



**Notice of Meeting  
&  
Management Information and Proxy Circular**

Annual General and Special Meeting of Shareholders  
to be held on Tuesday, October 31, 2023, 11:00 a.m.  
at #2-17942 55th Avenue, Surrey, BC

*Neither the TSX Venture Exchange Inc. nor any securities regulatory authority has in any way passed upon the merits of the proposed Change of Business described in this information circular.*

Dated as of September 21, 2023

RecycLiCo Battery Materials Inc.  
#2-17942 55<sup>th</sup> Avenue  
Surrey, BC V3S 6C8

## NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the annual general and special meeting (the “Meeting”) of the shareholders of RecycLiCo Battery Materials Inc. (the “Company”) will be held on **October 31, 2023 at 11:00 a.m. (Vancouver time)** at the address above for the following purposes:

1. To receive and consider the financial statements of the Company and the auditor's report thereon for the fiscal year ended July 31, 2022;
2. To fix the number of directors at six;
3. To elect the directors to hold office until the next annual meeting of shareholders;
4. To appoint De Visser Gray LLP as independent auditors of the Company for the next fiscal year, and to authorize the Directors to fix their remuneration;
5. To approve, with or without variation, the Company’s omnibus equity incentive plan, as more particularly described in the Circular; and
6. To approve changing the Company’s listing classification on the TSX Venture Exchange (“TSXV”) from being a Mining Issuer to being an Industrial, Technology or Life Sciences Issuer, otherwise known as a “Change of Business” under TSXV policies.

Accompanying this Notice of Meeting are a Management Information and Proxy Circular, Proxy Form and a Financial Statement Request Form.

After registering, you will receive a confirmation email containing instructions on how to join the Meeting.

A shareholder entitled to vote is entitled to appoint a proxyholder to vote in his or her stead, and to attend the Meeting. If you are unable to attend the Meeting, or any adjournment thereof, in person, please date, execute, and return the enclosed form of proxy in accordance with the instructions set out in the notes to the proxy and any accompanying information from your intermediary.

DATED at Surrey, British Columbia on September 21, 2023

BY ORDER OF THE BOARD OF DIRECTORS

*“Zarko Meseldzija”*

Zarko Meseldzija  
Director and Chief Executive Officer

**TABLE OF CONTENTS**

Preliminary Notes .....	iv
Summary of Circular.....	v
Meeting Time and Location.....	1
Particulars Of Matters To Be Acted Upon.....	1
General Proxy Information .....	4
Voting Securities And Principal Holders Of Voting Securities.....	6
Director and Named Executive Officer Compensation .....	6
Securities Authorized For Issuance Under Equity Compensation Plans .....	9
Corporate Governance .....	10
Audit Committee.....	11
Indebtedness Of Directors And Executive Officers.....	12
Interest Of Certain Persons Or Companies In Matters To Be Acted Upon .....	13
Interest Of Informed Persons In Material Transactions.....	13
Management Contracts .....	13
Other Business .....	13
Additional Information .....	13
Appendix A: Audit Committee Charter .....	A1
Appendix B: Omnibus Equity Incentive Plan.....	B1
Appendix C: Information Regarding Proposed Change of Business.....	C1

## PRELIMINARY NOTES

Unless otherwise indicated, all information contained in this Circular is as at its most recently completed financial year ended July 31, 2022 (“Fiscal 2022”) and as of the date hereof.

In this Circular, references to “RecycLiCo”, the “Company”, “we”, “us” and “our” refers, to RecycLiCo Battery Materials Inc. and its subsidiaries collectively.

### **Forward-looking Information**

This Circular contains statements (such statements hereinafter referred to as “Forward-Looking Information”) regarding possible events, conditions or financial performance related to or affecting us that are based on assumptions about future economic conditions and courses of action, and includes future-oriented financial information with respect to our prospective financial performance, financial position or cash flows which may be presented as a forecast or a projection.

Forward-Looking Statements in this Circular include but is not limited to statements about:

- our plans for the construction of a demonstration plant and the design of a commercial recycling plant
- our plans to achieve our business objectives, including the time and amount of funds required to meet the necessary milestones
- the market size for our products, and our outlook on our industry
- our projected revenues and expenses
- our competition
- trends and risks affecting our business

Forward-Looking Statements require us to make assumptions and are subject to inherent risks and uncertainties, which give rise to the possibility that the predictions, forecasts, projections, expectations or conclusions expressed or implied by the Forward-Looking Statements will not prove to be true or accurate. You are cautioned not to place undue reliance on these statements as a number of factors could cause our actual results to differ materially from the expectations expressed in such Forward-Looking Statements. These factors – many of which are beyond our control and the effects of which can be difficult to predict – include but is not limited to:

- our ability to raise sufficient capital and to maintain adequate cash flow
- our ability to generate profits
- our ability to procure a strategic partner to license our technology, or to enter into a joint venture for the commercialization of our technology
- accuracy of our financial forecasts
- competition
- the adequacy of protection for our intellectual property, and the possible infringement of others’ intellectual property
- fluctuations in the price of metals and minerals
- inaccurate mineral resource estimates
- foreign currency or interest rate fluctuations
- risk of losing key personnel
- risk of being involved in litigation
- economic changes
- changes in laws and regulations
- stock market volatility

Please see “Risk Factors” for other risks which may affect our Forward-Looking Statements. Except as required by law, we do not undertake to update any Forward-Looking Statement, whether written or oral, that may be made from time to time by us or on our behalf.

## SUMMARY OF CIRCULAR

*The following is a summary of information relating to the issuer, the proposed Change of Business and the Resulting Issuer (assuming completion of the Change of Business) and should be read together with the more detailed information and financial data and statements contained elsewhere in this information circular.*

### **Meeting Time and Location**

The Meeting will be held at 11:00 a.m. (Vancouver time) on October 31, 2023 at #2-17942 55th Avenue, British Columbia. See “Particulars of Matters to be Acted Upon” for the specific items to be considered at the Meeting.

### **Proposed Change of Business**

The Company is a diversified critical metals company, engaged in the business of developing and commercializing a hydrometallurgical process for recycling lithium-ion batteries as well as the exploration and development of our mineral properties in British Columbia and Arizona. Since 2009, we have been focusing on the former: we have conducted extensive research and development of our proprietary hydrometallurgical process, from testing at a bench-scale, to testing at a pilot plant level and finally at a demonstration plant where we are able to produce battery-grade lithium carbonate, lithium hydroxide and precursor cathode active material (“pCAM”). We have recently entered into a 50/50 joint venture with Zenith Chemical Corporation to construct a commercial recycling plant in Taiwan for the purposes of producing these products using the RecycLiCo process. See “History” in *Part 1: Information Concerning the Issuer* for a more detailed narrative of our corporate history.

Accordingly, we intend to change the Company’s listing classification on the TSX Venture Exchange (“TSXV”) from being a Mining Issuer to being an Industrial, Technology or Life Sciences Issuer, otherwise known as a “Change of Business” under TSXV policies.

### **Interest of Insiders**

None of the Company’s Insiders (or their Associates) have an interest in the proposed COB which will result in them being treated differently than other shareholders. See “Directors, Officers and Promoters” in *Part 2: Information Concerning the Resulting Issuer* for disclosure of the shares and stock options held by our directors and officers.

### **Arm’s Length Transaction**

The proposed Change of Business will not be a non-arm’s length transaction.

### **Available Funds and Principal Purposes**

We anticipate having approximately \$18 million in working capital after the proposed COB, and we expect to expend the funds as follows:

	<b>Estimated Amount</b>
Collaboration with Zenith on the detailed recycling plant design and construction plan	\$1,175,000
Equipment and construction of recycling plant	\$9,025,000
Estimated general and administrative expenses for next 12 months	\$1,350,000
Unallocated working capital	\$6,450,000
Total	\$18,000,000

Notwithstanding the table above, there may be circumstances where for sound business reasons a reallocation of funds may be necessary.

### **Sponsorship**

The Company intends to seek a waiver of the requirement under Exchange policies to have sponsorship for a Change of Business.

### **Conflicts of Interest**

The Company's directors and officers may also be directors and officers of other companies. As such, situations may arise where the interests of our directors and officers may be in conflict with the interests of the Company. Conflicts, if any, will be subject to the procedures and remedies provided under the *Business Corporations Act* (British Columbia). See "Directors, Officers and Promoters" in *Part 2: Information Concerning the Resulting Issuer*.

### **Interest of Experts and Others**

De Visser Gray LLP (the "Auditor") provided an auditor's report for our financial statements for the years ended July 31, 2022 and 2021. The Auditor has advised us that they are independent of the Company, as determined in accordance with the Chartered Professional Accountants of British Columbia Code of Professional Conduct. To our knowledge, the Auditor did not hold, at the time they prepared the report or afterwards, any registered or beneficial interests, direct or indirect, in any of our securities or other property or of one of our associates or affiliates. Moreover, no one at the Auditor is expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associate or affiliate of the Company.

### **Summary of Risk Factors**

AN INVESTMENT IN SECURITIES OF THE COMPANY IS HIGHLY SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK AND SHOULD ONLY BE MADE BY INVESTORS WHO CAN AFFORD TO LOSE THEIR ENTIRE INVESTMENT.

Since lithium-ion battery recycling is still in its infancy as an industry, there is no assurance that commercialization of our proprietary technology is attainable or profitable. We have no history of commercial operations, and we have negative cash flow from operations in our most recently completed financial year. There is no assurance that we will reach the commercialization stage, given the considerable

challenges of correctly identifying the right market strategy, completing the necessary research and development, constructing a commercial production plant and other capital projects, developing business alliances and customer networks, plus raising enough money to perform these tasks. Moreover, there are a number of other competitors in our industry segment, some of whom are far more well-funded than us or have other resources and capabilities which give them an advantage.

Other risk factors include, but are not limited to, risks associated with: inability to form beneficial strategic alliances; inability to adequately protect our intellectual property; fluctuations in mineral and metal prices; uncertain demand for electric vehicles; uncertainty over environmental regulations; operational risks; inability to raise capital; inaccurate forecasts; force majeure events; volatile share prices; foreign exchange rates; litigation; economic changes; legal changes; loss of key personnel; and uninsurable risks.

The Exchange has not granted final acceptance of the proposed Change of Business, and there is no guarantee that it will do so. Regardless of the proposed Change of Business proceeding, we will continue to hold mineral properties in the near term and are subject to risks associated with mining, such as the speculative and competitive nature of the industry; mineral exploration risks; fluctuations in mineral and metal prices; difficulties in obtaining permits and licenses; unfavourable environmental regulations; inaccurate mineral resource estimates; title risk and First Nations claims. The foregoing is not an exhaustive list of the risks we may face with respect to our mineral properties.

For a comprehensive discussion of the risk factors, see “Risk Factors” in *Part 2: Information Concerning the Resulting Issuer*.

## MEETING TIME AND LOCATION

This management information and proxy circular (the “Information Circular”) is furnished in connection with the solicitation of proxies by management of RecycLiCo Battery Materials Inc. (the “Company”) for use at the annual general and special meeting of shareholders (the “Meeting”) of the Company to be held at 11:00am (PST), on October 31, 2023, at #2-17942 55th Avenue, Surrey, British Columbia and any adjournment thereof, for the purposes set forth in the accompanying notice of meeting (the “Notice”).

The Company reserves the right to take any additional precautionary measures it deems appropriate for the Meeting in order to protect the health and safety interests of its management and shareholders, including changing the Meeting date, time, location and/or means of holding the Meeting. Such changes will be announced by way of press release. Shareholders are advised to monitor the Company’s website at [www.recyclico.com](http://www.recyclico.com) or SEDAR for filings of press releases announcing such changes. The Company does not intend to prepare an amended Information Circular with respect to any changes to the Meeting format.

Unless otherwise indicated, the information contained in this Information Circular is given as at September 21, 2023 and all currency figures are in Canadian dollars. The head office of the Company is located at Unit 2, 17942 55<sup>th</sup> Avenue, Surrey, British Columbia, V3S 6C8 and its telephone number is 778-574-4444.

## PARTICULARS OF MATTERS TO BE ACTED UPON

### A. Election of Directors

The term of office of each present Director expires at the Meeting. Management does not contemplate that any of the nominees will be unable to serve as a Director. Management of the Company proposes to nominate the persons named in the following table for election to the board of Directors (the “Board”) until the next annual shareholder meeting or until their successors are elected or appointed, unless their office is earlier vacated in accordance with the *Business Corporations Act* (British Columbia). Unless otherwise instructed, the enclosed form of proxy will be voted “FOR” the nominees listed below.

Information concerning the nominees, as furnished by them individually, is set forth below.

Name, Province and Country of Residence and Current Position with the Company	Director Since	Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Direction is Exercised <sup>(2)</sup>	Principal Occupation for the Past Five Years
<b>Zarko Meseldzija</b> British Columbia, Canada <i>Director, Interim CEO</i>	March 25, 2020	Nil	Interim CEO with the Company since Sep. 2022 and CTO with the Company since Jul. 2018
<b>Shaheem Ali</b> British Columbia, Canada <i>Director and CFO</i>	September 21, 2022	818,000	CFO with the Company since Jul. 2014
<b>Andris Kikauka<sup>(1)</sup></b> British Columbia, Canada <i>Director</i>	June 22, 1993	866,500	Self- employed geologist, Geo-Facts Specialists
<b>Edward F. Skoda<sup>(1)</sup></b> Jalisco, Mexico <i>Director</i>	April 4, 2013	4,300,000	Retired mining contractor and project manager
<b>Paul Hildebrand<sup>(1)</sup></b> British Columbia, Canada <i>Chairman, Director</i>	October 22, 2021	200,000	Self-employed lawyer



Name, Province and Country of Residence and Current Position with the Company	Director Since	Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Direction is Exercised <sup>(2)</sup>	Principal Occupation for the Past Five Years
<b>Rod Langtry</b> British Columbia, Canada <i>Proposed Director</i>	n/a	984,760	President and CEO of Cascade Raider Holdings Ltd.

Notes:

(1) Denotes member of the Audit Committee.

(2) These amounts do not include stock options which are disclosed under “Stock Option Plan”.

### *Cease Trade Orders and Bankruptcies*

Except as disclosed below, none of the nominees proposed to be Director is or has been, within the ten years prior to the date hereof, a director or chief executive officer or chief financial officer of any company (including the Company) that: (i) was subject to an order that was issued while the proposed director was acting as a director, chief executive officer or chief financial officer; or (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer. For the purposes hereof, “order” means: (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days.

No proposed director of the Company is, at the date of this Circular, or has been within ten years before the date of this Circular, a director or executive officer of any company (including the Company) 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 was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Andris Kikauka and Edward Skoda were directors of the Company when it was issued a cease trade order on July 6, 2016, by the British Columbia Securities Commission (“BCSC”), the Alberta Securities Commission (“ASC”) and the Ontario Securities Commission (“OSC”). The cease trade orders were revoked on July 18, 2016, by all of the respective securities commissions.

Andris Kikauka was a director of MGX Minerals Inc. when it was issued a cease trade order by the BCSC, the ASC and the OSC on these dates: Nov. 29, 2019; Dec. 2, 2020; Dec 1, 2021; and Mar 2, 2022. The two earliest cease trade orders were revoked on January 2, 2020, and on Feb. 12, 2021 respectively by all of the applicable securities commissions.

