to certain Non-Registered Holders.

Intermediaries are required to forward the Meeting Materials, to such Non-Registered Holders and the Non-Registered Holders will be given, in substitution for the proxy otherwise provided with the Meeting Materials, a request for voting instructions (the “**voting instructions form**”) which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary, will constitute voting instructions which the Intermediary must follow. The purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own.

Should a Non-Registered Holder who receives the voting instructions form or other proxy wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should so indicate in the place provided for that purpose on such document. Where applicable, a form of legal proxy will be sent to the Non-Registered Holder. In any event, Non-Registered Holders should carefully follow the instructions set out in the voting instructions form or other proxy.

The Meeting Materials are being sent to both registered owners of Common Shares and Non-Registered Holders. If you are a Non-Registered Holder, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of Common Shares have been

obtained in accordance with applicable securities regulatory requirements from the Intermediary holding Common Shares on your behalf.

The Corporation may pay the normal costs incurred by Intermediaries in sending or delivering copies of the Meeting Materials, as well as Form 54-101F7, to Non-Registered Holders (including “**objecting beneficial owners**”). The Corporation will provide, without cost to such persons, upon request to the Secretary of the Corporation, additional copies of the foregoing documents required for this purpose.

Voting Securities and Principal Holders

The authorized capital of the Corporation consists of an unlimited number of Common Shares. As of the Record Date, the Corporation has 55,889,081 Common Shares issued and outstanding.

To the knowledge of the directors and officers of the Corporation, as at the Record Date, no person beneficially owns, directly or indirectly, or exercises control or direction over securities carrying more than 10% of the voting rights attached to the Common Shares, other than 2176423 Ontario Ltd. who owns 6,509,666 Safi Shares, totalling 11.65% of the outstanding Safi Shares as at the Record Date. Eric Sprott is a principal securityholder of 2176423 Ontario Ltd.

NOTICE-AND-ACCESS

The Corporation has elected to deliver the materials in respect of the Meeting pursuant to the notice-and-access provisions (the “**Notice-and-Access Provisions**”) concerning the delivery of proxy-related materials to Shareholders, found in section 9.1.1 of National Instrument 51-102 – *Continuous Disclosure Obligations* (“**NI 51-102**”), in the case of registered Shareholders, and section 2.7.1 of NI 54-101, in the case of beneficial Shareholders. The Notice-and-Access Provisions are a set of rules that reduce the volume of proxy-related materials that must be physically mailed to shareholders by allowing issuers to deliver meeting materials to shareholders electronically by providing shareholders with access to these materials online.

The use of the Notice-and-Access Provisions reduces paper waste and mailing costs to the Corporation. In order for the Corporation to utilize the Notice-and-Access Provisions to deliver proxy-related materials by posting this Circular (and if applicable, other materials) electronically on a website that is not the System for Electronic Document Analysis and Retrieval (“**SEDAR+**”), the Corporation must send the Notice to Shareholders, including beneficial Shareholders, indicating that the proxy-related materials have been posted and explaining how a Shareholder can access them or obtain a paper copy of those materials from the Corporation.

In accordance with the Notice-and-Access Provisions, the Notice and a Form of Proxy or voting instruction form (the “**VIF**”), as applicable, have been sent to all Shareholders informing them that this Circular is available online and explaining how this Circular may be accessed, in addition to outlining relevant dates and matters to be discussed at the Meeting. This Circular has been posted in full under the Corporation's SEDAR+ profile as well as its website at www.safisilver.com.

The Corporation will cause its transfer agent to deliver copies of the proxy-related materials to the Non-Objecting Beneficial Owners at their own cost. The Corporation does not intend to pay for the Intermediaries to deliver to Objecting Beneficial Owners the proxy-related materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary* of NI 54-101.

PARTICULARS OF MATTERS TO BE ACTED UPON

Other than in respect of the election of directors, re-approval of the Stock Option Plan, no informed person (as such term is defined under applicable securities laws) of the Corporation or Nominee (as defined herein) (and each of their associates or affiliates) has had any direct or indirect material interest in any transaction involving the Corporation since commencement of the Corporation's last completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or its subsidiaries other than as disclosed herein.

Financial Statements

The audited consolidated financial statements for the financial year ended March 31, 2026 and the related management's discussion and analysis of financial condition and results of operations (the "MD&A"), together with the auditor's report will be presented to Safi Shareholders for review at the Meeting and are available to Safi Shareholders on Safi's profile on SEDAR+ at www.sedarplus.ca. No vote by the Safi Shareholders is required with respect to this matter.

Number of Directors

The Board currently consists of five directors. The Board proposes to fix the number of directors to be elected at the Meeting at five (5), or such number as the directors may determine in accordance with the *Canada Business Corporations Act*. A special resolution of the shareholders is required to approve such resolution

Election of Directors

The Corporation has nominated five persons (the "Nominees") for election as directors of the Corporation, who will hold office until the next annual meeting of Safi Shareholders or until his or her successor is elected or appointed. Safi Shareholders will be asked to elect these Nominees as directors of the Corporation. **The persons in the enclosed form of proxy intend to vote for the election of the Nominees. Management does not contemplate that any of the Nominees will be unable to serve as a director.**

Director Profiles

Each of the five nominated directors is profiled below, including his or her background and experience, share ownership in the capital of Safi, and other public company directorships.

JED RICHARDSON
ONTARIO, CANADA

DIRECTOR SINCE SEPTEMBER 2018

Mr. Richardson is the President, Chief Executive Officer and Executive Chairman of Safi. Mr. Richardson is an experienced mining and finance executive, particularly with his career in capital markets and his background in the exploration and resource development as CEO of Great Quest Fertilizer, active in West Africa, and formerly as an executive at Amazon Mining developing resource assets in Brazil. Mr. Richardson spent a large portion of his career in capital markets working as a research analyst at Sprott Securities and RBC Capital Markets. He also worked as a Mining Engineer for Alcan Aluminum after graduating from the University of Toronto. Mr. Richardson holds a B.A.Sc in Mineral and Geological Engineering.

Shareholdings:	1,134,396
Other Public Company Boards:	Ongwe Minerals Inc.

LARISA SPROTT
ONTARIO, CANADA

DIRECTOR SINCE SEPTEMBER 2018

Ms. Sprott has spent much of her life around the investment business and the investment side of the natural resource sector. She currently serves as the President of Sprott Money, an online retailer of gold, silver and platinum bullion to investors and collectors. Prior, she worked as an investment advisor with Sprott Asset Management, and her work history includes experience in Public Relations with Toronto based firm DKPR. Amongst a list of charitable work, she is on the Board of Directors for the Sprott Foundation. Ms. Sprott holds a Master's of Science in Education.

Shareholdings:	140,800
Other Public Company Boards:	Nil

DAYE KABA
ONTARIO, CANADA

DIRECTOR SINCE NOVEMBER 2019

Mr. Kaba is a partner at Tilan Law Group, and a former partner in the Global Metals & Mining group at McCarthy Tétrault in Toronto with over twenty years of experience in the mining sector in Africa. His practice focuses on mergers and acquisitions, securities and commercial law matters. Mr. Kaba also previously worked at Fasken Martineau DuMoulin LLP in Toronto and Coudert Brothers LLP in Paris. He received his JD from the University of Michigan and is called to the New York bar and the Ontario bar. Mr. Kaba is a member of various associations including the Canadian Bar Association, the American Bar Association, the World Association of Mining Lawyers (WAOML) and the Prospector and Developers Association of Canada (PDAC). He is fluent in English, French and Portuguese.

Shareholdings:	Nil
Other Public Company Boards:	Nil

GABRIEL OLLIVIER
ALBERTA, CANADA

DIRECTOR SINCE NOVEMBER 2021

Mr. Ollivier is currently the Acting President and CEO of United Hydrocarbon International Corp. since January 2018, and is also the President and CEO of Equus Energy Advisors Inc. since 2011, a consulting firm specializing in the full spectrum of corporate turnarounds. In addition, he is now Past Chairman of Children Believe, an international NGO based in Canada. Over time, Mr. Ollivier has been the President and CEO of 3 energy companies, and has sat on numerous for-profit and not not-for-profit boards and committees. He graduated from The University of Calgary with a Bachelor of Commerce degree as well as a Master of Economics degree, and he is also a Chartered Professional Accountant (CPA) and Chartered Financial Analyst (CFA).

Shareholdings:	10,000
Other Public Company Boards:	Nil

GRANT SBOROS
GREECE

DIRECTOR SINCE NOVEMBER 2023

Mr. Sboros is currently the Chief Executive Officer of Euro Sun Mining Inc, a copper gold mine listed on the Toronto Stock Exchange. He previously worked as the Chief Financial Officer of Katanga Mining Limited from 2017 to 2019. From 2013 to 2017, he was DCFO of Mopani Copper Mines PLC. From 2007 until 2013, Grant was Head of Auditing as a Deloitte partner in Mozambique. He is a Chartered Accountant and holds a Honors degree in Accounting Science from the University of South Africa. Mr. Sboros has extensive mining experience in Africa in both operations and finance.

Shareholdings:	160,000
Other Public Company Boards:	Euro Sun Mining Inc.

Other Information about the Director Nominees

No director of the Corporation is, as of the date hereof, or has been, within the 10 years before the date of this Circular, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or 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 company.

No director has, as of the date hereof, within the 10 years before the date of this 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 director or executive officer.

No proposed director of the Corporation has, as of the date hereof, been subject to (i) any penalties or sanctions imposed by a court relating to Securities Legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

No director of the Corporation is, as of the date hereof, or within 10 years prior to the date hereof has been, a director, chief executive officer or chief financial officer of any company (including the Corporation) that, (i) was subject to an order that was issued while the director was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to an order that was issued after the director ceased to be a director, chief executive officer or chief financial officer, and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Appointment of Auditors

Unless authority to do so is withheld, the persons named in the accompanying proxy intend to vote for the appointment of McGovern Hurley LLP as auditors of the Corporation until the close of the next annual meeting of Safi Shareholders and to authorize the directors to fix their remuneration. McGovern Hurley LLP have been the auditors of the Corporation since January 10, 2014.

The following table sets out the audit and audit-related fees billed by the Corporation's auditors for the years ended March 31, 2025 and March 31, 2026.

Service	2025	2026
Audit Fees	\$137,282	\$92,629
Audit-Related Fees		
Tax Fees	\$52,644	\$24,021
Other Fees		
Total:	\$189,926	\$116,650

For additional information about the Corporation's auditors and the Audit Committee (as defined below), please refer to the section "*Committees of the Board – Audit Committee*".

Approval of Stock Option Plan

The Corporation's stock option plan (the "**Stock Option Plan**") is designed to advance the interests of the Corporation by encouraging employees, officers, directors and consultants to have equity participation in the Corporation through the acquisition of Common Shares. Accordingly, the Corporation adopted the Stock Option Plan, which was approved by Safi Shareholders at its last annual and special meeting of Safi Shareholders on March 5, 2026. A copy of the Stock Option Plan is attached as Schedule "A" hereto. The following is a summary of the terms of the proposed Stock Option Plan, which is qualified in its entirety by the provisions of the Stock Option Plan.

The Stock Option Plan is a "rolling" stock option plan under the policies of the TSX Venture Exchange (the "**TSXV**" or the "**Exchange**") as under the Stock Option Plan the Corporation is authorized to grant stock options of up to 10% of its issued and outstanding Common Shares at the time of the stock option grant, from time to time, with no vesting provisions. As of the Record Date, there is an aggregate of 3,621,000 stock options outstanding under the Stock Option Plan, which represents approximately 6.48% of the outstanding Common Shares.

