



**SILVER VALLEY
METALS**

SILVER VALLEY METALS CORP.

**DISCLOSURE CONTROLS AND
PROCEDURES POLICY**

JUNE 2021

DISCLOSURE CONTROLS AND PROCEDURES POLICY

1. Introduction

Canadian laws require the Company to maintain “disclosure controls and procedures” that are designed to ensure that information required to be disclosed by the Company in reports it files or submits to regulatory authorities is recorded, processed, summarized and reported on a timely basis. Disclosure controls and procedures must be designed to ensure that information is accumulated and communicated to the Company’s management to allow timely decisions regarding required disclosure. Disclosure controls and procedures should capture information that is relevant to assessment of developments and risks that pertain to the Company’s business, as well as other material information about the Company.

The Company’s CEO and CFO periodically are required to certify that they (1) are responsible for establishing and maintaining disclosure controls and procedures, (2) have designed such controls and procedures to ensure that material information is made known to them by others within the Company on a timely basis, and (3) have evaluated the effectiveness of the disclosure controls and procedures and presented the conclusions of that evaluation in certain filings.

Also, legislation in at least one Province (Ontario) requires such procedures and controls to be in place in order for management to have a defence against litigation arising out of a misstatement in a public filing or arising out of a failure to promptly make a required disclosure.

2. Application

This Disclosure Controls and Procedures Policy covers the following:

(a) *Periodic Disclosures*

- Annual Information Forms and Annual Reports, quarterly and other periodic reports, financial statements and related MD&A reports, and related press releases filed in Canada.
- Management Information Circulars.
- Registration statements/prospectuses filed with Canadian authorities.

(b) *Event-Driven Disclosures*

- Anticipated events such as the results from acquisitions, divestitures, initiation of legal proceedings by the Company and announcement of certain royalty transactions or financings.
- Unanticipated events such as correction of misstatements in previously publicly-filed information, lawsuits against the Company, severe accidents causing harm to personnel, or significant loss of property, material regulatory investigations, and discovery of fraud or illegal conduct.

3. Supplement to Internal Controls and Procedures

The Company's other internal controls and procedures are not affected by these disclosure controls and procedures, and they will continue to operate independent of the disclosure controls and procedures set out in this Policy.

4. Statement of Responsibility

Design and maintenance of this Policy is the responsibility of the CEO and CFO, subject to evaluation by the Board of Directors, and implementation of this Policy is the responsibility of the CEO and CFO, with the assistance of the other members of the Disclosure Committee (as defined below).

5. Disclosure Committee

The Company has established a Disclosure Committee in order for the Company to carry out its responsibilities under this Policy. The Committee is not a committee of the Board. The Committee shall maintain a record of its work and deliberations. The Disclosure Committee shall appoint a Secretary for the Committee, who need not be a member of the Committee, who shall be responsible for maintaining such records and otherwise documenting compliance with the requirements of this Policy.

(a) *Members*

The Disclosure Committee consists of the Chairman, CEO, COO, and Corporate Secretary and such other persons as the CEO may designate. The Disclosure Committee may delegate specific functions to sub-committees of the Disclosure Committee, subject to final report to, and approval of the actions of any such subcommittee by, the Disclosure Committee. A quorum of the Disclosure Committee is the CEO and any one member or a majority of all members.

(b) *Meetings*

The Disclosure Committee will meet as required, and will meet (or communicate by telephone or electronically) at least once each fiscal quarter and will meet on the request of any member in the event of the occurrence of an event or situation involving or affecting the Company which may warrant public disclosure.

(c) *Responsibilities*

The primary responsibility of the Disclosure Committee is to cause the Company to fulfill its disclosure obligations on a timely basis. To carry out its functions, the Disclosure Committee will:

- Establish and implement controls and procedures for the timely collection and reporting to the Disclosure Committee of potential material information, and the timely evaluation and dissemination of material information to securities regulators, stock exchanges and shareholders.

- Review, or arrange for the review by an authorized subcommittee, of all documents subject to the Policy.
- Evaluate the design of disclosure controls and procedures, including this Policy, not less frequently than quarterly, and evaluate their effectiveness annually and within 90 days of the end of the year.
- Report on its evaluation of disclosure controls and procedures at least annually to the Audit Committee of the Board of Directors.

In fulfilling its oversight responsibilities, the Disclosure Committee will give consideration to the following:

- Involvement of key personnel as necessary to ensure adequate collection, evaluation and disclosure of all material information.
- Adequacy of resources, including quality of staffing within areas of responsibility for collection, evaluation and disclosure of all material information.
- Adequacy of training of personnel involved with collection, evaluation and disclosure of all material information.
- Approval responsibility for each part and the entirety of disclosure documents.

