

LI-METAL CORP.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual general and special meeting (the “**Meeting**”) of the holders (the “**Shareholders**”) of common shares (“**Common Shares**”) of Li-Metal Corp. (the “**Corporation**”) will be held virtually at <https://virtual-meetings.tsxtrust.com/1399> on October 11, 2022 at 11:00 a.m. (Toronto time). This year, the Corporation will hold the Meeting in a virtual-only format, which will be conducted via live audiocast, for the following purposes:

1. to receive and consider the audited annual financial statements of the Corporation for the 15 months ended March 31, 2022, and the year ended December 31, 2020, together with the notes thereto and the reports of the independent auditors thereon;
2. to set the number of directors of the Corporation at six and to elect the directors of the Corporation to serve from the close of the Meeting until the close of the next annual meeting of shareholders of the Corporation or their successors are elected or appointed, all as the case may be, unless his or her office is earlier vacated in accordance with the by-laws of the Corporation or the provisions of the *Business Corporations Act* (Ontario);
3. to re-appoint Grant Thornton LLP, Chartered Accountants, as auditors of the Corporation, to hold office until the next annual meeting of the shareholders of the Corporation and to authorize the directors of the Corporation to fix the auditor’s remuneration;
4. to approve the new equity compensation plan of the Corporation; and
5. to transact any other business as may properly be brought before the Meeting or any adjournment(s) or postponement thereof.

The details of all matters proposed to be put before the Shareholders at the Meeting are set forth in the information circular of the Corporation (“**Information Circular**”) accompanying this Notice of Annual General and Special Meeting.

The record date for determination of the Shareholders entitled to receive notice of and to vote at the Meeting is August 25, 2022 (the “**Record Date**”). No person who becomes a shareholder of the Corporation after the Record Date will be entitled to vote or act at the Meeting or any adjournment thereof. If you wish to be represented by proxy at the Meeting or any adjournment thereof, you must deposit a completed, dated and signed form of proxy with the Corporation’s transfer agent, TSX Trust Company, by mail at 301 – 100 Adelaide St W Toronto, ON M5H 4H1 or by e-mail to proxyvote@tmx.com prior to 11:00 a.m. (Toronto time) on October 6, 2022 or, if the Meeting is adjourned or postponed, not less than 48 hours (other than a Saturday, Sunday or holiday) prior to the start of the adjourned or postponed meeting. Notwithstanding the foregoing, the Chair of the Meeting has the discretion to accept proxies received after such deadline.

Registered Shareholders and duly appointed proxyholders can also attend the Meeting online at <https://virtual-meetings.tsxtrust.com/1399> password: lim2022 (case sensitive) where they can participate, vote, or submit questions during the Meeting’s live webcast.

If you are a non-registered holder of Common Shares and have received these materials from your broker or another intermediary, please complete and return the voting instruction form or other authorization form provided to you by your broker or intermediary in accordance with the instructions provided. Failure to do so may result in your Common Shares not being eligible to be voted at the Meeting.

The form of proxy confers discretionary authority with respect to: (i) amendments or variations to the matters of business to be considered at the Meeting; and (ii) other matters that may properly come before the Meeting.

As of the date hereof, management of the Corporation knows of no amendments, variations or other matters to come before the Meeting other than the matters set forth in this Notice of Annual and Special Meeting. Shareholders who are planning on returning the accompanying form of proxy are encouraged to review the Information Circular carefully before submitting the proxy form.

DATED this August 31, 2022.

BY ORDER OF THE BOARD OF DIRECTORS OF Li-METAL CORP.

(Signed) "*Maciej Jastrzebski*"

Name: Maciej Jastrzebski
Title: Chief Executive Officer

LI-METAL CORP.

**MANAGEMENT INFORMATION CIRCULAR
AUGUST 31, 2022**

INFORMATION REGARDING CONDUCT OF MEETING

Solicitation of Proxies

This management information circular (“Circular”) is furnished in connection with the solicitation by the management of Li-Metal Corp. (“Li-Metal” or the “Corporation”) of proxies to be used at the annual general and special meeting (the “Meeting”) of holders of common shares (“Shareholders”) of the Corporation to be held virtually at <https://virtual-meetings.tsxtrust.com/1399> on October 11, 2022 at 11:00 a.m. (Toronto time) and at any postponement(s) or adjournment(s) thereof for the purposes set forth in the accompanying notice of meeting (“Notice of Meeting”). References in this Circular to the “Meeting” include references to any postponement(s) or adjournment(s) thereof. It is expected that the solicitation will be primarily by mail, but proxies may also be solicited through other means by employees, consultants and agents of the Corporation. The cost of solicitation by management will be borne by the Corporation.

The board of directors of the Corporation (the “**Board of Directors**”) has by resolution fixed the close of business on August 25, 2022, as the record date for the meeting (the “**Record Date**”) being the date for the determination of the registered holders of common shares of the Corporation (the “**Common Shares**”) entitled to notice of and to vote at the Meeting and any adjournment(s) or postponement(s) thereof. The Board of Directors has by resolution fixed 11:00 a.m. (Toronto time) on October 6, 2022, or 48 hours (excluding Saturdays, Sundays and holidays) before any adjournment(s) or postponement(s) of the Meeting, as the time by which proxies to be used or acted upon at the Meeting or any adjournment(s) or postponement(s) thereof shall be deposited with the Corporation’s transfer agent. The time limit for deposit of proxies may be waived or extended by the chair of the Meeting at his or her discretion without notice.

The Corporation shall make a list of all persons who are registered holders of Common Shares on the Record Date and the number of Common Shares registered in the name of each person on that date. Each Shareholder is entitled to one vote on each matter to be acted on at the Meeting for each Common Share registered in his name as it appears on the list.

Voting Virtually at the Meeting

A registered Shareholder or a non-registered Shareholder who has appointed themselves or a third party proxyholder to represent him, her or it at the Meeting, will appear on a list of Shareholders prepared by TSX Trust Company. Each registered Shareholder or proxyholder will be required to enter the control number or username provided by TSX Trust Company at <https://virtual-meetings.tsxtrust.com/1399> password: lim2022 (case sensitive) prior to the start of the Meeting to be eligible to vote at the Meeting. In order to vote at the virtual meeting, Non-Registered Shareholders who appoint themselves as a proxyholder **MUST** register with TSX Trust Company at tsxtrustproxyvoting@tmx.com after submitting their voting instruction form in order to receive a username/control number (please see further information below for details). If you have any questions or require further information with regard to voting your Common Shares, please contact TSX Trust Company toll-free in North America at 1-866-600-5869 or by email at tsxtis@tmx.com.

Registered Shareholders and duly appointed proxyholders can attend the Meeting online by going to <https://virtual-meetings.tsxtrust.com/1399>.

Registered Shareholders and duly appointed proxyholders can participate in the Meeting by clicking “I have a control number/meeting access number” and entering a username/control number and password before the start of the Meeting.

Registered Shareholders – The control number located on the Proxy or in the email notification received by such Shareholder is the username/control number and the password is lim2022 (case sensitive).

Duly appointed proxyholders – To register a proxyholder, a Shareholder must visit <https://tsxtrust.com/resource/en/75> to obtain and complete the “Request a Control Number” form which they must provide to tsxtrustproxyvoting@tmx.com by no later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of Ontario) prior to the Meeting and provide TSX Trust Company with the contact information of his, her or its proxyholder, so that TSX Trust Company may provide the proxyholder with a username/control number via email. The password to the Meeting is lim2022 (case sensitive).

Voting at the Meeting will only be available for registered Shareholders and duly appointed proxyholders. Non-Registered Shareholders who have not appointed themselves may attend the Meeting by clicking “I am a guest” and completing the online registration form.

Shareholders who wish to appoint a third party proxyholder to represent them at the Meeting **must submit their Proxy or voting instruction form (as applicable) prior to registering their proxyholder. Registering the proxyholder is an additional step once a Shareholder has submitted his, her or its Proxy/voting instruction form. Failure to register a duly appointed proxyholder will result in the proxyholder not receiving a username to participate in the Meeting.** To register a proxyholder, a Shareholder MUST visit <https://tsxtrust.com/resource/en/75> to obtain and complete the “Request a Control Number” form which they must provide to tsxtrustproxyvoting@tmx.com by no later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of Ontario) prior to the Meeting and provide TSX Trust Company with the contact information of his, her or its proxyholder, so that TSX Trust Company may provide the proxyholder with a username/control number via email.

It is important to be connected to the internet at all times during the Meeting in order to vote when balloting commences. It is recommended that attendees use their latest internet browser and do not use Internet Explorer.

In order to participate online, Shareholders must have a valid control number and proxyholders must have received an email from TSX Trust Company containing a control number.

Non-Registered Shareholders

Only registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, shares beneficially owned by a holder who is not a registered Shareholder (a “**Non-Registered Holder**”) are registered either: (i) in the name of an intermediary with whom the Non-Registered Holder deals in respect of the Common Shares such as, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans (an “**Intermediary**”); or (ii) in the name of a clearing agency (such as The Canadian Depository for Securities Limited of which the Intermediary is a participant). In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Corporation will distribute copies of the Notice of Meeting, form of proxy and this Circular to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are then required to forward the materials to the appropriate Non-Registered Holders. Non-Registered Holders will be given, in substitution for the proxy otherwise contained in proxy-related materials, a request for voting instructions (the “**Voting Instructions Form**”) which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary, will constitute voting instructions which the Intermediary must follow.

The purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Holder who receives the voting instructions form wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should so indicate in the place provided for that purpose in the Voting Instructions Form and a form of legal proxy will be sent to the Non-Registered Holder. In any event, Non-

Registered Holders should carefully follow the instructions of their Intermediary set out in the Voting Instructions Form.

Non-Registered Shareholders who have received the Circular and related materials (collectively, the "**Meeting Materials**") from their Intermediary should, other than as set out herein, follow the directions of their Intermediary with respect to the procedure to be followed for voting at the Meeting. Generally, Non-Registered Shareholders will either:

(a) be provided with a form of proxy executed by the Intermediary but otherwise uncompleted. The Non-Registered Shareholder may complete the proxy and return it directly to such Intermediary; or

(b) be provided with a request for voting instructions. The Intermediary is required to send the Corporation an executed form of proxy completed in accordance with any voting instructions received by the Intermediary.

If you are a Non-Registered Shareholder, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained from your Intermediary in accordance with applicable securities regulatory requirements. By choosing to send the Documents to you directly, the Corporation (and not your Intermediary) has assumed responsibility for (i) delivering the Meeting Materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions. Please see the section "*Information for Non-Registered Shareholders*" below for further details.

Participating in the Meeting

The Meeting will be hosted online by way of a live audiocast. Shareholders will not be able to attend the Meeting in person. A summary of the information Shareholders will need to attend the Meeting is provided below. The Meeting will begin at 11:00 a.m. (Toronto time) on October 11, 2022.

Registered Shareholders that have a control number, along with duly appointed proxyholders who were assigned a control number by TSX Trust Company (see details under "*Appointment and Revocation of Proxies*"), will be able to vote and submit questions during the Meeting. To do so, please go to <https://virtual-meetings.tsxtrust.com/1399> (meeting ID 1399) prior to the start of the Meeting to login. Click on "**I have a control number/meeting access number**" and enter your control number or username along with the password **lim2022** (case sensitive). Non-Registered Shareholders who have not appointed themselves to vote at the Meeting may login as a guest by clicking on "**I am a guest**" and completing the online registration form. Guests will not be able to vote or ask questions at the Meeting.

United States Non-Registered Shareholders: To attend and vote at the Meeting, you must first obtain a valid legal proxy from your Intermediary and then register in advance to attend the Meeting. Follow the instructions from your Intermediary included with these Meeting materials, or contact your Intermediary to request a legal proxy form. After first obtaining a valid legal proxy from your Intermediary, to then register to attend the Meeting, you must submit a copy of your legal proxy to TSX Trust Company. In order to register, complete the Request for Control Number form at <https://tsxtrust.com/resource/en/75> and email it to tsxtrustproxyvoting@tmx.com in advance of the Meeting.

Requests for registration must be labeled as "Legal Proxy" and be received no later than 11:00 a.m. (Toronto time) on October 6 2022. Provided you have first registered with TSX Trust Company, you will receive a confirmation of your registration by email after your registration materials have been received. You may attend the Meeting and vote your Common Shares at <https://virtual-meetings.tsxtrust.com/1399> (meeting ID 1399, password: **lim2022** (case sensitive)) during the Meeting. Any appointees must reach out to TSX Trust in advance of the meeting (latest 48 hours before the meeting). They must complete the Request for Control Number form at <https://tsxtrust.com/resource/en/75> and email it to tsxtrustproxyvoting@tmx.com in advance of the meeting no later than 48 hours prior to the meeting.

Non-Registered Shareholders who do not have a control number or username will only be able to attend as a guest which allows such persons to listen to the Meeting, however, Non-Registered Shareholders will not be able to vote or submit questions.

If you are using a control number to login to the Meeting and intend to vote again on matters subject to previously submitted proxies, you will be revoking any and all such previously submitted proxies. If you DO NOT wish to revoke all previously submitted proxies, please do not vote when you log in using your control number.

If you are eligible to vote at the Meeting, it is important that you are connected to the internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure connectivity for the duration of the Meeting.

Voting: Once the polls are opened, registered Shareholders and/or duly appointed proxyholders who have signed in with their control number may vote by clicking on the "Voting" button on the left side of their screen. To vote, simply select your voting direction from the options shown on the screen and click Submit. A confirmation message will appear to show your votes have been received.

Questions: Registered Shareholders and/or duly appointed proxyholders who have logged in with their control number will also be able to ask questions. To ask a question simply click on the "Ask a Question" button located on the left side of your screen, type in your question and click submit.

NOTICE AND ACCESS

The Corporation has elected to use the notice-and-access process ("**Notice-and-Access**") that came into effect on February 11, 2013 under National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") and National Instrument 51-102 – *Continuous Disclosure Obligations*, for distribution of this Circular and other meeting materials to registered Shareholders of the Corporation and non-registered Shareholders.

Notice-and-Access allows issuers to post electronic versions of meeting materials, including circulars, annual financial statements and management discussion and analysis, online, via SEDAR and one other website, rather than mailing paper copies of such meeting materials to Shareholders. The Corporation anticipates that utilizing the Notice-and-Access process will substantially reduce both postage and printing costs.

Meeting materials including the Circular and the Corporation's audited financial statements for the 15 months ended March 31, 2022 and the Corporation's management discussion and analysis for the 15 months ended March 31, 2022, are available on <https://docs.tsxtrust.com/2333> and on the Corporation's SEDAR profile at www.sedar.com.

Although the Circular and the Meeting Materials will be posted electronically online, as noted above, the registered Shareholders and Non-Registered Shareholders (subject to the provisions set out below under the heading "Information for Non-Registered Shareholders") will receive a "notice package" (the "**Notice-and-Access Notification**"), by prepaid mail, which includes the information prescribed by NI 54-101, and a proxy form or voting instruction form from their respective intermediaries. Shareholders should follow the instructions for completion and delivery contained in the proxy or voting instruction form. Shareholders are reminded to review the Circular before voting.

Management of the Corporation does not intend to pay for intermediaries to forward the Notice-and-Access Notification to objecting beneficial owners ("**OBOs**") under NI 54-101, and therefore an OBO will not receive the Notice-and-Access Notification unless the OBO's intermediary assumes the cost of delivery.

Shareholders will not receive a paper copy of the Meeting Materials unless they request paper copies from the Corporation. Requests for paper copies of the Meeting Materials must be received at least five (5) business days in advance of the proxy deposit date on October 6, 2022, and the Corporation will mail the requested

materials within three (3) business days of the request. Shareholders with questions about Notice-and-Access may contact the TSX Trust's toll free at 1-866-600-5869 or email tsxtis@tmx.com.

Unless otherwise stated, the information contained in this Circular is as of August 31, 2022. All dollar amount references, unless otherwise indicated, are expressed in Canadian dollars.

ONLY REGISTERED SHAREHOLDERS AND/OR THEIR APPOINTEES MAY ATTEND THE MEETING IN PERSON. IN ADDITION, WE ENCOURAGE ALL SHAREHOLDERS TO VOTE THEIR SHARES BY COMPLETING AND RETURNING THE ENCLOSED FORM OF PROXY, AS DESCRIBED BELOW.