Directors, officers, employees and certain consultants shall be eligible to receive stock options under the Stock Option Plan. Upon the termination of an optionholder's engagement with the Corporation, the cancellation or early vesting of any stock option shall be at the discretion of the Board. In general, the Corporation expects that stock options will be cancelled 90 days following an optionholder's termination from the Corporation. Stock options granted under the Stock Option Plan shall not be assignable.

The terms and conditions of each option granted under the Stock Option Plan will be determined by the Board. Options will be priced in the context of the market and in compliance with applicable securities laws and Exchange guidelines. Vesting terms will be determined at the discretion of the Board. The Board shall also determine the term of stock options granted under the Stock Option Plan, provided that no stock option shall be outstanding for a period greater than ten years.

The Board believes that except for certain material changes to the Stock Option Plan it is important that the Board has the flexibility to make changes to the Stock Option Plan without Safi Shareholder approval, including appropriate adjustments to outstanding options in the event of certain corporate transactions, the addition of provisions requiring forfeiture of options in certain circumstances, specifying practices with respect to applicable tax withholdings and changes to enhance clarity or correct ambiguous provisions.

The Stock Option Plan does not provide for the transformation of stock options granted under the Stock Option Plan into stock appreciation rights involving the issuance of securities from the treasury of the Corporation.

The Corporation will not provide financial assistance to any optionholder to facilitate the exercise of options under the Stock Option Plan.

The Corporation is required to obtain the approval of Safi Shareholders to any stock option plan that is a “rolling” plan yearly at the Corporation’s annual meeting of Safi Shareholders. Accordingly, at the Meeting, Safi Shareholders will be asked to approve the following ordinary resolution approving the Stock Option Plan:

“BE IT RESOLVED THAT:

1. the current Stock Option Plan of Safi Silver Corp. (the “Corporation”), as described in the management information circular of the Corporation dated August 31, 2026 is hereby approved; and
2. any director or officer of the Corporation is hereby authorized to execute (whether under the corporate seal of the Corporation or otherwise) and deliver all such documents and to do all such other acts and things as such director or officer may determine to be necessary or advisable to give effect to the true intent of these resolutions.”

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE RE-APPROVAL OF THE STOCK OPTION PLAN UNLESS A SAFI SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT THE COMMON SHARES ARE TO BE VOTED AGAINST SUCH ORDINARY RESOLUTION.

CORPORATE GOVERNANCE

Management of the Corporation and the Board recognize the importance of corporate governance in effectively managing the Corporation, protecting employees and Safi Shareholders, and enhancing value for Safi Shareholders.

The Board fulfills its mandate directly and through its committees at regularly scheduled meetings or as required. The directors are kept informed regarding the Corporation’s operations at regular meetings and through reports and discussions with management on matters within their particular areas of expertise. Frequency of meetings may be increased and the nature of the agenda items may be changed depending upon the state of the Corporation’s affairs and in light of opportunities or risks that the Corporation faces.

The Corporation believes that its corporate governance practices are in compliance with applicable Canadian requirements. The Corporation is committed to monitoring governance developments to ensure its practices remain current and appropriate.

Ethical Business Conduct

The Board is apprised of the activities of the Corporation and ensures that it conducts such activities in an ethical manner. The Board encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations; providing guidance to consultants, officers and directors to help them recognize and deal with ethical issues; promoting a culture of open communication, honesty and accountability; and ensuring awareness of disciplinary actions for violations of ethical business conduct.

Code of Conduct

The Corporation has a Code of Business Conduct and Ethics (the “**Code**”) for its directors, officers and employees. Any non-compliance with the Code is to be reported to the CEO (as defined below). In addition, the Board conducts regular audits to test compliance with the Code.

The Board, by way of the Corporate Governance Committee, takes steps to ensure that directors, officers and employees exercise independent judgment in considering transactions and agreements in respect of which a director, officer or employee of the Corporation has a material interest, which include ensuring that directors, officers and employees are thoroughly familiar with the Code and, in particular, the rules concerning reporting conflicts of interest and obtaining direction from the Corporation's Directors, Chairman and CEO regarding any potential conflicts of interest. The Corporate Governance Committee reviews the quantum of compensation received by each director from the Corporation in capacities other than their capacity as a director.

The Board encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations in all jurisdictions in which the Corporation conducts business; providing guidance to directors, officers and employees to help them recognize and deal with ethical issues; promoting a culture of open communication, honesty and accountability; and ensuring awareness of disciplinary action for violations of ethical business conduct.

A copy of the Code and other corporate governance policies may be found under the profile of the Corporation on SEDAR+ at www.sedarplus.ca or upon request to the Corporation by contacting the Communications Manager of the Corporation by email at kmason@safisilver.com or by telephone at (416) 574-5257.

Whistleblower Policy

The Corporation has a whistleblower policy which allows its directors, officers, consultants and employees who feel that a violation of the Code has occurred, or who have concerns regarding financial statement disclosure issues, accounting, internal accounting controls or auditing matters, to report such violations or concerns on a confidential and anonymous basis. Reporting a violation of the Code is made by informing anonymously to the Whistleblower hotline or URL or (if desired) to a member of the Audit Committee, who then investigates each matter so reported and takes corrective and disciplinary action, if appropriate. Reporting concerns regarding financial statement disclosure or other appropriate issues are to be forwarded in a sealed envelope to the Chairman of the Audit Committee who then investigates each matter reported and takes corrective and disciplinary action, if appropriate.

Diversity and Inclusion

The Corporation's senior management and members of the Board have varying backgrounds and expertise and were selected on the belief that the Corporation and its stakeholders would benefit from such a broad range of talent and cumulative experience. The Board considers merit as the essential requirement for board and executive appointments, and as such, it has not adopted any specific target number or percentage, or a range of target numbers or percentages, respecting the representation of women, Indigenous peoples, persons with disabilities, or members of visible minorities (collectively, "**member of a designated group**") on the Board or in senior management roles.

The Corporation has not adopted a written diversity policy and seeks to attract and maintain diversity at the executive and Board levels' informally through the recruitment efforts of management in discussion with directors prior to proposing nominees to the Board as a whole for consideration. Although the level of representation of members of designated groups is one of the many factors taken into consideration in making Board and executive officer appointments, emphasis is placed on hiring or advancing the most qualified individuals.

As of the date of this Circular, the CEO of the Corporation is a member of a designated group and there are three members of a designated group on the Board.

ABOUT THE BOARD

Independence of the Board

The Board is currently comprised of five members, four members of whom the Board has determined are independent. Mr. Richardson is not considered independent because he is the President, Chief Executive Officer and Chairman of the Corporation.

To facilitate the functioning of the Board independently of management, the following structures and processes are in place:

- a majority of the directors are not management of the Corporation and are considered independent of the Corporation;
- members of management, including without limitation, the CEO of the Corporation, are not present for the discussion and determination of certain matters at meetings of the Board unless required;
- each of the Audit, Compensation and Corporate Governance Committees (as defined below) of the Board are comprised of a majority of independent directors;
- under the by-laws of the Corporation, any two directors may call a meeting of the Board;
- the CEO's compensation is considered by the Board, in his absence, and by the Compensation Committee at least once a year;
- in addition to the standing committees of the Board, independent committees will be appointed from time to time, when appropriate; and
- the Board policy is to hold in-camera meetings with the independent directors at the end of each Board or committee of the Board meeting to the extent required.

The Board Mandate

The Board has adopted a written mandate that sets out duties and responsibilities of the Board to supervise the management of the business and affairs of the Corporation, and to act with a view towards the best interests of the Corporation. In discharging its mandate, the Board is responsible for the oversight and review of:

- the strategic planning process of the Corporation;
- identifying the principal risks of the Corporation's business and ensuring the implementation of appropriate systems to manage these risks;
- succession planning, including appointing, training and monitoring senior management;
- a communications policy for the Corporation to facilitate communications with investors and other interested parties; and
- the integrity of the Corporation's internal control and management information systems.

The Board discharges its responsibilities directly and through its committees, currently consisting of the Audit Committee, the Compensation Committee and the Corporate Governance Committee.

The Chairman

In terms of the governance of the Corporation, the Chairman of the Board's primary roles are to chair all meetings of the Board and Safi Shareholder meetings in a manner that promotes meaningful discussion and to manage the affairs of the Board, including ensuring the Board is organized properly, functions effectively and meets its obligations and responsibilities. The Chairman of the Board's responsibilities include, without limitation, ensuring that the Board works together as a cohesive team with open communication, ensuring that the resources available to the Board are adequate to support its work, and

to ensure that the necessary processes are in place to assess the effectiveness of the Board and its committees as well as the contribution of individual directors at least annually. The Chairman of the Board also acts as the primary spokesperson for the Board, ensuring that management is aware of concerns of the Board, Safi Shareholders, other stakeholders and the public and, in addition, ensures that management strategies, plans and performance are appropriately represented to the Board. The Chairman of the Board maintains communications with the Corporation's executive management and consults regularly with the Board and management on the development and operation of the Corporation's projects.

Position Descriptions

The Corporation has developed position descriptions for each of the Chairman of the Board and the Chairman of each of the committees of the Board. The Corporation has not developed a formal position description for the Chief Executive Officer. The Board assists in defining this role through its regular meetings. The responsibilities of the Chief Executive Officer are well-known by the Board and the Chief Executive Officer due to their extensive experience and knowledge in the industry and based on customary practice.

Meetings of Independent Directors

The independent directors comprise the committees of the Board and hold in camera sessions without management at their committee meetings to review the business operations, corporate governance, compensation, and financial results of the Corporation.

Nomination of Directors

The Board, by way of the Corporate Governance Committee, is responsible for identifying new candidates for nomination to the Board. The process by which candidates are identified is through recommendations presented to the Board by the Corporate Governance Committee, which establishes and discusses qualifications based on corporate law and regulatory requirements as well as education and experience related to the business of the Corporation.

Board Assessments

The Board and its individual directors are assessed on an annual basis by the Corporate Governance Committee as to their effectiveness and contribution. The Chairman of the Board encourages discussion amongst the members of the Board as to the evaluation of the effectiveness of the Board as a whole and of each individual director. All directors are free to make suggestions for improvement of the practice of the Board at any time and are encouraged to do so.

Orientation and Continuing Education

The Board will be responsible for ensuring that new directors are provided with an orientation and education program, which will include written information about the duties and obligations of directors, the business and operations of the Corporation, documents from recent Board meetings, and opportunities for meetings and discussion with senior management and other directors. The Corporate Governance Committee is responsible for establishing procedures and approving appropriate orientation and education programs for new members of the Board. Directors are expected to attend all meetings of the Board and are also expected to prepare thoroughly in advance of each meeting in order to actively participate in the deliberations and decisions.

The Board recognizes the importance of ongoing director education and the need for each director to take personal responsibility for this process. The Board notes that it has benefited from the experience and

knowledge of individual members of the Board in respect of the evolving governance regime and principles. The Board ensures that all directors are apprised of changes in the Corporation's operations and business.

The Board takes an active interest in the progress of the Corporation's properties and assets and members are invited to visit the Corporation's properties.

COMMITTEES OF THE BOARD

As of the date of this Circular, the Board has the following standing committees:

- Audit Committee
- Compensation Committee
- Corporate Governance Committee

All of the committees are comprised of directors, the majority of which are independent of management and each of the committees report directly to the Board. From time to time, when appropriate, ad hoc committees of the Board may be appointed by the Board.

Audit Committee

The purpose of the audit committee of the Corporation (the "**Audit Committee**") is to assist the Board's oversight of: (a) the integrity of the Corporation's financial statements; (b) the Corporation's compliance with legal and regulatory requirements; (c) the qualifications and independence of the Corporation's independent auditors; and (d) the performance of the independent auditors and the Corporation's internal audit function. Please see Schedule "C" for the Audit Committee Charter.

