



CONSOLIDATED LITHIUM METALS INC.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

You are invited to our 2025 annual and special meeting (the “**Meeting**”) of common shareholders of Consolidated Lithium Metals Inc. (the “**Corporation**”).

When: July 22, 2025 at 11:00 a.m. (Toronto time)

Where: 198 Davenport Road, Toronto, Ontario M5R 1J2

The purpose of the Meeting is as follows:

1. **Financial Statements.** Receive and consider the audited financial statements as at and for the fiscal year ended December 31, 2024, together with the report of the auditor thereon.
2. **Auditor Appointment.** Appoint McGovern Hurley LLP as auditor of the Corporation.
3. **Omnibus Plan.** Consider and, if thought advisable, pass, with or without variation, an ordinary resolution to approve the existing omnibus incentive plan of the Corporation, as more particularly described in the accompanying management information circular dated June 11, 2025 (the “**Circular**”).
4. **Share Consolidation.** Consider and, if thought advisable, pass, with or without variation, a special resolution approving the consolidation of the Corporation’s common shares on the basis of up to 20 for 1.
5. **Elect Directors.** Consider and elect the directors for the ensuing year.
6. **Other Business.** Consider other business as may properly come before the Meeting or any postponement(s) or adjournment(s) thereof.

Shareholders and/or their appointees may participate in the Meeting by way of conference call; however, votes cannot be cast on the conference call. Please register at <https://us02web.zoom.us/meeting/register/c3Ga0skNQhOE21VK7XVzjA> to receive conference call details.

Notice-and-Access

Notice is also hereby given that the Corporation has decided to use the notice-and-access method of delivery (“**Notice-and-Access**”) of Meeting Materials (as defined below) for the Meeting. Notice-and-Access allows the Corporation to deliver the Meeting Materials over the internet in accordance with the Notice-and-Access rules adopted by the Ontario Securities Commission under National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*. Under the Notice-and-Access system, shareholders still receive a proxy or voting instruction form (as applicable) enabling them to vote at the Meeting. However, instead of a paper copy of the Circular, the annual financial statements and related management’s discussion and analysis and other information (the “**Meeting Materials**”), shareholders receive this notification with information on how they may access such materials electronically. The use of this alternative means of delivery is more environmentally friendly, as it will help reduce paper use and will also reduce the cost of printing and mailing materials to shareholders. Shareholders are reminded to view the Meeting Materials prior to voting.

WEBSITES WHERE MEETING MATERIALS ARE POSTED

Materials can be viewed online under the Corporation's profile at www.sedarplus.ca, or at <https://docs.tsxtrust.com/2485>. The Corporation will not use procedures known as "stratification" in relation to the use of Notice-and-Access provisions. Stratification occurs when a reporting issuer using Notice-and-Access provides a paper copy of the Circular to some shareholders with this notice package.

HOW TO OBTAIN PAPER COPIES OF THE MEETING MATERIALS

Registered holders or beneficial owners may request paper copies of the Meeting Materials be sent to them by postal delivery at no cost to them. Requests may be made up to one year from the date the Meeting Materials are posted on the Corporation's website. In order to receive a paper copy of the Meeting Materials or if you have questions concerning Notice-and-Access, please call toll free at 1-866-600-5869 or email at tsxtis@tmx.com. Requests should be received by July 11, 2025, in order to receive the Meeting Materials in advance of the meeting date in time to vote before the Meeting.

You may vote your shares by proxy if you are unable to attend the Meeting. Please review the enclosed Circular and date, sign and return the enclosed form of proxy to the Corporation's transfer agent by 11:00 a.m. (Toronto time) on July 18, 2025.

In the event of a postal disruption as a result of a Canada Post labour disruption or other cause, please see "*Voting – Appointment and Revocation of Proxies*" and "*Voting of Proxies – Non-Registered Shareholders*" in the Circular for information on how to obtain and submit a form of proxy or voting information form, as applicable.

The directors of the Corporation have fixed the close of business on June 11, 2025 as the record date, being the date for the determination of the registered holders entitled to notice and to vote at the Meeting and any postponement(s) or adjournments(s) thereof.

DATED at Toronto, Ontario as of the 11th day of June, 2025.

BY ORDER OF THE BOARD OF DIRECTORS

"Richard Quesnel"

President and Chief Executive Officer



2025 MANAGEMENT INFORMATION CIRCULAR

CONSOLIDATED LITHIUM METALS INC.

ABOUT THE SHAREHOLDER MEETING

June 11, 2025

Forward-looking Statements

This management information circular (“**Circular**”) contains certain “forward-looking statements” including with respect to the holding of the Meeting (as defined below) to elect the directors of Consolidated Lithium Metals Inc. (“**CLM**” or the “**Corporation**”) for the ensuing year, appoint McGovern Hurley LLP as auditor of the Corporation, re-approve the Omnibus Plan (as defined below), and approve the consolidation of the Corporation’s shares. Such forward-looking statements involve risks and uncertainties, many of which are outside of the control of the Corporation. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of the Corporation to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Any forward-looking statement contained herein speaks only as of the date of this Circular and, except as may be required by applicable securities laws, the Corporation disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise.

Solicitation of Proxies

You have received this Circular because you owned common shares of the Corporation (“**Common Shares**”) as of June 11, 2025. You are therefore entitled to vote at the 2025 annual and special meeting of common shareholders (the “**Meeting**”) of the Corporation to be held on July 22, 2025 at 11:00 a.m. (Toronto time) at 198 Davenport Road, Toronto, Ontario M5R 1J2, and any postponement(s) or adjournment(s) thereof.

The board of directors of the Corporation (the “**Board**”) has set June 11, 2025 as the record date for the Meeting (the “**Record Date**”).

Management is soliciting your proxy for the Meeting. The Board has fixed 11:00 a.m. (Toronto time) on July 18, 2025, or 48 hours (excluding Saturdays, Sundays or holidays) before any postponement(s) or adjournment(s) of the Meeting, as the time by which proxies to be acted upon at the Meeting shall be deposited with the Corporation’s transfer agent. The costs of solicitation by management will be borne by the Corporation.

These materials are being sent to both registered and non-registered owners of the Common Shares. The Corporation or its agent has obtained information regarding non-registered owners in accordance with the applicable securities regulatory requirements from the intermediary holding the Common Shares on your behalf. By choosing to send these materials to you directly, the Corporation (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

The Corporation shall make a list of all persons who are registered shareholders of the Corporation (“**Shareholders**”) on the Record Date and the number of Common Shares registered in the name of each Shareholder on such 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 or her name as it appears on the list.

Shareholders and/or their appointees may also participate in the Meeting by way of conference call; however, votes cannot be cast on the conference call. Please register at <https://us02web.zoom.us/meeting/register/c3Ga0skNQhOE21VK7XVzjA> to receive conference call details. Electronic copies of the Meeting materials may be obtained at the Corporation's profile at www.sedarplus.ca or at <https://docs.tsxtrust.com/2485>. Unless otherwise stated, the information contained in this Circular is as of the date hereof. All dollar amount references in this Circular, unless otherwise indicated, are expressed in Canadian dollars.