Electronic copies of the Meeting materials may be obtained at www.sedar.com.

Appointment and Revocation of Proxies

The persons named in the enclosed form of proxy are officers and/or directors of the Corporation. **A Shareholder desiring to appoint some other person or company to represent him or her at the Meeting may do so** by inserting such person's name in the blank space provided in that form of proxy or by completing another proper form of proxy and, in either case, depositing the completed proxy at the office of the transfer agent of the Corporation indicated on the enclosed envelope not later than the times set out above.

In addition to revocation in any other manner permitted by law, a Shareholder may revoke a proxy given pursuant to this solicitation by depositing an instrument in writing (including another proxy bearing a later date) executed by the Shareholder or by an attorney authorized in writing at 90 Riviera Drive Markham, ON L3R 5M1 at any time up to and including the last business day preceding the day of the Meeting.

Voting of Proxies

Common Shares represented by properly executed proxies in favour of persons designated in the printed portion of the enclosed form of proxy **will be voted for each of the matters to be voted on by Shareholders as described in this Circular or withheld from voting or voted against if so indicated on the form of proxy and in accordance with the instructions of the Shareholder. In the absence of such election, the proxy will confer discretionary authority to be voted in favour of each matter set out in the form of proxy for which no choice has been specified.** The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting or other matters that may properly come before the Meeting. At the time of printing this Circular, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters that are not now known to management should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgement of the named proxies.

Voting Securities and Principal Holder Thereof

The authorized capital of the Corporation consists of an unlimited number of Common Shares and an unlimited number of preferred shares. As of the Record Date, the Corporation had 154,953,828 Common Shares issued and outstanding and no preferred shares issued and outstanding.

To the knowledge of the directors and officers of the Corporation, as at the Record Date, no person or company beneficially owns, directly or indirectly, or exercises control or direction over securities carrying more than 10% of the voting rights attached to the Common Shares.

Interest of Persons in Matters to be Acted Upon

No director or executive officer of the Corporation, nor any person who had held such a position since the beginning of the last completed financial year end of the Corporation, no nominee for election as a director of the Corporation (a “**Nominee**”) nor any respective associates or affiliates of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise in any matter to be acted upon at this Meeting other than the election of directors or the appointment of auditors.

MATTERS TO BE CONSIDERED

Financial Statements

The financial statements for the 15 months ended March 31, 2022, and the year ended December 31, 2020, together with the auditor’s report thereon, will be presented to Shareholders for review at the Meeting and were mailed to Shareholders with the Notice of Meeting and this Circular. No vote by the Shareholders is required with respect to this matter.

Election of Directors

Under the constating documents of the Corporation, the Corporation is to have a minimum of one director and a maximum of ten directors, the number of which may be fixed from time to time by a resolution of the board. The Corporation currently has six directors, being Maciej Jastrzebski, Mark Wellings, Anthony Tse, Tim Johnston, Ernie Ortiz and Colin Farrell.

The Shareholders are asked to set the number of directors at six and approve the election of the following nominees to the board: Maciej Jastrzebski, Mark Wellings, Anthony Tse, Tim Johnston, Ernie Ortiz and Colin Farrell (collectively, the “**Nominees**”) to hold office until the next annual general meeting of Shareholders or until their successors are elected or appointed, unless such office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (Ontario). Shareholders can vote for all of the proposed directors set forth herein, vote for some of them and withhold for others, or withhold for all of them. Management does not contemplate that the Nominees will be unable to serve as directors, however, if before the Meeting, any Nominee becomes unable to serve as a director for any reason, the persons named in the accompanying proxy reserve the right to vote for another nominee in their discretion.

The following sets forth the name of each of the persons proposed to be nominated for election as a director of the Corporation and each such Nominee’s principal occupation, business or employment, the period of time during which each has been a director of the Corporation, as applicable, the number of Common Shares of the Corporation beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at the date hereof.

Unless authority to do so is withheld, the persons named in the accompanying proxy intend to vote for the election of all of the Nominees. If prior to the Meeting any of such Nominees is unable to or unwilling to serve, the persons named in the accompanying form of proxy will vote for another nominee or nominees in their discretion if additional nominations are made at the Meeting. Each nominee elected will hold office until their successor is elected at the next annual meeting of the Corporation, or any postponement(s) or adjournment(s) thereof, or until his successor is elected or appointed.

The Nominees

| Name and Municipality of Residence | Principal Occupation | Director Since | Number of Common Shares Beneficially Owned or Over which Control is Exercised⁽³⁾ |
|---|---|-----------------------|--|
| Mark Wellings, Toronto, Ontario, Canada ⁽¹⁾ ⁽²⁾ | Chairman of Li-Metal; prior thereto, President and CEO of Eurotin Inc. | October, 2021 | 4,608,040 |
| Maciej Jastrzebski, Chief Executive Officer and Director Toronto, Ontario, Canada ⁽¹⁾ | Co-founder and the Chief Executive Officer of Li-Metal; prior thereto Senior Manager, Barrick Gold Corporation; prior thereto; Technology Development Lead, Hatch Ltd. | December 31, 2017 | 8,006,188 |
| Anthony Tse, Director Tai Po, New Territories, Hong Kong ⁽¹⁾ | Executive Director of Li-Metal; prior thereto, the former Managing Director and Chief Executive Officer of Galaxy Resources, a global leading lithium producer listed on the Australian Securities Exchange | July 20, 2019 | 3,181,832 |
| Tim Johnston, Director Toronto, Ontario, Canada | Co-founder and Executive Chairman of Li-Metal, Co-founder and Non-Executive Chairman of Li-Cycle Corp., Co-founder and Director of Lacero Solutions | January 11, 2017 | 14,841,020 |
| Ernie Ortiz, Director New York, New York, United States ⁽²⁾ | President and Managing Director of Lithium Royalty Corp., a position he has held since 2018. Prior to joining Lithium Royalty Corp. in 2018 he was an investment analyst at a US based equity fund where he specialized in lithium, battery materials and specialty chemicals | July 20, 2019 | 1,663,424 |
| Colin Farrell Hong, Kong | Retired since 2018; prior thereto, partner at PwC Hong Kong | January 26, 2022 | 1,219,868 |

Notes:

(1) Member of the Audit Committee.

(2) Member of the Compensation Committee

(3) Information as to shares beneficially owned, directly or indirectly, not being within the knowledge of the Corporation, has been furnished by the respective proposed directors individually.

Board Nominees

Mark Wellings

Mr. Wellings is a mining professional with over 25 years international experience in both the mining industry and mining finance sector. From 1988-2004, Mr. Wellings worked in the industry with a variety of companies and roles including Derry, Michener, Booth & Wahl, Arimco N.L., Inco Ltd. and Watts Griffis McOuat acquiring valuable hands-on experience in exploration, development and production. Following completion of his MBA in 1996, Mr. Wellings joined the investment dealer GMP Securities L.P. where he co-founded the firm's corporate finance mining practice. In his 18 years at GMP, Mr. Wellings was responsible for, and advising on, some of the Canadian mining industry's largest transactions, both in equity financing and M&A. On November 30, 2015, Mr. Wellings was appointed President and CEO of Eurotin.

Mr. Wellings is the Chairman of Li-Metal, and is responsible for providing input on strategy, governance, compliance, capital markets and general oversight of the management team. He is also chair the compensation committee and serves on the audit committee.

Maciej Jastrzebski

Mr. Jastrzebski is a founder and the Chief Executive Officer of Li-Metal. He has 15 years of experience in technology development, project engineering, intellectual property protection, and technology commercialization with Hatch Ltd., Barrick Gold Corporation and Li-Metal. A natural innovator, Mr. Jastrzebski is a named inventor on 15 patent families in a variety of fields, and the author of a number of technical publications. He is a licensed professional engineer.

Mr. Jastrzebski is a Director and the Chief Executive Officer of Li-Metal, and is be responsible for driving the overall development of the company, including executing the strategy agreed with the board of directors, building all necessary capabilities, developing the intellectual property portfolio and providing technical direction and oversight to the team.

Tim Johnston

Mr. Johnston is a founder and Director of Li-Metal. With more than 15 years of experience, Mr. Johnston has overseen the development and operation of batteries, metals, industrial minerals, and large infrastructure assets. As the Co-Founder and Chairman of Li-Cycle Corp. and the Co-Founder and Director of Lacero Solutions, Mr. Johnston brings a wealth of knowledge to Li-Metal. Prior to Li-Metal, Mr. Johnston worked as a Senior Consultant for Hatch Ltd., specializing in project management and transactional analysis for their global lithium business. While there, Mr. Johnston managed the development of projects across the lithium-ion battery value chain for companies such as SQM, Rockwood Lithium (Albemarle), Bacanora Minerals, AMG-NV, Rio Tinto, Galaxy Resources, and other key developers.

Anthony Tse

Mr. Tse is a Non-Executive Director of Li-Metal. He has over 25 years of corporate private and public company experience in numerous high-growth industries such as technology, media and telecoms, as well as resource and commodities. This has predominantly been in senior management, corporate finance and M&A roles across Greater China, Asia Pacific, North and South American markets. He is an Executive Director, as well as the former Managing Director and Chief Executive Officer, of Galaxy Resources, a global leading lithium producer listed on the Australian Securities Exchange, with hard rock and brine lithium assets across three continents in Australia, Argentina and Canada, serving the lithium battery sector customers in China, Japan and Korea. He is also a Non-Executive Director of Li-Cycle Corp., which is the largest lithium battery recycler in North America, with growth initiatives planned to expand into Europe and across Asia - the company recently announced a go-public transaction to list on the New York Stock Exchange by way of a business combination with Peridot Acquisition Corp.

Ernie Ortiz, Director

Mr. Ortiz is a Non-Executive Director at Li-Metal. He is also the President and Managing Director of Lithium Royalty Corp., a position he has held since 2018. Prior to joining Lithium Royalty Corp. in 2018, Mr. Ortiz

was an investment analyst at a United States based equity fund where he specialized in lithium, battery materials and specialty chemicals. He was previously at Credit Suisse where he was the lead associate in the Basic Materials group based in New York. In that role, he led the research and due diligence on lithium, which called for the imbalance between supply and demand the market faced in 2016/2017. Mr. Ortiz sits on the London Metal Exchange Lithium Advisory Committee and has been quoted in Reuters and the Wall Street Journal for comments on the lithium market. Mr. Ortiz holds a Bachelor of Arts degree in Economics from the University of Chicago and holds the Chartered Financial Analyst designation.

Colin Farrell, Director

Mr. Farrell sits on the advisory board for the Corporation. He has over 40 years of wide professional experience, commercial as well as technical and policy, plus leadership. Mr. Farrell serially successfully started up and led several tax and non-tax teams. He also had leadership and start-up involvement in Hong Kong and China human resources, corporate recovery, and cross-discipline teams. Mr. Farrell has a broad range of client experience, including a wide range of non-tax consulting and execution matters such as market entry, e-commerce strategy, human resources, board information needs and property disposals. Other work experience includes secondments to government and industry, deal experience, and leading system design and implementation projects cross-territory and other major change management leadership. Until his retirement from PwC in 2018, he was member of PwC's Hong Kong and China disruption and investment group; PwC's Tax Policy Panel; PwC's China/Hong Kong advisory committee on insurance and human resources matters; PwC Hong Kong's Foundation and PwC Hong Kong/China's Corporate Responsibility committee; and on a major multinational corporation's global tax advisory council. He was also a member of PwC China/Hong Kong's Future of Tax committee.

See "Corporate Governance Policies – Board of Directors" for additional biographical information for the current directors of the Corporation.

Cease Trade Orders or Bankruptcies

No proposed director of the Corporation is, or within ten years prior to the date hereof has been, (a) a director, chief executive officer or chief financial officer of any company (including the Corporation) that, (i) was subject to a cease trade order, an order similar to a cease trade order or an order similar to a cease trade order or 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, that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, 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; (b) no proposed director of the Corporation (i) is, or within ten years prior to the date hereof has been, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or 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; or (ii) has, within ten years prior to the date hereof, 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; and (c) no proposed director has been subject to (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

Approval of New Equity Compensation Plan

Summary of Stock Option Plan

On June 3, 2021, the Shareholders approved the stock option plan of the Corporation (the “**Stock Option Plan**”), the principal terms of which are described below.

The purposes of the Stock Option Plan are to enable the Corporation and its affiliates to attract and retain the types of employees, consultants and directors who will contribute to its long term success, to provide incentives that align the interests of employees, consultants and directors with those of securityholders of the Corporation, and to promote the success of the Corporation’s business.

Participation is limited to employees, consultants and directors providing services to the Corporation.

The number of Common Shares, the exercise price per Common Share, the vesting period and other terms and conditions of options granted pursuant to the Stock Option Plan, from time to time, are determined by the board of directors of the Corporation at the time of the grant, subject to the defined parameters of the Stock Option Plan and compliance with applicable laws, including the policies of the Canadian Securities Exchange (the “CSE”).

Subject to regulatory approvals, the maximum number of Common Shares which may be reserved and set aside for issue under the Stock Option Plan after is equal to an unallocated pool of 10% of the issued and outstanding Common Shares.

The Stock Option Plan is administered by the board of directors of the Corporation, which has the authority thereunder to delegate its administration and operation to a committee of directors appointed from time to time by the board of directors. The number of Common Shares which can be issued under the Stock Option Plan in any one-year period: (a) to any one director or officer shall not exceed 5% of the issued and outstanding Common Shares; (b) to any one consultant shall not exceed 2% of the issued and outstanding Common Shares; and (c) to all participants, in the aggregate, as compensation for providing Investor Relations Activities (as defined in CSE Policy 1 – *Interpretation and General Provisions*) shall not exceed 1% of the issued and outstanding Common Shares.

If the Common Shares are listed on the CSE, the exercise price of any option cannot be less than the greater of the closing market prices of the underlying securities on (a) the trading day prior to the date of grant of the stock options; and (b) the date of grant of the stock options.

The exercise period cannot exceed 10 years. Options will terminate on either the date of expiration specified or on such earlier date as set out in the Stock Option Plan, including:

- in the case of termination of continuous service of the grantee for any reason other than for cause, 30 days after the termination;
- in the case of termination for cause, immediately upon notification of such termination to the grantee;
- in the case of death of the grantee, one year after the death of the grantee;
- in the case of retirement of the grantee, three years after the retirement of the grantee; and
- in the case of voluntary resignation, the unvested options will terminate immediately upon the resignation, and the vested options shall terminate 30 days after the resignation.

New Equity Compensation Plan

On August 26, 2022 the Board of Directors adopted a new omnibus equity incentive plan (the “**New Plan**”) which modifies and supersedes the Stock Option Plan. The New Plan provides for the flexibility to grant equity-based incentive awards in the form of restricted share units, deferred share units, performance share units and stock appreciation rights in addition to the stock options as outlined above. If the New Plan is approved by the shareholders, all issued and outstanding stock options under the Stock Option Plan will be governed by and assumed under the New Plan.

Summary of New Plan

The purpose of the New Plan is to, among other things: (i) provide the Corporation with an equity-related mechanism to attract, retain and motivate qualified directors, officers, employees and consultants of the Corporation, including its subsidiaries, (ii) reward directors, officers, employees and consultants that have been granted awards under the New Plan for their contributions toward the long-term goals and success of the Corporation, and (iii) enable and encourage such directors, officers, employees and consultants to acquire Common Shares as long-term investments in the Corporation.

The New Plan allows the Corporation to grant equity-based incentive awards in the form of incentive stock options, restricted share units (“**RSUs**”), performance share units (“**PSUs**”), deferred share units (“**DSUs**”) and stock appreciation rights (“**SARs**”), as described in further detail below. The following is a summary of the New Plan, which is qualified in its entirety by the full text of the New Plan, a copy of which is attached hereto as Schedule “B” and is subject to the final approval of the CSE. In the case of conflict between this summary and the New Plan, the terms of the New Plan will govern.