### *Penalties and Sanctions*

No proposed director of the Company has been subject to 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 has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

### *Individual Bankruptcies*

No proposed director of the Company has, within the ten 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 proposed director.

## **B. Appointment of Auditor**

Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted for the approval for the appointment of De Visser Gray LLP as the auditor of the Company until the close of the next annual meeting of shareholders or until a successor is appointed, and to authorize the Directors to fix the auditor's remuneration. De Visser Gray LLP was first appointed as the auditor of the Company on October 28, 2014.

### *Fees Paid to Auditor*

The aggregates fees paid by the Company to its auditor in each of the last two fiscal years are as follows:

	<b>FY2022</b>	<b>FY2021</b>
Audit fees	\$25,400	\$21,400
Audit related fees	n/a	n/a
Tax fees	\$2,000	\$1,500
All other fees	n/a	n/a

## **C. Adoption of Omnibus Equity Incentive Plan**

The Board has determined that it is in the best interest of the Company to adopt a new security-based compensation plan (the "Omnibus Plan") in replacement of the Company's stock option plan (the "Stock Option Plan").

The current Stock Option Plan is a 20% "fixed" plan which allows the Company to reserve up to 20% of the issued and outstanding common shares of the Company, at the time the Plan is approved by shareholders, for issuance upon exercise of stock options. The new Omnibus Plan includes all of the elements of the current Stock Option Plan, but includes additionally other forms of security-based compensation such as restricted share units, deferred share units, performance share units, and stock appreciation rights. A copy of the proposed Omnibus Plan is attached to this circular as Appendix "B".

Outstanding stock options granted under the Stock Option Plan will continue to be valid but governed by the new Omnibus Plan, if approved by shareholders.

At the Meeting, shareholders will be asked to approved the following ordinary resolution:

"BE IT RESOLVED THAT:

1. RecycLiCo Battery Materials Inc. (the "Company") adopt the omnibus equity incentive plan (the "Omnibus Plan") as set out in Appendix "B" of the Company's management information circular dated September 21, 2023;
2. The reservation of that number of common shares in the capital of the Company (each a "Share") equal to 20% of the issued and outstanding Shares, at the time this resolution is passed, for issuance pursuant to exercise or settlement of Awards (as such term is defined in the Omnibus Plan) granted under the Omnibus Plan is hereby authorized and approved;
3. The Company is hereby authorized to make any changes to the Omnibus Plan as may be required by the TSX Venture Exchange; and
4. Any one Director or officer of the Company is hereby authorized and directed to do all acts and things, to execute, under the common seal of the Company or otherwise, and to deliver all agreements,

documents and instruments, to give all notices and to deliver, file and distribute all documents and information which such person determines to be necessary or desirable in connection with or to give effect to or carry out any of the foregoing resolutions.”

#### **D. Change of Business**

Shareholders will be asked at the Meeting to approve and authorize a Change of Business, as that term is defined under TSX Venture Exchange’s policies, for the Company whereby it changes its listing on the Exchange from Mining Issuer to Technology Issuer. For a detailed description of the proposed COB, please see Appendix “C”.

At the Meeting, shareholders will be asked to consider and, if deemed advisable, approve the following ordinary resolution:

“BE IT RESOLVED that:

1. The changing of the Company’s listing classification on the TSX Venture Exchange from a “Mining Issuer” to an “Industrial, Technology, or Life Sciences Issuer”, otherwise known as a Change of Business, is hereby approved, authorized and confirmed; and
2. Any one director or officer of the Company is hereby authorized and directed to do all acts and things, to execute, under the common seal of the Company or otherwise, and to deliver all agreements, documents and instruments, to give all notices and to deliver, file and distribute all documents and information which such person determines to be necessary or desirable in connection with or to give effect to or carry out any of the foregoing resolutions.”

### **GENERAL PROXY INFORMATION**

#### **Solicitation of Proxies**

All costs of solicitation by management will be borne by the Company. In addition to the solicitation of proxies by mail, directors, officers and employees may solicit proxies personally, by telephone or facsimile, but will not receive compensation for so doing.

#### **Appointment of Proxyholder**

The individuals named in the accompanying form of proxy (the “Proxy”) are directors (“Directors”) or officers (“Officers”) of the Company and were designated by management of the Company (the “Management Proxyholder”). **A shareholder wishing to appoint some other person who need not be a shareholder to represent the shareholder at the Meeting has the right to do so, by striking out the names of those persons named in the accompanying form of Proxy and inserting such other person’s name in the blank space provided in the form of Proxy or by completing another form of Proxy.**

Shareholders may wish to vote by Proxy whether or not they are able to attend the Meeting in person. Shareholders electing to submit a Proxy may do so by completing, dating and signing the enclosed form of Proxy and returning it to the Company’s transfer agent, Endeavor Trust Corporation by fax at 604-559-8908 or by mail or hand delivery to Endeavor Trust Corporation, #702 - 777 Hornby Street, Vancouver, BC, V6Z 1S4.

A Proxy will not be valid unless the completed, dated and signed form of Proxy is received by Endeavor Trust Corporation not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting, or any adjournment thereof.

### Revocation of Proxy

A shareholder who has given a Proxy may revoke it by an instrument in writing which is:

- a) executed by the shareholder or by the shareholder's attorney authorized in writing or, where the shareholder is a company, by a duly authorized officer or attorney of the company; and
- b) delivered to either:
  - i) Endeavor Trust Corporation, #702 - 777 Hornby Street, Vancouver, BC, V6Z 1S4 at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof, or
  - ii) the chairman of the Meeting on the day of the Meeting or any adjournment thereof.

Only registered shareholders have the right to revoke a Proxy. Non-registered holders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective Intermediaries (as defined below) to revoke the Proxy on their behalf. 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 Proxyholders

Shares represented by properly executed Proxies in favour of persons designated in the enclosed form of Proxy will, where a choice with respect to any matter to be acted upon has been specified in the form of Proxy, be voted in accordance with the specification made. In the absence of any such specification, the Proxy will be voted as recommended by Management. Where directions are given by the shareholder in respect of voting for or against any resolution, the proxyholder will do so in accordance with such direction.

The enclosed form of proxy, when properly signed, confers discretionary authority upon the person named therein as proxyholder with respect to amendments or variations to matters which may be properly brought before the Meeting. At the date of this Information Circular, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters, which are not now known to Management, should properly come before the Meeting, then the Management designees intend to vote in accordance with the judgment of Management.

### Non-Registered Holders

**Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting.** Most shareholders of the Company are “non-registered” shareholders (“Non-Registered Holders”) because the shares they own are not registered in their names but are instead registered in the name of (a) a brokerage firm, bank, trust company, trustee or administrator of self-administered RRSPs, RRIFs, RESPs and similar plans; or (b) a clearing agency such as CDS & Co. (any of the foregoing, an “Intermediary”). **If you are a Non-Registered Holder, your shares can only be voted by the Intermediary in accordance with instructions received from you.**

In accordance with securities regulatory policy, the Company has distributed copies of the Notice, this Information Circular and the Proxy (collectively, the “Meeting Materials”) to the Intermediaries for distribution to Non-Registered Holders. Each Intermediary has its own form of proxy and mailing procedures. Objecting beneficial owners (as such term is defined under National Instrument 54-101) will not receive the Meeting Materials unless their Intermediary assumes the costs of delivery. Therefore, **if you receive the Meeting Materials from an Intermediary, you should carefully review the voting instructions provided by your Intermediary to ensure that you direct the voting of your shares in accordance with those instructions.**

The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications (“Broadridge”), who typically sends a voting instruction form

(“VIF”) to Non-Registered Shareholders requesting them to provide voting instructions. **Please note a Broadridge VIF cannot be used to vote directly at the Meeting. If you are a Non-Registered Shareholder with a Broadridge VIF, you must follow the procedures set out by Broadridge, well in advance of the Meeting, for voting directly at the Meeting.**

Non-Registered Shareholders who wish to attend the Meeting and indirectly vote as proxyholder for the registered shareholder should contact their Intermediary well in advance of the Meeting to determine the steps necessary to permit them to indirectly vote their Shares as a proxyholder.

## **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

The Company's authorized capital consists of an unlimited number of common shares without par value (the “Shares”). As at September 25, 2023 (the “Record Date”), there were 262,644,127 Shares issued and outstanding. Each share carries the right to one vote.

Any shareholder of record at the close of business on the Record Date who either personally attends the Meeting or who has completed and delivered a Proxy in the manner specified herein, subject to the provisions described above, shall be entitled to vote or to have such shareholder's shares voted at the Meeting.

To the best of the knowledge of the Directors or executive Officers, no person beneficially owns, directly or indirectly, or exercised control or direction over, Shares carrying more than 10% of the voting rights attached to all outstanding Shares.

## **DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION**

### **Oversight and Determination of Compensation**

The Board as a whole has the responsibility of determining compensation for directors and senior management. The Board determines the compensation package for each NEO once a year, and due to the small size of the Company, the determination is based on the Directors' collective business experience and judgment rather than through a formal process with objective measures. Although no identifiable “peer group” is used as a compensation benchmark, the Board generally attempts to set each NEO's compensation to be commensurate with industry compensation of a similarly ranked executive.

In general, the Company's NEOs (defined below) may receive compensation that is a combination of (i) salary, wages or contractor payments; (ii) stock option grants; and (iii) bonuses, if any. No element of compensation is tied to a specific goal or performance criteria.

### **Director & NEO Compensation, Excluding Securities**

The following table sets forth the particulars of compensation, excluding stock options and other compensation securities, paid to NEOs for the Company's two most recently completed financial years. NEOs are comprised of:

- a) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief executive officer (“CEO”), including an individual performing functions similar to a CEO;
- b) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief financial officer (“CFO”), including an individual performing functions similar to a CFO;
- c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently

completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V, for that financial year; and

- d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was not an executive officer of the company, and was not acting in a similar capacity, at the end of that financial year.

Name and Position	Fiscal year ended July 31,	Salary, consulting fee, retainer or commission	Bonus	Committee or meeting fees	Value of perquisites	Value of all other compensation <sup>(1)</sup>	Total compensation
Zarko Meseldzija <i>CEO and Director</i>	2022	\$134,500	Nil	Nil	Nil	\$1,405	\$135,905
	2021	\$100,000	Nil	Nil	Nil	Nil	\$100,000
Shaheem Ali <i>CFO and Director</i>	2022	\$121,125	Nil	Nil	Nil	\$3,120	\$124,245
	2021	\$91,200	Nil	Nil	Nil	Nil	\$91,200
Andris Kikauka <i>Director</i>	2022	\$45,614	Nil	Nil	Nil	Nil	\$45,614
	2021	\$8,000	Nil	Nil	Nil	Nil	\$8,000
Edward Skoda <i>Director</i>	2022	\$11,000	Nil	Nil	Nil	Nil	\$11,000
	2021	\$7,000	Nil	Nil	Nil	Nil	\$7,000
Paul Hildebrand <i>Chairman &amp; Director</i>	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
Larry Reaugh <i>Former President, CEO, and Director</i>	2022	\$191,500	Nil	Nil	Nil	\$2,925	\$194,425
	2021	\$156,000	Nil	Nil	Nil	Nil	\$156,000
Norman Tribe <i>Former Director</i>	2022	\$11,000	Nil	Nil	Nil	Nil	\$11,000
	2021	\$8,000	Nil	Nil	Nil	Nil	\$8,000
Kurt Lageschulte <i>Former Director</i>	2022	\$2,524	Nil	Nil	Nil	Nil	\$2,524
	2021	\$8,727	Nil	Nil	Nil	Nil	\$8,727

Notes:

- (1) The amounts in this column does not include the value of stock options granted to the individual, as such information is provided below.

### **Stock Options and Other Compensation Securities**

The following table provides details of the stock option grants made by the Company to its Directors and NEOs during the most recently completed financial year (ended July 31, 2022):

Compensation Securities						
Name and Position	Date of Issue/Grant, and Expiry Date	Type of Compensation Security	Number of Compensation Securities & Underlying Securities, and % of Class <sup>(1)</sup>	Issue, Conversion or Exercise Price (per share)	Closing Price of Security or Underlying Security	
					on Date of Grant	at Year End <sup>(2)</sup>
Zarko Meseldzija <i>CEO and Director</i>	Nil	N/A	N/A	N/A	N/A	N/A
Shaheem Ali <i>CFO</i>	Nil	N/A	N/A	N/A	N/A	N/A
Andris Kikauka <i>Director</i>	Nil	N/A	N/A	N/A	N/A	N/A
Edward Skoda <i>Director</i>	Nil	N/A	N/A	N/A	N/A	N/A
Paul Hildebrand <i>Chairman and Director</i>	22-Oct-2021 22-Oct-2026	stock option	400,000 0.16%	\$0.80	\$0.80	\$0.52

- (1) Each stock option allows the holder to purchase one common share (the underlying security) at the exercise price shown in the table, and accordingly, the number of compensation securities is the same as the number of underlying securities. Percentage of class is derived by dividing the number of underlying securities by 248,246,347 Shares (the number of Shares issued and outstanding as at the end of most recently completed fiscal year).
- (2) Closing price for July 29, 2022, as July 31, 2022 was not a trading day.

During the most recently completed financial year, the following stock options were exercised by the Company's Directors and NEOs:

Exercise of Compensation Securities by Directors and NEOs						
Name and Position	Date of Exercise	Number of Underlying Securities Exercised	Exercise Price per share (A)	Closing Price per share on Date of Exercise (B)	Difference between (A) and (B) on Date of Exercise	Total Value on Exercise Date
Shaheem Ali <i>CFO</i>	2022-01-14	200,000	\$0.24	\$0.78	\$0.54	\$108,000
Andris Kikauka <i>Director</i>	2021-10-25	200,000	\$0.15	\$0.79	\$0.64	\$128,000
Ed Skoda <i>Director</i>	2021-10-22	250,000	\$0.24	\$0.75	\$0.51	\$127,500
Larry Reaugh <i>Former Director &amp; CEO</i>	2021-10-13	300,000	\$0.15	\$0.84	\$0.69	\$207,000

### **Stock Option Plan**

The Company adopted a "fixed" 20% stock option plan (the "Plan") in order for the Company to attract and retain experienced and qualified directors, officers and employees. A copy of the Plan can be requested from the Company. The key terms of the Plan are provided below for reference only. Please note that the proposed Omnibus Plan, if approved by shareholders, will replace this Plan.

*Eligibility.* Only Directors, Officers, employees and consultants of the Company (collectively "Eligible Persons") are eligible to receive options under the Plan.

*Number of Shares.* The maximum number of Shares which may be reserved for options under the Plan at any time must not exceed 20% of the total number of Shares then outstanding on a non-diluted basis. In addition, the number of shares reserved for issuance to:

- a) any one individual shall not exceed 5% of the number of Shares then outstanding in any twelve-month period;
- b) any one consultant shall not exceed 2% of the number of Shares then outstanding in any twelve-month period; and
- c) all individuals conducting investor relations' activities shall not, in aggregate, exceed 2% of the number of Shares then outstanding in any twelve-month period.

*Term.* The maximum term of options granted under the Plan is 10 years.

*Vesting.* Options granted to consultants performing investor relations activities shall vest over a minimum of twelve months with no more than a quarter of such options vesting in any three-month period.

*Exercise Price.* The exercise price of an option under the Plan is to be determined by the Board, provided that such price cannot be less than the Market Price (as that term is defined under TSXV policies) of the Shares at the date of the grant of such option.