Voting

Appointment and Revocation of Proxies

The persons named in the enclosed form of proxy are officers and/or directors of the Corporation. **You may appoint some other person or entity to represent you at the Meeting** 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 198 Davenport Road, Toronto, Ontario M5R 1J2 at any time up to and including the last business day preceding the day of the Meeting.

For registered Shareholders who do not receive physical delivery of the form of proxy by mail due to a postal disruption as a result of a Canada Post labour disruption or any other cause, the form of proxy for use by registered Shareholders is also available under the Corporation's profile at www.sedarplus.ca. In the event of a postal disruption, registered Shareholders are encouraged to complete the form of proxy and return it by courier to TSX Trust Company, 301-100 Adelaide Street West, Toronto, Ontario, M5H 4H1 or by facsimile at (416) 595-9593, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays in Ontario) before the time set for the Meeting.

Voting of Proxies

Registered Shareholders

You can vote in person or vote by proxy. Voting by proxy is the easiest way to vote because you can appoint anyone to be your proxyholder to attend the Meeting and vote your Common Shares according to your instructions. This person does not need to be a Shareholder. The executive officers named in the proxy form can act as your proxyholder and vote your Common Shares according to your instructions.

If you appoint the CLM proxyholders and do not indicate your voting instructions, they will vote your Common Shares:

- for the appointment of the auditors;
- for the approval of the Omnibus Plan;
- for the approval of the Share Consolidation (as defined below); and
- for the appointment of the nominated directors.

If you want to appoint someone else as your proxyholder, print that person's name in the blank space provided in the proxy form (or complete another proxy form) and send the form to the Corporation's transfer agent. Make sure this person is aware that you appointed them as your proxyholder and that they must attend the Meeting to vote on your behalf and according to your instructions. If you do not indicate your voting instructions, your proxyholder can vote as he or she sees fit.

At the time of printing this Circular, management is not aware of any amendments, variations or other matters to come before the Meeting. If other matters are properly brought before the Meeting, your proxyholder can vote as he or she sees fit.

The transfer agent must receive the completed proxy form by 11:00 a.m. (Toronto time) on July 18, 2025, or 48 hours (excluding Saturdays, Sundays or holidays) before any postponement(s) or adjournment(s) of the Meeting.

Non-Registered Shareholders

Non-registered Shareholders (“**Non-Registered Shareholders**”) are those holders who beneficially own Common Shares registered in the name of an intermediary with whom the Non-Registered Shareholder deals in respect of the Common Shares, such as, banks, trust companies, securities dealers (each an “**Intermediary**”) or in the name of a clearing agency such as CDS & Co. In accordance with the requirements of NI 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), the Corporation has distributed copies of the form of proxy and supplemental mailing card (collectively, the “**Meeting Materials**”) to the clearing agencies and Intermediaries for onward distribution to Non-Registered Shareholders.

Intermediaries and clearing agencies must forward the Meeting Materials to Non-Registered Shareholders unless the shareholder has waived the right to receive them. If you are a Non-Registered Shareholder and have not waived the right to receive the materials, your package should include either a voting instruction form (not signed by your Intermediary) or a proxy form (signed by your Intermediary). The Corporation also intends to pay for Intermediaries to deliver the Meeting Materials to objecting beneficial owners.

Either form instructs your Intermediary (the registered Shareholder) to vote your Common Shares according to your instructions. Be sure to send back your completed form as soon as possible to ensure your Intermediary carries out your voting instructions.

Non-Registered Shareholders who do not receive physical delivery of their voting instruction form and control number by mail due to a postal disruption as a result of a Canada Post labour disruption or other cause may obtain their control number and online or telephonic voting instructions by contacting their Intermediary that holds their Common Shares.

We encourage Non-Registered Shareholders to review such instructions carefully and contact their Intermediary promptly to obtain their required control number or provide instructions to vote on their behalf and thereby ensure their vote is recorded through the internet and telephone system.

Adoption of Notice and Access

In accordance with the notice and access rules adopted by the Ontario Securities Commission under NI 54-101, the Corporation has sent its proxy-related materials directly to registered holders and non-objecting beneficial owners using notice-and-access. Therefore, although shareholders still receive a Form of Proxy or Voting Information Form in paper copy, this Circular, annual consolidated financial statements and related MD&A are not physically delivered. Instead, shareholders may access these materials on the Corporation’s website at <https://docs.tsxtrust.com/2485> or under the Corporation’s profile page on SEDAR+ at www.sedarplus.ca.

Registered Shareholders or Non-Registered Shareholders may request paper copies of the Meeting Materials be sent to them by postal delivery at no cost to them. Requests may be made up to one year from the date the Meeting Materials are posted on the Corporation’s website. In order to receive a paper copy of the Meeting Materials or if you have questions concerning Notice-and-Access, please call toll free at 1-866-600-5869 or email at tsxtis@tmx.com. Requests for paper materials should be received by July 11, 2025, in order to receive the Meeting Materials in advance of the Meeting in time to vote before the

Meeting.

Interest of Certain Persons or Companies in Matters to be Acted Upon

None of the directors or officers of the Corporation, nor any person who has held such a position since the beginning of the last completed financial year of the Corporation, nor any associate or affiliate 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 on at the Meeting, other than the approval of the Omnibus Plan and to the extent that Common Shares owned by any of them are affected by the Share Consolidation, each as described in this Circular.

Voting Securities and Principal Holders

The authorized capital of the Corporation consists of an unlimited number of Common Shares and an unlimited number of preferred shares. As of the date hereof, the Corporation has 389,317,266 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 date hereof, no person, beneficially owns, directly or indirectly, or exercises control or direction over securities carrying more than 10% of the voting rights attached to the Common Shares.

BUSINESS OF THE MEETING

Other than in respect of the election of directors and approval of the Omnibus Plan, or as otherwise disclosed herein, no informed person (as such term is defined under applicable securities laws) of the Corporation or Nominee (as defined below) (and each of their associates or affiliates) has had any direct or indirect material interest in any transaction involving the Corporation since January 1, 2024 or in any proposed transaction which has materially affected or would materially affect the Corporation or its subsidiaries.

Financial Statements

The consolidated financial statements for the fiscal year ended December 31, 2024, 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.

Appointment of Auditors

Management of the Corporation recommends that Shareholders vote in favour of the appointment of McGovern Hurley LLP, Chartered Accountants, as auditors of the Corporation until the close of the next annual meeting of Shareholders and the authorization of the Board 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 McGovern Hurley LLP, Chartered Accountants, and the authorization of the Board to fix their remuneration.

McGovern Hurley LLP, Chartered Accountants, have been the auditors of the Corporation since January 8, 2019.

The following table sets out the audit and audit-related fees billed by the Corporation's auditors for the years ended December 31, 2024 and 2023.

Service	2023	2024
Audit Fees	\$50,290	\$59,920
Audit-Related Fees	Nil	Nil
Tax Fees	\$6,153	\$4,066
Other Fees	Nil	Nil

Total:	\$56,443	\$63,986
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For additional information about the Corporation's auditors and the Audit Committee, please refer to the section "Audit Committee".