The Audit Committee is comprised of four directors: Larisa Sprott, Jed Richardson, Daye Kaba and Gabriel Ollivier. As required by applicable securities laws, each member of the Audit Committee is financially literate. Additionally, each member of the Audit Committee is independent, other than Jed Richardson, as disclosed further in this Circular. Please refer to "*Director Profiles*" above for the relevant education and experience of each of the members of the Audit Committee.

The members of the Audit Committee are appointed annually by the Board and serve at the pleasure of the Board until their successors are duly appointed.

Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial year has there been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on either (a) an exemption in Section 2.4 of National Instrument 52-110 - *Audit Committees* ("**NI 52-110**"); or (b) an exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemptions) of NI 52-110. As the Corporation is listed on the TSXV, it is relying on the exemption provided in Section 6.1 of NI 52-110.

External Auditor

The Audit Committee pre-approves all non-audit services to be provided to the Corporation or its subsidiary entities by the issuer's external auditors.

Please see "*Appointment of Auditors*" above for the fees paid to external auditors in 2025 and 2026.

The Audit Committee Charter is attached hereto as Schedule "C".

Compensation Committee

The compensation committee of the Corporation (the "**Compensation Committee**") is comprised of Larisa Sprott and Daye Kaba. Each of Ms. Sprott and Mr. Kaba are independent. Please refer to "*Director Profiles*" above for the relevant education and experience of each of the members of the Compensation Committee.

The Compensation Committee is established by the Board to assist the Board in fulfilling its responsibilities relating to human resources and compensation issues and to establish a plan of continuity for executive officers and other members of senior management (collectively, "**Executive Management**"). The Compensation Committee ensures that the Corporation has an executive compensation plan that is both motivational and competitive so that it will attract, hold and inspire performance of executive management of a quality and nature that will enhance the sustainable profitability and growth of the Corporation.

The Compensation Committee's role is to review compensation philosophy and practices for the Corporation, which includes reviewing the compensation philosophy and practices (a) for Executive Management, for recommendation to the Board for its consideration and approval, and (b) relating to all employees, including annual salary and incentive policies and programs, and material new benefit programs, or material changes to existing benefit programs.

The members of the Compensation Committee are appointed annually by the Board and serve at the pleasure of the Board until their successors are duly appointed.

It is the general compensation philosophy of the Corporation to provide a blend of base salaries, bonuses and an equity incentive component in the form of options, as summarized under the heading "*Oversight and Description of Director and Named Executive Officer Compensation*".

Corporate Governance Committee

The corporate governance and nominating committee of the Corporation (the "**Corporate Governance Committee**") is comprised of Larisa Sprott and Daye Kaba. Each of Ms. Sprott and Mr. Kaba are independent. Please refer to "*Director Profiles*" above for the relevant education and experience of each of the members of the Corporate Governance Committee.

The Corporate Governance Committee is established by the Board to, among other things, ensure that the Board is comprised of an appropriate number of independent directors, facilitate the independent functioning of the Board, annually review performance and qualification of directors, annually assess the effectiveness of the Board and each individual director, suggest changes to Safi's governance practices, establish procedures to identify nominees for election to the Board, as well as orient and educate new members of the Board.

The members of the Corporate Governance Committee are appointed annually by the Board and serve at the pleasure of the Board until their successors are duly appointed.

OVERSIGHT AND DESCRIPTION OF DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

Compensation of Directors

The Board, at the recommendation of the Compensation Committee, determines the compensation payable to the directors of the Corporation and reviews such compensation periodically throughout the year. For their role as directors of the Corporation, each director of the Corporation who is not a Named Executive Officer (as defined herein) may, from time to time, be paid cash fees, awarded stock options under the provisions of the Stock Option Plan and/or receive cash bonuses. There are no other arrangements under which the directors of the Corporation who are not Named Executive Officers were compensated by the Corporation or its subsidiaries during the most recently completed financial year end for their services in their capacity as directors of the Corporation.

Compensation of Named Executive Officers

For the financial year ended March 31, 2026, the objectives of the Corporation's compensation strategy were to ensure that compensation for its Named Executive Officers is sufficiently attractive to recruit, retain and motivate high performing individuals to assist Safi in achieving its goals.

Compensation for the Named Executive Officers is composed primarily of three components: base fees, performance bonuses and stock-based compensation. The process for determining executive compensation is relatively informal, in view of the size and stage of the Corporation and its operations. Executive officers are involved in the process and make recommendations to the Board, which considers for approval the discretionary components (i.e. cash bonuses) of the annual compensation of senior management (other than the Chief Executive Officer). In establishing the levels of base fees, performance bonuses and the award of stock options, the Corporation takes into consideration a variety of factors, including the financial and operating performance of the Corporation, and each Named Executive Officer's individual performance and contribution towards meeting corporate objectives, responsibilities and length of service. Except as otherwise described below, the Corporation does not maintain specific performance goals or use benchmarks in determining the compensation of executive officers. The Board may at its discretion award either a cash bonus or stock options for high achievement or for accomplishments that the Board deem as worthy of recognition.

Salary

Amounts paid to executive officers as base salary, including merit salary increases, are determined in accordance with an individual's performance and salaries in the marketplace for comparable positions. However, certain of the Named Executive Officers provide their services in similar capacities to other reporting issuers, in addition to Safi. There is no mandatory framework that determines which of these factors may be more or less important and the emphasis placed on any of these factors may vary among the executive officers. The determination of base salaries relies principally on negotiations between the respective Named Executive Officer and the Corporation and is therefore heavily discretionary.

Bonus

Safi's cash bonus awards are intended to reward an executive for the direct contribution which he or she can make to the Corporation. Named Executive Officers are entitled to receive discretionary bonuses from time to time as determined or approved by the Board or the Chief Executive Officer, as applicable. The Corporation does not currently prescribe a set of formal objective measures to determine discretionary bonus entitlements. Rather the Corporation uses informal goals which may include an assessment of an individual's current and expected future performance, level of responsibilities and the importance of his/her

position and contribution to the Corporation. Precise goals or milestones are not pre-set by the Board. The Corporation paid no performance based bonuses to any Named Executive Officers during the financial year ended March 31, 2026.

Indebtedness of Directors and Officers

As at the date of this Circular, and during the financial year ended March 31, 2026, no director or executive officer of the Corporation or Nominee (and each of their associates and/or affiliates) was indebted, including under any securities purchase or other program, to (i) the Corporation or its subsidiaries, or (ii) any other entity which is, or was at any time during the financial year ended March 31, 2026, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or its subsidiaries.

Directors' and Officers' Insurance and Indemnification

The Corporation maintains insurance for the benefit of its directors and officers against liability in their respective capacities as directors and officers. The Corporation has purchased in respect of directors and officers an aggregate of USD\$5,000,000 in coverage. The approximate amount of premiums paid by the Corporation during the financial year ended March 31, 2026 in respect of such insurance was USD\$34,900.

Summary Compensation Table

The following table summarizes the compensation paid during the two most recently completed financial years in respect of the individuals who were carrying out the role of Chief Executive Officer (“**CEO**”) of the Corporation and Chief Financial Officer (“**CFO**”) of the Corporation (collectively, the “**Named Executive Officers**”) and each of the directors of the Corporation. The CEO and CFO are the only Named Executive Officers of the Corporation as the Corporation does not employ any other individuals whose total compensation is greater than \$150,000.

TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES

Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Jed Richardson, President, Chief Executive Officer and Executive Chairman ^{(1) (2)}	2026	300,000	Nil	Nil	Nil	Nil	300,000
	2025	300,000	Nil	Nil	Nil	Nil	300,000
Paul Bozoki, Chief Financial Officer and Corporate Secretary ^{(1) (3)}	2026	120,000	Nil	Nil	Nil	Nil	120,000
	2025	120,000	Nil	Nil	Nil	Nil	120,000
Larisa Sprott, Director	2026	Nil	Nil	Nil	Nil	Nil	Nil
	2025	Nil	Nil	Nil	Nil	Nil	Nil

Dr. David Shaw, Former Director ⁽⁴⁾	2026	N/A	N/A	N/A	N/A	N/A	N/A
	2025	N/A	N/A	N/A	N/A	N/A	N/A
Daye Kaba, Director	2026	Nil	Nil	Nil	Nil	Nil	Nil
	2025	Nil	Nil	Nil	Nil	Nil	Nil
Gabriel Ollivier, Director	2026	Nil	Nil	Nil	Nil	Nil	Nil
	2025	Nil	Nil	Nil	Nil	Nil	Nil
Mohammed Benharref, Former Director ⁽⁵⁾	2026	90,000	Nil	Nil	Nil	Nil	90,000
	2025	120,000	Nil	Nil	Nil	Nil	120,000
Grant Sboros, Director	2026	Nil	Nil	Nil	Nil	Nil	Nil
	2025	Nil	Nil	Nil	Nil	Nil	Nil
Noureddine Mokaddem, Former Director ⁽⁶⁾	2026	Nil	Nil	Nil	Nil	Nil	Nil
	2025	Nil	Nil	Nil	Nil	Nil	Nil
Fanie Muller, Former VP Operations ⁽⁷⁾	2026	240,000	Nil	Nil	Nil	Nil	240,000
	2025	240,000	Nil	Nil	Nil	Nil	240,000

Notes:

- (1) Compensation has been paid as consulting fees under the independent contractor agreement with the Named Executive Officer as described under the heading “*Employment, Consulting and Management Agreements*” of this Circular.
- (2) Mr. Richardson was appointed as the President of the Corporation on January 22, 2026.
- (3) Mr. Bozoki was appointed as the Corporate Secretary of the Corporation on May 28, 2026.
- (4) Dr. Shaw was appointed to the Board on October 21, 2019 and resigned as a director of the Corporation on November 14, 2024.
- (5) Mr. Benharref did not stand for re-election at the Corporation’s AGM held on March 5, 2026.
- (6) Mr. Mokaddem was appointed as a director of the Corporation on October 28, 2025 and resigned on July 14, 2026.
- (7) Mr. Muller resigned as VP Operations of the Corporation effective January 22, 2026.

Stock Options and Other Compensation Securities

The following table sets out all compensation securities granted or issued to each Named Executive Officer and director by the Corporation for services provided or to be provided, directly or indirectly, to the Corporation in the most recently completed financial year.