*Termination of Options.* No option may be exercisable if the optionee ceases to be an Eligible Person, except:

- a) where the optionee's employment, engagement or directorship with the Company is terminated for any reason other than for cause, the optionee then has 90 days to exercise any outstanding options, unless the optionee was engaged to provide investor relations activities to the Company, in which case the optionee has 30 days instead;
- b) in the event of an optionee's disability or death, the optionee's estate then may exercise any outstanding option within six months of the date upon which the optionee died or became disabled;
- c) where the optionee became an Eligible Person while the Company was a capital pool company, the optionee then has one year from the completion of the Qualifying Transaction (as this term is defined under TSXV policies), or 90 days after the optionee ceases to be an Eligible Person of the Resulting Issuer (as this term is defined under TSXV policies), to exercise any outstanding options.

## **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The following table sets out equity compensation plan information as at the end of Fiscal 2022.



<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights</b> (a)	<b>Weighted-average exercise price of outstanding options, warrants and rights</b> (b)	<b>Number of securities remaining available for future issuance under equity compensation plan (excluding securities reflected in column (a))</b> (c)
Equity compensation plan approved by securityholders	15,580,300 common shares <sup>(1)</sup>	\$0.94	27,932,021 common shares <sup>(2)</sup>
Equity compensation plans not approved by securityholders	n/a	n/a	n/a
Total	15,580,300 common shares		27,932,021 common shares

(1) These shares are to be issued upon exercise of outstanding incentive stock options.

(2) Under the Company's Plan, a maximum of 43,512,321 common shares can be reserved for issuance pursuant to the exercise of stock options granted.

The Plan is the Company's only equity compensation plan. For material features of the Plan, please see "Stock Option Plan" above.

## **CORPORATE GOVERNANCE**

### **Board of Directors**

The Board will consist of five Directors, all of whom are independent except for Zarko Meseldzija (who is the Company's CEO) and Shaheem Ali (who is the Company's CFO). None of the other Directors or proposed Directors is: (i) an Officer or employee of the Company; (ii) a party to a material contract with the Company or has a material interest in a transaction involving the Company; or (iii) the recipient of remuneration from the Company other than incentive stock options disclosed herein.

### **Directorships**

As at the date hereof, the following Directors are also directors of other reporting issuers as set out below:

<b><u>Director</u></b>	<b><u>Name of Reporting Issuer</u></b>
Andris Kikauka	MGX Minerals Inc.

### **Orientation and Continuing Education**

The Board provides ad hoc orientation for new directors. All Directors receive a Director's manual containing a record of historical public information about the Company, copies of the Company's charters and other relevant information. The Board also arranges meetings with management to provide a review of the nature and operations of the Company.

The Board provides continuing education for directors on an ad hoc basis in respect of issues that are necessary for them to understand to meet their obligations as directors. All of the Directors are actively involved in their respective areas of expertise, and they are encouraged to keep themselves current with industry trends and changes in legislation by liaising with management and the Company's counsel, attending industry-related events and other educational seminars. The cost of continuing education activities will be borne by the Company.

### **Ethical Business Conduct**

The Board has adopted and maintains a code of ethics which is applicable to the Company's Directors, Officers and employees. The purpose of the code is to provide guidance and to prohibit unethical behavior with respect to issues such as conflicts of interest, confidentiality, whistleblowing, protection of corporate assets and opportunities, and compliance with laws and regulations. Furthermore, Directors are frequently reminded to consider whether they are in a conflict of interest by virtue of serving as directors or officers in other companies or holding an interest in a transaction or agreement. A Director in such circumstances is advised to disclose his or her interest in a transaction or agreement, and if the Board considers the interest to be material, such Director must abstain from discussing and voting on the matter.

### **Nomination of Directors**

Given the small size of the Company and its stage of development, the Board has not appointed a nomination committee or put in place formal procedure for the identification of potential Board candidates. Since the size of the Board is limited, the functions of such a committee can be served by the Board as a whole.

### **Compensation**

The Board as a whole determines the compensation of the Directors and the CEO. In setting compensation, the Board is guided by the nature of the Company's business, the Company's size and stage of development, current industry practices and the resources available to provide compensation. The Board will from time to time seek out the compensation policies of other comparable companies to ensure that the Company is able to attract and retain its directors and officers. Currently, it is the Board's policy to compensate its Directors and CEO with equity options in order to align the interest of Directors with those of the Company's shareholders.

### **Other Board Committees**

The Company has no committee other than its Audit Committee at this point.

### **Assessments**

Members of the Board are expected to continually evaluate the effectiveness of the Board, its committees and fellow Directors by considering the accomplishment, or lack thereof, of the Company's goals. Furthermore, the Board is of the view that the Company's shareholders are the most important assessors of Board performance and that they provide the most effective, objective assessment of the Board's performance.

## **AUDIT COMMITTEE**

### **The Audit Committee's Charter**

The Charter of the Audit Committee is attached as Appendix "A" to this Information Circular.

### **Composition of the Audit Committee**

All three proposed members of the Audit Committee — Andris Kikauka, Edward Skoda and Paul Hildebrand — are independent members.

### **Relevant Education and Experience**

*Andris Kikauka* is a graduate of Brock University, St. Catharines, Ontario with an Honours Bachelor of Science Degree in Geological Sciences, 1980. He is a member of the Geological Association of Canada. He is registered in the Province of British Columbia as a Professional Geoscientist. Mr. Kikauka has practiced his profession for twenty years in precious and base metal exploration in the Cordillera of Western Canada working for Anaconda Canada Exploration (1980-1984), Skyline Explorations, Inel Resources, Gulf International Minerals (1985-1989), in South America working for Carson Gold (1990), in Mexico and Guatemala working mineral exploration projects for Francisco Gold and Almaden Minerals (1996-2006) and for three years in uranium exploration in the Canadian Shield working for Rayrock Mines and Uran-Canada (1977-1979).

*Edward Skoda* obtained a Diploma in Mining Engineering Technology from the Haileybury School of Mines in Ontario in 1971 and a Diploma in Business Management from the British Columbia Institute of Technology in 1979. Currently retired, he has over 30 years of experience in the mining industry in which time he has worked on many national and international projects as a consultant, a shift boss, superintendent, and project manager for various mining and exploration companies.

*Paul Hildebrand* has been a practicing lawyer in British Columbia for over 40 years. In addition to a LLB (law), he holds a B.Sc. in mathematics, M.A. in economics and Ph.D. in economics, all from the University of British Columbia. He was previously a director of AMY from 2007 to 2013.

### **Audit Committee Oversight**

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

### **Reliance on Certain Exemptions**

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of National Instrument 52-110 (the "Instrument"), or an exemption from the Instrument, in whole or in part, granted under Part 8 thereof.

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

The Audit Committee has not adopted any specific policies or procedures for the engagement of non-audit services. Generally, management is responsible for ensuring that any required non-audit services are performed in a timely manner, subject to review by the Board or the Audit Committee.

### **Exemption**

The Company is relying on the exemption provided by Section 6.1 of the Instrument.

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

None of the Directors, executive Officers or proposed nominees for election as Directors, executive Officers or their respective associates or affiliates, or other management of the Company is or has been indebted to the Company as at the date hereof.

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

Except as disclosed herein, no person: (a) who has been a Director or executive Officer at any time since the commencement of the Company's last financial year; (b) who is a proposed nominee for election as a Director; or (c) who is an associate or affiliate of a person included in subparagraphs (a) or (b), has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting other than the election of Directors and the appointment of auditors and as set out herein.

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

To the knowledge of management of the Company, no informed person (a Director, Officer or holder of 10% or more of the Shares) or nominee for election as a Director or any associate or affiliate of any informed person or proposed Director has had any interest in any transaction which has materially affected or would materially affect the Company or any of its subsidiaries during the most recently completed financial year, or has any interest in any material transaction in the current year, other than as set out herein.

### **MANAGEMENT CONTRACTS**

Management functions of the Company are not to any substantial degree performed by a person or company other than the Directors or executive Officers.

### **OTHER BUSINESS**

As of the date of this Information Circular, management is not aware of any other matters to come before the Meeting. The securities represented by the Proxy will be voted as directed by the holder, but if such direction is not made in respect of any matter, the Proxy will be voted as recommended by Management.

### **ADDITIONAL INFORMATION**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information relating to the Company is provided in the Company's comparative financial statements and management's discussion and analysis ("MD&A") for its most recently completed financial year ended July 31, 2022. Shareholders may contact the Company to request copies of the financial statements and the MD&A, once available.

DATED at Surrey, British Columbia, this September 21, 2023

BY ORDER OF THE BOARD OF DIRECTORS

*"Zarko Meseldzija"*

Zarko Meseldzija  
Director, President and CEO

## Appendix “A”

### **RecycLiCo Battery Materials Inc. AUDIT COMMITTEE CHARTER**

#### 1. MANDATE

The primary mandate of the audit committee (the “Committee”) of the board of directors (the “Board”) of the Company is to assist the Board in overseeing the Company’s financial reporting and disclosure. This oversight includes:

- a) reviewing the financial statements and financial disclosure that is provided to shareholders and disseminated to the public;
- b) reviewing the systems of internal controls to ensure integrity in the financial reporting of the Company; and
- c) monitoring the independence and performance of the Company’s external auditors and reporting directly to the Board on the work of the external auditors.

#### 2. COMPOSITION AND ORGANIZATION OF THE COMMITTEE

- a) The Committee shall be comprised of at least three directors.
- b) The majority of the Committee members must be independent. A member of the Committee is independent if the member has no direct or indirect material relationship with an issuer. A material relationship means a relationship, which could, in the view of the issuer’s board of directors, reasonably interfere with the exercise of a member’s independent judgment.
- c) Every Committee member must be financially literate. Financial literacy is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the issuer’s financial statements.
- d) The members of the Committee shall be appointed for one-year terms by the Board at its first meeting following the annual shareholders’ meeting. Members may serve for any number of consecutive terms.
- e) Unless the Board shall have appointed a chair of the Committee (the “Chair”), the members of the Committee shall elect a Chair, who may serve as such for any number of consecutive terms.
- f) The Board may at any time remove or replace any member of the Committee and may fill any vacancy of the Committee.

#### 3. MEETINGS

- a) The Audit Committee will meet at least twice per year.
- b) The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to communicate with each other.

- c) The Audit Committee Chair will set the agenda for each meeting, after consulting with management and the external auditor. Agenda materials such as draft financial statements must be circulated to Audit Committee members for members to have a reasonable time to review the materials prior to the meeting.

#### 4. RESPONSIBILITIES AND DUTIES OF THE COMMITTEE

The Audit Committee will perform the following duties:

##### *External Auditor*

- a) Select, evaluate and recommend to the Board, for shareholder approval, the external auditor to examine the Company's accounts, controls and financial statements, and verify the independence of such auditors;
- b) Evaluate, prior to the annual audit by external auditors, the scope and general extent of their review, including their engagement letter, and the compensation to be paid to the external auditors and recommend such payment to the Board;
- c) Obtain written confirmation from the external auditor that it is objective and independent within the meaning of the Rules of Professional Conduct/Code of Ethics adopted by the provincial institute or order of Chartered Accountants to which it belongs;
- d) Review annually the performance of the external auditors who shall be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Company;
- e) Recommend to the Board, if necessary, the replacement of the external auditor;
- f) Meet at least annually with the external auditors, independent of management, and report to the Board on such meetings;
- g) Pre-approve all audit and audit-related services and any non-audit services to be provided to the Company by the external auditor and the fees related thereto;

##### *Financial Statements and Financial Information*

- a) Review and discuss with management and the external auditor the annual audited financial statements of the Company and recommend their approval by the Board;
- b) Review and discuss with management, the quarterly financial statements and recommend their approval by the Board;
- c) Review and recommend to the Board for approval the financial content of the annual report;
- d) Review the process for the certification of financial statements by the Chief Executive Officer and Chief Financial Officer;
- e) Review the Company's management discussion and analysis, annual and interim earnings or financial disclosure press releases, and audit committee reports before the Company publicly discloses this information;
- f) Review annually with external auditors, the Company's accounting principles and the reasonableness of managements judgments and estimates as applied in its financial reporting;

- g) Review and consider any significant reports and recommendations issued by the external auditor, together with management's response, and the extent to which recommendations made by the external auditors have been implemented;

*Risk Management, Internal Controls and Information Systems*

- a) Review with the external auditors and with management, the general policies and procedures used by the Company with respect to internal accounting and financial controls;
- b) Review adequacy of security of information, information systems and recovery plans;
- c) Review management plans regarding any changes in accounting practices or policies and the financial impact thereof;
- d) Review with the external auditors and, if necessary, legal counsel, any litigation, claim or contingency, including tax assessments, that could have a material effect upon the financial position of the Company and the manner in which these matters are being disclosed in the financial statements;
- e) Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management;
- f) Discuss with management and the external auditor correspondence with regulators, employee complaints, or published reports that raise material issues regarding the Company's financial statements or disclosure;
- g) Assisting management to identify the Company's principal business risks;
- h) Review the Company's insurance, including directors' and officers' coverage, and provide recommendations to the Board;

*Other*

- a) Review and update this Charter annually;
- b) Review Company loans to employees/consultants;
- c) Review any related party transactions; and
- d) Conduct special reviews and/or other assignments from time to time as requested by the Board.

5. PROCESS FOR HANDLING COMPLAINTS REGARDING FINANCIAL MATTERS

- a) The Audit Committee shall establish a procedure for the receipt, retention and follow-up of complaints received by the Company regarding accounting, internal controls, financial reporting, or auditing matters.
- b) The Audit Committee shall ensure that any procedure for receiving complaints regarding accounting, internal controls, financial reporting, or auditing matters will allow the confidential and anonymous submission of concerns by employees.

6. REPORTING

The Audit Committee will report to the Board on:

- a) The external auditor's independence;
- b) The performance of the external auditor and the Audit Committee's recommendations;
- c) Regarding the reappointment or termination of the external auditor;
- d) The adequacy of the Company's internal controls and disclosure controls;
- e) The Audit Committee's review of the annual and interim financial statements;
- f) The Audit Committee's review of the annual and interim management discussion and analysis;
- g) The Company's compliance with legal and regulatory matters to the extent they affect the financial statements of the Company; and
- h) All other material matters dealt with by the Audit Committee.

7. AUTHORITY OF THE COMMITTEE

- a) The Audit Committee will have the resources and authority appropriate to discharge its duties and responsibilities. The Audit Committee may at any time retain outside financial, legal or other advisors at the expense of the Company without approval of management.
- b) The external auditor will report directly to the Audit Committee.