Omnibus Incentive Plan

At the annual and special meeting of the Corporation held on June 13, 2023, the Shareholders approved the Corporation's omnibus incentive plan (the "**Omnibus Plan**"). Pursuant to the Omnibus Plan, management proposes stock option ("**Options**") and restricted share unit ("**RSU**", and together with the Options, collectively, the "**Awards**") grants to the Board based on such criteria as performance, previous grants, and hiring and retention incentives. The Omnibus Plan is administered by the Board and all Award grants require approval of the Board. The Omnibus Plan provides for (i) grants of Options of up to a maximum of 10% of the issued and outstanding Common Shares at the time an Option is granted, less Common Shares reserved for issuance on exercise of Options then outstanding, and (ii) grants of RSUs up to a maximum of 29,588,515.

As described above, the Omnibus Plan is both a "rolling" plan and a "fixed" plan, in that it contemplates (i) grants of Options of up to a maximum of 10% of the issued and outstanding Common Shares at the time an Option is granted, less Common Shares reserved for issuance on exercise of Options then outstanding, and (ii) grants of RSUs up to a maximum of 29,588,515. As of the date of this Circular, there were 30,504,811 Options outstanding pursuant to the Omnibus Plan which represents approximately 7.8% of the total issued and outstanding Common Shares; no RSUs have yet been granted pursuant to the Omnibus Plan.

The Board is of the view that the Omnibus Plan is required and in the best interest of the Corporation in order to facilitate the grant of Awards and provide additional incentive to, and attract and retain, the Service Providers (as such term is defined in the Omnibus Plan) necessary for the Corporation's long-term success, to encourage executives and/or employees and consultants to further the development of the Corporation and its operations, and to motivate Service Providers.

Pursuant to the policies of the TSX Venture Exchange ("**TSXV**" or "**Exchange**"), the Corporation is required to obtain the annual approval of the Omnibus Plan from its shareholders each year at its annual meeting of Shareholders. Accordingly, at the Meeting, the Shareholders will be asked to pass an ordinary resolution to approve the Omnibus Plan. A copy of the Omnibus Plan is attached hereto as Schedule "A".

Set forth below is a summary of the Omnibus Plan. The following summary is qualified in all respects by the provisions of the Omnibus Plan. Reference should be made to the Omnibus Plan for the complete provisions thereof.

As described above, the maximum aggregate number of Common Shares that may be reserved for issuance under the Omnibus Plan pursuant to the grant of RSUs at any point in time is 29,588,515, unless the Omnibus Plan is amended pursuant to the policies of the TSXV.

Any Common Share which was reserved for issuance pursuant to an Award which Award has been cancelled or terminated in accordance with the terms of the Omnibus Plan without being paid out as provided for in the Omnibus Plan shall be returned to the Corporation pursuant to the terms of the Omnibus Plan.

Only a Service Provider is eligible to participate in the Omnibus Plan and receive Awards thereunder.

Unless disinterested Shareholder approval is obtained (or unless permitted otherwise by the rules of the TSXV):

- a. the maximum number of Common Shares which may be reserved for issuance to insiders (as a group) under the Omnibus Plan, together with all other Common Shares issuable under any other

- equity compensation arrangements then in place, shall not exceed ten percent (10%) of the issued and outstanding Common Shares calculated as of the date of grant of the Award;
- b. the maximum number of Common Shares that may be made issuable to insiders (as a group), together with all other Common Shares issuable under any other equity compensation arrangements then in place, within a twelve (12) month period, may not exceed ten percent (10%) of the issued and outstanding Common Shares calculated as of the date of grant of the Award; and
 - c. subject to (b) above, the maximum number of Common Shares issuable pursuant to Awards or issued to any one Service Provider, together with all other Common Shares issuable under any other equity compensation arrangements then in place, within a twelve (12) month period, shall not exceed five percent (5%) of the issued and outstanding Common Shares calculated on the date of grant of the Award.

The maximum number of Common Shares which may be made issuable to any one Consultant (as such term is defined in the Omnibus Plan), together with all other Common Shares issuable under any other equity compensation arrangements then in place, within a twelve (12) month period, shall not exceed two percent (2%) of the number of issued and outstanding Common Shares as of the date of the grant of the Award.

The following limitations apply to the grant of Awards to Investor Relations Service Providers (as such term is defined in the Omnibus Plan):

- a. the only Awards that may be granted to Investor Relations Service Providers are Options;
- b. Options granted to Investor Relations Service Providers will vest:
 - i. at a minimum over a period of not less than twelve (12) months as to twenty-five percent (25%) on the date that is three months from the date of grant, and a further twenty-five percent (25%) on each successive date that is three (3) months from the date of the previous vesting; or
 - ii. such longer vesting period as the Board may determine; and
- c. the maximum number of Common Shares that may be made issuable pursuant to Options granted to Investor Relations Service Providers in the previous 12 months shall not exceed two percent (2%) of the issued and outstanding Common Shares, calculated at the time of the grant.

RSU Grants under the Omnibus Plan

The Board may, in its discretion, at any time, and from time to time, grant RSUs to Service Providers as it determines is appropriate, subject to the limitations set out in the Omnibus Plan.

At the time a grant of a RSU is made, the Board may, in its sole discretion, establish performance conditions for the vesting of an RSU (the "**Performance Conditions**"). The Board may use such business criteria and other measures of performance as it may deem appropriate in establishing any Performance Conditions and may exercise its discretion to reduce the amounts payable under any Award subject to Performance Conditions. The Board may determine that an Award shall vest in whole or in part upon achievement of any one performance condition or that two or more Performance Conditions must be achieved prior to the vesting of an Award. Performance Conditions may differ for Awards granted to any one recipient of RSUs.

Except as provided in the Omnibus Plan, RSUs issued pursuant thereto will vest on the later of:

- a. the Trigger Date (as such term is defined in the Omnibus Plan); and
- b. the date upon which the relevant Performance Condition or other vesting condition set out in the Award has been satisfied.

RSUs which do not vest on or before the expiry date of such RSU due to failure to meet Performance Conditions or the cessation of employment will be automatically cancelled, without further act or formality on the part of the Corporation and without compensation by the Corporation. In addition, the Board may,

at any time after a grant of a RSU, accelerate the Trigger Date of such RSU, provided such date is not earlier than one year from the date of the grant, unless otherwise permitted under TSXV policies.

Subject to the terms of the Omnibus Plan, the Corporation, in its discretion and as may be determined by the Board, will pay out vested RSUs issued under the Omnibus Plan and credited to the account of a recipient of an RSU by paying or issuing (net of any applicable withholding tax) to such recipient, on or subsequent to the Vesting Date (as such term is defined in the Omnibus Plan) but no later than the expiry date of such vested RSU, an Award payout of either:

- a. subject to receipt of regulatory approvals, one (1) Common Share for such whole vested RSU. Fractional Common Shares shall not be issued and where a RSU recipient would be entitled to receive a fractional Common Share in respect of any fractional vested RSU, the Corporation shall pay to such RSU recipient, in lieu of such fractional Common Share, cash equal to the Vesting Date Value (as such term is defined in the Omnibus Plan) as at the Vesting Date of such fractional Common Share. Each Common Share issued by the Corporation pursuant to the Omnibus Plan shall be issued as fully paid and non-assessable, or
- b. a cash amount equal to the Vesting Date Value as at the Vesting Date of such vested RSU; and
- c. notwithstanding the foregoing, the Vesting Date Value must not be less than the Discounted Market Price (as such term is defined in the Omnibus Plan) as at the grant date of the RSU.