Compensation Securities							
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
Jed Richardson, Chief Executive Officer and Executive	Nil	Nil	N/A	N/A	N/A	N/A	N/A

Chairman ⁽¹⁾							
Paul Bozoki, Chief Financial Officer & Corporate Secretary ⁽²⁾	Nil	Nil	N/A	N/A	N/A	N/A	N/A
Larisa Sprott, Director ⁽³⁾	Nil	Nil	N/A	N/A	N/A	N/A	N/A
Daye Kaba, Director ⁽⁴⁾	Nil	Nil	N/A	N/A	N/A	N/A	N/A
Gabriel Ollivier, Director ⁽⁵⁾	Nil	Nil	N/A	N/A	N/A	N/A	N/A
Mohammed Benharref, Former Director ⁽⁶⁾	Nil	Nil	N/A	N/A	N/A	N/A	N/A
Grant Sboros, Director	Nil	Nil	N/A	N/A	N/A	N/A	N/A
Noureddine Mokaddem, Former Director ⁽⁷⁾	Nil	Nil	N/A	N/A	N/A	N/A	N/A
Fannie Muller, Former VP Operations ⁽⁸⁾	Nil	Nil	N/A	N/A	N/A	N/A	N/A

Notes:

- (1) As at August 31, 2026, Mr. Richardson held 50,000 stock options with a strike price of \$1.70 and expiring on February 21, 2027 and 200,000 stock options with a strike price of \$0.95 and expiring on May 23, 2029.
- (2) As at August 31, 2026, Mr. Bozoki held 40,000 stock options with a strike price of \$1.70 and expiring on February 21, 2027 and 80,000 stock options with a strike price of \$0.95 and expiring on May 23, 2029.
- (3) As at August 31, 2026, Ms. Sprott held 40,000 stock options with a strike price of \$1.70 and expiring on February 1, 2027 and 120,000 stock options with a strike price of \$0.95 and expiring on May 23, 2029.
- (4) As at August 31, 2026, Mr. Kaba held 40,000 stock options with a strike price of \$1.70 and expiring on February 21, 2027 and 120,000 stock options with a strike price of \$0.95 and expiring on May 23, 2029.
- (5) As at August 31, 2026, Mr. Ollivier held 70,000 stock options with a strike price of \$1.70 and expiring on February 21, 2027 and 120,000 stock options with a strike price of \$0.95 and expiring on May 23, 2029.
- (6) As at August 31, 2026, Mr. Benharref held 20,000 stock options with a strike price of \$1.70 and expiring on February 21, 2027, 150,000 stock options with a strike price of \$0.75 and expiring on August 26, 2027 and 60,000 stock options with a strike price of \$0.95 and expiring on May 23, 2029. Mr. Benharref did not stand for re-election at the Corporation's annual general and special meeting held on March 5, 2026.
- (7) Mr. Mokaddem was appointed to the Board on October 28, 2025 and resigned on July 14, 2026. On July 15, 2026, Mr. Mokaddem exercised 750,000 stock options with a strike price of \$0.40.
- (8) As at August 31, 2026, Mr. Muller held 40,000 stock options with a strike price of \$1.70 and expiring on February 21, 2027 and 250,000 stock options with a strike price of \$0.95 and expiring on May 23, 2029. Mr. Muller resigned as VP Operations of the Corporation effective January 22, 2026.

Exercise of Stock Options

No Named Executive Officer or director of the Corporation exercised stock options or compensation securities in the most recently completed financial year.

Stock Option Plan

Options are granted pursuant to the Corporation's Stock Option Plan and in accordance with the rules of the Exchange. The Stock Option Plan is administered by the Board, upon the recommendations of the

Compensation Committee. See above under the section “*Particulars of Matters to be Acted Upon – Approval of Stock Option Plan.*”

The table below sets out the outstanding options under the Stock Option Plan, being the Corporation’s only compensation plan under which Common Shares are authorized for issuance, as of March 31, 2026.

	Number of securities to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options (\$)	Number of securities remaining available under equity compensation plans (excluding securities reflected in column (a)) as of March 31, 2026
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by securityholders	3,321,000	1.07	18,787,360
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
TOTAL	3,321,000	1.07	18,787,360

Restricted Share Unit and Deferred Share Unit Plan

The Corporation believes that granting RSUs and DSUs to officers, directors, consultants and employees encourages retention and more closely aligns the interests of such key personnel with the interests of shareholders while at the same time not drawing on the limited cash resources of the Corporation.

The Board administers the restricted share unit and deferred share unit plan (the “**RSU/DSU Plan**”), designates from time to time those directors, officers, employees, and consultants of the Corporation to whom RSUs and DSUs are to be granted and determines the number of shares covered by such RSUs and DSUs. RSUs and DSUs are granted by the Corporation pursuant to recommendations by the Compensation Committee and approval of the Board.

The following is a summary of the terms of the proposed RSU/DSU Plan, which is qualified in its entirety by the provisions of the RSU/DSU Plan. The RSU/DSU Plan can be accessed under the Corporation’s profile at www.sedarplus.ca.

The aggregate number of Common Shares that may be reserved for issuance under the RSU/DSU Plan is limited to 5,500,000 Common Shares.

The following limits apply to the operation of the RSU/DSU Plan:

- a. the maximum aggregate number of Common Shares that are issuable pursuant to all security-based compensation of the Corporation granted or issued in any 12-month period to any one Eligible Consultant (as defined in the RSU/DSU Plan) shall not exceed 2% of the total number of issued and outstanding Common Shares of the Corporation on a non-diluted basis, calculated as at the date any security-based compensation is granted or issued to such Eligible Consultant;
- b. unless the Corporation has obtained the requisite approval of disinterested Shareholders:
 - i. the maximum aggregate number of Common Shares that are issuable pursuant to all security-based compensation granted or issued in any 12-month period to any one person shall not exceed 5% of the total number of issued and outstanding Common Shares of the Corporation on a non-diluted basis, calculated as at the date any security-based compensation is granted or issued to such person;

- ii. the maximum aggregate number of Common Shares that are issuable pursuant to all security-based compensation granted or issued to insiders as a group shall not exceed 10% of the total number of issued and outstanding Common Shares of the Corporation on a non-diluted basis at any point in time;
 - iii. the maximum aggregate number of Common Shares that are issuable pursuant to all security-based compensation granted or issued in any 12-month period to Insiders (as defined in the RSU/DSU Plan) as a group shall not exceed 10% of the total number of issued and outstanding Common Shares of the Corporation on a non-diluted basis, calculated as at the date any security-based compensation is granted or issued to any insider; and
- c. Awards may not be granted under the RSU/DSU Plan to persons retained to provide Investor Relations Activities (as defined in the RSU/DSU Plan).

Each Award granted to a Participant shall be evidenced by an Award Grant Agreement (as defined in the RSU/DSU Plan) with terms and conditions consistent with the RSU/DSU Plan and as approved by the Board (which terms and conditions need not be the same in each case and may be changed from time to time, subject to the RSU/DSU Plan, and any required approvals of the changes by the TSXV or such other exchange or exchanges on which the Common Shares are then traded).

The Board may, in its sole discretion, determine the time at which Awards shall vest and whether there shall be any other Performance Conditions or criteria to vesting, subject to the provisions of the RSU/DSU Plan. In the absence of any determination by the Board to the contrary at the time of grant, Awards will vest in one half (1/2) increments namely: (i) as to ½ of the Awards on the day which is the first anniversary of the grant date of the Award; and (ii) as to the remaining ½ of the Awards on the day which is the second anniversary of the grant date of the Award. The authority of the Board in respect of vesting of Awards under the RSU/DSU Plan is subject to Section 4.6 of TSXV Policy 4.4, whereby no Award may vest before the first anniversary of the grant date of such Award, subject to acceleration in certain circumstances pursuant to the provisions of the RSU/DSU Plan. Upon the Vesting Date, and subject to the provisions of the RSU/DSU Plan, RSUs shall be settled by the Corporation by a payment to the Participant in cash or in Common Shares.

Once vested in accordance with the applicable Vesting Date, and subject to the provisions of the RSU/DSU Plan, DSUs shall be settled by the Corporation by a payment to the Participant in cash or in Common Shares upon the earlier of the death, Eligible Retirement (as defined in the RSU/DSU Plan) or Termination (as defined in the RSU/DSU Plan) of the Participant.

Following receipt of payment by the Participant, the Awards so settled shall be of no value whatsoever and shall be struck from the Participant's notional account.

Subject to any contrary determination by the Board (including by the terms of the applicable Award Grant Agreement), upon the death, Eligible Retirement or Termination (for any reason whatsoever) of a Participant:

- a. any vested Award held by such Participant at the date of death, Eligible Retirement or Termination, which has not yet been settled, shall be settled within thirty (30) days of such date; and
- b. any unvested Award held by such Participant at the date of death, Eligible Retirement or Termination shall be terminated as of such date and shall not thereafter entitle such Awardee or its estate or legal representative, as applicable, to any Common Shares or cash payment.

For greater certainty, if a RSU has Performance Conditions attached to it which remain unsatisfied at the date of death, Eligible Retirement or Termination of the applicable Participant, the RSU shall be deemed to not have vested.

Any determination made by the Board shall be made in accordance with the policies of the TSXV, including without limitation, that all Awards must expire within a reasonable period, not exceeding twelve (12) months, following the date such Participant ceases to be an eligible Participant in accordance with the RSU/DSU Plan.

Notwithstanding any other provision in the RSU/DSU Plan but subject to any provision to the contrary contained in the applicable Award Grant Agreements, or other written agreement (such as an agreement of employment) between the Corporation and a Participant, if there takes place a Change of Control (as defined in the RSU/DSU Plan), all issued and outstanding Awards shall vest (whether or not then vested) and the Vesting Date shall be the date which is immediately prior to the time such Change of Control takes place, or at such earlier time as may be established by the Board, in its absolute discretion, prior to the time such Change of Control takes place.

Except in the case of a transaction that is a Change of Control, subject to any provision to the contrary contained in the applicable Award Grant Agreements, or other written agreement (such as an agreement of employment) between the Corporation and a Participant, if the Corporation amalgamates with, or is the subject of an arrangement with, another corporation, any Common Shares receivable on the vesting of an Award shall, instead, become the right to receive the securities, property or cash which the Participant would have received upon such amalgamation or arrangement if the Participant had settled his, her or its Award immediately prior to the record date applicable to such amalgamation or arrangement, and shall be adjusted equitably and appropriately by the Board. Prior to agreeing to any such amalgamation or arrangement, the Board shall take all such steps as are necessary to ensure that such other corporation honours this provision of the RSU/DSU Plan and the requirement that vested Awards be settled as aforementioned.

The Board shall have the power to, at any time and from time to time, either prospectively or retrospectively, amend, suspend or terminate the RSU/DSU Plan or any Award granted under the RSU/DSU Plan in any manner it may choose, provided that:

- a. any amendment to the RSU/DSU Plan or any Award requires prior acceptance of the TSXV, unless such amendment imposes additional Performance Conditions;
- b. if any amendment in respect of an Award will result in a benefit to an Insider, approval of disinterested Shareholders is required;
- c. if any amendment will result in the limits set out in the RSU/DSU Plan being exceeded, approval of disinterested Shareholders is required; and
- d. any amendment, suspension or termination is in accordance with applicable laws and the rules of any other stock exchange on which the Common Shares are listed.

If the RSU/DSU Plan is terminated, the provisions of the RSU/DSU Plan and any administrative guidelines and other rules and regulations adopted by the Board and in force on the date of termination will continue in effect as long as any Award or any rights pursuant thereto remain outstanding and, notwithstanding the termination of the RSU/DSU Plan, the Board shall remain able to make such amendments to the RSU/DSU Plan or the Awards as they would have been entitled to make if the RSU/DSU Plan were still in effect.

The RSU/DSU Plan was last approved by Shareholders at the annual and special meeting of Shareholders held on March 5, 2026, and is therefore not subject to approval at the Meeting.

The table below sets out the outstanding RSUs and DSUs under the RSU/DSU Plan as of the Record Date.

	Number of securities to be issued upon exercise of outstanding RSUs/DSUs	Weighted-average exercise price of outstanding RSUs/DSUs	Number of securities remaining available under the RSU/DSU Plan (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by security holders	3,975,000	\$0.00	1,525,000
Equity compensation plans not approved by security holders	N/A	N/A	N/A
TOTAL	3,975,000	0.00	1,525,000

Employment, Consulting and Management Agreements

The following describes the respective consulting and employment agreements entered into by the Corporation and its Named Executive Officers as of the date hereof.