In carrying out its responsibilities, the Disclosure Committee will have full access to all books and records, facilities and personnel of the Company, as well as independent auditors, counsel and other experts.

6. Procedures

The following key disclosure controls and procedures are established to ensure that material information is collected, evaluated and disclosed by the Company on a timely basis.

(a) Standing Disclosure Practice and Procedure

The Company's Code of Ethics and Trading Restrictions sets out, in paragraph 12, the Company's Disclosure Policy. That Disclosure Policy explains the responsibility of each employee to inform senior management on a timely basis of events or developments that might have a material effect on the Company. It is the responsibility of all members of senior management to inform the members of the Disclosure Committee of such information.

If any officer or member of the Disclosure Committee receives a report of non-public, possibly or potentially material information and concludes that the Company may have an obligation to promptly disclose that information to securities regulators, stock exchanges, shareholders or the public, that person shall promptly advise the members of the Disclosure Committee. The Disclosure Committee shall promptly convene (or communicate electronically) to consider the significance and need for disclosure of that information and, in consultation with the CEO, shall take such steps as its members deem appropriate under the circumstances.

(b) Annual Information Form (“AIF”) Controls and Procedures

In addition to the Company’s normal annual financial reporting process, the Company will follow the following additional procedures in respect of preparation of the AIF, if applicable:

- Prior to commencement of drafting the AIF document, the Disclosure Committee or a subcommittee thereof and others, as appropriate, will meet or otherwise communicate to determine the content of the document, including any new legal or regulatory requirements.
- The Disclosure Committee or subcommittee or, at the direction of the Disclosure Committee or subcommittee, other selected employees will prepare a summary of principal required disclosure items, assign drafting responsibility for each, assign responsibility for compilation and overall control of the drafting process, establish a schedule for drafting and review, and distribute packages for review. As part of the process, the Disclosure Committee or subcommittee will identify those persons within the Company that can be expected to have particular knowledge as to the items covered by the document and ensure that those persons review the appropriate portions of the document.
- The Disclosure Committee, other selected employees, and independent auditors and outside counsel, as appropriate, will review and comment on the first complete draft of the reports/financial statements. Subsequent drafts of the reports and financial statements will be circulated by e-mail, facsimile or delivery for review and comment; this process need only be face-to-face upon the request of any member of the Disclosure Committee. Any officers not on the Disclosure Committee will be provided with copies of drafts, as appropriate.
- The CEO, Disclosure Committee, other selected employees, as appropriate, independent auditors, outside counsel, if requested by any of the foregoing persons or by these professionals themselves, and the Audit and Risk Committee will review the near final text of the AIF.
- Before reviewing the final text of the AIF, the CEO, Disclosure Committee and other selected employees, as appropriate, will evaluate the disclosure controls and procedures, identify any deficiencies or weaknesses in the design or operation of internal controls, and consider any reports of fraud.

(c) Annual Reports to Shareholders, quarterly and other periodic reports, financial statements and related MD&A reports, and related press releases filed in Canada

In addition to the Company’s normal financial closing processes, the Company will follow the following additional procedures in respect of Annual Reports to Shareholders and quarterly and other periodic reports, financial statements and related MD&A reports, and press releases filed in Canada.

- Prior to the commencement of drafting, the CFO and others, as appropriate, will meet or otherwise communicate to determine the content to be included in the document, including any new legal or regulatory requirements.

- The Disclosure Committee or subcommittee or, at the direction of the Disclosure Committee or subcommittee, other selected employees will prepare a summary of principal required disclosure items, assign drafting responsibility for each, assign responsibility for overall control of the drafting process, establish a schedule for drafting and review, and distribute packages for review. As part of the process, the Disclosure Committee or subcommittee will identify persons within the Company that can be expected to have particular knowledge as to the items covered by the document and ensure that those persons review the appropriate portions of the document.
- The Disclosure Committee, other selected employees, independent auditors and outside counsel, as appropriate, will review and comment on the document.
- The Disclosure Committee, other selected employees, independent auditors and outside counsel, as appropriate, will resolve all disclosure issues and finalize text.