Notwithstanding anything in the Omnibus Plan, the Corporation shall not issue Common Shares to any Service Provider who is an insider of the Corporation where such issuance would result in:

- a. the total number of Common Shares issuable at any time under the Omnibus Plan to insiders, or when combined with all other Common Shares issuable to insiders under any other equity compensation arrangements then in place, exceeding the maximum grants set forth in the Omnibus Plan, or ten percent (10%) of the total number of issued and outstanding Common Shares on a non-diluted basis, unless the Corporation has obtained disinterested Shareholder approval to do so; and
- b. the total number of Common Shares that may be issued to insiders during any one (1) year period, or when combined with all other Common Shares issued to insiders under any other equity compensation arrangements then in place, exceeding the maximum grants set forth in the Omnibus Plan, or ten percent (10%) of the total number of issued and outstanding Common Shares on a non-diluted basis, unless the Corporation has obtained disinterested Shareholder approval to do so.

Where the Corporation is precluded from issuing Common Shares to an insider of the Corporation, the Corporation will pay to the relevant insider a cash amount equal to the Vesting Date Value as at the Vesting Date of the RSU.

Unless the Board at any time otherwise determines, all unvested RSUs held by any recipient thereof and all rights in respect thereof will be automatically cancelled, without any further act or formality and without compensation, immediately in the event of termination of employment or removal from service by the Corporation for cause or the retirement and/or voluntary resignation of the RSU recipient.

Unless the Board at any time otherwise determines, unvested RSUs will immediately vest on the date the RSU recipient ceases to be a Service Provider for any of the following reasons:

- a. death or disability;
- b. the termination of employment or removal from service by the Corporation without cause; and
- c. the termination of employment by the RSU recipient other than by way of retirement or voluntary resignation by the RSU recipient.

In the event of a Change of Control (as such term is defined in the Omnibus Plan), all RSUs credited to an account of a recipient that have not otherwise previously been cancelled pursuant to the terms of the Omnibus Plan shall vest on the date on which the Change of Control occurs (the “**Change of Control**”).

Date"). Within thirty (30) days after the Change of Control Date, but in no event later than the expiry date, the RSU recipient shall, at the discretion of the Board, receive either:

- a. Common Shares, or
- b. a cash payment equal in amount to: (i) the number of RSUs that vested on the Change of Control Date; multiplied by (b) the Fair Market Value (as such term is defined in the Omnibus Plan) on the Change of Control Date, net of any applicable withholding taxes and other source deductions required by law to be withheld by the Corporation.

Option Awards under the Omnibus Plan

No Options shall be granted after the expiration of ten (10) years from the earlier of the date of the adoption of the Omnibus Plan by the Corporation or the approval of the Omnibus Plan by the shareholders.

Employees of the Corporation are the only class of persons eligible to receive Incentive Stock Options (as such term is defined in the Omnibus Plan) under the Omnibus Plan.

Without limiting the powers of the Board hereunder, the Board has the power to:

- a. allot Common Shares for issuance in connection with the exercise of Options;
- b. grant Options hereunder;
- c. subject to any necessary regulatory approval, amend, suspend, terminate or discontinue the Omnibus Plan, or revoke or alter any action taken in connection therewith, except that no general amendment or suspension of the Omnibus Plan will, without the prior written consent of all optionholders, alter or impair any Option previously granted under the Omnibus Plan unless the alteration or impairment occurred as a result of a change in the policies of the TSXV or the Corporation's tier classification thereunder; and
- d. delegate all or such portion of its powers hereunder as it may determine to one or more committees of the Board, either indefinitely or for such period of time as it may specify, and thereafter each such committee may exercise the powers and discharge the duties of the Board in respect of the Omnibus Plan so delegated to the same extent as the Board is hereby authorized so to do.

Subject to the policies of the TSXV and the prior receipt of any necessary regulatory approval, the Board may in its absolute discretion, amend or modify the Omnibus Plan or any Award granted as follows:

- a. it may make amendments which are of a typographical, grammatical or clerical nature only;
- b. amendments of a housekeeping nature; and
- c. it may make such amendments as reduce, and do not increase, the benefits of the Omnibus Plan to Service Providers.

Subject to the Omnibus Plan, the exercise price of an Option may be amended only if at least six (6) months have elapsed since the later of: (i) the date of commencement of the term of the Option, (ii) the date the Common Shares commenced trading on the TSXV, or the (iii) date of the last amendment of the exercise price of such Option.

An Option must be outstanding for at least one year before the Corporation may extend its term, subject to a maximum term of five (5) years from the date of grant.

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

Subject to any other provision of the Omnibus Plan, vesting of Options shall be at the discretion of the Board and, with respect to any particular Options granted under the Omnibus Plan, in the absence of a

vesting schedule being specified at the time of grant, all such Options shall vest immediately. Where applicable, vesting of Options will generally be subject to:

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

In the event of a Change of Control occurring, Options granted and outstanding, which are subject to vesting provisions, shall be deemed to have immediately vested upon the occurrence of the Change of Control, excluding Options granted to a person engaged in Investor Relations Activities (as defined in the terms of the Omnibus Plan).

Options may be exercised after the Service Provider has left his/her employ/office or has been advised by the Corporation that his/her services are no longer required or his/her service contract has expired, until the term applicable to such Options expires, except as follows:

- a. in the case of the death of an optionholder, any vested Option held by him at the date of death will become exercisable by the optionholder's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such optionholder and the date of expiration of the term otherwise applicable to such Option;
- b. an Option granted to a (i) director and/or officer of the Corporation will expire ninety (90) days and (ii) to all others including, but not limited to, employees and consultants of the Corporation will expire thirty (30) days (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the optionholder at any time prior to expiry of the Option) after the date the optionholder ceases to be employed by or provide services to the Corporation, and only to the extent that such Option was vested at the date the optionholder ceased to be so employed by or to provide services to the Corporation; and
- c. in the case of an optionholder being dismissed from employment or service for cause, such optionholder's Options, whether or not vested at the date of dismissal will immediately terminate without right to exercise same.

Subject to the Omnibus Plan, all Options will be exercisable only by the optionholder to whom they are granted and will not be assignable or transferable.

The Corporation is required pursuant to the policies of the TSXV to obtain the approval of the Shareholders of the Omnibus Plan each year at the Corporation's annual meeting of Shareholders. **THE BOARD AND MANAGEMENT OF THE CORPORATION RECOMMEND THAT SHAREHOLDERS VOTE IN FAVOUR OF THE RESOLUTION APPROVING THE OMNIBUS PLAN** (the "Omnibus Plan Resolution"). To be effective, the Omnibus Plan Resolution requires the approval of a majority of the votes cast thereon by Shareholders present or represented by proxy at the Meeting.