Name	Monthly Fees (\$)	Severance on Termination	Severance on Change of Control
Jed Richardson Chief Executive Officer	25,000	3 months' fees	24 months base fees plus aggregate bonuses paid in the 24 months prior to the Change of Control
Paul Bozoki Chief Financial Officer	10,000	3 months' fees	24 months base fees plus aggregate bonuses paid in the 24 months prior to the Change of Control
TOTAL	35,000	105,000	840,000

Notes:

- (1) For the purpose of the agreements set forth above, "Change of Control" is defined as the acquisition by any person or entity of shares or rights or options to acquire shares of the Corporation or securities which are convertible into shares of the Corporation or any combination thereof such that after the completion of such acquisition such person would be entitled to exercise 50% or more of the votes entitled to be cast at a meeting of the shareholders of the Corporation;
- (2) shares or rights or options to acquire shares, or their equivalent, of any material subsidiary of the Corporation or securities which are convertible into shares of the material subsidiary or any combination thereof such that after the completion of such acquisition such person would be entitled to exercise 30% or more of the votes entitled to be cast at a meeting of the shareholders of the material subsidiary; or
- (3) more than 50% of the material assets of the Corporation, including the acquisition of more than 50% of the material assets of any material subsidiary of the Corporation.

Summary of Termination Payments

The estimated incremental payments, payables and benefits that might be paid to the officers pursuant to the above noted agreements in the event of termination without cause or after a Change of Control (assuming such termination or Change of Control is effective as of the Record Date) are detailed below:

Named Executive Officer	Termination not for Cause (\$)	Termination on a Change of Control Approved (\$)
Jed Richardson Chief Executive Officer	75,000	600,000
Salary and Quantified Benefits	Nil	Nil
Bonus	Nil	Nil
Total	75,000	600,000
Paul Bozoki Chief Financial Officer	30,000	240,000
Salary and Quantified Benefits	Nil	Nil
Bonus	Nil	Nil
Total	30,000	240,000

Interest of Informed Persons in Material Transactions

Other than as set out in this Circular, no person who has been a director or executive officer of the Corporation, nor any proposed nominee for director of the Corporation, nor any person or company who beneficially owns, directly or indirectly, or who exercises control or direction over (or a combination of both) more than 10% of the issued and outstanding Common Shares, nor any associate or affiliate of those persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction since the beginning of the Corporation's last completed financial year or proposed transaction which has materially affected or would materially affect the Corporation or its subsidiaries.

ADDITIONAL INFORMATION AND CONTACT INFORMATION

Additional Information

Additional information relating to the Corporation may be found under the profile of the Corporation on SEDAR+ at www.sedarplus.ca. Additional financial information is provided in the Corporation's audited consolidated financial statements and related management's discussion and analysis for the financial year ended March 31, 2026, which are incorporated by reference in this Circular and can be found under the profile of the Corporation on SEDAR+. Safi Shareholders may also request these documents from Tom Panoulas, the Corporation's VP Corporate Development by email at ir@safisilver.com or by telephone at (647) 276-6002 Ext. 1127.

Board of Directors Approval

The contents of this Circular and the sending thereof to the Safi Shareholders of the Corporation have been approved by the Board.

BY ORDER OF THE BOARD OF DIRECTORS

"Jed Richardson"

President, Chief Executive Officer and Executive
Chairman

Toronto, Ontario
August 31, 2026

SCHEDULE “A”

SAFI SILVER CORP. (the “Corporation”)

SHARE OPTION PLAN

ARTICLE 1

PURPOSE AND INTERPRETATION

Purpose

1.1 The purpose of this Plan is to advance the interests of the Corporation by encouraging equity participation in the Corporation through the acquisition of Common Shares of the Corporation. It is the intention of the Corporation that this Plan will at all times be in compliance with the TSXV Policies (or, if applicable, the NEX Policies) and any inconsistencies between this Plan and the TSXV Policies (or, if applicable, the NEX Policies) will be resolved in favour of the latter.

Definitions

1.2 In this Plan

- (a) Affiliate means a company that is a parent or subsidiary of the Corporation, or that is controlled by the same entity as the Corporation;
- (b) Associate has the meaning set out in Policy 1.1 of the TSX Venture Exchange Corporate Finance Manual and all amendments thereto;
- (c) Black-out Period means an interval of time during which the Corporation has determined that one or more Participants may not trade any securities of the Corporation because they may be in possession of undisclosed material information pertaining to the Corporation, or when in anticipation of the release of quarterly or annual financials, to avoid potential conflicts associated with a company’s insider-trading policy or applicable securities legislation, (which, for greater certainty, does not include the period during which a cease trade order is in effect to which the Corporation or in respect of an Insider, that Insider, is subject);
- (d) Board means the Board of Directors of the Corporation or any committee thereof duly empowered or authorized to grant Options under this Plan;
- (e) Change of Control includes situations where after giving effect to the contemplated transaction and as a result of such transaction:
 - (i) any one Person holds a sufficient number of voting shares of the Corporation or resulting company to affect materially the control of the Corporation or resulting company, or,

- (ii) any combination of Persons, acting in concert by virtue of an agreement, arrangement, commitment or understanding, holds in total a sufficient number of voting shares of the Corporation or its successor to affect materially the control of the Corporation or its successor,
 - (iii) where such Person or combination of Persons did not previously hold a sufficient number of voting shares to materially affect control of the Corporation or its successor. In the absence of evidence to the contrary, any Person or combination of Persons acting in concert by virtue of an agreement, arrangement, commitment or understanding, holding more than 20% of the voting shares of the Corporation or resulting company is deemed to materially affect control of the Corporation or resulting company;
- (f) Common Shares means the common shares without par value in the capital of the Corporation providing such class is listed on the TSXV (or, NEX, as the case may be);
- (g) Corporation means the company named at the top hereof and includes, unless the context otherwise requires, all of its Affiliates and successors according to law;
- (h) Consultant means an individual or Consultant Company, other than an Employee, Officer or Director that:
 - (i) Is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Corporation or its subsidiaries, other than services provided in relation to a Distribution;
 - (ii) provides the services under a written contract between the Corporation or any of its subsidiaries and the individual or the Consultant Company; and
 - (iii) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the business and affairs of the Corporation or any of its subsidiaries;
- (i) Consultant Company means a Consultant that is a Company;
- (j) Directors means the directors of the Corporation as may be elected from time to time;
- (k) Discounted Market Price has the meaning assigned by Policy 1.1 of the TSXV Policies;
- (l) Disinterested Shareholder Approval means approval by a majority of the votes cast by all the Corporation's shareholders at a duly constituted shareholders' meeting, excluding votes attached to Common Shares beneficially owned by Insiders who are Service Providers or their Associates;
- (m) Distribution has the meaning assigned by the Securities Act, and generally refers to a distribution of securities by the Corporation from treasury;
- (n) Effective Date for an Option means the date of grant thereof by the Board;

- (o) Employee means:
 - (i) an individual who is considered an employee under the Income Tax Act Canada (i.e. for whom income tax, employment insurance and CPP deductions must be made at source);
 - (ii) an individual who works full-time for the Corporation or a subsidiary thereof providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source; or
 - (iii) an individual who works for the Corporation or its subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions need not be made at source;
- (p) Exchange Hold Period has the meaning assigned by Policy 1.1 of the TSXV Policies;
- (q) Exercise Price means the amount payable per Common Share on the exercise of an Option, as determined in accordance with the terms hereof;
- (r) Expiry Date means the day on which an Option lapses as specified in the Option Commitment therefor or in accordance with the terms of this Plan;
- (s) Insider means an insider as defined in the TSXV Policies or as defined in securities legislation applicable to the Corporation;
- (t) Investor Relations Activities has the meaning assigned by Policy 1.1 of the TSXV Policies;
- (u) Management Corporation Employee means an individual employed by a Person providing management services to the Corporation which are required for the ongoing successful operation of the business enterprise of the Corporation, but excluding a Person engaged in Investor Relations Activities;
- (v) Market Price has the meaning assigned by Policy 1.1 of the TSX Policies;
- (w) NEX means a separate board of the TSXV for companies previously listed on the TSXV or the Toronto Stock Exchange which have failed to maintain compliance with the ongoing financial listing standards of those markets;
- (x) NEX Issuer means a company listed on NEX;
- (y) NEX Policies means the rules and policies of NEX as amended from time to time;
- (z) Officer means a Board appointed officer of the Corporation;

- (aa) Option means the right to purchase Common Shares granted hereunder to a Service Provider;
- (bb) Option Commitment means the notice of grant of an Option delivered by the Corporation hereunder to a Service Provider and substantially in the form of Schedule A attached hereto;
- (cc) Optioned Shares means Common Shares that may be issued in the future to a Service Provider upon the exercise of an Option;
- (dd) (Optionee means the recipient of an Option hereunder;
- (ee) Outstanding Shares means at the relevant time, the number of issued and outstanding Common Shares of the Corporation from time to time;
- (ff) Participant means a Service Provider that becomes an Optionee;
- (gg) Person includes a company, any unincorporated entity, or an individual;
- (hh) Plan means this share option plan, the terms of which are set out herein or as may be amended;
- (ii) Plan Shares means the total number of Common Shares which may be reserved for issuance as Optioned Shares under the Plan as provided in Section 2.2;
- (jj) Regulatory Approval means the approval of the TSXV and any other securities regulatory authority that has lawful jurisdiction over the Plan and any Options issued hereunder;
- (kk) Securities Act means the Securities Act, R.S.B.C. 1996, c. 418, or any successor legislation;
- (ll) Service Provider means a Person who is a bona fide Director, Officer, Employee, Management Corporation Employee, Consultant or Corporation Consultant, and also includes a company, of which 100% of the share capital is beneficially owned by one or more Service Providers;
- (mm) Share Compensation Arrangement means any Option under this Plan but also includes any other stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares to a Service Provider, including the Corporation's restricted share unit and deferred unit plan;
- (nn) Shareholder Approval means approval by a majority of the votes cast by eligible shareholders of the Corporation at a duly constituted shareholders' meeting;

(oo) Take Over Bid means a take over bid as defined in Multilateral Instrument 62-104 (Take-over Bids and Issuer Bids) or the analogous provisions of securities legislation applicable to the Corporation;

(pp) TSXV means the TSX Venture Exchange and any successor thereto; and

(qq) TSXV Policies means the rules and policies of the TSXV as amended from time to time.

Other Words and Phrases

1.3 Words and phrases used in this Plan but which are not defined in the Plan, but are defined in the TSXV Policies (and, if applicable, NEX Policies), will have the meaning assigned to them in the TSXV Policies (and, if applicable, NEX Policies).

Gender

1.4 Words importing the masculine gender include the feminine or neuter, words in the singular include the plural, words importing a corporate entity include individuals, and vice versa.

ARTICLE 2

SHARE OPTION PLAN

Establishment of Share Option Plan

2.1 The Plan is hereby established to recognize contributions made by Service Providers and to create an incentive for their continuing assistance to the Corporation and its Affiliates.

Maximum Plan Shares

2.2 The maximum aggregate number of Plan Shares that may be reserved for issuance under the Plan at any point in time is 10% of the Outstanding Shares at the time Plan Shares are reserved for issuance as a result of the grant of an Option.

Eligibility

2.3 Options to purchase Common Shares may be granted hereunder to Service Providers from time to time by the Board. Service Providers that are not individuals will be required to undertake in writing not to effect or permit any transfer of ownership or option of any of its securities, or to issue more of its securities (so as to indirectly transfer the benefits of an Option), as long as such Option remains outstanding, unless the written permission of the TSXV and the Corporation is obtained.

Options Granted Under the Plan

2.4 All Options granted under the Plan will be evidenced by an Option Commitment in the form attached as Schedule A, showing the number of Optioned Shares, the term of the Option, a reference to vesting terms, if any, and the Exercise Price.

2.5 Subject to specific variations approved by the Board, all terms and conditions set out herein will be deemed to be incorporated into and form part of an Option Commitment made hereunder.