Aside from 10% of the existing Common Shares reserved for issuance on a rolling basis similar to the Stock Option Plan, the New Plan is a hybrid plan that, subject to the adjustment provisions provided for therein (including a subdivision or consolidation of Common Shares), provides that the aggregate maximum number of DSUs, RSUs, SARs and PSUs shall not exceed that may be reserved for issuance under the New Plan, at any time, shall not exceed 15,495,383. Subject to and assuming the approval of the adoption of the New Plan by shareholders of the Corporation, all future awards will be issued pursuant to and governed by the New Plan and no future awards will be issued pursuant to or governed by the terms of the Stock Option Plan. Awards issued pursuant to the Stock Option Plan prior to the adoption of the New Plan shall continue to be governed by the Stock Option Plan, unless the Corporation elects to amend such existing awards. Notwithstanding the foregoing, to the extent any awards under the New Plan or the Stock Option Plan are terminated or cancelled for any reason prior to exercise in full, the Common Shares subject to such awards (or any portion(s) thereof) shall be added back to the number of Common Shares reserved for issuance under the New Plan.

The text of the ordinary resolution, which will be submitted to Shareholders at the Meeting, is set forth below. For the reasons indicated herein, the Board of Directors and management of the Corporation believe that the proposed New Plan is in the best interests of the Corporation and, accordingly, recommend that Shareholders vote FOR the ordinary resolution. To be effective, the New Plan must be approved by a majority of the votes cast by holders of Common Shares present in person or represented by proxy and entitled to vote at the Meeting.

NOW THEREFORE BE AND IT IS RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. The Corporation’s new equity incentive plan, in the form attached as Schedule “B” to the management information circular of the Corporation dated August 31, 2022, be and is hereby affirmed, ratified and approved;
2. The maximum number of outstanding Common Shares issuable upon the exercise of stock options shall be calculated on a “rolling” basis at 10% of the issued and outstanding common shares and the number of Common Shares issuable on the exercise of DSUs, RSUs, SARs and PSUs must not exceed 15,495,383 Common Shares; and

3. The Board of Directors of the Corporation be authorized on behalf of the Corporation to make any changes thereto as may be required by the Canadian Securities Exchange.”

Management of the Corporation and the Board of Directors unanimously recommend that Shareholders vote in favour of the New Plan. Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the New Plan.

Appointment of Auditors

Unless authority to do so is withheld, the persons named in the accompanying proxy intend to vote for the appointment of Grant Thornton LLP of Toronto, Ontario as auditors of the Corporation until the close of the next annual meeting of shareholders of the Corporation and to authorize the directors to fix their remuneration. Grant Thornton LLP have been the auditors for the Corporation since November 1, 2021.

Management of the Corporation and the Board of Directors unanimously recommend that Shareholders vote in favour for the appointment of Grant Thornton LLP and the authorization of the Board of Directors to fix their remuneration. Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the appointment of Grant Thornton LLP and the authorization of the Board of Directors to fix their remuneration Consolidation.

EXECUTIVE COMPENSATION DISCLOSURE

Oversight and Description of Director and Named Executive Officer Compensation

Named Executive Officers:

For the financial year ended March 31, 2022, the objectives of Li-Metal’s compensation strategy was to ensure that compensation for its Named Executive Officers (as defined below) is sufficiently attractive to recruit, retain and motivate high performing individuals to assist the Corporation in achieving its goals, that include, but are not limited to, successfully completing a going public transaction and growing the business of the Corporation.

The process for determining executive compensation is relatively informal, in view of the size and early stage of the Corporation and its operations. Executive officers are involved in the process and make recommendations to the Board of Directors and the compensation committee, which considers for approval the discretionary components (e.g. cash bonuses) of the annual compensation of senior management. Except as otherwise described below, the Corporation does not maintain specific performance goals or use benchmarks in determining the compensation of executive officers. The Board of Directors and the compensation committee may at its discretion award either a cash bonus or stock options for high achievement or for accomplishments that the Board of Directors deem as worthy of recognition.

Compensation for the Named Executive Officers is composed primarily of three components: base fees, performance bonuses and stock based compensation. In establishing the levels of base fees, performance bonuses and the award of stock options, Li-Metal takes into consideration a variety of factors, including the financial and operating performance of the Corporation, and each Named Executive Officer’s individual performance and contribution towards meeting corporate objectives, responsibilities and length of service.

Salary

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

Bonus

Li-Metal's cash bonus awards are designed to reward an executive for the direct contribution that he has made to the Corporation. Named Executive Officers are entitled to receive discretionary bonuses from time to time as determined or approved by the Board of Directors or the Chief Executive Officer, as applicable. The Corporation does not currently prescribe a set of formal objective measures to determine discretionary bonus entitlements. Rather the Corporation uses informal goals which may include an assessment of an individual's current and expected future performance, level of responsibilities and the importance of his position and contribution to the Corporation. Precise goals or milestones are not pre-set by the Board of Directors.

Stock Option Grants

Options are granted pursuant to the Corporation's Stock Option Plan and in accordance with the rules of the CSE. The Stock Option Plan is administered by the Board of Directors, which has authority to amend the Stock Option Plan and the terms of the outstanding options, subject to applicable regulatory and shareholder approvals and provided that no amendment may materially impair the rights of existing option holders in respect of options outstanding prior to the amendment.

Directors

Compensation of directors in the financial year ended March 31, 2022 was determined on a case-by-case basis with reference to the role that each director provides to the Corporation; however, no compensation to directors was paid during this period. The following information details compensation paid in the recently completed financial year. Directors may receive cash bonuses from time to time, which the Corporation awards to directors for serving in their capacity as a member of the Board of Directors. In addition, directors are entitled to participate in the Stock Option Plan, which is designed to give each option holder an interest in preserving and maximizing shareholder value in the longer term. Individual grants are determined by an assessment of an individual's current and expected future performance, level of responsibilities and the importance of his position and contribution to the Corporation.

Table of Compensation Excluding Compensation Securities

The following table sets forth the compensation paid or awarded to the directors and the following executive officers of the Corporation: (i) the Chief Executive Officer; (ii) the Chief Financial Officer; and (iii) the three most highly compensated individuals whose total compensation will be more than C\$150,000 (each, a "NEO").

| Table of Compensation Excluding Compensation Securities | | | | | | | |
|--|-------------|---|--------------------|--|-----------------------------------|--|---------------------------------|
| Name & position | Year | Salary, Consulting Fee, Retainer or Commission (C\$) | Bonus (C\$) | Committee or meeting fees (C\$) | Value of Perquisites (C\$) | Value of all other compensation (C\$) | Total compensation (C\$) |
| Maciej Jastrzebski (Chief Executive Officer and Director) | 2021 | \$143,831 | \$100,000 | \$Nil | Nil | Nil | \$243,831 |
| | 2020 | \$96,500 | Nil | Nil | Nil | Nil | \$96,500 |

| Table of Compensation Excluding Compensation Securities | | | | | | | |
|--|-------------|---|--------------------|--|-----------------------------------|--|---------------------------------|
| Name & position | Year | Salary, Consulting Fee, Retainer or Commission (C\$) | Bonus (C\$) | Committee or meeting fees (C\$) | Value of Perquisites (C\$) | Value of all other compensation (C\$) | Total compensation (C\$) |
| Carlos Pinglo (Chief Financial Officer) | 2021 | \$62,500 | \$Nil | Nil | Nil | Nil | \$62,500 |
| | 2020 | N/A | N/A | N/A | N/A | N/A | N/A |
| Dean Frankel (Chief Commercial Officer) | 2021 | \$162,500 | \$17,500 | Nil | Nil | Nil | \$180,000 |
| | 2020 | NA | NA | NA | NA | NA | NA |
| Mark Wellings (Chairman) | 2021 | \$18,750 | N/A | \$6,250 | Nil | Nil | \$25,000 |
| | 2020 | N/A | N/A | N/A | N/A | N/A | N/A |
| Tim Johnston (Director) | 2021 | \$50,250 | Nil | Nil | Nil | Nil | \$50,250 |
| | 2020 | \$21,000 | Nil | Nil | Nil | Nil | \$21,000 |
| Anthony Tse (Director) | 2021 | \$37,500 | Nil | \$5,000 | Nil | Nil | \$42,500 |
| | 2020 | Nil | Nil | Nil | Nil | Nil | Nil |
| Ernie Ortiz (Director) | 2021 | \$37,500 | Nil | \$5,000 | Nil | Nil | \$42,500 |
| | 2020 | Nil | Nil | Nil | Nil | Nil | Nil |

| Table of Compensation Excluding Compensation Securities | | | | | | | |
|---|------|--|-------------|---------------------------------|----------------------------|---------------------------------------|--------------------------|
| Name & position | Year | Salary, Consulting Fee, Retainer or Commission (C\$) | Bonus (C\$) | Committee or meeting fees (C\$) | Value of Perquisites (C\$) | Value of all other compensation (C\$) | Total compensation (C\$) |
| Colin Farrell (Director) | 2021 | \$9,375 | Nil | \$10,000 | Nil | Nil | \$19,375 |
| | 2020 | N/A | N/A | N/A | N/A | N/A | N/A |

Stock Options and Other Compensation Securities

The following table provides information regarding the compensation securities granted or issued to each NEO and director of the Corporation during the year ended March 31, 2022.

Compensation Securities

| Name and Position | Type of Compensation Security | Number of Compensation Securities, Number of Underlying Securities, and Percentage of Class | Date of Issue or Grant | Issue, Conversion or Exercise Price (\$) | Closing Price of Security or Underlying Security on Date of Grant (\$) | Closing price of security or underlying security at year end (\$) | Expiry Date |
|---|-------------------------------|---|------------------------|--|--|---|-----------------|
| Maciej Jastrzebski (Chief Executive Officer and Director) | Options | 1,200,000 | October 26, 2021 | 0.3089 | 0.3089 | 1.31 | October 26 2026 |
| | Shares | 140,471 | June 1 ,2021 | 0.27 | 0.27 | 1.31 | N/A |
| | Shares | 59,987 | August 24,2021 | 0.32 | 0.32 | 1.31 | N/A |
| Carlos Pinglo (Chief Financial Officer) | Options | 400,000 | October 26, 2021 | 0.3089 | 0.3089 | 1.31 | October 26 2026 |
| Mark Wellings (Chairman) | Options | 800,000 | October 26, 2021 | 0.3089 | 0.3089 | 1.31 | October 26 2026 |

| | | | | | | | |
|-----------------------------|---------|---------|------------------|--------|--------|------|-----------------|
| Tim Johnston (Director) | Options | 400,000 | October 26, 2021 | 0.3089 | 0.3089 | 1.31 | October 26 2026 |
| | Shares | 107,256 | June 20, 2021 | 0.27 | 0.27 | 1.31 | N/A |
| | Shares | 34,797 | August 24, 2021 | 0.32 | 0.32 | 1.31 | N/A |
| Anthony Tse (Director) | Options | 400,000 | October 26, 2021 | 0.3089 | 0.3089 | 1.31 | October 26 2026 |
| Ernie Ortiz (Director) | Options | 400,000 | October 26, 2021 | 0.3089 | 0.3089 | 1.31 | October 26 2026 |
| Colin Farrell (Director) | Options | 600,000 | October 26, 2021 | 0.3089 | 0.3089 | 1.31 | October 26 2026 |

Note:

- (1) Granted pursuant to the provisions of the Corporation's Stock Option Plan as further described herein in the section entitled "Stock Option Plan."

Compensation Securities Exercised

During the year ended March 31, 2022 the following directors and NEO's of the Corporation exercised compensation securities of the Corporation as follows.

| Name and Position | Type of Compensation Security | Number of Underlying Securities Exercised | Exercise Price per Security (\$) | Date of Exercise | Closing Price per Security on Date of Exercise (\$) | Difference Between Exercise Price and Closing Price on Date of Exercise (\$) | Total Value on Exercise Date (\$) |
|--|-------------------------------|---|----------------------------------|------------------|---|--|-----------------------------------|
| Anthony Tse (Director) | Options | 584,303 | 0.1415 | June 30, 2021 | 0.27 | 0.12 | 72,295 |
| Carlos Pinglo (Chief Financial Officer) | Options | 160,000 | 0.3089 | January 4, 2022 | 2.55 | 2.24 | 358,400 |

Stock Option Plan

Please see above under the heading “New Equity Compensation Plan- Summary of Stock Option Plan” for a description of the Corporation’s existing Stock Option Plan.

Employment, Consulting and Management Agreements

Other than as disclosed below, the Corporation does not have any contracts, agreements, plans or arrangements that provide for payments to a NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Corporation or a change in an NEO’s responsibilities.

Tim Johnston

Termination without cause: 1 year base fees (US\$6,400 per month) and bonus (the latter calculated on the basis of past three years’ bonus). Just cause is defined in the agreement to include, but is not limited to the following: dishonesty or fraud; theft; breach of fiduciary duties; negligence; being guilty of bribery or attempted bribery; or gross mismanagement.

Change of Control: 36 months base fees and bonus from past 36 months. All options vest. “Change of Control” is defined in the agreement as: (1) the acquisition by any person or group of persons of: (A) shares or rights to acquire shares of Li-Metal such that after the completion of such acquisition such person would be entitled to exercise 25% or more of the votes entitled to be cast at a meeting of the shareholders of Li-Metal (or of the material subsidiary); (B) shares or rights of any material subsidiary of Li-Metal such that after the completion of such acquisition such person would be entitled to exercise 25% or more of the votes entitled to be cast a meeting of the shareholders of the material subsidiary; or (C) more than 25% of the material assets of Li-Metal (or of a material subsidiary); or (2) as a result of or in connection with: (A) a contested election of directors; or (B) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisitions involving Li-Metal or any of its affiliates and another corporation or other entity, the nominees named in the most recent management information circular of Li-Metal for election to Li-Metal’s board of directors do not constitute a majority of Li-Metal’s board of directors.

Maciej Jastrzebski

Termination without cause: 3 months base salary (C\$16,750 per month). Just cause is defined in the agreement to include, but is not limited to the following: dishonesty or fraud; theft; breach of fiduciary duties; negligence; being guilty of bribery or attempted bribery; or gross mismanagement.

Change of Control: 36 months base fees and bonus from past 36 months. All options vest. “Change of Control” is defined in the agreement as: (1) the acquisition by any person or group of persons of: (A) shares or rights to acquire shares of Li-Metal such that after the completion of such acquisition such person would be entitled to exercise 25% or more of the votes entitled to be cast at a meeting of the shareholders of Li-Metal (or of the material subsidiary); (B) shares or rights of any material subsidiary of Li-Metal such that after the completion of such acquisition such person would be entitled to exercise 25% or more of the votes entitled to be cast a meeting of the shareholders of the material subsidiary; or (C) more than 25% of the material assets of Li-Metal (or of a material subsidiary); or (2) as a result of or in connection with: (A) a contested election of directors; or (B) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisitions involving Li-Metal or any of its affiliates and another corporation or other entity, the nominees named in the most recent management information circular of Li-Metal for election to Li-Metal’s board of directors do not constitute a majority of Li-Metal’s board of directors.

Dean Frankel

Termination without cause: 3 months of fees (US\$10,420 per month). Just cause is defined in the agreement to include, but is not limited to the following: dishonesty or fraud; theft; breach of fiduciary duties;

negligence; being guilty of bribery or attempted bribery; gross mismanagement; or Dean Frankel ceasing to be the directing mind of Electrification of Everything LLC.

Carlos Pinglo

Termination without cause: 9 months base fees (CDN\$12,500 per month) and bonus (the latter calculated on the basis 75% of the target cash bonus). Just cause is defined in the agreement to include, but is not limited to the following: non-performance of duties as CFO, and non-compliance with the confidentiality non-solicitation and intellectual property safeguarding provisions of the agreement.

Change of Control: 24 months base fees and bonus from past 24 months. All options vest. “Change of Control” is defined in the agreement as: (1) the acquisition of control in law by way of sale, transfer, merger, take-over or other transaction by one or more third parties resulting in the acquisition of control over 50.1% of the Common Shares; or (2) the direct or indirect sale, transfer or other disposition of all or substantially all of the assets of the Corporation to one or more third parties in a transaction or series of transactions..