The text of the Omnibus Plan Resolution to be submitted to Shareholders at the Meeting is set forth below:

"BE IT RESOLVED AS AN ORDINARY RESOLUTION OF THE SHAREHOLDERS OF CONSOLIDATED LITHIUM METALS INC. (THE "CORPORATION") THAT:

1. the omnibus incentive plan of the Corporation in the form attached as Schedule "A" to the management information circular dated June 11, 2025, with such amendments thereto as may be made from time to time by the Board, without further approval of the shareholders of the Corporation, in order to conform with the policies or requirements of the TSX Venture Exchange or any other stock exchange on which the Common Shares are listed at such applicable time, be and is hereby ratified, confirmed and approved; and

2. any director and/or officer of the Corporation be and such director or officer of the Corporation is hereby authorized and empowered, acting for, in the name of and on behalf of the Corporation, to execute or cause to be executed, under the seal of the Corporation or otherwise, and to deliver or cause to be delivered any and all such documents and instruments and to do or to cause to be done all such other acts and things as, in the opinion of such director or officer, may be necessary or desirable in order to fulfil the intent of this resolution.”

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE OMNIBUS PLAN RESOLUTION UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE VOTED AGAINST SUCH RESOLUTION.

Share Consolidation

The Corporation is contemplating consolidating its shares by exchanging up to every twenty old common shares of the Corporation into one new common share (the “**Share Consolidation**”). Accordingly, at the Meeting, Shareholders will be asked to consider and, if thought advisable, to pass a special resolution as set forth below hereto authorizing the Corporation to consolidate the shares of the Corporation. The Board shall in its sole discretion determine the consolidation ratio that results in the Corporation continuing to meet the distribution requirements of the Exchange. Subject to the approval of the Exchange, approval of the special resolution by holders of Common Shares would give the Board authority to implement the Share Consolidation at any time in the following twelve months. Notwithstanding approval of the proposed Share Consolidation by Shareholders, the Board, in its sole discretion, may revoke the special resolution and abandon the Share Consolidation without further approval or action by or prior notice to Shareholders.

The background to and reasons for the Share Consolidation, and certain risks associated with the Share Consolidation and related information, are described in Schedule “C” of the Circular.

No Fractional Shares to be Issued

No fractional Common Shares will be issued in connection with the Share Consolidation and, in the event that a Shareholder would otherwise be entitled to receive a fractional Common Share upon the Share Consolidation, such fraction will be rounded down to the nearest whole number.

Effects of the Share Consolidation on the Common Shares

If approved and implemented, the Share Consolidation will occur simultaneously for all of the Common Shares and the consolidation ratio will be the same for all of such Common Shares. Except for any variances attributable to fractional shares, the change in the number of issued and outstanding Common Shares that will result from the Share Consolidation will cause no change in the capital attributable to the Common Shares and will not materially affect any Shareholder’s percentage ownership in the Corporation, even though such ownership will be represented by a smaller number of Common Shares.

In addition, the Share Consolidation will not materially affect any Shareholder’s proportionate voting rights. Each Common Share outstanding after the Share Consolidation will be entitled to one vote and will be fully paid and non-assessable.

The principal effects of the Share Consolidation will be that the number of Common Shares issued and outstanding will be reduced from 389,317,266 Common Shares as of the date of this Circular to approximately 19,465,863 Common Shares, assuming a Share Consolidation ratio of 20 to 1. Other than as described above under “*No Fractional Shares to be Issued*”, the implementation of the Share Consolidation would not affect the total shareholders’ equity of the Corporation, or any components of shareholders’ equity as reflected on the Corporation’s financial statements except: (i) to change the number of issued and outstanding Common Shares; and (ii) to change the stated capital of the Common Shares to reflect the Share Consolidation.

Procedure for Implementing the Share Consolidation

If the special resolution is approved by Shareholders and the Board decides to implement the Share Consolidation, the Corporation will promptly file articles of amendment with the Director under the *Canada Business Corporations Act* (“**CBCA**”) in the form prescribed by the CBCA to amend the Corporation’s articles of incorporation. The Share Consolidation will become effective on the date shown in the certificate of amendment issued by the Director under the CBCA or such other date indicated in the articles of amendment provided that, in any event, such date will be prior to the next annual meeting of Shareholders.

No Dissent Rights

Under the CBCA, Shareholders do not have dissent and appraisal rights with respect to the proposed Share Consolidation.

Resolution

The text of the special resolution, which will be submitted to Shareholders at the Meeting, is set forth below.

“BE IT RESOLVED AS A SPECIAL RESOLUTION OF THE SHAREHOLDERS OF CONSOLIDATED LITHIUM METALS INC. (THE “CORPORATION”), THAT:

1. The Corporation is hereby authorized to amend its articles of incorporation to provide that:
 - a. the authorized capital of the Corporation is altered by consolidating all of the issued and outstanding common shares of the Corporation (“**Common Shares**”) without par value on the basis of one (1) post-consolidation Common Share for up to every twenty (20) pre-consolidation Common Shares, with the exact ratio to be determined by the Board;
 - b. in the event that the consolidation would otherwise result in the issuance of a fractional Common Share, no fractional Common Share shall be issued and such fraction will be rounded down to the nearest whole number; and
 - c. the effective date of such consolidation shall be the date shown in the certificate of amendment issued by the Director appointed under the *Canada Business Corporations Act* or such other date indicated in the articles of amendment provided that, in any event, such date shall be prior to the next annual meeting of Shareholders.
2. Any director or officer of the Corporation is hereby authorized and directed for and in the name of and on behalf of the Corporation to execute, or to cause to be executed, whether under the corporate seal of the Corporation or otherwise, and to deliver or cause to be delivered all such other documents and instruments, and to do or cause to be done all such other acts and things as, in the opinion of such director or officer, may be necessary or desirable in order to carry out the intent of this special resolution, including, without limitation, the determination of the effective date of the consolidation and the delivery of articles of amendment in the prescribed form to the Director appointed under the *Canada Business Corporations Act*, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination.

3. Notwithstanding the foregoing, the directors of the Corporation are hereby authorized, without further approval of or notice to the shareholders of the Corporation, to revoke this special resolution at any time before a certificate of amendment is issued by the Director.”

To be effective, the Share Consolidation must be approved by not less than two-thirds (66⅔%) of the votes cast by holders of Common Shares present in person or represented by proxy and entitled to vote at the Meeting.

FOR THE REASONS INDICATED ABOVE, THE BOARD AND MANAGEMENT OF THE CORPORATION BELIEVE THAT THE PROPOSED SHARE CONSOLIDATION IS IN THE BEST INTERESTS OF THE CORPORATION AND, ACCORDINGLY, RECOMMEND THAT SHAREHOLDERS VOTE FOR THE SPECIAL RESOLUTION.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE SPECIAL RESOLUTION APPROVING THE SHARE CONSOLIDATION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS SHARES ARE TO BE VOTED AGAINST SUCH SPECIAL RESOLUTION.

In the event that the Corporation proceeds with the Share Consolidation, it will send letters of transmittal to holders of Common Shares for use in transmitting their share certificates to the Corporation’s registrar and transfer agent, TSX Trust Company, in exchange for new certificates of the Corporation reflecting the appropriate number of post-Share Consolidation Common Shares. Once a certificate of amendment (or the equivalent) is obtained and properly completed letters of transmittal together with any share certificates representing Common Shares issued prior to the Share Consolidation have been received in accordance with instructions contained in the letters of transmittal, certificates for the appropriate number of Common Shares reflecting the Share Consolidation will be issued.

Election of Directors

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

Director Profiles

Each of the five nominated directors is profiled below, including his or her background and experience, committee memberships, share ownership and other public company directorships. All director nominees were elected as directors by the Shareholders at the last annual meeting.