(d) Management Information Circular Controls and Procedures

- Prior to the commencement of drafting, the Disclosure Committee or a subcommittee thereof and others, as appropriate, will meet or otherwise communicate to determine the matters to be included in the Management Information Circular and additional parties, if any (such as outside compensation consultants), to be involved in the preparation of the Management Information Circular.
- Prior to the substantial completion of drafting, the Disclosure Committee or a subcommittee will enquire of outside counsel to determine any changes required since the prior year in the requirements of the Management Information Circular.
- The Disclosure Committee or subcommittee or, at the direction of the Disclosure Committee or subcommittee, other selected employees will prepare a summary of principal required disclosure items and establish a schedule for drafting and review. As part of the process, the Disclosure Committee will identify those persons within the Company that can be expected to have particular knowledge as to the items covered by the document and ensure that those persons review the appropriate portions of the document.
- The Disclosure Committee or subcommittee or, at the direction of the Disclosure Committee or subcommittee, other selected employees will draft the Management Information Circular and distribute the Management Information Circular to the Disclosure Committee, the Board, outside counsel, and other additional parties, as appropriate, for review and comment.
- The Disclosure Committee and others, as appropriate will resolve all disclosure issues and finalize text.

(e) Registration Statements/Prospectuses

Registration statements and prospectuses will normally be prepared in the context of agreements and meetings with underwriters and others involved in the process. Although the process will involve drafting and review of information in processes that are similar to those involved in the

preparation of an AIF, due to the timing and participation by others in the process, it is not possible to set out in advance the specific steps to be followed.

- It shall be the responsibility of the CFO, in conjunction with independent auditors and outside counsel, to implement disclosure and approval procedures comparable to those contained in this policy for other reports, to keep the Disclosure Committee involved and informed, as appropriate, to ensure the accuracy and completeness of such documents, and to keep the Board of Directors informed and involved in the process, as appropriate.

(f) Event-Driven Disclosures

Event-driven disclosures are those disclosures which are not periodic in nature and will arise from time to time as a consequence of both anticipated and unanticipated events. Examples of anticipated events include the announcement of certain royalty transactions, financings, initiation of legal proceedings by or against the Company, significant acquisitions and divestitures, and similar matters all of which are likely to be deemed material information.

To the extent that such events are wholly or partially within the Company's control, disclosure in respect of these events should be planned for by the Disclosure Committee. The Disclosure Committee, or a subcommittee thereof, should be involved in the preparation of event-driven disclosures including press releases, material change reports and amendments to the existing continuous disclosure record in Canada. The full Board of Directors should be notified in the event there is need to make any material unanticipated event-driven disclosure.

7. News Releases

The Disclosure Committee shall generally be responsible for supervising preparation and dissemination of news releases and shall generally consult the checklist in Exhibit 2. The Disclosure Committee will assign drafting responsibility for drafting and distribution of each release. As a part of the process, the Disclosure Committee will identify those persons within the Company that can be expected to have particular knowledge as to the items covered by the document and ensure that those persons review the document.

Exhibit 1

News Release Checklist

Instructions for Use

This News Release Checklist should be consulted by the appropriate members of the Company's Disclosure Committee when preparing a news release.

Checklist Questions

1. Has the information to be distributed been determined to be definitely or reasonably likely to be material to investors?
2. Has the information been accurately summarized in a draft press release with a view to ensuring that it comprehensively discloses the event or information in a factually accurate and plain language manner with reasonable balance in respect to the positive and negative aspects of the information?
3. If the event or information is conditional, contingent or otherwise uncertain, does the news release properly disclose the nature of such conditions and contingencies, e.g. subject to regulatory approval, subject to definitive agreement, etc.?
4. Does the release contain information about financial performance, legal proceedings, legal agreements or other matters which requires the review of one of the Company's professional advisors (legal, accounting, other)?
5. Does the press release describe a proposed financing of the Company which may require that the news release not be disseminated in the United States or be otherwise restricted?
6. Does the forward-looking information disclaimer in the news release adequately disclose the principal risks in connection with the matter in a specific and comprehensive (not a shopping list) format?
7. Has a quorum of the Disclosure Committee approved this news release?
8. If the answer to question 7 is yes, are there any other persons to whom the news release should be first shown on confidential basis, either as a courtesy or as a manner of confirming its accuracy or the agreement of any third party with the characterization of the information? (e.g. joint venture partners, lawyers, auditors, stock exchange officials)
9. Has the board of directors and in particular the independent board members reviewed the news release?
10. If the information is to be released during trading hours, is it of such a significantly material nature as to warrant a halting of the Company's shares from trading to permit a period of dissemination (only to be done in urgent situations or with the prior notice of same to the board)?

11. Will the news release be disseminated through ordinary paid wire services or is there a need to contact other media (newspapers, business writers)?
12. Has the Company's corporate communications and investor relations staff been apprised of the news release and been given an opportunity to raise any questions or issues which may be predicted to arise out of dissemination of a news release?
13. Is there any reason to alert other employees to the news release prior to its release?
14. Have all the required regulatory filings for the news release been arranged? For example, filing the news release and a Material Change Report, if necessary, on SEDAR.