Securities Authorized for Issuance Under Equity Compensation Plans

The table below sets out the outstanding options under the Stock Option Plan, being the Corporation’s only compensation plan under which Common Shares are authorized for issuance, as of March 31, 2022.

| | Number of securities to be issued upon exercise of outstanding options, warrants and rights | Weighted-average exercise price of outstanding options, warrants and rights | Number of securities remaining available under equity compensation plans (excluding securities reflected in column (a)) as of March 31, 2022 |
|--|--|--|---|
| Plan Category | (a) | (b) | (c) |
| Equity compensation plans approved by security holders | 10,321,589 | CAD\$0.29 | 5,174,094 |
| Equity compensation plans not approved by security holders | Nil | Nil | Nil |
| TOTAL | 10,321,589 | CAD\$0.29 | 5,174,094 |

Pension, Defined Benefit or Actuarial Plan

The Corporation does not currently have a pension, defined benefit or actuarial plan under which benefits are determined primarily by final compensation (or average final compensation) and years of services.

Indebtedness of Directors and Executive Officers

As at the date of this Circular and during the financial year ended March 31, 2022, no director or executive officer or employee of the Corporation, former director or executive officer or employee or the Corporation or Nominee (and each of their associates and/or affiliates) was indebted, including under any securities purchase or other program, to (i) the Corporation or its subsidiaries, or (ii) any other entity which is, or was at any time during the financial year ended March 31, 2022, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or its subsidiaries.

Directors’ and Officers’ Insurance and Indemnification

The Corporation maintains insurance for the benefit of its directors and officers against liability in their respective capacities as directors and officers. The Corporation has purchased in respect of directors and officers an aggregate of US\$3,850,000 (CAD\$ 5,000,000) in coverage. The approximate amount of premiums paid by the Corporation in the financial year ended March 31, 2022 in respect of such insurance was US\$ 36,000 (CAD46,800).

Interest of Informed Persons in Material Transactions

No informed person (as such term is defined under applicable securities laws) of the Corporation or Nominee (and each of their associates or affiliates) has had any direct or indirect material interest in any transaction involving the Corporation since April 1, 2022 or in any proposed transaction which has materially affected or would materially affect the Corporation or its subsidiaries.

CORPORATE GOVERNANCE POLICIES

The Corporation and the Board of Directors recognize the importance of corporate governance to the effective management of the Corporation and to the protection of its stakeholders, particularly Shareholders. The Corporation's approach to significant issues of corporate governance is designed with a view to ensuring that the business and affairs of the Corporation are effectively managed so as to enhance shareholder value. The Board of Directors fulfills its mandate directly and through its committees at regularly scheduled meetings or as required. The directors are kept informed of the Corporation's operations at regular meetings and through reports and discussions with management on matters within their particular areas of expertise.

The Corporation believes that its corporate governance practices are in compliance with applicable Canadian requirements. The Corporation has considered the applicable requirements and believes that its approach is appropriate and works effectively for the Corporation and its shareholders.

Board of Directors

Pursuant to National Instrument 58-101, a director is independent if the director has no direct or indirect relationship with the issuer that could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of a member's independent judgment. Certain directors are deemed to have a material relationship with the issuer by virtue of their position or relationship with the Corporation. The Board of Directors is currently comprised of six members and each of Mr. Wellings, Mr. Tse, Mr. Ortiz and Mr. Farrell have been determined to be independent of the Corporation. Mr. Jastrzebski and Mr. Johnston are, respectively, the Chief Executive Officer and the Executive Chairman of the Corporation and are therefore not considered independent. In assessing whether a director is independent for these purposes, the circumstances of each director have been examined in relation to a number of factors.

Other Public Corporation Directorships

| Name | Directorships and or Officer Positions with Other Reporting Issuers |
|--------------------|--|
| Mark Wellings | Adventus Mining Corporation ADZN.TSXV Chairman Li-Cycle Holdings Corp. NYSE: LICY Lead Director |
| Maciej Jastrzebski | N/A |
| Anthony Tse | Li-Cycle Holdings Corp. NYSE: LICY Non- Executive Director |
| Tim Johnston | Li-Cycle Holdings Corp. NYSE: LICY Executive Chairman. |
| Ernie Ortiz | N/A |
| Colin Farrell | N/A |

Orientation and Continuing Education

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

The Board of Directors recognizes the importance of ongoing director education and the need for each director to take personal responsibility for this process. The Board of Directors notes that it has benefited from the experience and knowledge of individual members of the Board of Directors in respect of the evolving governance regime and principles. The Board of Directors ensures that all directors are apprised of changes in the Corporation's operations and business.

Ethical Business Conduct

The Board of Directors is apprised of the activities of the Corporation and ensures that it conducts such activities in an ethical manner. The Board of Directors had not adopted a written code of business conduct and ethics, however, the Board of Directors encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations; providing guidance to consultants, officers and directors to help them recognize and deal with ethical issues; promoting a culture of open communication, honesty and accountability; and ensuring awareness of disciplinary actions for violations of ethical business conduct. In particular, the Board of Directors ensure that directors exercise independent judgement in considering transactions and certain activities of the Corporation by holding in camera sessions of independent directors, when applicable, and by having each director declare his or her interest in a particular transaction and abstaining from voting on such matters, where applicable.

Nomination of Directors

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

Compensation

The Board of Directors, along with the compensation committee, is responsible for determining the compensation of the directors and Chief Executive Officer of the Corporation. The process for determining executive compensation is relatively informal, in view of the size and early stage of the Corporation and its operations. The Corporation does not maintain specific performance goals or use benchmarks in determining the compensation of executive officers. The Board of Directors may at its discretion award either a cash bonus or stock options for high achievement or for accomplishments that the Board of Directors deem as worthy of recognition.

Compensation Committee

The Corporation also has a compensation committee of the Board of Directors reviews and discusses proposals received by the Chief Executive Officer of the Corporation regarding the compensation of management and the directors.

Board Assessments

The Board of Directors and its individual directors are assessed on an informal basis continually as to their effectiveness and contribution. The Chairman of the Board of Directors encourages discussion amongst the

Board of Directors as to evaluation of the effectiveness of the Board of Directors as a whole and of each individual director. All directors are free to make suggestions for improvement of the practice of the Board of Directors at any time and are encouraged to do so.

Audit Committee

The purposes of the Audit Committee are to assist the Board of Directors' oversight of: the integrity of the Corporation's financial statements; the Corporation's compliance with legal and regulatory requirements; the qualifications and independence of the Corporation's independent auditors; and the performance of the independent auditors and the Corporation's internal audit function.

National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators (the “**Instrument**”) governs the composition and function of audit committees of every listed company, including the Corporation. The Instrument requires the Corporation to have a written audit committee Charter and to make the disclosure required by Form 52-110F2, which includes disclosure of the text of the audit committee charter in the management information circular of the Corporation wherein management solicits proxies from the security holders of the Corporation for the purpose of electing directors to the Board.

Please see Schedule “A” for the Audit Committee Charter.

Composition of the Audit Committee

The Corporation's audit committee is currently comprised of three directors: Messrs. Jastrzebski, Wellings and Tse. Each member of the audit committee is financially literate and each of Messrs. Wellings and Tse are independent, as such term is defined in the Instrument.

It is anticipated that the composition of the Audit Committee, and other committees of the Board of Directors, will be reconstituted upon election of new directors.

Relevant Education and Experience

Mark Wellings- Independent Director

Director Mark Wellings is a mining professional with over 25 years international experience in both the mining industry and mining finance sector. From 1988-2004, Mr. Wellings worked in the industry with a variety of companies and roles including Derry, Michener, Booth & Wahl, Arimco N.L., Inco Ltd. and Watts Griffis McQuat acquiring valuable hands-on experience in exploration, development and production. Following completion of his MBA in 1996, Mr. Wellings joined the investment dealer GMP Securities L.P. where he co-founded the firm's corporate finance mining practice. In his 18 years at GMP, Mr. Wellings was responsible for, and advising on, some of the Canadian mining industry's largest transactions, both in equity financing and M&A

Anthony Tse – Independent Director

Director Anthony Tse has over 25 years of corporate private and public company experience in numerous high-growth industries such as technology, media and telecoms, as well as resource and commodities. This has predominantly been in senior management, corporate finance and M&A roles across Greater China, Asia Pacific, North and South American markets. He is an Executive Director, as well as the former Managing Director and Chief Executive Officer, of Galaxy Resources, a global leading lithium producer listed on the Australian Securities Exchange, with hard rock and brine lithium assets across three continents in Australia, Argentina and Canada, serving the lithium battery sector customers in China, Japan and Korea. He is also a Non-Executive Director of Li-Cycle Corp., which is the largest lithium battery recycler in North America.

Maciej Jastrzebski – Chief Executive Officer and Director

Chief Executive Officer and Director Maciej Jastrzebski is a founder and the Chief Executive Officer of Li-Metal. He has 15 years of experience in technology development, project engineering, intellectual property protection, and technology commercialization with Hatch Ltd., Barrick Gold Corporation and Li-Metal.

Audit Committee Oversight

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

Reliance on Certain Exemptions

At no time since the commencement of the Corporation’s most recently completed financial year has the Corporation relied on either (a) an exemption in section 2.4 of the Instrument; or (b) an exemption from the Instrument, in whole or in part, granted under Part 8 (*Exemptions*) of the Instrument. As the Corporation is listed on the CSE, it is relying on the exemption provided in section 6.1 of the Instrument with respect to Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations).

Pre-Approval Policies and Procedures

The audit committee of the Corporation has not adopted specific policies and procedures for the engagement of non-audit services.

External Auditor Service Fees

Grant Thornton LLP are the external auditors of the Corporation. The aggregate fees billed and estimated to be billed by the external auditors for the last fiscal year is set out in the table below. “Audit Fees” includes fees for audit services including the audit services completed for the Corporation and its subsidiaries. “Audit Related Fees” includes fees for assurance and related services by the Corporation’s external auditor that are reasonably related to the performance of the audit or review of the Corporation’s financial statements and not reported under Audit Fees including the review of interim filings and travel related expenses for the annual audit. “Tax Fees” includes fees for professional services rendered by the external auditor for tax compliance, tax advice, and tax planning. “All Other Fees” includes all fees billed by the external auditors for services not covered in the other three categories.

| <u>Year</u> | <u>Audit Fees</u> | <u>Audit Related Fees</u> | <u>Tax Fees</u> | <u>All Other Fees</u> |
|-------------|-------------------|---------------------------|-----------------|-----------------------|
| 2021..... | \$55,000 | \$60,000 | \$5,000 | \$120,000 |
| 2020 | \$30,000 | \$2,500 | \$2,000 | \$34,500 |

Additional Information

Additional information relating to the Corporation may be found under the profile of the Corporation on SEDAR at www.sedar.com. Additional financial information is provided in the Corporation's audited financial statements and related management’s discussion and analysis for the 15 months ended March 31, 2022 and the year ended December 31, 2020, which can be found under the profile of the Corporation on SEDAR. Shareholders may also request these documents from the President of the Corporation by email at s.ilyas@li-metal.com or by telephone at 647-494-4887.

Board of Directors Approval

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

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "Maciej Jastrzebski"

Chief Executive Officer

Toronto, Ontario
August 31, 2022

SCHEDULE “A”

Audit Committee Charter

LI-METAL CORP.

(The “Company”)

CHARTER OF THE AUDIT COMMITTEE

I. Purpose

The Audit Committee (the “Audit Committee”) is a committee of directors appointed by the Board of Directors of the Company (the “Board”). The Audit Committee’s mandate is to provide assistance to the Board in fulfilling its financial reporting and control responsibility to the shareholders and the investment community. The Committee is, however, independent of the Board and the Company and in carrying out their role shall have the ability to determine its own agenda and any additional activities that the Audit Committee shall carry out.

II. Composition

The Committee will be comprised of at least three directors of the Company, all of whom, subject to any exemptions set out in Multilateral Instrument 52-110 *Audit Committees* (“MI 52-110”) will be independent and financially literate. In addition, at least one member of the Audit Committee shall have accounting or related financial expertise as such qualifications are interpreted by the Board. An “independent” director is a director who has no direct or indirect material relationship with the Company. A “material relationship” is a relationship which could, in the view of the Board of Directors, be reasonably expected to interfere with the exercise of the director’s independent judgement or a relationship deemed to be a material relationship pursuant to Sections 1.4 and 1.5 of MI 52-110, as set out in Appendix “A” hereto. A “financially literate” director is a director who has the ability to read and understand a set of financial instruments that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the financial statements of the Company.

III. Responsibilities

Responsibilities of the Audit Committee generally include, but are not limited to, the undertaking of the following tasks:

- Selecting and determining the compensation of the external auditors, subject to approval of the shareholders of the Company, to be nominated for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company. In making such determination and recommendation to the shareholders, the Audit Committee will:
 - confirm the independence of the auditors and report to the Board its conclusions on the independence of the auditors and the basis for these conclusions;
 - meet with the auditors and financial management to review the scope of the proposed audit for the current year, and the audit procedures to be used; and
 - obtain from the external auditors confirmation that they are participants in good standing in the Canadian Public Accountability Board oversight program and, if applicable, in compliance with the provisions of the Sarbanes-Oxley Act of 2002 (U.S.) and other legal

or regulatory requirements with respect to the audit of the financial statements of the Company.

- Overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting. In overseeing such work, the Audit Committee will:
 - review with the external auditors any audit problems or difficulties and management's response;
 - at least annually obtain and review a report prepared by the external auditors describing (i) the auditors' internal quality-control procedures; and (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the auditors, and reviewing any steps taken to deal with such issues;
 - serve as an independent and objective party to monitor the Company's financial reporting process and internal control system and overseeing management's reporting on internal control;
 - provide open lines of communication among the external auditors, financial and senior management, and the Board for financial reporting and control matters;
 - make inquires of management and the external auditors to identify significant business, political, financial and control risks and exposures and assess the steps management has taken to minimize such risks to the Company;
 - establish procedures to ensure that the Audit Committee meets with the external auditors on a regular basis in the absence of management;
 - ensure that the external auditors prepare and deliver annually a detailed report covering (i) critical accounting policies and practices to be used; (ii) material alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the external auditors; (iii) other material written communications between the external auditors and management such as any management letter or schedule of unadjusted differences; and (iv) such other aspects as may be required by the Audit Committee or legal or regulatory requirements;
 - consider any reports or communications (and management's responses thereto) submitted to the Audit Committee by the external auditors, including reports and communications related to:
 - deficiencies noted following the audit of the design and operation of internal controls;
 - consideration of fraud in the audit of the financial statement;
 - detection of illegal acts;
 - the external auditors responsibility under generally accepted auditing standards;
 - significant accounting policies;

- management judgements and accounting estimates;
 - adjustments arising from the audit;
 - the responsibility of the external auditors for other information in documents containing audited financial statements;
 - disagreements with management;
 - consultation by management with other accountants;
 - major issues discussed with management prior to retention of the external auditors;
 - difficulties encountered with management in performing the audit;
 - the external auditors judgements about the quality of the entity's accounting principles; and
 - any reviews of unaudited interim financial information conducted by the external auditors;
- review the form of opinion the external auditors propose to render to the Audit Committee, the Board and shareholders; and
 - discuss significant changes to the Company's auditing and accounting principles, policies, controls, procedures and practices proposed or contemplated by the external auditors or management, and the financial impact thereof.
- Pre-approving all non-audit services to be provided to the Company or its subsidiaries by the Company's external auditor, subject to any exemptions set out in MI 52-110. Notwithstanding the pre-approval process, the Audit Committee will ensure that the external auditors are prohibited from providing the following non-audit services and will determine which other non-audit services the external auditors are prohibited from providing:
 - bookkeeping or other services related to the accounting records or financial statements of the Company;
 - financial information systems design and implementation;
 - appraisal or valuation services, fairness opinions, or contribution-in-kind reports;
 - actuarial services;
 - internal audit outsourcing services;
 - management functions or human resources;
 - broker, dealer, investment adviser or investment banking services;
 - legal services and expert services unrelated to the audit; and
 - any other service that the Audit Committee determines to be impermissible.
 - Ensuring that the external auditors submit annually to the Company and the Audit Committee a formal written statement of the fees billed for each of the following categories of services rendered

- by the external auditors: (i) the audit of the Company's annual financial statements for the most recent fiscal year and, if applicable, the reviews of the financial statements included in the Company's Quarterly Reports for that fiscal year; and (ii) all other services rendered by the external auditors for the most recent fiscal year, in the aggregate and by each service.
- Reviewing the Company's financial statements, Management's Discussion and Analysis and annual and interim earnings press releases before the Company publicly discloses the information. In connection with such review, the Audit Committee will ensure that:
 - (a) management has reviewed the financial statements with the Audit Committee, including significant judgments affecting the financial statements;
 - (b) the members of the Audit Committee have discussed among themselves, without management or the external auditors present, the information disclosed to the Audit Committee; and
 - (c) the Audit Committee has received the assurance of both financial management and the external auditors that the Company's financial statements are fairly presented in conformity with Canadian GAAP in all material respects.
 - Ensuring that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, other than the public disclosure referred to above, and periodically assessing the adequacy of those procedures.
 - Reviewing, evaluating and monitoring any risk management program implemented by the Company, including any revenue protection program. This function should include:
 - risk assessment;
 - quantification of exposure;
 - risk mitigation measures; and
 - risk reporting.
 - Reviewing the adequacy of the resources of the finance and accounting group, along with its development and succession plans.
 - Establishing procedures for:
 - the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
 - the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
 - Reviewing and approving the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company.
 - Annually reviewing and revising this Charter as necessary with the approval of the Board and the text relating to this Charter which is required to appear in the Annual Information Form of the Company, as more specifically set out in Form 52-110FI *Audit Committee Information Required in an AIF*.