Limitations on Issue

2.6 Subject to Section 2.10, the following restrictions on issuances of Options are applicable under the Plan:

- (a) no Service Provider can be granted an Option if that Option would result in the total number of Options, together with all other Share Compensation Arrangements granted to such Service Provider in the previous 12 months, exceeding 5% of the Outstanding Shares (unless the Corporation has obtained Disinterested Shareholder Approval under Section 2.10 (a)(iii) to do so);
- (b) the aggregate number of Options granted to Service Providers conducting Investor Relations Activities in any 12-month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant, without the prior consent of the TSXV (or NEX, as the case may be); and
- (c) the aggregate number of all security based compensation, including Options, granted to any one Consultant in any 12-month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant, without the prior consent of the TSXV.

Options Not Exercised

2.7 In the event an Option granted under the Plan expires unexercised or is terminated by reason of dismissal of the Optionee for cause or is otherwise lawfully cancelled prior to exercise of the Option, the Optioned Shares that were issuable thereunder will be returned to the Plan and will be eligible for re-issuance.

Powers of the Board

2.8 The Board will be responsible for the general administration of the Plan and the proper execution of its provisions, the interpretation of the Plan and the determination of all questions arising hereunder. Without limiting the generality of the foregoing, the Board has the power to:

- (a) allot Common Shares for issuance in connection with the exercise of Options;
- (b) grant Options hereunder;
- (c) subject to any necessary Regulatory Approval, amend, suspend, terminate or discontinue the Plan, or revoke or alter any action taken in connection therewith, except that

no general amendment or suspension of the Plan will, without the prior written consent of all Optionees, alter or impair any Option previously granted under the Plan unless the alteration or impairment occurred as a result of a change in the TSXV Policies or the Corporation's tier classification thereunder;

(d) delegate all or such portion of its powers hereunder as it may determine to one or more committees of the Board, either indefinitely or for such period of time as it may specify, and thereafter each such committee may exercise the powers and discharge the duties of the Board in respect of the Plan so delegated to the same extent as the Board is hereby authorized so to do; and

(e) amend this Plan (except for previously granted and outstanding Options) to reduce the benefits that may be granted to Service Providers (before a particular Option is granted) subject to the other terms hereof.

Amendment of the Plan by the Board of Directors

2.9 Subject to the requirements of the TSXV Policies (or, if applicable, NEX policies) and the prior receipt of any necessary Regulatory Approval, the Board may in its absolute discretion, amend or modify the Plan or any Option granted as follows:

(a) it may make amendments which are of a typographical, grammatical or clerical nature only;

(b) it may change the vesting provisions of an Option granted hereunder, subject to prior written approval of the TSXV, if applicable;

(c) it may change the termination provision of an Option granted hereunder which does not entail an extension beyond the original Expiry Date of such Option;

(d) it may make amendments as are necessary or desirable as a result of changes in laws, regulations or policies applicable to the Corporation, including, without limiting the foregoing, applicable securities laws and stock exchange policies;

(e) if the Corporation becomes listed or quoted on a stock exchange or stock market senior to the TSXV, it may make such amendments as may be required by the policies of such senior stock exchange or stock market; and

(f) it may make such amendments as reduce, and do not increase, the benefits of this Plan to Service Providers.

Terms or Amendments Requiring Disinterested Shareholder Approval

2.10 The Corporation will be required to obtain Disinterested Shareholder Approval prior to any of the following actions becoming effective:

(a) the Plan, together with all of the Corporation's other Share Compensation Arrangements, could result at any time in:

- (i) the aggregate number of Common Shares reserved for issuance pursuant to the Plan and the Corporation's other Share Compensation Arrangements to Insiders exceeding 10% of the Outstanding Shares at any time;
 - (ii) the aggregate number of Common Shares reserved for issuance, calculated on the date of the Option grant, pursuant to the Plan and the Corporation's other Share Compensation Arrangements to Insiders within a one-year period exceeding 10% of the Outstanding Shares; or
 - (iii) the aggregate number of Common Shares reserved for issuance, calculated on the date of the Option grant, pursuant to the Plan and the Corporation's other Share Compensation Arrangements to any one Optionee, within a 12-month period, of a number of Common Shares exceeding 5% of the Outstanding Shares; or
- (b) any reduction in the Exercise Price of an Option or extension of the term of an Option previously granted to an Insider.

Options Granted Under the Corporation's Previous Share Option Plans

2.11 Any option granted pursuant to a stock option plan previously adopted by the Board which is outstanding at the time this Plan comes into effect shall be deemed to have been issued under this Plan and shall, as of the date this Plan comes into effect, be governed by the terms and conditions hereof.

ARTICLE 3

TERMS AND CONDITIONS OF OPTIONS

Exercise Price

3.1 The Exercise Price of an Option will be set by the Board at the time such Option is allocated under the Plan, and cannot be less than the Discounted Market Price.

Term of Option

3.2 An Option can be exercisable for a maximum of 10 years from the Effective Date.

Option Amendment

3.3 Subject to Section 2.10(b), the Exercise Price of an Option may be amended only if at least six (6) months have elapsed since the later of the date of commencement of the term of the Option, the date the Common Shares commenced trading on the TSXV, or the date of the last amendment of the Exercise Price.

3.4 An Option must be outstanding for at least one year before the Corporation may extend its term, subject to the limits contained in Section 3.2.

3.5 Any proposed amendment to the terms of an Option must be approved by the TSXV prior to the exercise of such Option.

Vesting of Options

3.6 Subject to Section 3.7(a), vesting of Options shall be at the discretion of the Board and, with respect to any particular Options granted under the Plan, in the absence of a vesting schedule being specified at the time of grant, all such Options shall vest immediately. Where applicable, vesting of Options will generally be subject to:

- (a) the Service Provider remaining employed by or continuing to provide services to the Corporation or any of its Affiliates as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Corporation or any of its Affiliates during the vesting period; or
- (b) the Service Provider remaining as a Director of the Corporation or any of its Affiliates during the vesting period.

Vesting of Options Granted to Consultants Conducting Investor Relations Activities

3.7 Notwithstanding Section 3.6, Options granted to eligible Participants conducting Investor Relations Activities will vest:

- (a) over a period of not less than 12 months as to 25% on the date that is three months from the date of grant, and a further 25% on each successive date that is three months from the date of the previous vesting; or
- (b) such longer vesting period as the Board may determine.

Effect of Take Over Bid

3.8 If a Take Over Bid is made to the shareholders generally then the Corporation shall immediately upon receipt of notice of the Take Over Bid, notify each Optionee currently holding an Option of the Take Over Bid, with full particulars thereof whereupon such Option may, notwithstanding Sections 3.6 and 3.7 or any vesting requirements set out in any Option Commitment, be immediately exercised in whole or in part by the Optionee, subject to approval of the TSXV (or NEX, as the case may be) for vesting requirements imposed by the TSXV Policies.

Acceleration of Vesting on Change of Control

3.9 In the event of a Change of Control occurring, Options granted and outstanding, which are subject to vesting provisions, shall be deemed to have immediately vested upon the occurrence of the Change of Control, subject to approval of the TSXV (or NEX, as the case may be) for vesting requirements imposed by the TSXV Policies.

Extension of Options Expiring During Blackout Period

3.10 Except if the Participant or the Corporation are subject to a cease trade order, should the Expiry Date for an Option fall within a Blackout Period, such Expiry Date shall, subject to approval of the TSXV (or NEX, as the case may be), be automatically extended without any further act or formality to

that day which is the tenth (10th) Business Day after the end of the Blackout Period, such tenth Business Day to be considered the Expiry Date for such Option for all purposes under the Plan. Notwithstanding Section 2.8, the tenth Business Day period referred to in this Section 3.10 may not be extended by the Board.

Optionee Ceasing to be Director, Employee or Service Provider

3.11 Options may be exercised after the Service Provider has left his/her employ/office or has been advised his/her services are no longer required or his/her service contract has expired, except as follows:

- (a) in the case of the death of an Optionee, any vested Option held by him at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such Option;
- (b) an Option granted to any Service Provider will expire within 90 days (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the Option), after the date the Optionee ceases to be employed by or provide services to the Corporation, but only to the extent that such Option has vested at the date the Optionee ceased to be so employed by or to provide services to the Corporation; and
- (c) in the case of an Optionee being dismissed from employment or service for cause, such Optionee's Options, whether or not vested at the date of dismissal will immediately terminate without right to exercise same.

Non Assignable

3.12 Subject to Section 3.11(a) only, all Options will be exercisable only by the Optionee to whom they are granted and will not be assignable or transferable.

Adjustment of the Number of Optioned Shares

3.13 Other than pursuant to sections 3.13(a) or (b), the number of Common Shares subject to an Option will be subject to adjustment in the events and in the manner following:

- (a) in the event of a subdivision of Common Shares as constituted on the date hereof, at any time while an Option is in effect, into a greater number of Common Shares, the Corporation will thereafter deliver at the time of purchase of Optioned Shares hereunder, in addition to the number of Optioned Shares in respect of which the right to purchase is then being exercised, such additional number of Common Shares as result from the subdivision without an Optionee making any additional payment or giving any other consideration therefor;
- (b) in the event of a consolidation of the Common Shares as constituted on the date hereof, at any time while an Option is in effect, into a lesser number of Common Shares, the Corporation will thereafter deliver and an Optionee will accept, at the time of purchase of Optioned Shares hereunder, in lieu of the number of Optioned Shares in respect of which

the right to purchase is then being exercised, the lesser number of Common Shares as result from the consolidation;

(c) subject to approval from the TSXV, in the event of any change of the Common Shares as constituted on the date hereof, at any time while an Option is in effect, the Corporation will thereafter deliver at the time of purchase of Optioned Shares hereunder the number of shares of the appropriate class resulting from the said change as an Optionee would have been entitled to receive in respect of the number of Common Shares so purchased had the right to purchase been exercised before such change;

(d) subject to approval from the TSXV, in the event of a capital reorganization, reclassification or change of outstanding equity shares (other than a change in the par value thereof) of the Corporation, a consolidation, merger or amalgamation of the Corporation with or into any other company or a sale of the property of the Corporation as or substantially as an entirety at any time while an Option is in effect, an Optionee will thereafter have the right to purchase and receive, in lieu of the Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option, the kind and amount of shares and other securities and property receivable upon such capital reorganization, reclassification, change, consolidation, merger, amalgamation or sale which the holder of a number of Common Shares equal to the number of Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option would have received as a result thereof. The subdivision or consolidation of Common Shares at any time outstanding (whether with or without par value) will not be deemed to be a capital reorganization or a reclassification of the capital of the Corporation for the purposes of this Section 3.13;

(e) subject to approval from the TSXV, an adjustment will take effect at the time of the event giving rise to the adjustment, and the adjustments provided for in this section are cumulative;

(f) the Corporation will not be required to issue fractional shares in satisfaction of its obligations hereunder. Any fractional interest in a Common Share that would, except for the provisions of this Section 3.13, be deliverable upon the exercise of an Option will be cancelled and not be deliverable by the Corporation; and

(g) if any questions arise at any time with respect to the Exercise Price or number of Optioned Shares deliverable upon exercise of an Option in any of the events set out in this Section 3.13, such questions will be conclusively determined by the Corporation's auditors, or, if they decline to so act, any other firm of Chartered Accountants, in Toronto, Ontario (or in the city of the Corporation's principal executive office) that the Corporation may designate and who will be granted access to all appropriate records and such determination will be binding upon the Corporation and all Optionees.