Appendix "B"

OMNIBUS EQUITY INCENTIVE PLAN

**RecycLiCo Battery Materials Inc.**  
**OMNIBUS EQUITY INCENTIVE PLAN**

Effective as of ●

**Part 1. INTERPRETATION**

- 1.1 **Defined Terms.** For the purposes of this Plan, the following terms shall have the following meanings:
- (a) **“Affiliate”** shall have the meaning ascribed to it in Policy 1.1 of the Manual.
  - (b) **“Applicable Laws”** means all applicable rules, regulations, policies, notices, rulings, orders and legislation of any kind whatsoever of any government, regulatory authority or stock exchange having jurisdiction over either the Issuer or the Participant.
  - (c) **“Associate”** shall have the meaning ascribed to it in Policy 1.1 of the Manual.
  - (d) **“Award”** means any Option, Share Unit, DSU or SAR granted under this Plan.
  - (e) **“Blackout Period”** means a period of time during which the Participants are prohibited by the Issuer from exercising or settling their Awards due to the bona fide existence of undisclosed material information, and which period expires upon the general disclosure of the undisclosed material information.
  - (f) **“Board”** means the board of directors of the Issuer or any committee thereof duly empowered or authorized to grant Awards under this Plan.
  - (g) **“Business Day”** means any day which is not a Saturday, Sunday or a day on which the Issuer’s bank is closed for business.
  - (h) **“Capital Alteration Adjustment”** means the adjustments set out in section 9.1.
  - (i) **“Cash Equivalent”** means the amount of cash to be paid in lieu of issuing one Share, such amount being the closing price of Shares on the Trading Day immediately before the date of settlement or value determination.
  - (j) **“Change of Control”** means the occurrence of any one or more of the following events:
    - (i) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Issuer which results in Shareholders holding, directly or indirectly, less than 50% of the outstanding voting securities of the successor corporation after completion of the transaction;
    - (ii) the sale, lease, exchange or other disposition, in a single transaction or a series of related transactions, of all or substantially all of the assets of the Issuer and/or any of its subsidiaries to any other Person, other than disposition to a wholly-owned subsidiary in the course of a reorganization of the assets of the Issuer and its subsidiaries;
    - (iii) a resolution is adopted to windup, dissolve or liquidate the Issuer;
    - (iv) an acquisition by any Person or group of Persons acting jointly or in concert of beneficial ownership of more than 50% of the Shares; or

- (v) the Board adopts a resolution to the effect that a Change of Control (as defined herein) has occurred or is imminent.
- (k) “**Corporate Entity**”, unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.
- (l) “**Consultant**” has the meaning ascribed to it in Policy 4.4 of the Manual.
- (m) “**Director**” has the meaning ascribed to it in Policy 4.4 of the Manual.
- (n) “**Discounted Market Price**” shall have the meaning ascribed to it in Policy 1.1 of the Manual.
- (o) “**Distribution**” means the sale of securities from the treasury of the Issuer, the sale of securities by a purchaser who acquired securities under an exemption from the Prospectus requirements of applicable Securities Laws, other than in accordance with the applicable Resale Restrictions, or the sale of securities by a Control Person (as that term is defined under Exchange policies) other than in accordance with the applicable Resale Restrictions.
- (p) “**Eligible Person**” means a Director, Officer, Employee, Management Company Employee or Consultant of the Issuer.
- (q) “**Employee**” has the meaning ascribed to it in Policy 4.4 of the Manual.
- (r) “**Exchange**” means the TSX Venture Exchange.
- (s) “**Exchange Hold Period**” has the meaning ascribed to it in Policy 1.1 of the Manual
- (t) “**Fair Market Value**” means the fair market value of a Share on a particular date, which is to be determined as follows:
  - (i) If the Shares are listed on the Exchange, the Shares’ fair market value shall be the closing price of the last Trading Day.
  - (ii) If there is no established market for the Shares on the date in question, the Shares’ fair market value will be determined in good faith by Board.
- (u) “**Insider**” shall have the meaning ascribed to it in Policy 1.1 of the Manual.
- (v) “**Investor Relations Activities**” has the meaning ascribed to it in Policy 1.1 of the Manual.
- (w) “**Investor Relations Service Provider**” has the meaning ascribed to it in Policy 4.4 of the Manual.
- (x) “**Issuer**” means Archon Minerals Limited and includes, unless the context otherwise requires, all of its subsidiaries, Affiliates and successors according to law.
- (y) “**Management Company Employees**” has the meaning ascribed to it in Policy 4.4 of the Manual.
- (z) “**Manual**” means the Exchange’s Corporate Finance Manual
- (aa) “**Market Price**” shall have the meaning ascribed to it in Policy 1.1 of the Manual.
- (bb) “**Non-Executive Director**” means a Director who is not also an Officer or Employee.
- (cc) “**Officer**” has the meaning ascribed to it in Policy 1.1 of the Manual.

- (dd) “**Option**” means a right granted by the Issuer to an Eligible Person to purchase Shares in accordance with this Plan.
- (ee) “**Participant**” means an Eligible Person to whom an Award has been granted.
- (ff) “**PSU**” or “**Performance Share Unit**” means an Award entitling the Participant to receive Shares, their Cash Equivalent or a combination of both, upon meeting certain conditions which usually includes Performance Conditions.
- (gg) “**Person**” means a Corporate Entity or individual.
- (hh) “**Plan**” means this omnibus equity incentive plan.
- (ii) “**Prospectus**” means a disclosure document required to be prepared in connection with a public offering of securities and which complies with the form and content requirements of a prospectus as described in applicable Securities Laws.
- (jj) “**Resale Restrictions**” means restrictions on the ability to trade securities, including restrictions imposed under applicable Securities Laws such as hold periods, notice requirements and any restrictions under applicable escrow or pooling agreements.
- (kk) “**RSU**” or “**Restricted Share Unit**” means an Award entitling the Participant to receive Shares, their Cash Equivalent or a combination of both, upon meeting certain conditions which usually includes the Participant fulfilling a period of continuous employment with the Issuer.
- (ll) “**SAR**” or “**Stock Appreciation Right**” has the meaning ascribed to it in Policy 4.4 of the Manual.
- (mm) “**Securities for Services**” has the meaning ascribed to it in Policy 4.4 of the Manual.
- (nn) “**Security Based Compensation Plan**” includes any plan regarding the Issuer’s Option, Share Unit, SAR, Securities for Services, Share Purchase Plan and/or any other compensation or incentive mechanism involving the issuance or potential issuance of securities of the Issuer from treasury to an Eligible Person.
- (oo) “**Securities Laws**” means securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that are applicable to the Issuer.
- (pp) “**Shareholders**” means the Issuer’s shareholders.
- (qq) “**Share Purchase Plan**” has the meaning ascribed to it in Policy 4.4 of the Manual.
- (rr) “**Share Unit**” means a RSU or PSU, as applicable.
- (ss) “**Shares**” means the common shares without par value in the capital of the Issuer.
- (tt) “**Termination Date**” means the date on which a Participant ceases to be an Eligible Person.
- (uu) “**Trading Day**” means any day on which the Exchange is open for trading.
- (vv) “**VWAP**” means the volume-weighted average trading price of the Shares on the Exchange, calculated by dividing the total value by the total volume of the Shares traded for the five trading days immediately preceding the exercise of the subject Option, provided that the Exchange may exclude internal crosses and certain other special terms trades from the calculation.

- 1.2 **Number and Gender.** This Plan is to be read with all changes in gender or number as required by the context.
- 1.3 **Headings.** The headings in this Plan are for convenience of reference only and do not affect the interpretation of this Plan.
- 1.4 **Governing Law.** This Plan, any amendment, addendum or supplement hereto, and all other documents relating hereto will be governed by and construed in accordance with the laws of British Columbia. The parties hereto irrevocably attorn and submit to the exclusive jurisdiction of the courts of British Columbia with respect to any dispute related to or arising from this Plan.
- 1.5 **Statutes.** Unless otherwise stated, any reference to a statute includes and is a reference to such statute and to the regulations made pursuant to it, with all amendments thereto and in force from time to time, and to any statute or regulations that may be passed which supplement or supersede such statute or such regulations.

## **Part 2. GENERAL PARTICIPATION REQUIREMENTS**

- 2.1 **Eligibility.** The Board may grant Awards only to those who are Eligible Persons at the time of grant, except for DSUs, which can be granted only to those who are Non-Employee Directors at the time of grant. Investor Relations Service Providers can only be granted Options.
- 2.2 **Award Agreements.** Each Award under this Plan must be evidenced by an Award Agreement, which will be subject to the applicable provisions of this Plan. Any Director or Officer of the Issuer is authorized and empowered to execute and deliver an Award Agreement on behalf of the Issuer.
- 2.3 **Non-Transferable and No Change of Control.** Any Award granted hereunder shall not be assignable or transferable, except by will or the laws of descent and distribution to the legal representatives, heirs or administrators of the Participant after death. Any Corporate Entity to be granted an Award, other than a Consultant Company, must agree not to effect or permit any transfer of ownership or option of such Corporate Entity's securities, nor to issue further shares of any class in the Corporate Entity to any other individual or entity as long as the Award remains outstanding, except with the Exchange's prior written consent.
- 2.4 **Representation by Issuer.** The Issuer and the Participant shall, for any Award granted to an Employee, Consultant or Management Company Employee, jointly represent to the Exchange that such Participant is a bona fide Employee, Consultant or Management Company Employee, as the case may be.

## **Part 3. AWARD LIMITATIONS**

- 3.1 **Maximum Number of Shares.** The maximum number of Shares that may be reserved for issuance pursuant to the exercise or settlement of Awards is ● Shares.
- 3.2 **Return to Pool.** Any Award that has been settled in cash (except for Options exercised using the "net exercise" or "cashless exercise" method), cancelled, terminated, surrendered, forfeited or

expired without being exercised, and pursuant to which no securities have been issued, will continue to be issuable under this Plan.

3.3 **Limitations for Certain Eligible Persons.** In any 12-month period, the number of Shares which may be reserved for issuance pursuant to all Awards granted to:

- (a) *Insiders as a group* shall not exceed **10%** of the total issued and outstanding Shares (on a non-diluted basis) on the grant date of the Award, unless disinterested shareholder approval is obtained;
- (b) *any one Person* shall not exceed **5%** of the total issued and outstanding Shares (on a non-diluted basis) on the grant date of the Award, unless disinterested shareholder approval is obtained;
- (c) *any one Consultant* shall not exceed **2%** of the total issued and outstanding Shares (on a non-diluted basis) on the grant date of the Award; and
- (d) *Investor Relations Service Providers, in aggregate*, shall not exceed **2%** of the total issued and outstanding shares of the Issuer (on a non-diluted basis) as at the date of grant of the most recent Option to be granted to an Investor Relations Service Provider.

In addition, at any point in time, the number of Shares which may be reserved for issuance pursuant to all Awards granted to:

- (e) *Insiders as a group* shall not exceed **10%** of the total issued and outstanding Shares (on a non-diluted basis) on the grant date of the Award, unless disinterested shareholder approval is obtained.

#### **Part 4. STOCK OPTIONS**

4.1 **Term of Options.** The Board shall set the expiry date for any Option to be granted, provided that the term must not be more than 10 years in any case.

4.2 **Exercise Price.** The Board shall determine each Option's exercise price, subject to the following:

- (a) the exercise price shall not be less than the Discounted Market Price, provided that if a news release was not disseminated to announce the grant and the exercise price of an Option, the Discounted Market Price is the last closing price of the Shares before the grant date of the Option less the applicable discount;
- (b) if the Shares had been suspended or halted just before the grant date, the exercise price shall not be set until the Exchange has determined that a satisfactory market has been established, which at minimum must be at least 10 Trading Days from the date on which trading in the Issuer's securities resumes;
- (c) if the Option is granted within 90 days of a Distribution by a Prospectus, the minimum exercise price per Share shall be the greater of the Discounted Market Price and the per Share price paid by the public investors for Shares acquired under the Distribution; and
- (d) in all other cases, the exercise price shall be determined in accordance with the rules and regulations of the applicable Securities Laws and regulatory bodies.

- 4.3 **Vesting of Options.** The Board may establish a vesting period for each Option, but the Options in a grant to an Investor Relations Service Provider must vest in stages over 12 months with no more than one-quarter of the Options vesting in any three-month period.
- 4.4 **Acceleration of Unvested Options.** In the event of a takeover bid or a change of control (as defined by Exchange policies at such time), the Board may in its discretion determine that all outstanding Options, except for those Options granted to Investor Relations Service Providers for which the prior written approval of the Exchange must be obtained, will immediately vest and if not immediately exercised, such Options will be terminated on the tender date for the takeover bid or on the date that the change of control will be completed.
- 4.5 **Manner of Exercise.** A Participant who wishes to exercise his Option, in its entirety or any portion thereof, must execute and deliver the notice of exercise contained in his Option agreement, and furnish payment in accordance with the instructions in such Option agreement.
- 4.6 **Net Exercise and Cash Exercise.** Subject to the prior approval of the Board, a Participant may elect to exercise an Option by performing:
- (a) a “net exercise” procedure in which the Issuer issues to the Participant (which shall not include any Investor Relations Service Provider) that number of Shares equal to the result determined by dividing (i) the product of the number of Options being exercised multiplied by the difference between the VWAP of the underlying Shares and the exercise price of the subject Options by (ii) the VWAP of the underlying Shares; or
  - (b) a broker assisted “cashless exercise” in which the Issuer delivers a copy of irrevocable instructions to a broker engaged for such purposes by the Issuer to sell the Shares otherwise deliverable upon the exercise of the Options and to deliver promptly to the Issuer an amount equal to the exercise price and all applicable required withholding obligations as determined by the Issuer against delivery of the Shares to settle the applicable trade.

Participants wishing to perform either the “net exercise” or the “cashless exercise” procedure, set forth above, must deliver to the Issuer (i) a written notice of exercise specifying that the Participant has elected to effect such a cashless exercise of such Option, the method of cashless exercise, and the number of Options to be exercised and (ii) the payment of an amount for any tax withholding or remittance obligations of the Participant or the Issuer arising under applicable law and verified by the Issuer to its satisfaction (or by entering into some other arrangement acceptable to the Issuer in its discretion, if any). Such Participant must also comply with any applicable withholding obligations set out in this Plan, along with such other procedures and policies as the Issuer may prescribe or determine to be necessary or advisable from time to time.

In the event of a “net exercise” or “cashless exercise”, the number of Options exercised, surrendered or converted, and not the number of Shares actually issued by the Issuer, must be included in calculating the limits set forth in sections 3.1, 3.3 and 10.8 of this Plan.

- 4.7 **Option Amendment.** Any amendment to the following terms must be approved by the Exchange prior to the exercise of such Options:
- (a) *Exercise Price.* The exercise price of an Option may be amended only if at least six (6) months have elapsed since the later of:
    - (i) the date of grant; or

- (ii) the date of the last amendment of the exercise price.
- (b) *Term.* An Option must be outstanding for at least one year before the Issuer may extend its term. The term of an Option cannot be extended so that the effective term of the Option exceeds 10 years in total. Any extension of the length of the term of the Option is treated as a grant of a new Option, which must comply with pricing and other requirements of this Plan.

## **Part 5. SHARE UNITS**

- 5.1 **Term of Share Unit.** The Board shall set the expiry date for any Share Unit to be granted, provided that the term must not be more than 3 years or such other period as may be required to avoid the Share Unit being deemed a “salary deferral arrangement” as defined in section 248(1) of the *Income Tax Act* (Canada).
- 5.2 **Vesting of Share Units.** For each Share Unit being granted, the Board shall establish a vesting schedule which must be no earlier than one year after the Share Unit’s date of grant.
- 5.3 **Performance Conditions.** In addition to the vesting schedule, the Board may set conditions (“Performance Conditions”) for each Share Unit which must be met before the Share Unit can be settled. Such Performance Conditions may include achieving business metrics such as a target stock price or target earnings per share, and the Performance Condition may specify that the Participant earns more Share Units if the actual results exceed the target business metric. Performance Conditions need not be uniform amongst Participants. If a Performance Condition requires an objective being met by a certain date, the Share Unit shall be cancelled and nullified if such Performance Condition is not met by the specified date.
- 5.4 **Settlement of Share Units.** Provided a Share Unit has vested and all Performance Conditions (if any) for such Share Unit have been met, the Issuer shall settle the Share Unit by issuing the Participant, in the Issuer’s sole discretion over which choice, one of the following:
  - (a) one Share;
  - (b) Cash Equivalent of one Share; or
  - (c) combination of Shares and Cash Equivalent, provided that more than one Share Unit is being settled and the Issuer is designating a portion of the aggregated Share Units to be settled with Shares.