- Reviewing and assessing the adequacy of the Code of Business Conduct and Ethics governing the officers, directors and employees of the Company and the Code of Ethics governing Financial Reporting Officers at least annually or otherwise, as it deems appropriate, and propose recommended changes to the Board.
- Reporting its activities to the Board on a regular basis and making such recommendations with respect to the above and other matters as the Audit Committee may deem necessary or appropriate.
- Reviewing and discussing with management, and approving all related party transactions.

IV. Authority

The Audit Committee has the authority to:

- Engage independent counsel and other advisors as the Audit Committee determines necessary to carry out its duties;
- Set and pay the compensation for any advisors employed by the Audit Committee, in accordance with applicable corporate statutes; and
- Communicate directly with the external auditors.

V. Administrative Procedures

- The Audit Committee will meet regularly and whenever necessary to perform the duties described above in a timely manner, but not less than four times a year. Meetings may be held at any time deemed appropriate by the Audit Committee and by means of conference call or similar communications equipment by means of which all persons participating in the meeting can hear each other.
- A quorum for the transaction of business at any meeting of the Committee shall be a majority of the number of members of the Committee or such greater number as the Committee shall by resolution determine.
- Meetings of the shall be held from time to time as the Committee or the Chairman shall determine upon 48 hours notice to each of its members. The notice period may be waived by a quorum of the Committee.
- At the discretion of the Audit Committee, meetings may be held with representatives of the external auditors and appropriate members of management.
- The external auditors will have direct access to the Audit Committee at their own initiative.
- The Chairman of the Audit Committee will report periodically to the Board.

Appendix "A"

Multilateral Instrument 52-110 *Audit Committees* ("MI 52-110")

Meaning of Independence (section 1.4 of MI 52-110):

(1) An audit committee member is independent if he or she has no direct or indirect material relationship with the issuer.

(2) For the purposes of subsection (1), a "material relationship" is a relationship which could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of a member's independent judgment.

(3) Despite subsection (2), the following individuals are considered to have a material relationship with an issuer:

- (a) an individual who is, or has been within the last three years, an employee or executive officer of the issuer;
- (b) an individual whose immediate family member is, or has been within the last three years, an executive officer of the issuer;
- (c) an individual who:
 - (i) is a partner of a firm that is the issuer's internal or external auditor,
 - (ii) is an employee of that firm, or
 - (iii) was within the last three years a partner or employee of that firm and personally worked on the issuer's audit within that time;
- (d) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:
 - (i) is a partner of a firm that is the issuer's internal or external auditor,
 - (ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or
 - (iii) was within the last three years a partner or employee of that firm and personally worked on the issuer's audit within that time;
- (e) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the issuer's current executive officers serves or served at that same time on the entity's compensation committee; and
- (f) an individual who received, or whose immediate family member who is employed as an executive officer of the issuer received, more than \$75,000 in direct compensation from the issuer during any 12 month period within the last three years.

(4) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because

- (a) he or she had a relationship identified in subsection (3) if that relationship ended before March 30, 2004; or
- (b) he or she had a relationship identified in subsection (3) by virtue of subsection (8) if that relationship ended before June 30, 2005.

(5) For the purposes of clauses (3)(c) and (3)(d), a partner does not include a fixed income partner whose interest in the firm that is the internal or external auditor is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior service with that firm if the compensation is not contingent in any way on continued service.

(6) For the purposes of clause (3)(f), direct compensation does not include:

- (a) remuneration for acting as a member of the board of directors or of any board committee of the issuer, and
- (b) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.

(7) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because the individual or his or her immediate family member

- (a) has previously acted as an interim chief executive officer of the issuer, or
- (b) acts, or has previously acted, as a chair or vice-chair of the board of directors or of any board committee of the issuer on a part-time basis.

(8) For the purpose of section 1.4, an issuer includes a subsidiary entity of the issuer and a parent of the issuer.

Additional Independence Requirements for Audit Committee Members (section 1.5 of MI 52-110):

(1) Despite any determination made under section 1.4 of MI 52-110, an individual who

- (a) accepts, directly or indirectly, any consulting, advisory or other compensatory fee from the issuer or any subsidiary entity of the issuer, other than as remuneration for acting in his or her capacity as a member of the board of directors or any board committee, or as a part-time chair or vice-chair of the board or any board committee; or
- (b) is an affiliated entity of the issuer or any of its subsidiary entities,

is considered to have a material relationship with the issuer.

(2) For the purposes of subsection (1), the indirect acceptance by an individual of any consulting, advisory or other compensatory fee includes acceptance of a fee by

- (a) an individual's spouse, minor child or stepchild, or a child or stepchild who shares the individual's home; or
- (b) an entity in which such individual is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the issuer or any subsidiary entity of the issuer.

(3) For the purposes of subsection (1), compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.

SCHEDULE “B”

New Equity Compensation Plan

LI-METAL CORP.

Equity Incentive PLAN

1. PURPOSE; ELIGIBILITY.

1.1 General Purpose.

The name of this plan is the Li-Metal Corp. Equity Incentive Plan (the “**Plan**”). The purposes of the Plan are to (a) enable Li-Metal Corp., an Ontario corporation (the “**Company**”), and any Affiliate to attract and retain the types of Employees, Consultants and Directors who will contribute to the Company’s long term success, (b) provide incentives that align the interests of Employees, Consultants and Directors with those of the security holders of the Company, and (c) promote the success of the Company’s business.

1.2 Eligible Award Recipients.

The persons eligible to receive Awards are the Employees, Consultants and Directors of the Company and its Affiliates and such other individuals designated by the Committee who are reasonably expected to become Employees, Consultants and Directors after the receipt of Awards.

1.3 Available Awards.

Options may be granted under the Plan.

2. DEFINITIONS.

“**Affiliate**” means any entity that is an “affiliate” for the purposes of National Instrument 45-106 - Prospectus Exemptions, as amended from time to time.

“**Applicable Laws**” means the applicable laws and regulations and the requirements or policies of any governmental or regulatory authority, securities commission or stock exchange having authority over the Company or the Plan.

“**Applicable Withholding Taxes**” means any and all taxes and other source deductions or other amounts that an Employer is required by law to withhold from any amounts to be paid or credited hereunder. Applicable Withholding Taxes shall be denominated in the currency in which the Award is denominated.

“**Award**” means any Option, Deferred Share Units (or DSUs), Performance Share Units (or PSUs), Restricted Share Units (or RSUs) and Stock Appreciation Rights (or SARs) granted under the Plan.

“**Award Agreement**” means a written agreement, contract, certificate or other instrument or document evidencing the terms and conditions of an individual Award granted under the Plan that may, in the discretion of the Company, be transmitted electronically to any Participant. Each Award Agreement shall be subject to the terms and conditions of the Plan.

“**Bank of Canada Rate**” means the exchange rate for the applicable currency published by the Bank of Canada on the relevant date.

“**Beneficial Owner**” means any Person who, directly or indirectly, through a contract or other arrangement, has (or shares in) the rights to securities that typically occur with the ownership of securities, such as voting, dividend, distribution or transfer rights. A person or entity may be the beneficial owner of a security even though title to the security may be in another name (commonly referred to as securities held in street form). More than one Person or Persons can be the beneficial

owner of a single security. A Person is an indirect beneficial owner of securities if the securities are owned through a corporation, affiliated corporation, a trust of which the Person is a beneficial owner or some other legal entity. A Person will be deemed to beneficially own securities that are owned by a corporation controlled by the Person or an Affiliate of such corporation. The terms “Beneficially Owns” and “Beneficially Owned” have a corresponding meaning.

“**Beneficiary**” means, subject to applicable law, any Person designated by a Participant by written instrument filed with the Company, in such form as may be approved from time to time by the Company, to receive the benefits under this Plan in the event of a Participant’s death or, failing any such effective designation, the Participant’s estate.

“**Blackout Period**” means, with respect to any person, the period of time when, pursuant to any policies or determinations of the Company, securities of the Company may not be traded by such person, including any period when such person has material undisclosed information with respect to the Company, but excluding any period during which a regulator has halted trading in the Company’s securities.

“**Board**” means the Board of Directors of the Company, as constituted at any time.

“**Business Day**” means any day other than a Saturday, Sunday or any other day on which the principal chartered banks located in Toronto, Ontario or the Canadian Securities Exchange are not open for business.

“**Cause**” means:

With respect to any Participant, unless the applicable Award Agreement states otherwise:

- (a) if the Participant is a party to an employment or service agreement with the Company or its Affiliates and such agreement provides for a definition of Cause, the definition contained therein; or
- (b) if no such agreement exists, or if such agreement does not define Cause, any act or omission that would entitle the Company to terminate the Participant’s employment without notice or compensation under the common law for just cause, including, without in any way limiting its meaning under the common law: (i) the indictment for or conviction of an indictable offence or any summary offence involving material dishonesty or moral turpitude; (ii) material fiduciary breach with respect to the Company or an Affiliate; (iii) fraud, embezzlement or similar conduct that results in or is reasonably likely to result in harm to the reputation or business of the Company or any of its Affiliates; (iv) gross negligence or willful misconduct with respect to the Company or an Affiliate; (v) material violation of Applicable Laws; or (vi) the willful failure of the Participant to properly carry out their duties on behalf of the Company or to act in accordance with the reasonable direction of the Company.

With respect to any Director, unless the applicable Award Agreement states otherwise, a determination by a majority of the disinterested Board members that the Director has engaged in any of the following:

- (a) gross misconduct or neglect;
- (b) willful conversion of corporate funds;
- (c) false or fraudulent misrepresentation inducing the director’s appointment;
- (d) repeated failure to participate in Board meetings on a regular basis despite having received proper notice of the meetings in advance.

The Committee, in its absolute discretion, shall determine the effect of all matters and questions relating to whether a Participant has been discharged for Cause.

“**Change in Control**” means, unless otherwise defined in the Participant’s employment or service agreement or in the applicable Award Agreement, the occurrence of any of the following:

- (a) any transaction at any time and by whatever means pursuant to which any Person or any group of two or more Persons acting jointly or in concert (other than the Company or any wholly owned subsidiary of the Company) thereafter acquires the direct or indirect “beneficial ownership” (as defined in the *Business Corporations Act* (Ontario)) of, or acquires the right to exercise control or direction over, securities of the Company representing 50% or more of the then issued and outstanding voting securities of the Company in any manner whatsoever, including, without limitation, as a result of a Take-over Bid, an issuance or exchange of securities, an amalgamation of the Company with any other Person, an arrangement, a capital reorganization or any other business combination or reorganization;
- (b) the sale, assignment or other transfer of all or substantially all of the assets of the Company to a Person or any group of two or more Persons acting jointly or in concert (other than a wholly-owned subsidiary of the Company);
- (c) the date which is 10 business days prior to the consummation of a complete dissolution or liquidation of the Company, except in connection with the distribution of assets of the Company to one or more Persons which were wholly-owned subsidiaries of the Company prior to such event;
- (d) the occurrence of a transaction requiring approval of the Company’s security holders whereby the Company is acquired through consolidation, merger, exchange of securities, purchase of assets, amalgamation, statutory arrangement or otherwise by any Person or any group of two or more Persons acting jointly or in concert (other than an exchange of securities with a wholly-owned subsidiary of the Company);
- (e) the Board passes a resolution to the effect that an event comparable to an event set forth in this definition has occurred; or
- (f) a majority of the members of the Board are replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the Board before the date of appointment or election;

provided that an event described in this definition shall not constitute a Change in Control where such event occurs as a result of a Permitted Reorganization.

“**Clawback Policy**” has the meaning ascribed thereto in Section 13.2.

“**Committee**” means a committee of one or more members of the Board appointed by the Board to administer the Plan in accordance with Section 3.3 and Section 3.4; provided, however, if such a committee does not exist, all references in the Plan to “Committee” shall at such time be in reference to the Board.

“**Common Share**” means a common share in the capital of the Company, or such other security of the Company as may be designated by the Committee from time to time in substitution thereof.

“**Company**” means Li-Metal Corp., and any successor thereto.

“**Company Group**” means the Company and its subsidiaries and Affiliates.

“**Constructive Dismissal**”, unless otherwise defined in the Participant’s employment agreement or in the applicable Award Agreement, has the meaning ascribed thereto pursuant to the common law and shall include, without in any way limiting its meaning under the common law, any material

change (other than a change that is clearly consistent with a promotion) imposed by the Employer without the Participant's consent to the Participant's title, responsibilities or reporting relationships, or a material reduction of the Participant's compensation except where such reduction is applicable to all officers, if the Participant is an officer, or all employees, if the Participant is an employee of the Employer; *provided that* the termination of any Participant shall be considered to arise as a result of Constructive Dismissal only if such termination occurs due to such Participant resigning from employment within 30 days of the occurrence of the event described as giving rise to such Constructive Dismissal.

"Consultant" means any individual or entity engaged by the Company or any Affiliate to render consulting or advisory services, other than as an Employee or Director, and whether or not compensated for such services.

"Continuing Entity" has the meaning ascribed thereto in Section 11.2.

"Continuous Service" means that the Participant's service with the Company or an Affiliate, whether as an Employee, Consultant or Director, is not interrupted or terminated. The Participant's Continuous Service shall not be deemed to have terminated merely because of a change in the capacity in which the Participant renders service to the Company or an Affiliate as an Employee, Consultant or Director, or a change in the entity for which the Participant renders such service; *provided that* there is no interruption or termination of the Participant's Continuous Service. For example, a change in status from an Employee of the Company to a Director of an Affiliate will not constitute an interruption of Continuous Service. The Committee or its delegate, in its sole discretion, may determine whether Continuous Service shall be considered interrupted in the case of any leave of absence approved by that party, including sick leave, military leave or any other personal or family leave of absence other than a Leave of Absence that is not considered a termination pursuant to Section 9.4. The Committee or its delegate, in its sole discretion, may determine whether a Company transaction, such as a sale or spin-off of a division or subsidiary that employs a Participant, shall be deemed to result in a Termination of Continuous Service for purposes of affected Awards, and such decision shall be final, conclusive and binding.

"Control Period" means the period commencing on the date of the Change in Control and ending 180 days after the date of the Change in Control.

"Deferred Share Unit" or **"DSU"** means a right granted to a Participant by the Company as compensation for employment or consulting services or services as a Director or officer, to receive, for no additional cash consideration, securities of the Company on a deferred basis (which is typically after the earliest of the retirement, termination of employment or death of the Participant), and which may provide that, upon vesting, the award may be paid in cash or Common Shares.

"Director" means a member of the Board.