ARTICLE 4

COMMITMENT AND EXERCISE PROCEDURES

Option Commitment

4.1 Upon grant of an Option hereunder, an authorized officer of the Corporation will deliver to the Optionee an Option Commitment detailing the terms of such Options and upon such delivery the Optionee will be subject to the Plan and have the right to purchase the Optioned Shares at the Exercise Price set out therein subject to the terms and conditions hereof, including any additional requirements contemplated with respect to the payment of required withholding taxes on behalf of the Optionees.

Manner of Exercise

4.2 An Optionee who wishes to exercise his Option may do so by delivering

- (a) a written notice to the Corporation specifying the number of Optioned Shares being acquired pursuant to the Option; and
- (b) a certified cheque, wire transfer or bank draft payable to the Corporation for the aggregate Exercise Price for the Optioned Shares being acquired.

Tax Withholding and Procedures

4.3 Notwithstanding anything else contained in this Plan, the Corporation may, from time to time, implement such procedures and conditions as it determines appropriate with respect to the withholding and remittance of taxes imposed under applicable law, or the funding of related amounts for which liability may arise under such applicable law. Without limiting the generality of the foregoing, an Optionee who wishes to exercise an Option must, in addition to following the procedures set out in Section 4.2 and elsewhere in this Plan, and as a condition of exercise:

- (a) deliver a certified cheque, wire transfer or bank draft payable to the Corporation for the amount determined by the Corporation to be the appropriate amount on account of such taxes or related amounts; or
- (b) otherwise ensure, in a manner acceptable to the Corporation (if at all) in its sole and unfettered discretion, that the amount will be securely funded; and must in all other respects follow any related procedures and conditions imposed by the Corporation.

Delivery of Option Shares and Hold Periods

4.4 As soon as practicable after receipt of the notice of exercise described in Section 4.2 and payment in full for the Optioned Shares being acquired, the Corporation will direct its transfer agent to issue to the Optionee the appropriate number of Optioned Shares. If the Optionee is an Insider, Consultant or the exercise price is set below the Market Price (as defined in the TSXV Policies) of the Common Shares on the TSXV at the time of grant, the certificate representing the Optioned Shares or written notice in the case of uncertificated shares will include a legend stipulating that the Optioned

Shares issued are subject to a four-month TSXV hold period commencing the date of the Option Commitment.

ARTICLE 5

GENERAL

Employment and Services

5.1 Nothing contained in the Plan will confer upon or imply in favour of any Optionee any right with respect to office, employment or provision of services with the Corporation, or interfere in any way with the right of the Corporation to lawfully terminate the Optionee's office, employment or service at any time pursuant to the arrangements pertaining to same. Participation in the Plan by an Optionee is voluntary.

No Representation or Warranty

5.2 The Corporation makes no representation or warranty as to the future market value of Common Shares issued in accordance with the provisions of the Plan or to the effect of the Income Tax Act (Canada) or any other taxing statute governing the Options or the Common Shares issuable thereunder or the tax consequences to a Service Provider. Compliance with applicable securities laws as to the disclosure and resale obligations of each Participant is the responsibility of each Participant and not the Corporation.

Interpretation

5.3 The Plan will be governed and construed in accordance with the laws of the Province of Ontario.

Continuation of Plan

5.4 The Plan will become effective from and after November 8, 2022, and will remain effective provided that the Plan, or any amended version thereof receives Shareholder Approval at each annual general meeting of the holders of Common Shares of the Corporation subsequent to November 8, 2022.

Amendment of the Plan

5.5 Subject to compliance with the TSXV Policies and approval of the Corporation's shareholders, as applicable, the Board reserves the right, in its absolute discretion, to at any time amend, modify or terminate the Plan with respect to all Common Shares in respect of Options which have not yet been granted hereunder. Any amendment to any provision of the Plan will be subject to any necessary Regulatory Approvals.

SCHEDULE "A"

SHARE OPTION PLAN

OPTION COMMITMENT

Notice is hereby given that, effective this _day of _____, _____(the "Effective Date") SAFI SILVER CORP. (the "Corporation") has granted _____ to _____ (the "Optionee"), an Option to acquire _Common Shares ("Optioned Shares") up to 5:00 p.m. Toronto Time on the _____ day of _____, _____ (the "Expiry Date") at an Exercise Price of Cdn\$ ____per share. Optioned Shares are to vest immediately.

[OR]

Optioned Shares will vest as follows: [INSERT VESTING SCHEDULE] [INSERT VESTING TERMS]

The Option shall expire < > days after the Optionee ceases to be employed by or provide services to the Corporation.

The grant of the Option evidenced hereby is made subject to the terms and conditions of the Plan, which are hereby incorporated herein and form part hereof.

To exercise your Option, deliver a written notice specifying the number of Optioned Shares you wish to acquire, together with a certified cheque, wire transfer or bank draft payable to the Corporation for the aggregate Exercise Price. A certificate, or written notice in the case of uncertificated shares, for the Optioned Shares so acquired will be issued by the transfer agent as soon as practicable thereafter and may bear a minimum four month non- transferability legend from the date of this Option Commitment, the text of which is as follows. [Note: An Issuer may grant stock options without a hold period, provided the Option is not an Insider or the exercise price of the options is set at or above the market price of the Corporation's shares. If a four month hold period is applicable, the following legend must be placed on the certificate or the written notice in the case of uncertificated shares.]

"WITHOUT PRIOR WRITTEN APPROVAL OF THE TSXV AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSXV OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN REDIST UNTIL 12:00 A.M. (MIDNIGHT) ON [insert date 4 months from the date of grant]".

The Corporation and the Optionee represent that the Optionee under the terms and conditions of the Plan is a bona fide Service Provider (as defined in the Plan), entitled to receive Options under the TSXV Policies (and, if applicable, the NEX policies).

The Optionee also acknowledges and consents to the collection and use of Personal Information (as defined in the Policies of the TSXV) by both the Corporation and the TSXV (or NEX, as the case may be) as more particularly set out in the Acknowledgement - Personal Information in use by the TSXV (or NEX, as the case may be) on the date of this Share Option Commitment.

SAFI SILVER CORP.

Authorized Signatory

[insert name of optionee]

SCHEDULE “B”

SAFI SILVER CORP.

CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

1. PURPOSE OF THIS CHARTER

The Audit Committee (the “**Committee**”) is appointed by the Board of Directors (the “**Board**”) of Safi Silver Corp. (the “**Corporation**”) to assist the Board in fulfilling its oversight responsibilities relating to financial accounting and reporting process and internal controls for the Corporation. The Committee’s primary duties and responsibilities are to:

- a) conduct such reviews and discussions with management and the external auditors relating to the audit and financial reporting as are deemed appropriate by the Committee;
- b) assess the integrity of internal controls and financial reporting procedures of the Corporation and ensure implementation of such controls and procedures;
- c) ensure that there is an appropriate standard of corporate conduct for senior financial personnel and employees including, if necessary, adopting a corporate code of ethics;
- d) review the quarterly and annual financial statements and management’s discussion and analysis of the Corporation’s financial position and operating results and in the case of the annual financial statements and related management’s discussion and analysis, report thereon to the Board for approval of same;
- e) select and monitor the independence and performance of the Corporation’s external auditors, including attending at private meetings with the external auditors and reviewing and approving all renewals or dismissals of the external auditors and their remuneration; and
- f) provide oversight of all disclosure relating to, and information derived from, financial statements, management’s discussion and analysis and information.

The Committee has the authority to conduct any investigation appropriate to its responsibilities, and it may request the external auditors, as well as any officer of the Corporation, or outside counsel for the Corporation, to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee. The Committee shall have unrestricted access to the books and records of the Corporation and has the authority to retain, at the expense of the Corporation, special legal, accounting, or other consultants or experts to assist in the performance of the Committee’s duties.

The Committee shall review and assess the adequacy of this Charter annually and submit any proposed revisions to the Board for approval.

In fulfilling its responsibilities, the Committee will carry out the specific duties set out in Part 4 of this Charter.

2. AUTHORITY OF THE AUDIT COMMITTEE

The Committee shall have 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 advisors employed by the Committee; and

- c) communicate directly with the internal and external auditors.

3. COMPOSITION AND MEETINGS

The Committee and its membership shall meet all applicable legal, regulatory and listing requirements, including, without limitation, those of the Ontario Securities Commission (“OSC”), the TSX Venture Exchange, the CBCA and all applicable securities regulatory authorities.

- a) The Committee shall be composed of three or more directors as shall be designated by the Board from time to time. The members of the Committee shall appoint from among themselves a member who shall serve as Chair. The position description and responsibilities of the Chair are set out in Schedule “A” attached hereto.
- b) A majority of the Committee shall be “independent” and each member of the Committee shall be “financially literate”. An “independent” director is a director who has no direct or indirect material relationship with the Corporation. A “material relationship” is a relationship which, in the view of the Board of Directors of the Corporation, could be reasonably expected to interfere with the exercise of the director’s independent judgement or a relationship deemed to be a material relationship pursuant to Sections 1.4 and 1.5 of National Instrument 52-110 — *Audit Committees*, as set out in Schedule “B” hereto. A “financially literate” director is a director who has the ability to read and understand a set of financial instruments that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the accounting issues that can be reasonably expected to be raised in the Corporation’s financial statements.
- c) Each member of the Committee shall sit at the appointment of the Board of Directors. The Committee shall report to the Board of Directors.
- d) The Committee shall meet at least quarterly, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements. A minimum of two and at least 50% of the members of the Committee present, either in person or by telephone, shall constitute a quorum.
- e) If within one hour of the time appointed for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the next business day following the date of such meeting at the same place. If at the adjourned meeting a quorum as hereinbefore specified is not present within one hour of the time appointed for such adjourned meeting, such meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the second adjourned meeting a quorum as hereinbefore specified is not present, the quorum for the adjourned meeting shall consist of the members then present.
- f) If, and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.
- g) The time and place at which meetings of the Committee shall be held, and procedures at such meetings, shall be determined from time to time by the Committee. A meeting of the Committee may be called by letter, telephone, facsimile, email or other communication equipment, by giving at least 48 hours’ notice, provided that no notice of a meeting shall be necessary if all of the members are present either in person or by means of conference telephone or if those absent have waived notice or otherwise signified their consent to the holding of such meeting.
- h) Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.

- i) The Committee shall keep minutes of its meetings which shall be submitted to the Board. The Committee may, from time to time, appoint any person who need not be a member, to act as a secretary at any meeting.
- j) The Committee may invite such officers, directors and employees of the Corporation and its subsidiaries as the Committee may see fit, from time to time, to attend at meetings of the Committee.
- k) Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose. The Committee shall report its determinations to the Board at the next scheduled meeting of the Board, or earlier as the Committee deems necessary. All decisions or recommendations of the Committee shall require the approval of the Board prior to implementation, other than those relating to non-audit services and annual audit fees which do not require the approval of the Board.
- l) The Committee members will be elected annually at the first meeting of the Board following the annual general meeting of shareholders.
- m) The Board may at any time amend or rescind any of the provisions hereof, or cancel them entirely, with or without substitution.

4. RESPONSIBILITIES

a) Financial Accounting and Reporting Process and Internal Controls

- i) The Committee shall review the annual audited and interim financial statements and related management's discussion and analysis before the Corporation publicly discloses this information to satisfy itself that the financial statements are presented in accordance with applicable accounting principles and in the case of the annual audited financial statements and related management's discussion and analysis, report thereon and recommend to the Board whether or not same should be approved prior to their being filed with the appropriate regulatory authorities. With respect to the annual audited financial statements, the Committee shall discuss significant issues regarding accounting principles, practices, and judgments of management with management and the external auditors as and when the Committee deems it appropriate to do so. The Committee shall satisfy itself that the information contained in the annual audited financial statements is not significantly erroneous, misleading or incomplete and that the audit function has been effectively carried out.
- ii) The Committee shall review any internal control reports prepared by management and the evaluation of such report by the external auditors, together with management's response.
- iii) The Committee shall be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, management's discussion and analysis and annual and interim earnings press releases, and periodically assess the adequacy of these procedures.
- iv) The Committee shall review any press releases containing disclosure regarding financial information that are required to be reviewed by the Committee under any applicable laws before the Corporation publicly discloses this information.