Unless specified otherwise in the Share Unit agreement, the settlement date shall be the third Business Day after the date on which all vesting and applicable Performance Conditions have been satisfied.

## **Part 6. DEFERRED SHARE UNITS**

- 6.1 **Grant of DSUs.** From time to time, the Board may allow Non-Executive Directors to have their director fees, in part or in whole, satisfied with DSUs instead of cash. On such occasion, the Board shall provide the Participant with a DSU agreement which specifies the maximum amount of director fees that may be satisfied with DSUs, and contains a form whereby the Participant can elect the



amount of fees to be satisfied with DSUs. The date of grant for a DSU shall be the date on which the Participant completes and executes the applicable DSU agreement.

- 6.2 **Term of DSUs.** The Board shall set the expiry date for any DSU to be granted, provided that the term must not be more than one year after the Participant's Termination Date.
- 6.3 **Vesting.** DSUs shall not vest until one year after its issuance.
- 6.4 **Settlement of DSUs.** The Issuer shall settle a vested DSU by issuing the Participant, in the Issuer's sole discretion over which choice, one of the following:
- (a) one Share;
  - (b) Cash Equivalent of one Share; or
  - (c) combination of Shares and Cash Equivalent, provided that more than one DSU is being settled and the Issuer is designating a portion of the aggregated DSUs to be settled with Shares.

Unless specified otherwise in the DSU agreement, the settlement date shall be the third Business Day after the Participant's Termination Date.

#### **Part 7. STOCK APPRECIATION RIGHTS**

- 7.1 **Term of SARs.** The Board shall set the expiry date for any SAR to be granted, provided that the term must be a time period which will not result in the SAR being deemed a "salary deferral arrangement" as such term is defined in section 248(1) of the *Income Tax Act* (Canada).
- 7.2 **Vesting.** SARs shall not vest until one year after its issuance.
- 7.3 **Exercise of SARs.** Upon exercise of a SAR, the Participant will receive an amount in cash equal to the Fair Market Value of one Share on the date of exercise, minus the grant price of the SAR which must not be less its Fair Market Value on the date of grant. At the Board's discretion, payment of a SAR exercise may be made in cash, in Shares of equivalent value, or some combination thereof.

#### **Part 8. DIVIDEND EQUIVALENTS**

- 8.1 **Issuance of Dividend Equivalents.** If the Issuer declares a cash dividend on its Shares, the Board may in its discretion provide each Participant holding Share Units and/or DSUs with dividend equivalents in the form of additional Share Units and DSUs. Such dividend equivalents shall be computed by:
- (a) multiplying the amount of the dividend per Share by the aggregate number of Share Units and DSUs held by the Participant on the record date for the payment of such dividend (the "Dividend Payment Date"); and
  - (b) dividing the amount calculated per subsection (a) above by the Market Price on the Dividend Payment Date, or the first Business Day immediately after if the Dividend Payment Date is not a Trading Day.

Any additional Share Units credited to a Participant's account as a dividend equivalent shall be subject to the same terms and conditions (including vesting and Performance Conditions) as the Share Units from which the dividend equivalents arise. In the event that the Participant's applicable Share Units do not vest, all dividend equivalents associated with such Share Units will be forfeited by the Participant.

- 8.2 **Cash Settlement.** If the issuance of dividend equivalents will cause the Issuer to exceed the permissible number of Awards that can be granted under this Plan, including those contained in section 3.1 or 3.3, the Issuer shall pay out in cash such portion of the dividend equivalents as is necessary to comply with this Plan's limits on the number of Awards that can be granted at a particular time.
- 8.3 **No Obligation.** Nothing in this Part 8 should be construed as imposing an obligation on the Board to provide dividend equivalents to a Participant.

## Part 9. ADJUSTMENTS

- 9.1 **Adjustment for Termination.** Notwithstanding any other provision in this Plan, if a Participant ceases to be an Eligible Person, the term of the Participant's outstanding Awards, if any, shall be adjusted as follows:
- (a) *Termination For Cause.* If the Issuer terminates the Participant's employment, engagement or directorship for cause, such Participant's outstanding Awards shall be immediately forfeited and cancelled without further act or compensation, and any and all rights of such Participant with respect to and arising from this Plan shall terminate as of the Termination Date without regard to any period of reasonable notice or any salary continuance, unless otherwise determined by the Board.
  - (b) *Termination Without Cause or Resignation.* If the Issuer terminates the Participant's employment, engagement or directorship for any reason other than for cause, or if the Participant resigns from the Issuer, such Participant's outstanding Awards must expire on the earlier of (i) 30 days after the Termination Date, and (ii) the original expiry date of such Awards.
  - (c) *Death.* If a Participant dies, such Participant's outstanding Awards must expire on the earlier of (i) 12 months after death, and (ii) the original expiry date of such Awards. Any heir, personal representative or administrator of the Participant's estate must make any claim to the Participant's outstanding Awards within 12 months of the Participant's death.
  - (d) *Disability.* If a Participant ceases to be an Eligible Person due to Disability, such Participant's outstanding Awards must expire on the earlier of (i) 12 months after the Termination Date, and (ii) the original expiry date of such Awards.
- 9.2 **Adjustment for Capital Alterations.**
- (a) If the Board deems it advisable and equitable in the circumstances, the Board shall, subject to the prior acceptance of the Exchange except in the case of a share consolidation or split, in its sole and absolute discretion make proportional adjustments and/or substitutions to:

(i) the number and kind of Shares or other securities or property to be reserved or allotted for issuance for any outstanding Awards, or

(ii) the exercise price for the Shares issuable for any outstanding Awards,

following a change in the outstanding Shares by reason of any share consolidation or split, reclassification or other capital reorganization, or a stock dividend, arrangement, amalgamation, merger or combination, or any other change to, event affecting, exchange of or corporate change or transaction affecting the Shares, including, without limitation, a sale of all or substantially all of the Issuer's assets. Such adjustments shall be made, to the extent possible, proportionately and with a view to preserving the rights of the Participants.

9.3 **Adjustment for Blackout Period.** Notwithstanding any other provision in this Plan, if the expiry date of an Award falls within a Blackout Period, such expiry date will be postponed to a date which is 10 Business Days after the expiry of the Blackout Period, provided:

(a) the Issuer has formally imposed the Blackout Period; and

(b) neither the Participant nor the Issuer is subject to a cease trade order (or similar order under Securities Laws) with respect to the Issuer's securities.

9.4 **Adjustments Upon Change of Control.** Notwithstanding any other provision of the Plan and subject to prior Exchange approval, in the event of a potential or actual Change of Control, the Board may in its sole discretion:

(a) accelerate, conditionally or otherwise, the vesting date of any Award;

(b) permit the conditional redemption or exercise of any Award;

(c) terminate any Award after the successful completion of a Change of Control, provided that such Award was granted before the Change of Control;

(d) otherwise amend or modify the terms of any Awards.

9.5 **Uncompleted Change of Control.** In the event that the Board has taken action under section 9.4 and the Change of Control does not occur, the Board may in its sole discretion reverse or nullify its actions taken under section 9.4. For greater certainty, such reversal or nullification of actions include cancelling Shares or Share Units, reinstating Awards and nullifying agreements.

9.6 **No Fractional Shares.** If a fractional Share is issuable upon the exercise or settlement of an Award or as a result of a Capital Alteration Adjustment, such fractional Share shall be rounded up or down to the nearest whole number at the Board's sole discretion and without compensation to the Participant for such rounding off.

## **Part 10. ADMINISTRATION AND COMPLIANCE**

10.1 **Administration of Plan.** This Plan will be administered by the Board, who has the sole and complete authority to make and implement all decisions relating to this Plan and any Award granted hereunder, subject to regulatory approval including Exchange acceptance.

- 10.2 **Determination Binding.** Except as may be otherwise set forth in any written employment agreement, Award Agreement or other written agreement between the Issuer and the Participant, any decision made or action taken by the Board is final, conclusive and binding on the affected parties.
- 10.3 **Amend or Terminate Plan.** The Board may amend, suspend or terminate this Plan or any portion at any time in accordance with applicable Securities Laws, subject to any required regulatory or shareholder approval, but no such amendment, suspension or termination shall alter or impair an Award or a right previously granted to a Participant without the consent of such Participant. If this Plan is terminated, the provisions of this Plan and any administration guidelines, rules and regulations adopted by the Board and in force prior to the termination of this Plan, shall continue in effect during such time as the Award or rights previously granted to Participants remain outstanding.
- 10.4 **Applicable Laws.** This Plan, the grant and exercise of Awards hereunder and the Issuer's obligation to issue and deliver Shares upon exercise or settlement of Awards, shall be subject to all applicable Securities Laws and all applicable federal, state, provincial and foreign laws, the rules and regulations of any stock exchange on which the Shares are listed for trading and to such approvals by any regulatory or governmental agency as may, in the opinion of Issuer's counsel, be required. The Issuer shall not be obliged to issue, deliver or sell Shares in violation of such laws, rules and regulations or any condition of such approvals aforementioned.
- 10.5 **No Registration.** No Award shall be granted and no Share shall be issued or delivered upon exercise or settlement of an Award where such grant, issue or delivery would require registration (under the securities laws of any foreign jurisdiction) of this Plan, any Award or any Share. Any purported grant of Award or issue or delivery of Share in violation of this provision shall be void.
- 10.6 **Resale Restrictions.** The Shares issued to Participants upon exercise of Options may be subject to Resale Restrictions under applicable Securities Laws, and the Board shall ensure that all matters pertaining to the Options and the Shares issued thereunder shall be made in compliance with applicable Securities Laws, including but not limited to the placing of legends on Shares. If any of the conditions stated in the definition of Exchange Hold Period is met, the Option certificate and any share certificates issued pursuant to the exercise of such Option (before the expiry of the Exchange Hold Period) must be legended with the prescribed legend set out in Policy 3.2 of the Manual.
- 10.7 **Tax Compliance.**
- (a) The Issuer is authorized to perform any act required to ensure that the Participant and the Issuer is in compliance with all Applicable Laws relating to tax which is payable in connection with the grant, exercise or settlement of an Award, including but not limited to the following:
    - (i) deduct or withhold amounts from a Participant's remuneration or from a cash settlement;
    - (ii) withhold Share Units or DSUs during settlement;
    - (iii) sell some of the Shares that were to be issued to the Participant, and remit the proceeds to the appropriate tax authority;
    - (iv) require Participants to deliver undertakings or indemnities in favour of the Issuer with respect to the payment of taxes.

- (b) If the Issuer decides, for tax compliance purposes, to sell Shares that were to be issued to a Participant in a settlement, such Participant is deemed to have consented to such sale and to have granted the Issuer an irrevocable power of attorney to effect the sale. The Issuer shall have sole discretion over the timing and manner of sale, and shall not be obliged to seek or obtain a minimum price. All selling costs will be borne by the Participant and shall be deducted from the gross proceeds. The Issuer will not be liable for any loss whatsoever arising out of such sale of the Shares, including any loss relating to the pricing, manner or timing of the sale or any delay in transferring any Shares to a Participant or otherwise.
- (c) Notwithstanding the foregoing, the Issuer assumes no responsibility for any taxes owing by the Participant.

#### 10.8 **Disinterested Shareholder Approval:**

- (a) If any provision of this Plan requires “disinterested shareholder approval”, the grant, issue or amendment must be approved by majority of the votes cast by Shareholders at the Shareholder meeting, excluding votes attached to Shares beneficially owned by:
  - (i)
    - (A) the Persons that hold or will hold the Award in question; or
    - (B) Insiders to whom Award may be granted under the Security Based Compensation Plan;
  - (ii) Associates and Affiliates of the Persons referenced in subsection (i)(A) or (i)(B) above, as the case may be.
- (b) Except as otherwise provided in Part 6 of Policy 4.4 in the Manual, the Issuer must obtain disinterested shareholder approval for:
  - (i) a Security Based Compensation Plan, if such plan, together with all of the Issuer’s other previously established and outstanding Security Based Compensation Plans and grants or issuances of Awards (excluding grants or issuances under Part 6), could result at any time in:
    - (A) the aggregate number of Shares that are issuable pursuant to all Awards granted or issued to Insiders (as a group) exceeding 10% of issued and outstanding Shares at any point in time;
    - (B) the aggregate number of Shares that are issuable pursuant to all Awards granted or issued in any 12-month period to Insiders (as a group) exceeding 10% of the issued and outstanding Shares, calculated as at the date any Award is granted or issued to any Insider; or
    - (C) the aggregate number of Shares that are issuable pursuant to all Awards granted or issued in any 12-month period to any one Eligible Person exceeding 5% of the issued and outstanding Shares, calculated as at the date any Award is granted or issued to the Eligible Person;
  - (ii) any individual Award grant or issue that would result in any of the limits set forth in section 10.8(b)(i) being exceeded;
  - (iii) any amendment to Options held by Insiders that would have the effect of decreasing the exercise price or extending the exercise term of such Options;

- (iv) any amendment to an Award that results in a benefit to an Insider, and for further clarity, “amendment” includes the cancellation of an Award and the re-issuance of the same or similar Award to the same Person within a year.
- (c) If the Issuer proposes to grant stock options which are exercisable into a class of non-voting or subordinate voting securities, the holders of that class of securities must be given full voting rights on a resolution that requires disinterested shareholder approval with respect to a proposed stock option plan, grant or amendment.

#### **Part 11. MISCELLANEOUS**

- 11.1 **Superseding Plan.** This Plan supersedes and replaces any previous Securities Based Compensation Plan of the Issuer. Any Award granted by the Issuer before the effective date of this Plan shall remain a valid and binding obligation of the Issuer, but governed by this Plan.
- 11.2 **No Rights as Shareholder.** Nothing contained in this Plan nor in any Option granted hereunder shall be deemed to give any Participant any interest or title in or to any Shares or any right as a shareholder of the Issuer or any other legal or equitable right against the Issuer whatsoever, other than as set out in this Plan and upon exercise of any Option.
- 11.3 **No Right to Employment or Office.** Nothing contained in the Plan will confer upon or imply in favour of any Participant any right with respect to office, employment or provision of services with the Issuer, or interfere in any way with the right of the Issuer to lawfully terminate the Participant’s office, employment or service at any time pursuant to the arrangements pertaining to same.
- 11.4 **Exclusion from Severance Allowance, Retirement Allowance or Termination Settlement.** The loss or limitation of any right or interest provided by this Plan shall not give rise to any right to damages and shall not be included in the calculation of nor form any part of any severance allowance, retiring allowance or termination settlement of any kind whatsoever in respect of such Participant.
- 11.5 **No Representation or Warranty.** The Issuer makes no representation or warranty as to the future market value of Shares issued in accordance with the provisions of the Plan or to the tax consequences to a Participant in connection with the grant or exercise of an Award. Compliance with Securities Laws as to the disclosure and resale obligations of each Participant is the responsibility of such Participant and not the Issuer.
- 11.6 **Other Arrangements.** Nothing contained herein shall prevent the Board from adopting other or additional compensation arrangements, subject to any required approval.
- 11.7 **Paramourcy of Plan.** 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 any Award agreement between the Issuer and a Participant. In the event of any discrepancy between this Plan and an Award agreement, the provisions of this Plan shall govern.