"Disability" means, unless an employment agreement or the applicable Award Agreement provides otherwise, that the Participant:

- (a) is to a substantial degree unable, due to illness, disease, affliction, mental or physical disability or similar cause, to fulfill their obligations as an officer or Employee of the Employer either for any consecutive 12-month period or for any period of 18 months (whether or not consecutive) in any consecutive 24-month period; or
- (b) is declared by a court of competent jurisdiction to be mentally incompetent or incapable of managing their affairs.

The determination of whether an individual has a Disability shall be determined under procedures established by the Committee. The Committee may rely on any determination that a Participant is

disabled for purposes of benefits under any long-term disability plan maintained by the Company or any Affiliate in which a Participant participates.

“**Effective Date**” shall mean the date as of which this Plan is adopted by the Board.

“**Eligible Person**” means any Director, officer, Employee or Consultant of the Company or any of its Affiliates.

“**Employee**” means any person, including an officer or Director, employed by the Company or an Affiliate. Mere service as a Director or payment of a director’s fee by the Company or an Affiliate shall not be sufficient to constitute “employment” by the Company or an Affiliate.

“**Employer**” means, with respect to an Employee, the entity in the Company Group that employs the Employee or that employed the Employee immediately prior to their Termination of Continuous Service.

“**Exchange**” means the Canadian Securities Exchange.

“**Expiry Date**” has the meaning ascribed thereto in Section 6.2.

“**Fair Market Value**” means, as of any particular date, the value of the Common Shares as determined by the Committee in accordance with the following: (a) if the Common Shares are listed on the Exchange, the Fair Market Value shall be the greater of the closing market prices of the underlying securities on (i) the trading day prior to the date of grant of the stock options; and (ii) the date of grant of the stock options; provided, however, that (b) if the Common Shares are not then listed and posted for trading on the Exchange, then the Fair Market Value shall mean the weighted average trading price of a Common Share on such stock exchange in Canada or the United States on which the Common Shares are then listed and posted for trading during the last five trading days prior to that particular date (and, if in United States dollars, converted to Canadian dollars using the Bank of Canada Rate); or (c) if the Common Shares are not then listed and posted for trading on any stock exchange in Canada or the United States, then the Fair Market Value shall mean the fair market value per Common Share (in Canadian dollars) as determined in good faith by the Committee in its sole discretion, and such determination shall be conclusive and binding on all persons.

“**Fiscal Year**” means the Company’s fiscal year.

“**Grant Date**” means the date on which the Committee adopts a resolution, or takes other appropriate action, expressly granting an Award to a Participant that specifies the key terms and conditions of the Award or, if a later date is set forth in such resolution, then such date as is set forth in such resolution.

“**Insider**” means “reporting insiders” as defined in National Instrument 55-104 – Insider Reporting Requirements and Exemptions.

“**Investor Relations Activities**” has the meaning ascribed thereto in the Exchange Policy 1 – Interpretation and General Provisions.

“**ITA**” means the *Income Tax Act* (Canada), including the regulations promulgated thereunder, as amended from time to time.

“**Leave of Absence**” means any period during which, pursuant to the prior written approval of the Participant’s Employer or by reason of Disability, the Participant is considered to be on an approved leave of absence or on Disability and does not provide any services to their Employer or any other entity in the Company Group.

“**Notice of Exercise**” means a notice substantially in the form set out as an attachment to the Award Agreement or as stipulated by the Company from time to time.

“**NSO Approved Grants**” means Awards other than Stock Options.

“**Option**” means a Stock Option granted to a Participant pursuant to the Plan.

“**Option Exercise Price**” means the price at which a Common Share may be purchased upon the exercise of an Option.

“**Optionholder**” means a Participant to whom an Option is granted pursuant to the Plan or, if applicable, such other Person who holds an outstanding Option in accordance with this Plan.

“**Participant**” means an Eligible Person to whom an Award is granted pursuant to the Plan or, if applicable, such other Person who holds an outstanding Award in accordance with this Plan.

“**Participant Information**” has the meaning set forth in Section 13.15(a).

“**Performance Share Unit**” or “**PSU**” means a right granted to a Participant by the Company as compensation for employment or consulting services or services as a Director or officer, to receive, for no additional cash consideration, securities of the Company upon specified vesting criteria being satisfied (which are typically performance based) and which may provide that, upon vesting, the award may be paid in cash or Common Shares.

“**Permitted Reorganization**” means a reorganization of the Company Group in circumstances where the shareholdings or ultimate ownership remains substantially the same upon the completion of the reorganization.

“**Person**” means any individual, sole proprietorship, partnership, firm, entity, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, agency and, where the context requires, any of the foregoing when they are acting as trustee, executor, administrator or other legal representative.

“**Plan**” means this Li-Metal Corp. Stock Option Plan, as amended and/or amended and restated from time to time.

“**Retirement**” or “**Retire**” means, unless otherwise defined in the Participant’s employment agreement, executive agreement or in the applicable Award Agreement, the normal retirement age of the Participant pursuant to the applicable regulations of the jurisdiction of their employment or such earlier retirement age, with consent of the Employer, if applicable.

“**Restricted Share Unit**” or “**RSU**” means a right granted to a Participant by the Company as compensation for employment or consulting services or services as a Director or Officer, to receive, for no additional cash consideration, securities of the Company upon specified vesting criteria being satisfied (which are typically time based) and which may provide that, upon vesting, the award may be paid in cash or Common Shares.

“**Sale**” means the sale of all or substantially all of the assets of the Company as an entirety or substantially as an entirety to any person or entity (other than a wholly owned subsidiary of the Company) under circumstances such that, following the completion of such sale, the Company will cease to carry on an active business, either directly or indirectly through one or more subsidiaries.

“**Stock Appreciation Right**” or “**SAR**” means a right granted to a Participant by the Company as compensation for employment or consulting services or services as a Director or Officer, to receive

cash or Common Shares based wholly or in part on appreciation in the trading price of the Common Shares.

“**Stock Option**” means an Option that is designated by the Committee as a stock option that meets the requirements set out in the Plan.

“**Subsidiary**” means any entity that is a “subsidiary” for the purposes of National Instrument 45-106 - Prospectus Exemptions, as amended from time to time.

“**Substitute Awards**” has the meaning set forth in Section 4.4.

“**Substitution Event**” means a Change in Control pursuant to which the Common Shares are converted into, or exchanged for, other property, whether in the form of securities of another Person, cash or otherwise.

“**Take-over Bid**” means a take-over bid as defined in National Instrument 62-104 – Take-over Bids and Issuer Bids, as amended from time to time.

“**Termination of Continuous Service**” means the date on which a Participant ceases to be an Eligible Person as a result of a termination of employment or retention with the Company or an Affiliate for any reason, including death, retirement, or resignation with or without cause. For the purposes of the Plan, a Participant’s employment or retention with the Company or an Affiliate shall be considered to have terminated effective on the last day of the Participant’s actual and active employment or retention with the Company or Affiliate, whether such day is selected by agreement with the individual, or unilaterally by the Participant or the Company or Affiliate, and whether with or without advance notice to the Participant. For the avoidance of doubt, and except as required by applicable employment standards legislation, no period of notice or pay in lieu of notice that is given or that ought to have been given under applicable law in respect of such termination of employment or retention that follows or is in respect of a period after the Participant’s last day of actual and active employment or retention shall be considered as extending the Participant’s period of employment or retention for the purposes of determining their entitlement under the Plan. A Participant’s transfer of employment to another Employer within the Company Group will not be considered a Termination of Continuous Service.

“**Total Share Reserve**” has the meaning set forth in Section 4.1.

“**Vesting Date**” means the date or dates set out in the Award Agreement on which an Award will vest, or such earlier date as is provided for in the Plan or is determined by the Committee.

3. ADMINISTRATION.

3.1 Authority of Committee.

The Plan shall be administered by the Committee or, in the Board’s sole discretion, by the Board. Subject to the terms of the Plan, the Committee’s charter and Applicable Laws, and in addition to other express powers and authorization conferred by the Plan, the Committee shall have the authority:

- (a) to construe and interpret the Plan and apply its provisions;
- (b) to promulgate, amend, and rescind rules and regulations relating to the administration of the Plan;
- (c) to authorize any person to execute, on behalf of the Company, any instrument required to carry out the purposes of the Plan;
- (d) to determine when Awards are to be granted under the Plan and the applicable Grant Date;

- (e) from time to time to select, subject to the limitations set forth in this Plan, to determine those Participants to whom Awards shall be granted;
- (f) to determine the number of Common Shares to be made subject to each Award;
- (g) to prescribe the terms and conditions of each Award, including, without limitation, the exercise price and medium of payment and vesting provisions, and to specify the provisions of the Award Agreement relating to such grant;
- (h) to amend any outstanding Awards, including for the purpose of modifying the time or manner of vesting, or the term of any outstanding Award; provided, however, that if any such amendment impairs a Participant's rights or increases a Participant's obligations under their Award or creates or increases a Participant's income tax liability with respect to an Award, such amendment shall also be subject to the Participant's consent;
- (i) to determine the duration and purpose of leaves of absences that may be granted to a Participant without constituting termination of their employment for purposes of the Plan, which periods shall be no shorter than the periods generally applicable to Employees under the Company's employment policies;
- (j) to make decisions with respect to outstanding Awards that may become necessary upon a change in control or an event that triggers anti-dilution adjustments;
- (k) to interpret, administer, reconcile any inconsistency, correct any defect and/or supply any omission in the Plan and any instrument or agreement relating to, or Award granted under, the Plan;
- (l) subject to Applicable Laws, to delegate to any Director or Employee such duties and powers relating to the Plan as it may see fit;
- (m) to seek recommendations from the Chairman or from the Chief Executive Officer of the Company;
- (n) to appoint or engage a trustee, custodian or administrator to administer or implement the Plan; and
- (o) to exercise discretion to make any and all other determinations that it determines to be necessary or advisable for the administration of the Plan.

The Committee also may modify the purchase price or the exercise price of any outstanding Award; *provided that* if the modification effects a repricing, security holder approval shall be required before the repricing is effective.

3.2 Committee Decisions Final.

All decisions made by the Committee pursuant to the provisions of the Plan shall be conclusive and binding on the Company and the Participants.

3.3 Delegation.

The Committee or, if no Committee has been appointed, the Board, may delegate administration of the Plan to a committee or committees of one or more members of the Board, and the term "**Committee**" shall apply to any person or persons to whom such authority has been delegated. The Committee shall have the power to delegate to a subcommittee any of the administrative powers the Committee is authorized to exercise (and references in this Plan to the Board or the Committee shall thereafter be to the committee or subcommittee), subject, however, to such resolutions, not inconsistent with the provisions of the Plan, as may be adopted from time to time by the Board. The Board may abolish the Committee at any time and revest in the Board the administration of the Plan. The members of the

Committee shall be appointed by and serve at the pleasure of the Board. From time to time, the Board may increase or decrease the size of the Committee, add additional members to, remove members (with or without cause) from, appoint new members in substitution therefor, and fill vacancies, however caused, in the Committee. The Committee shall act pursuant to a vote of the majority of its members or, in the case of a Committee comprised of only two members, the unanimous consent of its members, whether present or not, or by the written consent of the majority of its members, and minutes shall be kept of all of its meetings and copies thereof shall be provided to the Board. Subject to the limitations prescribed by the Plan and the Board, the Committee may establish and follow such rules and regulations for the conduct of its business as it may determine to be advisable.

3.4 Committee Composition.

Except as otherwise determined by the Board, the Committee shall consist solely of two or more non-Employee Directors. Within the scope of such authority, the Board or the Committee may delegate to a committee of one or more members of the Board who are not non-Employee Directors the authority to grant Awards to Eligible Persons. Nothing herein shall create an inference that an Award is not validly granted under the Plan in the event Awards are granted under the Plan by a compensation committee of the Board that does not at all times consist solely of two or more non-Employee Directors.

3.5 Indemnification.

In addition to such other rights of indemnification as they may have as Directors or members of the Committee, and to the extent allowed by Applicable Laws, the Committee shall be indemnified by the Company against the reasonable expenses, including attorney's fees, actually incurred in connection with any action, suit or proceeding, or in connection with any appeal therein, to which the Committee may be party by reason of any action taken or failure to act under or in connection with the Plan or any Award granted under the Plan, and against all amounts paid by the Committee in settlement thereof (provided, however, that the settlement has been approved by the Company, which approval shall not be unreasonably withheld) or paid by the Committee in satisfaction of a judgment in any such action, suit or proceeding, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such Committee did not act in good faith and in a manner that such person reasonably believed to be in the best interests of the Company or, in the case of a criminal proceeding, had no reason to believe that the conduct complained of was unlawful; provided, however, that within 60 days after the institution of any such action, suit or proceeding, such Committee shall, in writing, offer the Company the opportunity at its own expense to handle and defend such action, suit or proceeding.

4. SHARES SUBJECT TO THE PLAN.

4.1 Subject to adjustment in accordance with Section 10, a combination of; (i) no more than 10% of the Common Shares, less the number of Common Shares issuable on exercise of any award outstanding under the prior Rolling Stock Option Plan of Eurotin Inc., and (ii) the maximum aggregate number of Common Shares issuable under this Plan in respect of Deferred Share Units, Restricted Share Units, Stock Appreciation Rights and Performance Share Units shall not exceed 15,495,383 at any point in time, representing 10% of the issued and outstanding Common Shares at the effective date of the Plan, shall be available for the grant of Awards under the Plan (the "**Total Share Reserve**"). Any Common Shares granted in connection with Options shall be counted against this limit as one share for every one Option awarded. During the terms of the Awards, the Company shall keep available at all times the number of Common Shares required to satisfy such Awards.

4.2 Common Shares available for distribution under the Plan may consist, in whole or in part, of authorized and unissued shares, treasury shares or shares reacquired by the Company in any manner.

4.3 Any Common Shares subject to an Award that expires or is canceled, forfeited, or terminated without issuance of the full number of Common Shares to which the Award related will again be available for issuance under the Plan. Notwithstanding anything to the contrary contained herein, shares subject to an Award under the Plan shall not again be made available for issuance or delivery under the Plan if such shares are (a) shares tendered in payment of an Option, or (b) shares delivered

or withheld by the Company to satisfy any tax withholding obligation. In addition, if the Common Shares are listed on the Exchange, if an Option is cancelled prior to its Expiry Date, the Company shall not grant new Options to the same person until 30 days have elapsed from the date of cancellation.

- 4.4** Awards may, in the sole discretion of the Committee, be granted under the Plan in assumption of, or in substitution for, outstanding awards previously granted by an entity acquired by the Company or with which the Company combines (“**Substitute Awards**”). Substitute Awards shall not be counted against the Total Share Reserve. Subject to applicable stock exchange requirements, available shares under a securityholder approved plan of an entity directly or indirectly acquired by the Company or with which the Company combines (as appropriately adjusted to reflect such acquisition or transaction) may be used for Awards under the Plan and shall not count toward the Total Share Reserve.

5. ELIGIBILITY.

5.1 Eligibility for Specific Awards.

Awards may be granted to Employees, Consultants and Directors and those individuals whom the Committee determines are reasonably expected to become Employees, Consultants and Directors following the Grant Date.

5.2 Participation Limits.

The grant of Awards under the Plan is subject to the following limitations:

- (a) no more than 5% of the outstanding Common Shares may be issued under the Plan to any one Participant in any one-year period;
- (b) no more than 2% of the outstanding Common Shares may be issued under the Plan to any one Consultant in any one-year period;
- (c) no more than 1% of the outstanding Common Shares may be issued under the Plan to all Participants in the aggregate as compensation for providing Investor Relations Activities in any one-year period; and
- (d) the number of Common Shares that may be:
 - (i) issued to Insiders within any one-year period, or
 - (ii) issuable to Insiders at any time, in each case, under this Plan, alone or when combined with all other security-based compensation arrangements of the Company,

cannot exceed 10% of the outstanding Common Shares.

6. OPTION PROVISIONS.

6.1 Award Agreement.

Each Option granted under the Plan shall be evidenced by an Award Agreement. Each Option so granted shall be subject to the conditions set forth in this Section 6, and to such other conditions not inconsistent with the Plan as may be reflected in the applicable Award Agreement. The provisions of separate Options need not be identical, but each Option shall include (through incorporation of provisions hereof by reference in the Option or otherwise) the substance of each of the provisions in this Section 6.