BRETT LYNCH
VICTORIA, AUSTRALIA

DIRECTOR SINCE NOVEMBER 14, 2022

Brett Lynch was appointed Managing Director/Chief Executive Officer of Sayona Mining Limited on July 1, 2019. Mr. Lynch is a highly experienced international company director and chief executive, with a strong background in mining and mining-related businesses across Australia, Asia and North America and a proven track record in advancing shareholder value. As a senior mining engineer and manager, Mr. Lynch has more than 30 years’ experience in the global industry, including previous posts with leading resources companies such as MIM Holdings, New Hope Corporation, Orica and VLI, during which time he was responsible for multi-million dollar international operations. Mr. Lynch’s professional qualifications include a Bachelor of Engineering (Mining) (Honours) at the University of Melbourne, a Graduate Diploma of Business (Accounting) at Monash University and a Company Director Diploma from the Australian Institute of Company Directors.

Shareholdings: 109,167 Common Shares

Other Public Company Boards: Canadian Metals Inc., GobiMin Inc., Kintavar Exploration Inc., QNB Metals Inc., and Upstart Investments Inc.

Committee Memberships: Audit Committee

RENE BHARTI
TORONTO, ONTARIO

DIRECTOR SINCE FEBRUARY 26, 2018

Over a 20-year career, Mr. Bharti has held several key roles in both public and private companies, including those in the resource, technology and entertainment industry. Mr. Bharti co-founded ARHT Media, along with legendary singer Paul Anka, with the aim of creating the world's most lifelike digital humans to conduct e-commerce in a unique and viable platform. Mr. Bharti holds a Bachelor of Commerce (Honors) from Queen's University.

Shareholdings: 10,225,000 Common Shares

Other Public Company Boards: AmmPower Corp.

Committee Memberships: Audit Committee

Other Information about the Director Nominees

Other than as described below, no proposed director of the Corporation: (a) is at the date hereof, or within ten years prior to the date hereof has been, a director, chief executive officer or chief financial officer of any company (including the Corporation) that, (i) was subject to 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 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) (i) is at the date hereof, 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) (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.

Mr. Maxime Lemieux was a director of the Corporation when the Ontario Securities Commission, as principal regulator, the British Columbia Securities Commission, the Alberta Securities Commission and the Autorité des Marchés Financiers (collectively the "**Commissions**"), in accordance with their guidelines, issued on July 15, 3, and 21, 2015, respectively cease trade orders (collectively the "**CTO**") that prohibited all trading of the securities of the Corporation. The CTO was issued against the

Corporation for failure to file its annual financial statements and associated management disclosure and analysis for the period ended December 31, 2014 together with the required CEO and CFO certificate (the “**Outstanding Filings**”). The Outstanding Filings were completed in January 2017 and the CTO issued by the Commissions had been revoked effective February 21, 2017.

CORPORATE GOVERNANCE

The Corporation and the Board recognize the importance of corporate governance in effectively managing the Corporation, protecting employees and Shareholders, and enhancing Shareholder value.

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

The Corporation believes that its corporate governance practices are in compliance with applicable Canadian requirements for Exchange-listed issuers. The Corporation is committed to monitoring governance developments to ensure its practices remain current and appropriate. For more information about the Board’s corporate governance practices, please refer to the section “Corporate Governance”.

Ethical Business Conduct

The Board is apprised of the activities of the Corporation and ensures that it conducts such activities in an ethical manner. The Board has not adopted a written code of business conduct and ethics, however, the Board encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations; providing guidance to consultants, officers and directors to help them recognize and deal with ethical issues; promoting a culture of open communication, honesty and accountability; and ensuring awareness of disciplinary actions for violations of ethical business conduct. In particular, the Board ensures 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.

ABOUT THE BOARD

Independence of the Board

The Board is currently comprised of five members; their independence is as follows:

Director	Independent	Not Independent	Reason for Non-Independence
Richard Quesnel		√	President and Chief Executive Officer of the Corporation and Former Executive Chairman of the Corporation
Maxime Lemieux	√		
Brett Lynch		√	Executive Chairman of the Corporation
Robert Bryce	√		
Rene Bharti		√	Former President and Chief Executive Officer of the Corporation and current VP Corporate Development

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

- two of the directors are not management of the Corporation and are considered independent of the Corporation;

- under the by-laws of the Corporation, any two directors may call a meeting of the Board; and
- the Board practice is to hold in-camera meetings with the independent directors at the end of each Board or committee of the Board meeting to the extent required.

Nomination of Directors

The Board is solely responsible for identifying new candidates for nomination to the Board. The process by which candidates are identified is through recommendations presented to the Board, 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.

In view of the size and stage of the Corporation and its operations, the Corporation has not adopted term limits or other mechanisms of board renewal, and does not have a written policy relating to the identification and nomination of directors from any designated group (as such term is defined under the *Employment Standards Act* (Canada)). For the same reasons, the level of representation of such designated groups is not considered when nominating individuals for directors or appointing members of senior management and there are no targets for representation on the Board and among senior management from any of the designated groups.

As of the date hereof, none of the four members of the Corporation's senior management is a woman. None of the five members of the Board are women, identify as visible minorities, have disabilities or identify as an Aboriginal person.

Compensation

The Compensation Committee (as defined below) is responsible for recommending to the Board 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 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 may at its discretion award either a cash bonus or stock options for high achievement or for accomplishments that the Board deems as worthy of recognition.

The Compensation Committee reviews and discusses proposals received by the Chief Executive Officer of the Corporation regarding the compensation of management and the directors. Please refer to the section "Compensation Committee".

Board Assessments

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

Orientation and Continuing Education

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

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

AUDIT COMMITTEE

The purpose of the audit committee (the "**Audit Committee**") is to assist the Board's 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. Please see Schedule "B" for the Audit Committee Charter.

The Corporation's audit committee is currently comprised of three directors: Robert Bryce, Maxime Lemieux, and Rene Bharti, each of who is considered financially literate. Messrs. Lemieux and Bryce are independent; Rene Bharti is not independent, since he was formerly the Chief Executive Officer and President of the Corporation and is currently VP Corporate Development. Please refer to "Director Profiles", commencing on page 14, for the relevant education and experience of each of the members of the Audit Committee.

Audit Committee Oversight

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

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on either (a) an exemption in section 2.4 of National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators (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 solely on the Exchange, 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*).

External Auditor

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

Please see page 6 for the fees paid to external auditors in 2024 and 2023.

COMPENSATION COMMITTEE

The Corporation has not created a formal compensation committee. The Board in its entirety serves as the compensation committee (the "**Compensation Committee**") and establishes executive and senior officer compensation, the general compensation structure, policies and programs of the Corporation. The Board reviews the adequacy and form of the compensation of directors and ensures that such compensation realistically reflects the responsibilities and risk involved in being an effective director.

OVERSIGHT AND DESCRIPTION OF DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

Compensation of Directors

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

Compensation of Named Executive Officers

For the financial year ended December 31, 2024, the objectives of the Corporation's compensation strategy was to ensure that compensation for its Named Executive Officers is sufficiently attractive to recruit, retain and motivate high performing individuals to assist the Corporation in achieving its goals.