Appendix "C"

INFORMATION REGARDING PROPOSED CHANGE OF BUSINESS

**TABLE OF CONTENTS**

**Part 1: Information Concerning the Issuer** ..... 1

Corporate Structure ..... 3

General Development of the Business ..... 3

Selected Financial Information and Management’s Discussion and Analysis ..... 5

Description of the Securities ..... 5

Stock Option Plan ..... 5

Prior Sales ..... 6

Executive Compensation ..... 6

Legal Proceedings ..... 6

Auditor, Transfer Agents and Registrars ..... 6

Material Contracts ..... 6

**Part 2: Information Concerning the Resulting Issuer** ..... 6

Corporate structure ..... 6

Narrative Description of the Business ..... 7

Risk Factors ..... 7

Description of the Securities ..... 14

Pro Forma Consolidated Capitalization and Fully Diluted Share Capital ..... 14

Available Funds and Principal Purposes ..... 15

Dividends ..... 15

Principal Securityholders ..... 16

Directors, Officers and Promoters ..... 16

Executive Compensation ..... 18

Options to Purchase Securities ..... 19

Stock Option Plan ..... 19

Auditor, Transfer Agents and Registrars ..... 19

Escrowed Securities ..... 20

Sponsorship ..... 20

Experts ..... 20

Board Approval ..... 20

Glossary ..... 21



## PART 1: INFORMATION CONCERNING THE ISSUER

### CORPORATE STRUCTURE

#### Name and Incorporation

RecycLiCo was incorporated under the *Company Act* (British Columbia) on July 8, 1987, as Navarre Resources Corporation. On August 26, 1998, we changed our name to Ameridex Minerals Corp. and transitioned under the *Business Corporations Act* (British Columbia) on July 15, 2005. On September 13, 2006, we changed our name to Rocher Deboule Minerals Corp. On January 20, 2010, we changed our name to American Manganese Inc. On September 27, 2022, we changed our name to RecycLiCo Battery Materials Inc.

Our head office is located at #2 – 17942 55th Avenue, Surrey, British Columbia, V3S 6C8, and our registered and records office is located at #606-889 West Pender Street, Vancouver, British Columbia, V6C 3B2.

### GENERAL DEVELOPMENT OF THE BUSINESS

We are a diversified critical metals company, with a focus on developing and commercializing a hydrometallurgical process for recycling lithium-ion batteries, as well as a portfolio of mineral properties in British Columbia and Arizona.

#### History

From incorporation in 1987 to 2009, we were engaged in the identification, exploration and development of mineral properties in North America. We acquired and explored numerous properties throughout the years, many of which have since been divested, but three properties currently remain in our portfolio:

1. *The Rocher Deboule Property*: a gold-silver-copper prospect approximately 1,275 hectares in size, located in the Omineca Mining Division of British Columbia, about 8 km south of the town of Hazelton. A technical report on this property was filed in October 2020 and is available on SEDAR.
2. *The Artillery Peak Property*: a manganese prospect approximately 251 hectares in size, located in the Artillery Mountains of Mohave County in northwestern Arizona, about 170 km northwest of the city of Phoenix. The Artillery Peak Property is subject to a 2% net smelter return royalty, and a pre-feasibility study was completed on it in 2012. Due to manganese prices being low, we have not proceeded with any further exploration or development for the project.
3. *The Lonnie-Virgil Property*: a niobium and rare earth minerals prospect approximately 673 hectares in size, located in north central British Columbia, about three hours drive north of the town of Fort St. James.

Since 2009, we have focused our efforts on advancing the development of our proprietary hydrometallurgical lithium-ion battery recycling process. We have developed, with the assistance of our contract research firm Kemetco Research Inc. (“Kemetco”), a proprietary hydrometallurgical process for extracting manganese (the “AMY Process”) from our manganese property in Arizona. In 2016, we began working with Kemetco to adapt and extend the AMY Process to recover cathode materials from lithium-ion batteries (“LIBs”), such as lithium, nickel, manganese, and cobalt. The goal was to develop a technology which would enable large-scale recycling of spent LIBs and battery production waste.

We performed extensive research and development from 2016 to 2017 to attain “proof of concept” and to optimize the recycling process. By September 2017, we were able to recycle all of the major battery chemistries: LMO, LCO, NMC and NCA. By November 2017, using the optimized flowsheets that we had developed, we were able to recover 100% of the lithium, cobalt, nickel and manganese from LMO, LCO, NMC and NCA cathode chemistries. During 2018, we continued developing our hydrometallurgical recycling process, which has since been named the RecycLiCo Process. Moreover, we began working with Kemetco to design and build a pilot plant.

In January 2019, with the equipment for a pilot plant having arrived and assembled at the Kemetco facility, we conducted a five-stage testing program of the RecycLiCo process. By September 2019, all stages were completed successfully, and we proceeded to test the RecycLiCo process on disassembled end-of-life LIBs and manufacturing scrap cathode samples sent from Asia, North America, and Europe. By November 2019, we were able to successfully recover high-purity nickel-cobalt hydroxide from NCA cathode scrap materials from two different battery manufacturers. We continued working on scrap cathode materials and were able to produce a nickel-cobalt hydroxide product with 99.98% purity and a nickel-cobalt sulfate product with 99.99% purity. We have shipped the recycled material back to the battery manufacturers for analysis and confidential technical discussions.

During 2020, we conducted optimization research with the goal of increasing the processing capacity of our pilot plant, and by September 2020 was able to increase the plant’s pre-leach processing capacity from 64 kg per day to 292 kg per day. We also tested continuous operation of the RecycLiCo leach stage and were able to refine our processes to attain 99.7% extraction of lithium, nickel, manganese, and cobalt by the year’s end. In November 2020, to enhance the RecycLiCo product, we acquired a specialized cathode precipitation reactor capable of producing NMC and NCA cathode precursors, to meet the chemically fine-tuned parameters such as particle shape, size, and density required by the cathode and battery manufacturers. By May 2021, we were able to produce cathode precursor material directly from NCA and NMC materials.

In March 2021, Kemetco was formally awarded a \$2.7 million contract to design and develop a 500 kg per day demonstration recycling plant and the design of a 5 tonne per day commercial recycling plant. On October 4, 2021, we closed a brokered private placement of units which raised \$20 million.

In May 2022, we began testing at the newly commissioned demonstration plant. By March 2023, after thousands of person-hours over several months of testing, we were able to produce bulk quantities of battery-grade lithium carbonate from an industrial feed of cathode scrap. Furthermore, we received third-party validation from a battery manufacturer that the precursor cathode active material (“pCAM”), produced through the RecycLiCo process from cathode scrap, achieved equivalent quality and performance characteristics as commercial pCAM.

In June 2023, we entered into a 50/50 joint venture with Zenith Chemical Corporation to construct a commercial recycling plant in Taiwan for the purposes of producing pCAM and other products using the RecycLiCo process.

### **Proposed Change of Business**

We intend to change the Company’s listing classification on the TSX Venture Exchange (the “Exchange”) from being a Mining Issuer to being an Industrial, Technology or Life Sciences Issuer, otherwise known as a “Change of Business” under Exchange policies. Such a change allows us to focus on our recycling technology and it will help cashflow as we will not be required to incur a minimum amount on mineral exploration. Our Board will consider opportunities from time to time to either divest the mining assets or enter into business arrangements with other parties for joint exploration of our mineral properties.

## SELECTED FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS

### Selected Information

A summary of selected financial information of the Company for the interim period ended April 30, 2023 and the financial years ended July 31, 2022, 2021 and 2020, is as follows:

	Interim period ended Apr. 30, 2023 (unaudited)	Fiscal year ended July 31, 2022 (audited)	Fiscal year ended July 31, 2021 (audited)	Fiscal year ended July 31, 2020 (audited)
Total expenses	\$4,605,440	\$11,577,268	\$13,383,028	\$2,078,051
Amounts deferred in connection with the COB	Nil	Nil	Nil	Nil

### Management's Discussion and Analysis

The management's discussion and analysis for the interim period ended April 30, 2023 and the financial year ended July 31, 2022 are hereby incorporated by reference.

## DESCRIPTION OF THE SECURITIES

### Common Shares

Our authorized capital consists of an unlimited number of Common shares ("Shares"). The holders of the Shares are entitled to one vote per share at all meetings of the Company's shareholders, either in person or by proxy. The holders of Shares are also entitled to dividends, if and when declared by the directors of the Company and the distribution of the residual assets of the Company in the event of a liquidation, dissolution or winding up of the Company.

The Shares rank equally as to all benefits which might accrue to the holders thereof, including the right to receive dividends, voting powers, and participation in assets and in all other respects, on liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other disposition of the assets of the Company among its shareholders for the purpose of winding up its affairs after the Company has paid out its liabilities.

### Warrants

As of the date hereof, there are 27,400,000 Share purchase warrants issued and outstanding.

### Stock Options

As of the date hereof, there are 15,530,100 stock options issued and outstanding.

## STOCK OPTION PLAN

We have adopted an incentive stock option plan, of which the salient features are summarized on pages 8 to 9 of the Circular. We will be seeking shareholder approval of the adoption of a new omnibus equity incentive plan at the Meeting, a copy of which is contained in Appendix "B" of the Circular.

### **PRIOR SALES**

We have not sold any securities during the 12 months prior to the date hereof.

### **EXECUTIVE COMPENSATION**

Details of our executive compensation are set out on pages 6 to 8 of the Circular.

### **LEGAL PROCEEDINGS**

To the best of our knowledge, the Company is not a party to, and none of its properties is the subject of, any legal proceedings known or contemplated.

### **AUDITOR, TRANSFER AGENTS AND REGISTRARS**

#### **Auditor**

Our auditor is De Visser Gray LLP, located at #401-905 West Pender Street, Vancouver, British Columbia, V6C 1L6.

#### **Transfer Agent and Registrar**

Our transfer agent and registrar is Endeavor Trust Corporation, located at #702-777 Hornby Street, Vancouver, British Columbia, V6Z 1S4.

### **MATERIAL CONTRACTS**

The following is a list of our material contracts, copies of which may be inspected at our head office without charge until the date of the Meeting and for a period of 30 days thereafter:

- Joint venture agreement between the Company and Zenith Chemical Corporation dated June 12, 2023, whereby the parties agreed to enter into a 50/50 joint venture to construct a commercial recycling plant in Taiwan for the purposes of using the RecycLiCo technology to recycle waste EV battery materials. Under the agreement, Zenith will make an initial contribution of approximately US\$12.5 million cash, and while the Company will make an initial contribution of approximately US\$10 million and a license for the joint venture to use our proprietary technology.

## **PART 2: INFORMATION CONCERNING THE RESULTING ISSUER**

The following disclosure describes our business following the implementation of a proposed COB. The Company may be referred to as the Resulting Issuer, but no changes will be made to its share structure or constating documents in connection with the proposed COB.

### **CORPORATE STRUCTURE**

#### **Name and Incorporation**

No changes will be made to the Company with respect to its corporate name and addresses. Please see “Name and Incorporation” under *Part 1: Information Concerning the Issuer* for more information.

### **Inter-Corporate Relationships**

Our wholly-owned subsidiary Rocher Manganese, Inc. (the “Subsidiary”) was incorporated on June 1, 2007, under the laws of Nevada, United States of America.

## **NARRATIVE DESCRIPTION OF THE BUSINESS**

### **State Business Objectives and Milestones**

Our primary business objective is the development and commercialization of a hydrometallurgical process for large-scale recycling of LIBs (which we have named the RecycLiCo Process). Over the next twelve months, we plan to focus our efforts on the design and construction of a recycling plant in Taiwan with our joint venture partner, Zenith Chemical Corporation. Key milestones include:

- securing regulatory approval of the joint venture in both Canada and Taiwan
- finalization of ancillary agreements to the Joint Venture Agreement
- collaboration with Zenith on the detailed recycling plant design and construction plan
- commencement of construction

## **RISK FACTORS**

AN INVESTMENT IN SECURITIES OF THE COMPANY IS HIGHLY SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK AND SHOULD ONLY BE MADE BY INVESTORS WHO CAN AFFORD TO LOSE THEIR ENTIRE INVESTMENT.

The following is a summary of certain known risk factors related to the Company which prospective investors should carefully consider before deciding to purchase our securities. It is not an exhaustive list of the risks and uncertainties that we face, and should be read in conjunction with the rest of the information in this prospectus.

### **Risks Related to the Company**

#### *Current Negative Cash Flow*

We have negative cash flow from operations in our most recently completed financial year. Our current assets may not be sufficient to pay for all of our activities, and we may require additional financing to meet such requirements. There can be no assurance that we will be able secure financing on acceptable terms, or raise any funds at all. Any failure to obtain required financing may jeopardize our ability to remain as a “going concern”, or lead to a material adverse effect on our operations, liquidity and financial condition.

#### *Inability to Raise Capital*

We will require significant capital to achieve our business objectives, and there is no assurance that we will be able to raise the necessary funds to do so, or be able to secure financing on favourable terms. Our ability to raise money depends on the state of capital markets, our attractiveness as a business compared to our competitors, the amount of funding that we are seeking, whether our shares are listed on a stock exchange at the time and our ability to find financiers willing and able to provide such financing. Some of these variables are beyond our control. If we fail to raise the required amount of capital at a given time, we may be forced to discontinue certain products or operations, reduce or forego sales and marketing activities, and/or cut back on staff. Furthermore, not procuring sufficient capital may place our business as a going concern into jeopardy.

Even if we were able to raise the requisite amount of money when needed, such financings may have undesirable effects. If we were to raise money through equity financings, our shareholders' ownership interest will be diluted, and the terms of the equity securities may include liquidation or other preferences that may adversely affect our shareholders' rights. Debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. If we raise additional capital through government or other third-party funding, marketing and distribution arrangements or other collaborations, strategic alliances or licensing arrangements with third parties, we may have to relinquish valuable rights to our products, future revenue streams, research programs or to grant licenses on terms that may not be favourable.

#### *Inaccurate Forecasts*

We cannot forecast our revenues and expenses with accuracy, due to the fact that predictions are inherently difficult to make. Moreover, since we are proposing to commercialize our recycling process, for which we have no prior sales experience, it is challenging for us to forecast revenues for this business with a high degree of accuracy. Many factors may affect the actual revenues to be earned, including but not limited to the terms of the agreement that we enter into with a potential partner, economic conditions, actual demand for lithium-ion battery recycling, the effectiveness of marketing by ourselves or our partners and actions taken by our competitors. Many other factors also affect the actual expenses we incur, including but not limited to a sharp increase in inflation or raw material prices, changes in interest rates, unexpected breakdown of equipment, unanticipated delays in our supply chain or any other unforeseen expenditures. If our actual revenues or expenses differ significantly from our forecasts, we may experience a cash shortage or be forced to reallocate resources to remedy any problems arising from the variance, either of which may have a material adverse effect on our financial condition and profitability.