6.2 Term.

No Stock Option shall be exercisable after the expiration of 10 years from the Grant Date or such shorter period as set out in the Optionholder's Option Agreement ("Expiry Date"), at which time such Option will expire. Notwithstanding any other provision of this Plan, each Option that would expire during or within 10 Business Days immediately following a Blackout Period shall expire on the date that is 10 Business Days immediately following the end of the Blackout Period.

6.3 Exercise Price of a Stock Option.

The Option Exercise Price of each Stock Option shall be fixed by the Committee on the Grant Date and will not be less than the Fair Market Value of the Common Shares as of the Grant Date, subject to all applicable regulatory requirements. The Exercise Price shall be stated and payable in Canadian dollars.

6.4 Manner of Exercise.

A vested Option or any portion thereof may be exercised by the Optionholder delivering to the Company a Notice of Exercise signed by the Optionholder or (in the event of the death or Disability of the Optionholder) their legal personal representative, accompanied by payment in full of the aggregate Exercise Price and any Applicable Withholding Taxes in respect of the Option or portion thereof being exercised, payable, to the extent permitted by Applicable Laws, either:

- (a) in cash or by certified cheque, bank draft or money order payable to the Company or by such other means as might be specified from time to time by the Committee; or
- (b) in the discretion of the Committee, upon such terms as the Committee shall approve, pursuant to a broker-assisted cashless exercise, whereby the Optionholder shall elect on the Notice of Exercise to receive:
 - (i) an amount in cash equal to the cash proceeds realized upon the sale in the capital markets of the Common Shares underlying the Option (or portion thereof being exercised) by a securities dealer designated by the Company, less the aggregate Exercise Price, any Applicable Withholding Taxes, and any transfer costs charged by the securities dealer to sell the Common Shares;
 - (ii) an aggregate number of Common Shares that is equal to the number of Common Shares underlying the Option (or portion thereof being exercised) minus the number of Common Shares sold in the capital markets by a securities dealer designated by the Company as required to realize cash proceeds equal to the aggregate Exercise Price, any Applicable Withholding Taxes and any transfer costs charged by the securities dealer to sell the Common Shares;
 - (iii) a combination of (i) and (ii); or
 - (iv) in any other form of legal consideration that may be acceptable to the Committee. Subject to Section 8 , upon receipt of payment in full, the number of Common Shares in respect of which the Option is exercised will be duly issued to the Optionholder as fully paid and non-assessable, following which the Optionholder shall have no further rights, title or interest with respect to such Option or portion thereof.

6.5 Surrender of Option.

As an alternative to the exercise of an Option pursuant to Section 6.4, an Optionholder may elect to surrender for cancellation, unexercised, any vested Option that is otherwise then exercisable and, in consideration for such surrender for cancellation, to receive a cash payment in an amount equal to the positive difference, if any, obtained by subtracting the aggregate Exercise Price of the surrendered Option from the then current Fair Market Value of the Common Shares subject to the surrendered Option, less Applicable Withholding Taxes. The Committee has the sole discretion to consent to or disapprove

of the election of the Optionholder to surrender any vested Option pursuant to this Section 6.5. If the Committee disapproves of the election, the Optionholder may (i) exercise the Option under Section 6.4, or (ii) retract the request to surrender such Option and retain the Option. If the Committee consents to the election, the Company shall make the cash payment to the Optionholder in respect of the surrendered Option within 30 days. Any cash payment in accordance with this Section 6.5 shall be payable in Canadian dollars.

6.6 Transferability of a Stock Option.

A Stock Option shall not be transferable except by will or by the laws of descent and distribution and shall be exercisable during the lifetime of the Optionholder only by the Optionholder. Notwithstanding the foregoing, the Optionholder may, by delivering written notice to the Company, in a form satisfactory to the Company, designate a third party who, in the event of the death or disability of the Optionholder, shall thereafter be entitled to exercise the Option.

6.7 Vesting of Options.

Each Option may, but need not, vest and, therefore, become exercisable in periodic installments that may, but need not, be equal. The Option may be subject to such other terms and conditions on the time or times when it may be exercised (which may be based on performance or other criteria) as the Committee may deem appropriate. The vesting provisions of individual Options may vary. No Option may be exercised for a fraction of a Common Share. The Committee may, but shall not be required to, provide for an acceleration of vesting and exercisability in the terms of any Award Agreement upon the occurrence of a specified event. Notwithstanding any of the other provisions of this Plan, the vesting provisions of an Option must be sufficient to meet any applicable hold period required by the Exchange.

6.8 Termination of Continuous Service.

Unless otherwise determined by the Committee, in its discretion, or as provided in this Section 6 or pursuant to the terms provided in an Award Agreement or in an employment agreement the terms of which have been approved by the Committee, all rights to purchase Common Shares pursuant to an Option or to surrender such Option shall expire and terminate immediately upon the Optionholder's Termination of Continuous Service, whether or not such termination is with or without notice, adequate notice or legal notice; provided that if employment of the Optionholder is terminated for Cause, such rights shall expire and terminate immediately upon notification being given to the Optionholder of such termination for Cause by the Company.

6.9 Extension of Options.

An Optionholder's Award Agreement may also provide that if the exercise of the Option following the Termination of Continuous Service for any reason would be prohibited at any time because the issuance of Common Shares would violate Applicable Laws, then the Option shall terminate on the earlier of (a) the expiration of the term of the Option in accordance with Section 6.2, or (b) the expiration of a period after the Termination of Continuous Service that is 30 days after the end of the period during which the exercise of the Option would be in violation of such Applicable Laws.

6.10 Disability or Leave of Absence.

Unless otherwise provided in an Award Agreement, in the event that an Optionholder's Continuous Service terminates as a result of Disability or the Optionholder is on a Leave of Absence, any Option held by the Optionholder shall continue to vest in accordance with its terms and may be exercised or surrendered in accordance with Section 6.4 or Section 6.5 at any time until the Option's Expiry Date.

6.11 Death.

Unless otherwise provided in an Award Agreement, in the event an Optionholder's Continuous Service terminates as a result of the Optionholder's death, any Option held by the Optionholder shall become fully vested and may be exercised or surrendered by the Beneficiary in accordance with Section 6.4 or Section 6.5 at any time during the period that terminates on the earlier of the Option's Expiry Date and the first anniversary of the Optionholder's Termination of Continuous Service. Any Option that remains

unexercised or has not been surrendered shall be immediately forfeited upon the termination of such period.

6.12 Retirement.

Unless otherwise provided in an Award Agreement, in the event an Optionholder's Continuous Service terminates as a result of the Optionholder's Retirement, any Option held by the Optionholder shall continue to vest in accordance with its terms and may be exercised or surrendered in accordance with Section 6.4 or Section 6.5 at any time during the period that terminates on the earlier of: (a) the Option's Expiry Date; and (b) the third anniversary of the Optionholder's Termination of Continuous Service. Any Option that remains unexercised or has not been surrendered shall be immediately forfeited upon the termination of such period.

6.13 Resignation.

Unless otherwise provided in an Award Agreement, in the event an Optionholder's Continuous Service terminates as a result of the Optionholder's voluntary resignation, then:

- (a) the unvested part of any Option held by the Optionholder shall expire and terminate immediately on the Optionholder's Termination of Continuous Service; and
- (b) the vested part of any Option held by the Optionholder may be exercised or surrendered in accordance with Section 6.4 or Section 6.5 at any time during the period that terminates on the earlier of: (i) the Option's Expiry Date; and (ii) the 30th day after the Optionholder's Termination of Continuous Service. Any Option that remains unexercised or has not been surrendered shall be immediately forfeited upon the termination of such period.

6.14 Termination Without Cause.

Unless otherwise provided in an Award Agreement, in the event an Optionholder's Continuous Service is terminated by the Employer for any reason other than for Cause, any Option held by the Optionholder shall continue to vest in accordance with its terms and may be exercised or surrendered in accordance with Section 6.4 or Section 6.5 at any time during the period that terminates on the earlier of: (a) the Option's Expiry Date; and (b) the 30th day after the Optionholder's Termination of Continuous Service. Any Option that remains unexercised or has not been surrendered shall be immediately forfeited upon the termination of such period.

6.15 Termination Following Change in Control.

Unless otherwise provided in an Award Agreement, if a Change in Control occurs and the Optionholder's employment with the Company Group is terminated by the:

- (a) Employer or by the entity that has entered into a valid and binding agreement with the Company and/or other members of the Company Group to effect the Change in Control at any time after such agreement is entered into or during the Control Period and such termination was for any reason other than for Cause; or
 - (b) Optionholder as a result of Constructive Dismissal, provided the event giving rise to the Constructive Dismissal occurs during the Control Period;
- any Option held by the Optionholder shall become fully vested and may be exercised or surrendered in accordance with Section 6.4 or Section 6.5 at any time during the period that terminates on the earlier of: (i) the Option's Expiry Date; and (ii) the 30th day after the Optionholder's Termination of Continuous Service. Any Option that remains unexercised or has not been surrendered shall be immediately forfeited upon the termination of such period.

7. NSO APPROVED GRANTS

Purpose and Grants of NSO Approved Grants

- 7.1 Under this Plan, the Board may grant NSO Approved Grants to any Participant, subject to applicable laws.
- 7.2 The Board shall determine the type and number of NSO Approved Grants that a Participant is entitled to receive, the term of such NSO Approved Grants and the vesting conditions, if applicable, of such NSO Approved Grants.

Terms and Conditions

- 7.3 Each NSO Approved Grant granted to a Participant shall be governed by this Plan and shall be evidenced by an Award Agreement certificate setting out the terms and conditions governing the NSO Approved Grant (in addition to the terms and conditions of this Plan), which terms and conditions as reflected in the Award Agreement need not be the same in each case and which terms and conditions may be changed from time to time by the Board in accordance with applicable laws.
- 7.4 The term or duration of each NSO Approved Grant will be determined by the Board in its discretion, provided that no NSO Approved Grant shall have a term a term expiring after the date that is 10 years from the Effective Date for the NSO Approved Grant, subject to Sections 4.18 and 4.20.

Deferred Shares Units

- 7.5 The Board may grant Deferred Share Units to Participants, in all cases in such amounts and subject to such vesting and other terms and conditions as the Board shall determine in its discretion, subject to this Plan and applicable laws. The conditions applicable to DSUs can include, among other things, the dates upon which, or the duration or period during which, DSUs will vest or be settled, as well as any conditions to be satisfied in order for vesting to occur.

Performance Share Units

- 7.6 The Board may grant Performance Share Units to Participants, in all cases in such amounts and subject to such vesting and other terms and conditions as the Board shall determine in its discretion, subject to this Plan and applicable laws. The conditions applicable to PSUs can include, among other things, conditions as to performance, milestones that must be achieved in order for the corresponding PSUs to vest, other internal or external conditions that must be satisfied in order for the PSUs to vest, or as to the length of time during which a Participant must be employed by, or otherwise provide services to, the Company in order for vesting to occur.

Restricted Share Units

- 7.7 The Board may grant Restricted Share Units to Participants, in all cases in such amounts and subject to such vesting and other terms and conditions as the Board shall determine in its discretion, subject to this Plan and applicable laws. The conditions applicable to RSUs shall relate to the length of time during which a Participant must be employed by, or otherwise provide services to, the Company in order for vesting to occur.

Stock Appreciation Rights

- 7.8 The Board may grant Stock Appreciation Rights to Participants, in all cases in such amounts and subject to such vesting and other terms and conditions as the Board shall determine in its discretion, subject to this Plan and applicable laws. The conditions applicable to SARs shall relate to the length of time during which a Participant must be employed by, or otherwise provide services to, the Company in order for vesting to occur, the timing and conditions for payment, and the reference price against which the appreciation in value of Common Shares shall be measured in determining

the value payable to the applicable Participant when the conditions for vesting or settlement have been satisfied, provided that such reference price shall not be less than the Fair Market Value.

No Rights as Shareholders

- 7.9 A DSU, PSU, RSU or SAR will not entitle its holder to voting or other rights appurtenant to Common Shares. Except as may otherwise be set forth in the corresponding Award Agreement, if and when dividends are declared and paid upon the Common Shares at any time prior to vesting of the NSO Approved Grant, no adjustment shall be made to the NSO Approved Grant or its value.

No Rights as Creditors

- 7.10 A Participant who is granted a NSO Approved Grant will have only the rights of a general unsecured creditor of the Company until payment of Common Shares, cash or other securities or property is made upon the NSO Approved Grant.

Payment and Settlement

- 7.11 The Board has full authority to, and shall, determine whether payment under NSO Approved Grants will be made in Common Shares, cash, securities or other property, or a combination thereof, and for greater clarity the Board shall be authorized to make such a determination at any time before or after vesting, until payment is actually made. When the conditions for vesting and payment, if any, applicable to a NSO Approved Grant have been satisfied, the holder of the NSO Approved Grant shall be entitled to receive the corresponding number of Common Shares, the cash value of the corresponding number of Common Shares at that time, other securities of the Company or other property, as the case may be. Unless otherwise specified in the applicable Award Agreement for a NSO Approved Grant, the cash value of Common Shares referred to in the preceding sentence shall be the Fair Market Value as of a date selected in good faith by the Board, in compliance with applicable laws and policies of the Exchange, such date to be no earlier than the date when all pre-conditions to payment of or in respect of the NSO Approved Grant have been satisfied.

Reservation of Shares from Total Share Reserve

- 7.12 If payment upon any NSO Approved Grant granted under this Article 7 may be made in Common Shares, then at the time of grant the Board shall (a) determine or estimate the number of Common Shares that may be issued in payment of such NSO Approved Grant upon its payment by the Company and then (b) reserve and allot from the Total Share Reserve the corresponding number of Common Shares, and (c) from time to time while the NSO Approved Grant remains outstanding and unvested the Board shall be authorized to adjust the number of Common Shares so reserved and allotted to reflect changes in the number of Common Shares issuable thereunder, in all cases subject to applicable laws and Exchange policies.

Transfer and Assignment

- 7.13 No NSO Approved Grant granted under this Plan may be sold, exchanged, transferred, assigned, pledged, hypothecated or otherwise disposed of (including through the use of any cash-settled instrument) other than by will or by the laws of descent and distribution in accordance with Section 7.18.

NSO Approved Grants Granted Under this Plan

- 7.14 All NSO Approved Grants granted under this Plan will be evidenced by an Award Agreement in the form approved from time to time by the Board, setting forth the terms and conditions applicable to

the corresponding NSO Approved Grant. The Company will cause an Award Agreement to be delivered to the applicable Participant in due course.

- 7.15** Subject to specific variations approved in accordance with this Plan, all terms and conditions set out herein will be deemed to be incorporated into and form part of an Award Agreement.

Vesting of NSO Approved Grants

- 7.16** Vesting of NSO Approved Grants shall be in accordance with the vesting and exercise conditions determined in the discretion of the Board.

- 7.17** Notwithstanding Section 7.16, in the event of a Change in Control or Take-over Bid, all NSO Approved Grants shall vest in full pursuant to the provisions of Article 10.

Holder of NSO Approved Grant Ceasing to be a Participant

- 7.18** For any NSO Approved Grant held by a Participant, and any right to payment in respect thereof, that has not vested when the Participant ceases to be a Participant, such NSO Approved Grant and the right to any settlement or payment thereunder will be forfeited on the date the Participant ceases to be a Participant. The circumstances under which a Participant shall not forfeit his, her or its NSO Approved Grants upon termination of service to the Company are outlined in sections 6.8 to 6.15, above.

Adjustment of Payment on NSO Approved Grants During Blackout Period

- 7.19** Should the vesting, payment or other settlement date for a NSO Approved Grant fall within a Blackout Period, such date shall be automatically adjusted without any further act or formality to that day which is the tenth (10th) Business Day after the end of the Blackout Period.

8. COMPLIANCE WITH APPLICABLE LAWS.

The Company's obligation to issue and deliver Common Shares under any Award is subject to: (i) the completion of such qualification of such Common Shares or obtaining approval of such regulatory authority as the Company shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof; (ii) the admission of such Common Shares to listing on any stock exchange on which such Common Shares may then be listed; and (iii) the receipt from the Participant of such representations, agreements and undertakings as to future dealings in such Common Shares as the Company determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction. The Company shall take all reasonable steps to obtain such approvals, registrations and qualifications as may be necessary for the issuance of such Common Shares in compliance with Applicable Laws and for the listing of such Common Shares on any stock exchange on which such Common Shares are then listed. Awards may not be granted with a Grant Date or effective date earlier than the date on which all actions required to grant the Awards have been completed.