The process for determining executive compensation is relatively informal, in view of the size and stage of the Corporation and its operations. Executive officers are involved in the process and make recommendations to the Board, which considers and recommends to the Board for approval the discretionary components (e.g. cash bonuses) of the annual compensation of senior management (other than the Chief Executive Officer). Except as otherwise described below, the Corporation does not maintain specific performance goals or use benchmarks in determining the compensation of executive officers. The Board may at its discretion award either a cash bonus or Awards for high achievement or for accomplishments that the Board 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 Awards, the Compensation Committee 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 of the Named Executive Officers provide their services in similar capacities to other reporting issuers, in addition to CLM. 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. There were significant changes to the overall compensation (including cash bonuses) paid to certain Named Executive Officers during the financial year ended December 31, 2024 to reflect the Corporation's increased activities during the year. See *Employment, Consulting and Management Agreements* below.

Bonus

CLM's cash bonus awards are designed to reward an executive for the direct contribution which he or she can make to the Corporation. Named Executive Officers are entitled to receive discretionary bonuses from time to time as determined or approved by the Board or the Chief Executive Officer, as applicable. The Corporation does not currently prescribe a set of formal objective measures to determine discretionary bonus entitlements. Rather the Corporation uses informal goals which may include an

assessment of an individual's current and expected future performance, level of responsibilities and the importance of his/her position and contribution to the Corporation. Precise goals or milestones are not pre-set by the Board. The performance-based bonuses paid to the Named Executive Officers during the financial year ended December 31, 2024 are listed in the summary compensation table below and were paid in connection with the successful completion of certain financing initiatives undertaken by the Corporation during the year.

Indebtedness of Directors and Officers

As at the date of this Circular, and during the financial year ended December 31, 2024, no director or executive officer of the Corporation or Nominee (as defined herein) (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 December 31, 2024, 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 \$2,000,000 in coverage. The approximate amount of premiums paid by the Corporation during the financial year ended December 31, 2024 in respect of such insurance was \$9,052.

The Corporation has not, as yet, adopted a policy restricting its Named Executive Officers or directors from purchasing instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designated to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the Named Executive Officers or directors.

In light of the Corporation's size, the Board does not deem it necessary to consider at this time the implications of the risks associated with its compensation policies and practices.

Summary Compensation Table

The following table summarizes the compensation paid during the two most recently completed financial years in respect of the individuals who were carrying out the role of the Chief Executive Officer (“**CEO**”) of the Corporation and Chief Financial Officer (“**CFO**”) of the Corporation (collectively, the “**Named Executive Officers**”) and each of the directors of the Corporation. The CEO and CFO are the only Named Executive Officers of the Corporation as the Corporation does not employ any other individuals whose total compensation is greater than \$150,000, other than Dr. Andreas Rompel in 2023 in his capacity as VP Exploration and Mr. Brett Lynch in 2024 in his capacity as Executive Chairman.

TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES

Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Dr. Andreas Rompel, VP Exploration and Former Director ⁽¹⁾⁽⁴⁾	2024	94,587	Nil	Nil	Nil	Nil	94,587
	2023	205,000	20,000	Nil	Nil	Nil	225,000
Maxime Lemieux, Director	2024	Nil	Nil	Nil	Nil	Nil	Nil
	2023	Nil	Nil	Nil	Nil	Nil	Nil

Rene Bharti, VP Corporate Development and Director and Former President, Chief Executive Officer ⁽¹⁾⁽⁵⁾	2024	190,000	Nil	Nil	Nil	Nil	190,000
	2023	240,000	120,000	Nil	Nil	Nil	360,000
Blake Hylands, Former Director ⁽²⁾	2024	N/A	N/A	N/A	N/A	N/A	N/A
	2023	Nil	Nil	Nil	Nil	Nil	Nil
Ryan Ptolemy, Chief Executive Officer ⁽¹⁾	2024	63,400	Nil	Nil	Nil	Nil	63,400
	2023	66,000	20,000	Nil	Nil	Nil	86,000
Robert Bryce, Director ⁽²⁾	2024	Nil	Nil	Nil	Nil	Nil	Nil
	2023	Nil	Nil	Nil	Nil	Nil	Nil
Richard Quesnel, President, Chief Executive Officer, and Director and Former Executive Chairman ⁽¹⁾⁽³⁾⁽⁵⁾⁽⁶⁾	2024	140,000	Nil	Nil	Nil	Nil	140,000
	2023	180,000	420,000	nil	nil	nil	600,000
Stan Bharti, Former Director ⁽¹⁾⁽³⁾	2024	N/A	N/A	N/A	N/A	N/A	N/A
	2023	N/A	N/A	N/A	N/A	N/A	N/A
Brett Lynch, Director and Executive Chairman ⁽¹⁾⁽⁶⁾	2024	60,000	200,000	Nil	Nil	Nil	260,000
	2023	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Compensation has been paid as consulting fees under the independent contractor agreement with the Named Executive Officer as described under the heading "Employment, Consulting and Management Agreements".
- (2) Mr. Hylands resigned as a director of the Corporation effective February 21, 2023 and was replaced by Robert Bryce.
- (3) Stan Bharti was appointed as a director of the Corporation on December 15, 2022; he resigned as a director of the Corporation effective April 3, 2023 and was replaced by Mr. Quesnel.
- (4) Dr. Rompel resigned as the executive chairman and director of the Corporation effective April 3, 2023 and was replaced by Mr. Quesnel, although he remained as a director of the Corporation until the Company's annual general and special meeting of shareholders held on May 15, 2024; Dr. Rompel did not stand for re-election as a director at the meeting.
- (5) Rene Bharti resigned as the president and chief executive officer of the Corporation effective May 13, 2024 and was replaced by Mr. Quesnel.
- (6) Mr. Quesnel resigned as the executive chairman of the Corporation effective May 13, 2024 and was replaced by Mr. Lynch.

Stock Options and Other Compensation Securities

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

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date
Dr. Andreas Rompel, VP Exploration and Former Director,	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Executive Chairman, President, and Chief Executive Officer ⁽¹⁾							
Maxime Lemieux, Director ⁽²⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Rene Bharti, VP Corporate Development and Director and Former President and Chief Executive Officer ⁽³⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Blake Hylands, Former Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Ryan Ptolemy, Chief Financial Officer ⁽⁴⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Brett Lynch, Executive Chairman	Options	6,000,000	May 13, 2024	0.05	0.02	0.01	May 13, 2029
Robert Bryce, Director ⁽⁵⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Richard Quesnel, President, Chief Executive Officer, Director and Former Executive Chairman ⁽⁶⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) As at December 31, 2024, Dr. Rompel also held 2,392,405 stock options with an exercise price of \$0.075 expiring on January 20, 2026, 800,000 stock options with an exercise price of \$0.05 expiring on November 21, 2026, 1,175,000 stock options with an exercise price of \$0.05 expiring on April 18, 2027, and 750,000 stock options with an exercise price of \$0.08 expiring on August 10, 2027.
- (2) As at December 31, 2024, Mr. Lemieux also held 400,000 stock options with an exercise price of \$0.075 expiring on January 20, 2026, 150,000 stock options with an exercise price of \$0.05 expiring on November 25, 2026, 150,000 stock options with an exercise price of \$0.05 expiring on April 18, 2027, and 200,000 stock options with an exercise price of \$0.08 expiring on August 10, 2027.
- (3) As at December 31, 2024, Mr. Bharti also held 2,422,406 stock options with an exercise price of \$0.075 expiring on January 20, 2026, 800,000 stock options with an exercise price of \$0.05 expiring on November 25, 2026, 1,175,000 stock options with an exercise price of \$0.05 expiring on April 18, 2027, and 1,100,000 stock options with an exercise price of \$0.08 expiring on August 10, 2027.
- (4) As at December 31, 2024, Mr. Ptolemy also held 250,000 stock options with an exercise price of \$0.05 expiring on April 18, 2027 and 200,000 stock options with an exercise price of \$0.08 expiring on August 10, 2027.
- (5) As at December 31, 2024, Mr. Bryce also held 500,000 stock options with an exercise price of \$0.08 expiring on August 10, 2028.
- (6) As at December 31, 2024, Mr. Quesnel also held 3,600,000 stock options with an exercise price of \$0.065 expiring on April 3, 2028 and 1,400,000 options with an exercise price of \$0.07 expiring on May 23, 2028.