#### *Force Majeure Events*

We may be negatively affected by force majeure events, which are incidents that are beyond our control or reasonable foresight. Examples of force majeure events include, but not limited to, an act of God or natural disasters, acts of terrorism, voluntary or involuntary compliance with any regulation, law or order of any government, acts of war (whether war be declared or not), labour strike or lock-out, civil commotion, epidemic, failure or default of public utilities or common carriers, destruction of production facilities or materials by fire, earthquake, storm or like catastrophe. These events may prevent us from carrying on business, restrict our access to supplies or customers, or inflict damage on our assets.

A pertinent force majeure event is the COVID-19 pandemic which is still persisting as of the date hereof. The COVID-19 pandemic is expected to have a material effect on our business, financial condition or results of operations. Since March 2020, Canada and other nations around the world have imposed quarantines and restrictions on travel and commercial activities in order to avoid congregations of people. These measures have created disruptions in supply chains and caused shortages of materials, labour and other resources. While we have not been seriously affected by the restrictions from a logistical standpoint, if the restrictions were to continue for an extended period, we may not be able to carry out certain activities or suffer delays due to an inability to procure materials, labour or other resources in a timely manner.

More significant is the global financial fallout arising from the outbreak of the coronavirus. Unemployment and business shutdowns have increased dramatically since the onset of the pandemic, and there is no assurance that this trend will end in the near future. If there is an economic slowdown, the demand for our products and services may decline, as consumer spending on discretionary items (which include EVs) typically contracts in such situations. Moreover, an economic slowdown may restrict our access to capital.

### *Volatility of Share Price*

The market price of the Shares is subject to volatility. The factors influencing stock prices are numerous – including but limited to general socio-economic conditions, industry outlook, consumer trends and weather – and many of them are beyond our control. Fluctuations in the stock price can have a dramatic impact on our finances and hamper our ability to raise capital.

### *Foreign Exchange Risk*

We intend to sell our products and services in other countries, and we may source certain raw materials from abroad. Therefore, the strengthening or weakening of the Canadian dollar versus other currencies will affect the translation of our net revenues generated in these foreign currencies into Canadian dollars, and similarly, we may be forced to pay higher prices for certain ingredients that we import if the Canadian dollar weakens against the currency of the exporting country.

### *Litigation Risk*

From time to time in the ordinary course of our business, we may be sued or be involved in various legal proceedings, be it commercial, securities, employment, class action and other claims, or be subject to governmental or regulatory investigations and proceedings. Such matters can be expensive, difficult, time-consuming and unpredictable. Moreover, should we be unsuccessful in such legal proceedings, we may be compelled to pay monetary damages. Any of the foregoing events may have a material adverse effect on our financial condition and profitability.

### *Changes in Economy*

We are affected by changes in the broader economy, including but not limited to changes in interest rates, the unemployment rate, stock market volatility, availability of credit, government spending and consumer confidence. Such changes may lead to difficulty in obtaining capital, increases in debt costs, lower product sales, delays in payments, increases in raw material prices, and/or fewer business opportunities for the Company in terms of acquisitions, collaborations or expansions. The severity and duration of an economic downturn or deteriorating financial market conditions are unknown and beyond our control. Any change in the broader economy or in global financial markets may have a material adverse effect on our financial condition and profitability.

### *Changes in Law*

As laws and regulations in Canada evolve, we may be negatively affected by certain changes in legislation. The scope of laws applicable to the Company is extensive and include but is not limited to laws regarding mining, environmental protection, intellectual property, securities, employment standards and taxation. Any amendments or enactments of laws and regulations relating to the development, production, marketing and distribution of our products and services will have a significant impact on our finances. We may be required to modify our product or service specifications; implement measures to enhance safety, efficacy, or transparency; comply with increased documentation or governance procedures; or pay additional tariffs or taxes. We would be facing similar risks with respect to changes in securities laws if our Shares are listed on the Exchange. The cost of compliance with laws and regulations includes not just the actions necessary to comply with the legislation, but also to the expense of understanding and interpreting the legislation.

Our exposure to risk arising from changes in law increases with doing business in other countries. The laws of foreign nations may be very different from those in Canada and sometimes unclear. We may encounter difficulties in interpreting such laws and we may be less able to anticipate any upcoming changes due to our unfamiliarity with another legal regime. Considerable expense may be incurred to comply with foreign laws and regulations.

### *Loss of Key Personnel*

We may not be able to attract or retain employees necessary to carry out certain key functions for our company. Although we strive to provide competitive compensation packages to our employees, it may not be enough to recruit the right candidates or keep employees from terminating their employment with the Company at any time. It takes time to find and train replacements for vacated positions, and consultants are not necessarily affordable or available to fill the gap. Any loss of key personnel will force us to reallocate resources in order to recruit and train replacements for the departed employees, and this may cause us to suffer financial losses or impede our growth. If we are unable to find suitable candidates for key personnel, the unfilled positions could seriously affect our ability to produce and market our products and services effectively.

### *Uninsurable Risks*

We may be subject to risks which are uninsurable or against which we may opt out of insuring due to the high cost of insurance premiums or other factors. If such risks result in a liability for us, payment of the liability will reduce our cash flow and may have a material adverse effect on our financial condition and profitability.

## Risks Related to Recycling Business

### *Commercialization Challenges*

We are in the research and development phase of our battery recycling business and thus have no history of commercial operations. There is uncertainty over whether we will reach the commercialization stage, given the considerable challenges of correctly identifying the right market strategy, completing the necessary research and development, constructing a commercial production plant and other capital projects, developing business alliances and customer networks, plus raising enough money to perform these tasks. The scalability of our proprietary technology has yet to be tested. In addition, the technology with respect to lithium-ion batteries is continually evolving along with the demand for such products, and accordingly we may not be able to adapt our strategy to such changes. Since lithium-ion battery recycling is still in its infancy as an industry, there is no assurance that commercialization of our proprietary technology is attainable or profitable.

### *Competition*

Although we are one of the first companies to patent a hydrometallurgical process for lithium-ion battery recycling in the world, there are a number of other competitors in this industry segment. One of these competitors is already in commercial operations, while others claim to have achieved milestones ahead of us. Notwithstanding the actual status of our competitors, we have to compete with them for capital, employees, customers, business partners and other resources. Such competition means we will not be able to command the kind of operating margins or market share that we would be able to in the absence of competitors. Moreover, some competitors are far more well-funded than we are or have other resources and capabilities which give them an advantage. Such competitive pressures may have a material adverse effect on us.

### *Strategic Alliances*

Our ability to successfully implement our business strategy depends in part to our strategic alliances, both existing and prospective. We have to establish relationships on acceptable terms with upstream or downstream players to facilitate the construction of a commercial production plant or to license the technology in advance or to enter into an offtake arrangement. So far, we have entered into one joint venture



to construct and operate a commercial recycling plant, but this relationship is still in its beginning stages and success is not assured. Although we remain positive that more strategic alliances can be formed in the future, there is no guarantee that we will be able to do so.

#### *Intellectual Property Protection*

Our success will depend in part on our ability to obtain and enforce patents, protect our trade secrets and operate without infringing the exclusive rights of other parties. Although we have obtained patents for our technology in several countries, there is no guarantee that such patents will provide any competitive advantage to us. The laws of some nations may provide weak or no protection for intellectual property, notwithstanding the registration of patents. The patents themselves may be contested by third parties, and competitors may either circumvent the patents or independently develop processes similar to our technology without infringing our patents. Furthermore, patent enforcement is an expensive endeavour usually requiring legal action which would then divert much needed resources away from our business.

Although we do not believe that our technologies infringe the proprietary rights of any third parties, there can be no assurance that infringement or invalidity claims will not be asserted against us. Moreover, we have entered into agreements with a number of United States government laboratories and agencies to collaborate on the development of battery recycling technologies. The terms of these agreements provide certain intellectual property rights to our counterparties. Although we do not believe these rights pertain to our proprietary intellectual property, these rights may be triggered in an unexpected manner.

With respect to trade secrets, we rely on the confidentiality provisions of agreement signed with collaborators, advisors, consultants and employees to protect trade secrets. We are also careful in disclosing our proprietary information on a “need to know” basis. Nevertheless, our trade secrets may be disclosed to unintended parties either through an inadvertent leak or a deliberate breach of confidentiality agreements. Such a disclosure would be deleterious to our business as it depends on the protection of our trade secrets to maintain our competitive advantage.

#### *Fluctuations in Mineral and Metal Prices*

The profitability of electric vehicle battery recycling depends in part on the potential revenues generated from selling the minerals recovered from the batteries, such as lithium, cobalt, manganese and nickel. Therefore, mineral and metal prices greatly affect our operating margins. The numerous factors influencing these prices are beyond our control and in recent years, their fluctuations have proven difficult to predict. A sharp or sustained decline in the price of certain minerals or metals may prove detrimental to our profitability and there is no assurance that such a decline will not occur.

#### *Demand for Electric Vehicles*

The profitability of electric vehicle battery recycling depends in part on the demand for electric vehicles. We have studied in great detail the many industry reports on electric vehicles, and it believes that the future prospects for these automobiles are positive. However, there can be no assurance that demand for electric vehicles will be of a sufficient magnitude to warrant the kind of EV battery recycling contemplated by us. Demand for electric vehicles is driven by a number of factors beyond our control, including but not limited to consumer tastes and expectations, the availability of infrastructure to support electric vehicles, government subsidies, environmental regulations and the attractiveness of non-electric vehicles. As at the date hereof, electric vehicles are still not considered to be mainstream when compared to automobiles fueled by gasoline or diesel, and there are fewer manufacturers to choose from when buying an electric vehicle. Growth in the EV market may also occur in nations where we may not be able to enter or operate successfully.

### *Environmental Regulation*

Environmental laws which require that lithium-ion batteries be recycled have been proposed by the European Commission and countries such as China. Although the global trend is to adopt stricter requirements with respect to recycling, there is no assurance that environmental laws in the countries pertinent to our business will ever require EV battery recycling. In recent years, some political administrations around the world have advocated for the relaxation of environmental regulations in order to promote economic growth. Without legislation compelling the recycling of EV batteries, we face greater challenge in persuading EV manufacturers to enter into a business relationship.

Environmental regulation, conversely, may have an adverse impact on our operations. Although we do not expect any difficulty in obtaining environmental permits or approvals for the construction of a commercial recycling plant, nor do we anticipate any difficulty in complying with environmental laws in general, there is no assurance that future legislation will not prove to be onerous or overly restrictive.

### *Operational Risks*

Our operations involve the use of chemicals and hazardous substances which if handled improperly could result in personal injury and property damage, and if such substances were inadvertently released into the environment, we could be subject to penalties and be liable for removal or remediation costs.

## Risks Related to Mining Business

### *Speculative Nature*

The exploration and development of mineral properties are highly speculative activities and are subject to significant risks, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in size to return a profit from production. Our ability to realize on our investments in exploration projects is dependent upon a number of factors; including management's ability to continue to raise the financing necessary to complete the exploration and development of those projects and the existence of economically recoverable reserves within the projects.

At the present time we do not hold any interest in a mining property in commercial production. We have incurred net losses since inception, and has limited financial resources and no positive mineral operating cash flow. No assurance can be given that additional funding will be available for further exploration and development of our projects or to fulfill our obligations under any applicable agreements. Other uncertainties include currency and metal price fluctuations, permits and licenses, environmental regulatory requirement changes, mineralization estimates, and political risks.

### *Mineral Exploration Risks*

Mineral exploration is inherently dangerous. Exploration activities are often carried out in areas with poor infrastructure, environmental hazards, and/or treacherous ground conditions including landslides, cave-ins, flooding, fire and rock bursts. Exploration activities may also be hindered by inclement weather conditions, power outages, industrial accidents, or an inability to obtain suitable or adequate machinery, equipment or labour. If any of these risks were to materialize, it could cause injury or loss of life, environmental damage, operational delays, loss of insurance, monetary losses and/or severe damage to or destruction of mineral properties, production facilities or other assets, which in turn may lead to legal and/or regulatory liability, as well as suspension or cessation of operations.

### *Fluctuating Metal and Share Prices*

Factors beyond our control may affect the marketability of gold, niobium, or any other metals or minerals discovered. Commodity prices fluctuate widely and are affected by numerous factors beyond our control whose effect cannot be predicted accurately. In recent periods, the securities markets in Canada have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered exploratory and development stage companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying assets values or prospects of such companies. There can be no assurance that continual and extreme fluctuations in price will not occur.

### *Competitive Industry*

Mining is a competitive industry, and the junior mining sector in Canada in particular is very active with numerous companies all competing for the same investment capital, business opportunities, personnel and other resources necessary to conduct exploration and development. Some of our competitors have far greater assets, which puts us at a disadvantage in terms of being able to attract investors, skilled labour, and other resources and not being able to acquire them may mean that we will not be able to command the kind of operating margins or market share that it would be able to in the absence of competitors. Moreover, we have to expend considerable efforts to compete with other mining companies; such competitive pressures may have a material adverse effect on us.

### *Permits and Licenses*

Our operations will require licenses and permits from various governmental authorities, which have been applied for and/or will be applied for at the proper time. There can, however, be no assurance that we will be able to obtain all necessary licenses and permits required to carry out exploration, development and mining operations of our projects.

### *Environmental Regulation*

Our operations are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards, and enforcement, fines and penalties for non-compliance are becoming more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and their directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of future operations. We may become subject to liability for pollution or hazards against which it cannot insure or again which it may elect not to insure where premium costs are disproportionate to our perception of the relevant risks. The payment of such insurance premiums and of such liabilities would reduce the funds available for exploration and production activities.

### *Estimates of Mineral Resource*

The mineral resource estimates we publish from time to time with respect to our properties are estimates only and no assurance can be given that any particular level of recovery of minerals will in fact be realized or that an identified resource will ever qualify as a commercially mineable (or viable) deposit which can be legally and economically exploited. In addition, the grade of mineralization ultimately mined may differ from that indicated by drilling results and such differences could be material. Production can be

affected by such factors as permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations, inaccurate or incorrect geologic, metallurgical or engineering work, and work interruptions, among other things. Short-term factors, such as the need for orderly development of deposits or the processing of new or different grades, may have an adverse effect on mining operations or the results of operations. There can be no assurance that minerals recovered in small-scale laboratory tests will be duplicated in large-scale tests under on-site conditions or in production scale operations. Material changes in resources, grades, stripping ratios or recovery rates may affect the economic viability of projects. The estimated resources described herein should not be interpreted as assurances of mine life or of the profitability of future operations. We have engaged expert independent technical consultants to advise it with respect to mineral resources and project engineering, among other things. We believe that those experts are competent and that they have carried out their work in accordance with all internationally recognized industry standards. However, if the work conducted by those experts is ultimately found to be incorrect or inadequate in any material respect, we may experience delays and increased costs in developing our properties.

#### *Title Risk and First Nation Claims for Mineral Properties*

Although we have made every effort to ensure that legal title to our mineral properties is secure, it is possible that title may be subject to prior unregistered agreements of transfer and other undetected defects. Any impairment or defect in the Company's title to our mineral properties may adversely affect our business and financial condition as we would not be able to enforce certain rights over our mineral claims or be constrained in our ability to conduct work on our properties.