9. MISCELLANEOUS.

9.1 Acceleration of Exercisability and Vesting.

The Committee shall have the power to accelerate the time at which an Award may first be exercised or the time during which an Award or any part thereof will vest in accordance with the Plan, notwithstanding the provisions in the Award stating the time at which it may first be exercised or the time during which it will vest.

9.2 Shareholder Rights.

Except as provided in the Plan or an Award Agreement, no Participant shall be deemed to be the holder of, or to have any of the rights of a holder with respect to, any Common Shares subject to such Award unless and until such Participant has satisfied all requirements for exercise of the Award pursuant to its terms, and no adjustment shall be made for dividends (ordinary or extraordinary, whether in cash, securities or other property) or distributions of other rights for which the record date is prior to the date such Common Share certificate is issued, except as provided in Section 10 hereof.

9.3 No Employment or Other Service Rights.

Nothing in the Plan or any instrument executed or Award granted pursuant thereto shall confer upon any Participant any right to continue to serve the Company or an Affiliate in the capacity in effect at the time the Award was granted or shall affect the right of the Company or an Affiliate to terminate: (a) the employment of an Employee with or without notice and with or without Cause; or (b) the service of a Director pursuant to the by-laws of the Company or an Affiliate, and any applicable provisions of the corporate law of the jurisdiction in which the Company or the Affiliate is incorporated, as the case may be.

9.4 Transfer; Leave of Absence.

For purposes of the Plan, no termination of employment by an Employee shall be deemed to result from either: (a) a transfer of employment to the Company from an Affiliate or from the Company to an Affiliate, or from one Affiliate to another; or (b) a Leave of Absence, if the Employee's right to reemployment is guaranteed either by a statute or by contract or under the policy pursuant to which the Leave of Absence was granted or if the Committee otherwise so provides in writing.

9.5 Withholding Obligations.

It is the responsibility of the Participant to complete and file any tax returns that may be required under Canadian or other applicable jurisdiction's tax laws within the periods specified in those laws as a result of the Participant's participation in the Plan. Notwithstanding any other provision of this Plan, a Participant shall be solely responsible for all Applicable Withholding Taxes resulting from their receipt of Common Shares or other property pursuant to this Plan. In connection with the issuance of Common Shares pursuant to this Plan, a Participant shall, at the Participant's discretion:

- (a) pay to the Company an amount as necessary so as to ensure that the Company is in compliance with the applicable provisions of any federal, provincial, local or other law relating to the Applicable Withholding Taxes in connection with such issuance;
- (b) authorize a securities dealer designated by the Company, on behalf of the Participant, to sell in the capital markets a portion of the Common Shares issued hereunder to realize cash proceeds to be used to satisfy the Applicable Withholding Taxes; or
- (c) make other arrangements acceptable to the Company to fund the Applicable Withholding Taxes.

10. ADJUSTMENTS UPON CHANGES IN CAPITAL.

In the event of any stock dividend, stock split, combination or exchange of shares, merger, amalgamation, arrangement, consolidation, reclassification, spin-off or other distribution (other than normal cash dividends) of the Company's assets to shareholders, or any other change in the capital of the Company affecting Common Shares, the Board will make such proportionate adjustments, if any, as the Board in its discretion deems appropriate to reflect such change (for the purpose of preserving the value of the Awards), with respect to: (i) the maximum number of Common Shares subject to all Awards stated in Section 4; (ii) the maximum number of Common Shares with respect to which any one person may be granted Awards during any period stated in Section 4; (iii) the number or kind of shares or other securities subject to any outstanding Awards; and (iv) the Exercise Price of any outstanding Options provided, however, that no adjustment will obligate the Company to issue or sell fractional securities. Notwithstanding anything in this Plan to the contrary, all adjustments made pursuant to this Section 10

shall be made in compliance with section 7(1.4)(c) of the ITA and subject to the rules of the Exchange, to the extent applicable. The Company shall give each Participant notice of an adjustment hereunder and, upon notice, such adjustment shall be conclusive and binding for all purposes.

11. EFFECT OF CHANGE IN CONTROL.

11.1 Unless otherwise provided in an Award Agreement, notwithstanding any provision of the Plan to the contrary, in the event of a Change in Control that is not a Substitution Event or Permitted Reorganization, all outstanding Options shall become immediately exercisable with respect to 100% of the shares subject to such Options.

11.2 Substitution Event or a Permitted Reorganization.

Upon the occurrence of a Substitution Event or a Permitted Reorganization, the surviving or acquiring entity (the “**Continuing Entity**”) shall, to the extent commercially reasonable, take all necessary steps to continue the Plan and to continue the Awards granted hereunder or to substitute or replace similar options for the Options outstanding under the Plan on substantially the same terms and conditions as the Plan. For greater certainty, no consideration other than Continuing Entity options shall be received, and the amount that the aggregate fair market value of the securities of the Continuing Entity subject to the Continuing Entity options immediately after the substitution or replacement exceeds the aggregate exercise price of such securities under the Continuing Entity options shall not be greater than the amount the aggregate Fair Market Value of the Common Shares subject to the outstanding Options immediately before such substitution or replacement exceeds the aggregate Exercise Price of such Common Shares. Any such adjustment, substitution or replacement in respect of options shall, at all times, be made in compliance with the provisions of section 7(1.4) of the ITA.

In the event that:

- (a) the Continuing Entity does not (or, upon the occurrence of the Substitution Event or Permitted Reorganization, will not) comply with the provisions of this Section 11.2;
- (b) the Board determines, acting reasonably, that such substitution or replacement is not practicable;
- (c) the Board determines, acting reasonably, that such substitution or replacement would give rise to adverse tax results, under the ITA; or
- (d) the securities of the Continuing Entity are not (or, upon the occurrence of the Substitution Event or Permitted Reorganization, will not be) listed and posted for trading on a recognizable stock exchange;

the outstanding Options shall become fully vested and may be exercised or surrendered by the Participant at any time after the Participant receives written notice from the Board of such accelerated vesting and prior to the occurrence of the Substitution Event or Permitted Reorganization; provided, however, that such vesting, exercise or surrender shall be, unless otherwise determined in advance by the Board, effective immediately prior to, and shall be conditional on, the consummation of such Substitution Event or Permitted Reorganization. Any Options that have not been exercised or surrendered pursuant to this Section 11.2 shall be forfeited and cancelled without compensation to the holder thereof upon the consummation of such Substitution Event or Permitted Reorganization.

11.3 The obligations of the Company under the Plan shall be binding upon any successor corporation or organization resulting from the merger, consolidation or other reorganization of the Company, or upon any successor corporation or organization succeeding to all or substantially all of the assets and business of the Company and its Affiliates, taken as a whole.

11.4 In addition, in the event of a Change in Control, the Committee may in its discretion and upon at least 10 days’ advance notice to the affected persons, cancel any outstanding Awards and pay to the

holders thereof, in cash or stock, or any combination thereof, the value of such Awards based upon the price per Common Share received or to be received by other shareholders of the Company in the event. In the case of any Option with an exercise price that equals or exceeds the price paid for a Common Share in connection with the Change in Control, the Committee may cancel the Option without the payment of consideration for it.

12. AMENDMENT OF THE PLAN AND AWARDS.

12.1 Amendment of Plan and Awards.

The Board at any time, and from time to time, may amend or suspend any provision of an Award or the Plan, or terminate the Plan, subject to those provisions of Applicable Laws (including, without limitation, the rules, regulations and policies of the Exchange), if any, that require the approval of security holders or any governmental or regulatory body regardless of whether any such amendment or suspension is material, fundamental or otherwise, and notwithstanding any rule of common law or equity to the contrary.

- (a) Without limiting the generality of the foregoing, the Board may make the following types of amendments to this Plan or any Awards without seeking security holder approval:
 - (i) amendments of a “housekeeping” or administrative nature, including any amendment for the purpose of curing any ambiguity, error or omission in this Plan, or to correct or supplement any provision of this Plan that is inconsistent with any other provision of this Plan;
 - (ii) amendments necessary to comply with the provisions of applicable law (including, without limitation, the rules, regulations and policies of the Exchange);
 - (iii) amendments necessary for Awards to qualify for favourable treatment under applicable tax laws;
 - (iv) amendments to the vesting provisions of this Plan or any Award;
 - (v) amendments to include or modify a cashless exercise feature, payable in cash or Common Shares, which provides for a full deduction of the number of underlying Common Shares from the Plan maximum;
 - (vi) amendments to the termination or early termination provisions of this Plan or any Award, whether or not such Award is held by an Insider, provided such amendment does not entail an extension beyond the original expiry date of the Award; and
 - (vii) amendments necessary to suspend or terminate this Plan.
- (b) Security holder approval will be required for the following types of amendments:
 - (i) any amendment to increase the maximum number of Common Shares issuable under this Plan, other than pursuant to Section 10;
 - (ii) any amendment to this Plan that increases the length of the period after a Blackout Period during which Options may be exercised;
 - (iii) any amendment that would result in the Exercise Price for any Option granted under this Plan being lower than the Fair Market Value at the Grant Date of the Option;

- (iv) any amendment to remove or to exceed the Insider participation limit set out in Section 5.2(d);
- (v) any amendment that reduces the Exercise Price of an Option or permits the cancellation and reissuance of an Option or other Award or entitlement, in each case, other than pursuant to Section 10, Section 11.1, or Section 11.2;
- (vi) any amendment extending the term of an Option beyond the original Expiry Date, except as provided in Section 6.2;
- (vii) any amendment to the amendment provisions;
- (viii) any amendment that would allow for the transfer or assignment of Awards under this Plan, other than for normal estate settlement purposes; and
- (ix) amendments required to be approved by security holders under applicable law (including the rules, regulations and policies of the Exchange).

12.2 No Impairment of Rights.

Except as expressly set forth herein or as required pursuant to Applicable Laws, no action of the Board or security holders may materially adversely alter or impair the rights of a Participant under any Award previously granted to the Participant unless (a) the Company requests the consent of the Participant, and (b) the Participant consents in writing.

12.3 No Amendment After Grant Date

Notwithstanding any other provisions in this Plan, if the Common Shares are listed on the Exchange, the terms of an Option may not be amended after the Grant Date.

13. GENERAL PROVISIONS.

13.1 Forfeiture Events.

The Committee may specify in an Award Agreement that the Participant's rights, payments and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture or recoupment upon the occurrence of certain events, in addition to applicable vesting conditions of an Award. Such events may include, without limitation, breach of non-competition, non-solicitation, confidentiality, or other restrictive covenants that are contained in the Award Agreement or otherwise applicable to the Participant, a termination of the Participant's Continuous Service for Cause, or other conduct by the Participant that is detrimental to the business or reputation of the Company and/or its Affiliates.

13.2 Clawback.

Notwithstanding any other provisions in this Plan, the Company may cancel any Award, require reimbursement of any Award by a Participant, and effect any other right of recovery or recoupment of equity or other compensation provided under the Plan under Applicable Laws or stock exchange listing requirements that may be adopted and/or modified from time to time ("**Clawback Policy**"). In addition, a Participant may be required to repay to the Company previously paid compensation, whether provided pursuant to the Plan or an Award Agreement, in accordance with the Clawback Policy. By accepting an Award, the Participant is agreeing to be bound by the Clawback Policy, as in effect or as may be adopted and/or modified from time to time by the Company in its discretion (including, without limitation, to comply with Applicable Laws or stock exchange listing requirements).

13.3 Other Compensation Arrangements.

Nothing contained in this Plan shall prevent the Board from adopting other or additional compensation arrangements, subject to any required regulatory or security-holder approval if such approval is required; and such arrangements may be either generally applicable or applicable only in specific cases.

13.4 Sub-Plans.

The Committee may from time to time establish sub-plans under the Plan for purposes of satisfying Applicable Laws of various jurisdictions in which the Company intends to grant Awards. Any sub-plans shall contain such limitations and other terms and conditions as the Committee determines are necessary or desirable. All sub-plans shall be deemed a part of the Plan, but each sub-plan shall apply only to the Participants in the jurisdiction for which the sub-plan was designed.

13.5 Unfunded Plan.

The Plan shall be unfunded. Neither the Company, the Board nor the Committee shall be required to establish any special or separate fund or to segregate any assets to assure the performance of its obligations under the Plan.

13.6 Recapitalizations.

Each Award Agreement shall contain provisions required to reflect the provisions of Section 10.

13.7 Delivery.

Upon exercise of a right granted under this Plan, the Company shall issue Common Shares or pay any amounts due within a reasonable period of time thereafter. Subject to any statutory or regulatory obligations the Company may otherwise have, for purposes of this Plan, 30 days shall be considered a reasonable period of time.

13.8 No Fractional Shares.

No fractional Common Shares shall be issued or delivered pursuant to the Plan. The Committee shall determine whether cash, additional Awards or other securities or property shall be issued or paid in lieu of fractional Common Shares or whether any fractional shares should be rounded, forfeited or otherwise eliminated.

13.9 Other Provisions.

The Award Agreements authorized under the Plan may contain such other provisions not inconsistent with this Plan, including, without limitation, restrictions upon the exercise of the Awards, as the Committee may deem advisable.

13.10 Beneficiary Designation.

Each Participant under the Plan may from time to time name any beneficiary or beneficiaries by whom any right under the Plan is to be exercised in case of such Participant's death. Each designation will revoke all prior designations by the same Participant, shall be in a form reasonably prescribed by the Committee and shall be effective only when filed by the Participant in writing with the Company during the Participant's lifetime.

13.11 Expenses.

The costs of administering the Plan shall be paid by the Company.

13.12 Severability.

The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from the Plan.

13.13 Plan Headings.

The headings in the Plan are for purposes of convenience only and are not intended to define or limit the construction of the provisions hereof.

13.14 Non-Uniform Treatment.

The Committee's determinations under the Plan need not be uniform and may be made by it selectively among persons who are eligible to receive, or actually receive, Awards. Without limiting the generality

of the foregoing, the Committee shall be entitled to make non-uniform and selective determinations, amendments and adjustments, and to enter into non-uniform and selective Award Agreements.

13.15 Participant Information.

- (a) As a condition of participating in the Plan, each Participant agrees to comply with all such Applicable Laws and agrees to furnish to the Company all information and undertakings as may be required to permit compliance with such Applicable Laws. Each Participant shall provide the Company with all information (including personal information) required in order to administer the Plan (the “**Participant Information**”).
- (b) The Company may from time to time transfer or provide access to Participant Information to a third-party service provider for purposes of the administration of the Plan, provided that such service providers will be provided with such information for the sole purpose of providing services to the Company in connection with the operation and administration of the Plan. The Company may also transfer and provide access to Participant Information to the Employer for purposes of preparing financial statements or other necessary reports and facilitating payment or reimbursement of Plan expenses. By participating in the Plan, each Participant acknowledges that Participant Information may be so provided and agrees and consents to its provision on the terms set forth herein. The Company shall not disclose Participant Information except (i) as contemplated above in this Section 13.15(b), (ii) in response to regulatory filings or other requirements for the information by a governmental authority or regulatory body, or (iii) for the purpose of complying with a subpoena, warrant or other order by a court, Person or body having jurisdiction over the Company to compel production of the information.

13.16 Priority of Agreements.

In the event of any inconsistency or conflict between the provisions of the Plan and any Award Agreement, the provisions of the Plan shall prevail. In the event of any inconsistency or conflict between the provisions of the Plan or any Award Agreement, on the one hand, and a Participant’s employment agreement with the Employer, on the other hand, the provisions of the employment agreement shall prevail.

14. EFFECTIVE DATE OF PLAN.

The Plan shall become effective as of the Effective Date. This Plan applies to Awards granted hereunder on and after the Effective Date.

15. GOVERNING LAW.

The Plan shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

As adopted by the Board of Directors of Li-Metal Corp. on August 26, 2022.

As approved by the security holders of Li-Metal Corp. on _____, 2022.