- v) The Committee shall meet no less than annually with the external auditors and the Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Corporation in charge of financial matters, to review accounting practices, internal controls and such other matters as the Committee, Chief Financial Officer or, in the absence of a Chief Financial Officer, the officer of the Corporation in charge of financial matters, deem appropriate.
- vi) The Committee shall inquire of management and the external auditors about significant risks or exposures, both internal and external, to which the Corporation may be subject, and assess the steps management has taken to minimize such risks.
- (vii) The Committee shall provide oversight of the Corporation's policies, procedures and practices with respect to the maintenance of the books, records and accounts, and the filing of reports, by the Corporation with respect to third party payments in compliance with the *Corruption of Foreign Public Officials Act* (Canada), the *Extractive Sector Transparency Measures Act* (Canada) and similar applicable laws.
- viii) The Committee shall review the post-audit or management letter containing the recommendations of the external auditors and management's response and subsequent follow-up to any identified weaknesses.
- ix) The Committee shall ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting a corporate code of ethics for senior financial personnel and all employees.
- x) The Committee shall establish and monitor procedures for:
 - the receipt, retention and treatment of complaints received by the Corporation regarding: (a) accounting, internal accounting controls or auditing matters; or (b) violations of the Corporation's policies including the Code of Business Conduct and Ethics; Anti-Bribery and Anti-Corruption Policy; and Corporate Disclosure, Confidentiality and Insider Trading Policy; and
 - the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters or violations of any of the Corporation's policies (as described above).
- xi) The Committee shall provide oversight to related party transactions entered into by the Corporation.
- xii) The Committee shall establish the budget process, which shall include the setting of spending limits and authorizations, as well as periodic reports from the Chief Financial Officer comparing actual spending to the budget.
- xiii) The Committee shall have the authority to adopt such policies and procedures as it deems appropriate to operate effectively.

b) Independent Auditors

- i) The Committee shall recommend to the Board the external auditors to be nominated for the purpose of preparing or issuing an auditors' report or performing other audit, review or attest services for the Corporation, shall set the compensation for the external auditors, provide oversight of the external auditors and shall ensure that the external auditors' report directly to the Committee.

- ii) The Committee shall be directly responsible for overseeing the work of the external auditors, including the resolution of disagreements between management and the external auditors regarding financial reporting.
- iii) The pre-approval of the Committee shall be required as further set out in Schedule "C" prior to the undertaking of any non-audit services not prohibited by law to be provided by the external auditors in accordance with this Charter.
- iv) The Committee shall monitor and assess the relationship between management and the external auditors and monitor, support and assure the independence and objectivity of the external auditors.
- v) The Committee shall review the external auditors' audit plan, including the scope, procedures and timing of the audit.
- vi) The Committee shall review the results of the annual audit with the external auditors, including matters related to the conduct of the audit.
- vii) The Committee shall obtain timely reports from the external auditors describing critical accounting policies and practices, alternative treatments of information within IFRS that were discussed with management, their ramifications, and the external auditors' preferred treatment and material written communications between the Corporation and the external auditors.
- viii) The Committee shall review fees paid by the Corporation to the external auditors and other professionals in respect of audit and non-audit services on an annual basis.
- ix) The Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former auditors of the Corporation.
- x) The Committee shall monitor and assess the relationship between management and the external auditors and monitor and support the independence and objectivity of the external auditors.
- xi) The Committee shall have the authority to engage the external auditors to perform a review of the interim financial statements.

c) Other Responsibilities

The Committee shall perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate.

SCHEDULE “A”

SAFI SILVER CORP. POSITION DESCRIPTION FOR THE CHAIRMAN OF THE AUDIT COMMITTEE

1. PURPOSE

The Chairman of the Audit Committee of the Board shall be an independent director who is elected by the Board to act as the leader of the Committee in assisting the Board in fulfilling its financial reporting and control responsibilities to the shareholders of the Corporation.

2. WHO MAY BE CHAIRMAN

The Chairman will be selected from amongst the independent directors of the Corporation who have a sufficient level of financial sophistication and experience in dealing with financial issues to ensure the leadership and effectiveness of the Committee.

The Chairman will be selected annually at the first meeting of the Board following the annual general meeting of shareholders.

3. RESPONSIBILITIES

The following are the primary responsibilities of the Chairman:

- a) chairing all meetings of the Committee in a manner that promotes meaningful discussion;
- b) ensuring adherence to the Committee's Charter and that the adequacy of the Committee's Charter is reviewed annually;
- c) providing leadership to the Committee to enhance the Committee's effectiveness, including:
 - i) providing the information to the Board relative to the Committee's issues and initiatives and reviewing and submitting to the Board an appraisal of the Corporation's independent auditors and internal auditing functions;
 - ii) ensuring that the Committee works as a cohesive team with open communication, as well as ensuring open lines of communication among the independent auditors, financial and senior management and the Board of Directors for financial and control matters;
 - iii) ensuring that the resources available to the Committee are adequate to support its work and to resolve issues in a timely manner;
 - iv) ensuring that the Committee serves as an independent and objective party to monitor the Corporation's financial reporting process and internal control systems, as well as to monitor the relationship between the Corporation and the independent auditors to ensure independence;
 - v) ensuring that procedures are in place to assess the audit activities of the independent auditors and the internal audit functions;
 - vi) ensuring that procedures are in place to review the Corporation's public disclosure of financial information and assess the adequacy of such procedures periodically, in consultation with any disclosure committee of the Corporation;

- vii) ensuring that clear hiring policies are put in place for partners and employees of the auditors;
- d) ensuring that procedures are in place for dealing with complaints received by the Corporation regarding accounting, internal controls and auditing matters, and for employees to submit confidential anonymous concerns, ensuring the establishment of a budget process, which shall include the setting of spending limits and authorizations and periodical reports from the Chief Financial Officer of actual spending as compared to the budget regarding questionable accounting or auditing matters; and
- e) managing the Committee, including:
 - i) adopting procedures to ensure that the Committee can conduct its work effectively and efficiently, including committee structure and composition, scheduling, and management of meetings;
 - ii) preparing the agenda of the Committee meetings and ensuring pre-meeting material is distributed in a timely manner and is appropriate in terms of relevance, efficient format and detail;
 - iii) ensuring meetings are appropriate in terms of frequency, length and content;
 - iv) obtaining and reviewing with the Committee an annual report from the independent auditors, and arranging meetings with the auditors and financial management to review the scope of the proposed audit for the current year, its staffing and the audit procedures to be used;
 - v) overseeing the Committee's participation in the Corporation's accounting and financial reporting process and the audits of its financial statements;
 - vi) ensuring that the auditor's report directly to the Committee, as representatives of the Corporation's shareholders; and
 - vii) annually reviewing with the Committee its own performance.

SCHEDULE “B”

**SAFI SILVER CORP.
NATIONAL INSTRUMENT 52-110 AUDIT COMMITTEES (“NI 52-110”)**

Section 1.4 — Meaning of Independence

- (1) An audit committee member is independent if he or she has no direct or indirect material relationship with the issuer.
- (2) For the purposes of subsection (1), a “material relationship” is a relationship which could, in the view of the issuer’s board of directors, be reasonably expected to interfere with the exercise of a member’s independent judgment.
- (3) Despite subsection (2), the following individuals are considered to have a material relationship with an issuer:
 - (a) an individual who is, or has been within the last three years, an employee or executive officer of the issuer;
 - (b) an individual whose immediate family member is, or has been within the last three years, an executive officer of the issuer;
 - (c) an individual who:
 - (i) is a partner of a firm that is the issuer’s internal or external auditor,
 - (ii) is an employee of that firm, or
 - (iii) was within the last three years a partner or employee of that firm and personally worked on the issuer’s audit within that time;
 - (d) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:
 - (i) is a partner of a firm that is the issuer’s internal or external auditor,
 - (ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or
 - (iii) was within the last three years a partner or employee of that firm and personally worked on the issuer’s audit within that time;
 - (e) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the issuer’s current executive officers serves or served at that same time on the entity’s compensation committee; and
 - (f) an individual who received, or whose immediate family member who is employed as an executive officer of the issuer received, more than \$75,000 in direct compensation from the issuer during any 12 month period within the last three years.
- (4) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because
 - (a) he or she had a relationship identified in subsection (3) if that relationship ended before March 30, 2004; or

- (b) he or she had a relationship identified in subsection (3) by virtue of subsection (8) if that relationship ended before June 30, 2005.
- (5) For the purposes of clauses (3)(c) and (3)(d), a partner does not include a fixed income partner whose interest in the firm that is the internal or external auditor is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior service with that firm if the compensation is not contingent in any way on continued service.
- (6) For the purposes of clause (3)(f), direct compensation does not include:
 - (a) remuneration for acting as a member of the board of directors or of any board committee of the issuer, and
 - (b) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.
- (7) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because the individual or his or her immediate family member
 - (a) has previously acted as an interim chief executive officer of the issuer, or
 - (b) acts, or has previously acted, as a chair or vice-chair of the board of directors or of any board committee of the issuer on a part-time basis.
- (8) For the purpose of section 1.4, an issuer includes a subsidiary entity of the issuer and a parent of the issuer.

Section 1.5 — Additional Independence Requirements for Audit Committee Members

- (1) Despite any determination made under section 1.4 of NI 52-110, an individual who
 - (a) accepts, directly or indirectly, any consulting, advisory or other compensatory fee from the issuer or any subsidiary entity of the issuer, other than as remuneration for acting in his or her capacity as a member of the board of directors or any board committee, or as a part-time chair or vice-chair of the board or any board committee; or
 - (b) is an affiliated entity of the issuer or any of its subsidiary entities,is considered to have a material relationship with the issuer.
- (2) For the purposes of subsection (1), the indirect acceptance by an individual of any consulting, advisory or other compensatory fee includes acceptance of a fee by
 - (a) an individual's spouse, minor child or stepchild, or a child or stepchild who shares the individual's home; or
 - (b) an entity in which such individual is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the issuer or any subsidiary entity of the issuer.
- (3) For the purposes of subsection (1), compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.

SCHEDULE “C”

SAFI SILVER CORP.

Procedures for Approval of Non-Audit Services

1. The Corporation’s external auditors shall be prohibited from performing for the Corporation the following categories of non-audit services:
 - (a) bookkeeping or other services related to the Corporation’s accounting records or financial statements;
 - (b) appraisal or valuation services, fairness opinion or contributions-in-kind reports;
 - (c) actuarial services;
 - (d) internal audit outsourcing services;
 - (e) management functions;
 - (f) human resources;
 - (g) broker or dealer, investment adviser or investment banking services;
 - (h) legal services; and
 - (i) any other service that the Canadian Public Accountability Board or International Accounting Standards Board or other analogous board which may govern the Corporation’s accounting standards, from time to time determines is impermissible.
2. In the event that the Corporation wishes to retain the services of the Corporation’s external auditors for tax compliance, tax advice or tax planning, the Chief Financial Officer of the Corporation shall consult with the Chair of the Committee, who shall have the authority to approve or disapprove on behalf of the Committee, such non-audit services. All other non-audit services shall be approved or disapproved by the Committee as a whole.
3. The Chief Financial Officer of the Corporation shall maintain a record of non-audit services approved by the Chair of the Committee or the Committee for each fiscal year and provide a report to the Committee no less frequently than on a quarterly basis.