Moreover, because First Nations rights may be claimed on Crown land and other types of tenure, our mineral properties in Canada may be subject to aboriginal claims of title or use. The nature and extent of First Nation rights is complex and evolving. In *Tsilhqot'in Nation v. British Columbia* (2014 SCC 44), the Supreme Court of Canada recognized the Tsilhqot'in Nation as holding aboriginal title over certain territory in the interior of British Columbia. There is a possibility that First Nations groups may claim aboriginal title over our mineral properties, especially since they are located in the interior of British Columbia. A successful assertion of aboriginal title over lands on which our mineral claims are located may have a material adverse effect on our operations and profitability, as we may be hindered in exploration and development efforts if we cannot secure the approval and cooperation of the First Nations group in question. Notwithstanding the success or failure of a claim of aboriginal, we may be required in any event to consult and negotiate with First Nations to facilitate exploration and development activities, but there is no assurance we will be able to establish a practical working relationship with any First Nations in those areas where our mineral claims are situated.

### **DESCRIPTION OF THE SECURITIES**

Our authorized capital will remain the same after the COB. Please see "Description of the Securities" under *Part 1: Information Concerning the Issuer* for more details.

### **PRO FORMA CONSOLIDATED CAPITALIZATION AND FULLY DILUTED SHARE CAPITAL**

#### **Pro Forma Consolidated Capitalization**

The following table sets out the pro forma share capital and loan capital of the Resulting Issuer:

<b>Designation of Security</b>	<b>Amount Authorized</b>	<b>Amount Outstanding after giving effect to the COB</b>
Shares	Unlimited	262,644,127 <sup>(1)</sup>
Debt securities	Nil	Nil

1. This amount does not include shares reserved for issuance pursuant to exercise of the 15,530,100 stock options outstanding as at the date of hereof. Please see “Stock Option Plan” in *Part 1: Information Concerning the Issuer* for more details.

### **Fully Diluted Capital**

The following table sets out the share capital of the Resulting Issuer on a fully diluted basis after giving effect to the COB:

<b>Designation of Security</b>	<b>Amount Outstanding after giving effect to the COB</b>	<b>Percentage</b>
Shares	262,644,127	86%
Shares reserved for the exercise of warrants	27,400,000	9%
Shares reserved for the exercise of options	15,530,100	5%
Total	305,574,227	100%

### **AVAILABLE FUNDS AND PRINCIPAL PURPOSES**

We anticipate having approximately \$18 million in working capital after the proposed COB, and we expect to expend the funds over the 12 months after the completion of the COB as follows:

	<b>Estimated Amount</b>
Collaboration with Zenith on the detailed recycling plant design and construction plan	\$1,175,000
Equipment and construction of recycling plant	\$9,025,000
Estimated general and administrative expenses for next 12 months	\$1,350,000
Unallocated working capital	\$6,450,000
Total	\$18,000,000

Notwithstanding the table above, there may be circumstances where for sound business reasons a reallocation of funds may be necessary.

### **DIVIDENDS**

We have paid no dividends since our inception. At the present time, we intend to retain any earnings for corporate purposes. The payment of dividends in the future will depend on our earnings and financial condition, such other facts the Board may consider appropriate. However, since we are currently in a development stage, it is unlikely that earnings, if any, will be available for the payment of dividends in the foreseeable future.

## PRINCIPAL SECURITYHOLDERS

To the best of our knowledge, no person will own of record or beneficially, directly or indirectly, or exercise control or direction over more than 10% of any class of voting securities of the Resulting Issuer after giving effect to the COB.

## DIRECTORS, OFFICERS AND PROMOTERS

### Name, Address, Occupation and Security Holdings

We anticipate our directors and officers will remain the Company's directors and officers after giving effect to the COB. The following table sets out the name, municipality of residence, current position with the Company of each director and officer, as well as the number and percentage of Shares and stock options beneficially owned or controlled by such person as at the date hereof and after the proposed COB. Each director, if elected, will serve until our next annual general meeting of shareholders, unless he resigns or otherwise vacates office before that time, or becomes disqualified to act as a director.

The information below as to principal occupation, Shares and stock options beneficially owned or controlled by the director or officer is not within our knowledge, and has been furnished by the respective director or officer.

Name and Other Details	Biography
<p><b>Zarko Meseldzija</b> Langley, B.C. Age: 31 Director since Mar. 25, 2020 Interim CEO since Sep. 21, 2022 Shares: 0 (0%) Stock options: 2,427,100</p>	<p>Zarko Meseldzija is an engineer who has been responsible for overseeing the development of our hydrometallurgical process, serving as the Company's CTO from 2018 to 2022. Previously, he worked for one of Canada's largest energy companies as well as an innovation-driven process systems company. Mr. Meseldzija holds a BSc. in Mining Engineering from the University of Alberta and an MBA from the Beedie School of Business. He is a full-time employee and will devote 100% of his time to the Company.</p>
<p><b>Shaheem Ali</b> Surrey, B.C. Age: 50 Director since Sep. 21, 2022 CFO since Oct. 30, 2012 Shares: 818,000 (0.31%) Stock options: 2,000,000</p>	<p>Shaheem Ali is a finance and business management professional who has been responsible for the Company's accounting and finances for close to a decade. Previously, he worked with Alderwoods Group Inc. where his experience includes governance and regulatory fund compliance with various states. He is a full-time employee and will devote 100% of his time to the Company.</p>
<p><b>Andris Kikauka</b> <sup>(1)</sup> Powell River, B.C. Age: 67 Director since Jun. 22, 1993 Shares: 866,500 (0.33%) Stock options: 1,510,000</p>	<p>Andris Kikauka is a geologist with several decades of experience in exploration of precious and base metal properties. He is a member of the Geological Association of Canada and is a registered Professional Geoscientist in the Province of British Columbia. Mr. Kikauka holds a BSc. (Honours) in Geological Sciences from Brock University.</p>
<p><b>Edward Skoda</b> <sup>(1)</sup> Jalisco, Mexico Age: 76 Director since Apr. 4, 2013 Shares: 4,300,000 (1.64%) Stock options: 1,300,000</p>	<p>Edward Skoda is a mining professional with several decades of experience as a consultant, shift boss, superintendent, and project manager for various mining and exploration companies. Based out of Guadalajara, Jalisco, Mr. Skoda oversees all Mexican operations for SJ Geophysics Ltd. He holds a Diploma in Mining Engineering Technology from the Haileybury School of Mines in Ontario and a</p>

Name and Other Details	Biography
	Diploma in Business Management from the British Columbia Institute of Technology.
<b>Paul Hildebrand</b> <sup>(1)</sup> Vancouver, B.C. Age: 67 Director since Oct. 22, 2021 Shares: 200,000 (0.08%) Stock options: 2,000,000	Paul Hildebrand is a lawyer specializing in complex litigation. He has several decades of experience in a wide range of legal matters, including governmental litigation, insurance matters, arbitration and mediation, securities work and real estate transactions. Mr. Hildebrand holds a B.Sc., LLB. (law) and a PhD. in Economics, all from the University of British Columbia.
<b>Rod Langtry</b> Vancouver, B.C. Age: 52 Proposed Director Shares: 984,760 (0.38%) Stock options: Nil	Rod Langtry is the President & CEO of Cascade Raider Holdings, an industrial supply company. He joined Cascade Distributors in 1997 and merged it with Raider Hansen in 2011, whereupon he became the company's President & CEO. He has significant merger and acquisitions experience, and has grown his company through partnerships with well-known suppliers such as 3M, Black and Decker, Honeywell and more.
<b>Teresa Piorun</b> Mission, B.C. Age: 66 Corporate Secretary since May 1, 1995 Shares: 504,900 (0.19%) Stock options: 1,100,000	Teresa Piorun is a corporate secretary with several decades of experience in the administration of public companies, investor relations and communications. She is a full-time employee and will devote 100% of her time to the Company.

1. Denotes member of the Audit Committee.

### **Cease Trade Orders and Bankruptcies**

Except as disclosed below, none of the proposed directors and officers of the Resulting Issuer is or has been, within the ten years prior to the date hereof, a director or chief executive officer or chief financial officer of any company (including the Company) that: (i) was subject to an order that was issued while the proposed director was acting as a director, chief executive officer or chief financial officer; or (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer. For the purposes hereof, “order” means: (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days.

No proposed director or officer of the Resulting Issuer is, at the date of this Circular, or has been within ten years before the date of this Circular, a director or executive officer of any company (including the Company) 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 was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Andris Kikauka and Edward Skoda were directors of the Company when it was issued a cease trade order on July 6, 2016, by the British Columbia Securities Commission (“BCSC”), the Alberta Securities Commission (“ASC”) and the Ontario Securities Commission (“OSC”). The cease trade orders were revoked on July 18, 2016, by all of the respective securities commissions.

Andris Kikauka was a director of MGX Minerals Inc. when it was issued a cease trade order by the BCSC, the ASC and the OSC on these dates: Nov. 29, 2019; Dec. 2, 2020; Dec 1, 2021; and Mar 2, 2022. The two earliest cease trade orders were revoked on January 2, 2020, and on Feb. 12, 2021 respectively by all of the applicable securities commissions.

### **Penalties and Sanctions**

No proposed director or officer of the Resulting Issuer has been subject to 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 has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

### **Personal Bankruptcies**

No proposed director or officer of the Resulting Issuer, within the ten 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 proposed director or officer.

### **Conflicts of Interest**

To the best of our knowledge, and other than as disclosed herein, there are no known existing or potential material conflicts of interest among the Company, our promoters, directors and officers or other members of management, or of any proposed promoter, director, officer or other member of management.

### **Other Reporting Issuer Experience**

The following table sets out our proposed directors and officers that are, or have been within the last five years, directors, officers or promoters of other reporting issuers.

<b>Name</b>	<b>Name and Jurisdiction of Reporting Issuer / Name of Trading Market</b>	<b>Position</b>	<b>From - To</b>
Andris Kikauka	MGX Minerals Inc. BC, AB and ON Canadian Securities Exchange	Director CEO	2014-07-04 to present 2021-03-21 to present

## **EXECUTIVE COMPENSATION**

The following table sets out the anticipated compensation of our executive officers for the twelve-month period following the completion of the COB.



Name and Position	Salary, consulting fee, retainer or commission	Bonus	Committee or meeting fees	Value of perquisites	Value of all other compensation	Total compensation
Zarko Meseldzija <i>Interim CEO and Director</i>	\$180,000	TBD	TBD	TBD	TBD	\$180,000
Shaheem Ali <i>CFO and Director</i>	\$150,000	TBD	TBD	TBD	TBD	\$150,000

### OPTIONS TO PURCHASE SECURITIES

The following table sets out the anticipated stock options that our past and present directors, officers, employees and consultants will hold upon completion of the COB.

Type of Optionee	Number of Options	Exercise Price Per Share	Expiry Dates
Directors who are not officers <sup>(1)</sup>	210,000	\$0.21	2024-08-02
	700,000	\$2.63	2026-02-17
	400,000	\$0.80	2026-10-22
	1,300,000	\$0.39	2027-11-08
	2,200,000	\$0.48	2028-06-12
Officers <sup>(2)</sup>	27,100	\$0.21	2024-08-02
	1,400,000	\$2.63	2026-02-17
	1,400,000	\$0.39	2027-11-08
	2,700,000	\$0.48	2028-06-12
Employees and contractors	183,000	\$0.21	2024-08-02
	450,000	\$1.00	2026-02-17
	300,000	\$0.48	2028-06-12
Consultants	1,110,000	\$0.21	2024-08-02
	1,000,000	\$1.00	2026-02-16
	1,550,000	\$1.00	2026-02-17
	600,000	\$0.35	2028-05-25

1. Three directors fall into this category: Paul Hildebrand, Andris Kikauka, and Edward Skoda.
2. The Company has three officers: Zarko Meseldzija, CEO and Director; Shaheem Ali, CFO and Director; and Teresa Piorun, Corporate Secretary.

### STOCK OPTION PLAN

We have adopted an incentive stock option plan, of which the salient features are summarized on pages 8 to 9 of the Circular. We will be seeking shareholder approval of the adoption of a new omnibus equity incentive plan at the Meeting, a copy of which is contained in Appendix “B” of the Circular.

### AUDITOR, TRANSFER AGENTS AND REGISTRARS

Our auditor, transfer agent and registrar will remain the same after the COB. Please see “Auditor, Transfer Agents and Registrars” under *Part 1: Information Concerning the Issuer* for more details.

### **ESCROWED SECURITIES**

The Exchange has granted a waiver of the escrow requirements with respect to a COB under Exchange policies, subject to the Company fulfilling all of the conditions .

### **SPONSORSHIP**

The Exchange has granted a waiver of the sponsorship requirement.

### **EXPERTS**

The following persons, firms and companies are named as having prepared or certified a report, valuation, statement or opinion described or included in a filing, or referred to in a filing, made under National Instrument 51-102 - Continuous Disclosure Obligations by the Company during, or relating to, our most recently completed financial year and whose profession or business gives authority to the report, valuation, statement or opinion made by the person, firm or company.

- De Visser Gray LLP, Chartered Professional Accountants, provided an auditor's report in respect to our financial statements for Fiscal 2022. De Visser Gray has advised us that they are independent of the Company, as determined in accordance with the Chartered Professional Accountants of British Columbia Code of Professional Conduct.

To our knowledge, none of the experts named in the foregoing section held at the time of or after such person prepared the statement, report or valuation, any registered or beneficial interests, direct or indirect, in any of our securities or other property or of one of our associates or affiliates or is or is expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associate or affiliate of the Company.

### **BOARD APPROVAL**

Our board of directors have approved this Circular and its delivery to shareholders.

## GLOSSARY

The following is a glossary of certain terms used in this Circular.

<u>Term</u>	<u>Definition</u>
AMY Process	the Company's proprietary hydrometallurgical process for extracting manganese
Associate	with respect to any Person: <ul style="list-style-type: none"><li>(a) a partner, other than a limited partner, of that Person;</li><li>(b) a trust or estate in which that Person has a substantial beneficial interest or for which that Person serves as trustee or in a similar capacity;</li><li>(c) an issuer in respect of which that Person beneficially owns or controls, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all outstanding voting securities of the issuer; or</li><li>(d) a relative, including the spouse, of that Person or a relative of that Person's spouse, if the relative has the same home as that Person; but</li><li>(e) where the Exchange determines that two Persons shall, or shall not, be deemed to be Associates with respect to a Member firm, Member corporation or holding company of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D.1.00 of the TSX Venture Exchange Rule Book and Policies with respect to that Member firm, Member corporation or holding company</li></ul>
EV	electric vehicle
Exchange	TSX Venture Exchange
Insider	<ul style="list-style-type: none"><li>(a) a director or an officer of the Company,</li><li>(b) a director or an officer of a company that is itself an Insider or a subsidiary of the Company;</li><li>(c) a Person that has<ul style="list-style-type: none"><li>(i) beneficial ownership of, or control or direction over, directly or indirectly, or</li><li>(ii) a combination of beneficial ownership of, and control or direction over, directly or indirectly,</li></ul>securities of the Company carrying more than 10% of the voting rights attached to all the Company's outstanding voting securities, excluding, for the purpose of the calculation of the percentage held, any securities held by the Person as underwriter in the course of a distribution; or</li><li>(d) the Company if it has purchased, redeemed or otherwise acquired a security of its own issue, for so long as it continues to hold that security.</li></ul>
kg	kilogram
km	kilometres
LCO	lithium cobalt oxide

<u>Term</u>	<u>Definition</u>
LIB	lithium-ion battery
LMO	lithium manganese oxide
NCA	lithium nickel cobalt aluminum oxide
NMC	lithium nickel manganese cobalt oxide
pCAM	precursor cathode active material
Person	a Company or individual
Share	a Common share in the capital of the Company