Exercise of Stock Options

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

Stock Option Plans and Other Incentive Plans

Omnibus Plan

The Corporation currently has implemented the Omnibus Plan, which provides for (i) grants of Options of up to a maximum of 10% of the issued and outstanding Common Shares at the time an Option is granted, less Common Shares reserved for issuance on exercise of Options then outstanding, and (ii) grants of RSUs up to a maximum of 29,588,515. The Omnibus Plan was approved by the Board on May 11, 2023 and last approved by the Shareholders on June 13, 2023. A maximum of 10% of the issued and outstanding Common Shares at the time an Option is granted, less Common Shares reserved for

issuance on exercise of Options then outstanding and 29,588,515 Common Shares, are reserved for Options and RSUs, respectively, to be granted at the discretion of the Board to Service Providers. The Omnibus Plan was established to provide incentives to eligible recipients to increase their proprietary interest in the Corporation and thereby encourage their continued association with the Corporation and to align their interests with those of the Corporation. Awards are granted pursuant to the Omnibus Plan in accordance with the rules of the Exchange. The Omnibus Plan is administered by the Board. The Corporation is required to obtain the approval of its shareholders of any equity incentive plan, including the Omnibus Plan, that is a “rolling” plan annually at the Corporation’s annual meeting of Shareholders. Shareholders will therefore be asked to re-approve the Omnibus Plan at the Meeting. As at the date of this Circular, there were 30,504,811 Options granted and outstanding pursuant to the Omnibus Plan; no RSUs have yet been granted. For a description of the material terms of the Omnibus Plan, please see “*Business of the Meeting – Omnibus Plan*” above.

Securities Authorized for Issuance Under Equity Compensation Plans

The table below sets out the outstanding Options under the Omnibus Plan, being the Corporation’s only equity compensation plan under which Common Shares are authorized for issuance, that had been granted as of December 31, 2024; no RSUs had been granted under the Omnibus Plan as of December 31, 2024.

	Number of securities to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of securities remaining available under equity compensation plans (excluding securities reflected in column (a)) as of December 31, 2024
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by security holders	30,504,811	0.07	6,326,915
Equity compensation plans not approved by security holders	n/a	n/a	n/a
TOTAL	30,504,811	0.07	6,326,915

Employment, Consulting and Management Agreements

The following table discloses the material terms of each agreement or arrangement under which compensation was provided during the financial year ended December 31, 2024 or is payable in respect of services provided to the Corporation or any of its subsidiaries that were: (a) performed by a director or Named Executive Officer; or (b) performed by any other party, but are services typically provided by a director or Named Executive Officer.

Name	Monthly Fees	Severance on Termination	Severance on Change of Control ⁽¹⁾
Rene Bharti, VP Corporate Development and Director and Former President and Chief Executive Officer ⁽²⁾⁽⁵⁾	\$5,000	12 months fees	36 months fees
Ryan Ptolemy, Chief Financial Officer ⁽³⁾	\$4,200	12 months fees	36 months fees
Richard Quesnel, President, Chief Executive Officer, and Director and Former Executive Director ⁽⁵⁾⁽⁶⁾	\$0	12 months fees	36 months fees
Bretty Lynch, Executive Chairman ⁽⁷⁾	\$0	12 months fees	36 months fees

Notes:

- (1) Severance upon a change of control becomes payable in the event of a Change of Control of the Corporation and within one year following the date of the Change of Control the Corporation or the officer elects to terminate the agreement.
- (2) As of December 31, 2024, Mr. Bharti had entered into a consulting agreement through Soumi Holdings Inc., a company controlled by Mr. Bharti, dated October 21, 2021, which continued on a month-to-month basis, subject to the termination provisions of such agreement. Please see above and below for a summary of the material terms of the agreement that were in effect as of December 31, 2024.
- (3) As of December 31, 2024, Mr. Ptolemy had entered into a consulting agreement through 1809276 Ontario Inc., a company controlled by Mr. Ptolemy, dated May 1, 2022, as amended on September 1, 2022, and as further amended effective November 1, 2024, which continued on a month-to-month basis, subject to the termination provisions of such agreement. Please see above and below for a summary of the material terms of the agreement that were in effect as of December 31, 2024.
- (4) As of December 31, 2024, Dr. Rompel had entered into a consulting agreement through ADAR Consulting Corp., a company controlled by Dr. Rompel, dated April 21, 2022, as amended on September 1, 2022, and as further amended effective November 1, 2024, which continued on a month-to-month basis, subject to the termination provisions of such agreement. Please see above and below for a summary of the material terms of the agreement that were in effect as of December 31, 2024.
- (5) Mr. Bharti was replaced as the president and chief executive officer of the Corporation by Mr. Richard Quesnel on May 13, 2024.
- (6) As of December 31, 2024, Mr. Quesnel had entered into a consulting agreement dated April 1, 2023, as amended May 6, 2024, and as further amended effective August 1, 2024, which continued on a month-to-month basis, subject to the termination provisions of such agreement. Please see above and below for a summary of the material terms of the agreement that were in effect as of December 31, 2024.
- (7) As of December 31, 2024, Mr. Lynch had entered into a consulting agreement dated May 2024, as amended effective August 1, 2024, which continued on a month-to-month basis, subject to the termination provisions of such agreement. Please see above and below for a summary of the material terms of the agreement that were in effect as of December 31, 2024.

For the purpose of the table set forth above, "Change of Control" is defined as: (1) the acquisition, directly or indirectly, by any person (person being defined as an individual, a corporation, a partnership, an unincorporated association or organization, a trust, a government or department or agency thereof and the heirs, executors, administrators or other legal representatives of an individual and an associate or affiliate of any thereof as such terms are defined in the *Business Corporations Act* (Ontario)) or group of persons acting jointly or in concert, as such terms are defined in the *Securities Act* (Ontario) of: (A) shares or rights or options to acquire shares of the Corporation or securities which are convertible into shares of the Corporation or any combination thereof such that after the completion of such acquisition such person would be entitled to exercise 50% or more of the votes entitled to be cast at a meeting of the shareholders of the Corporation; (B) shares or rights or options to acquire shares, or their equivalent, of any material subsidiary of the Corporation or securities which are convertible into shares of the material subsidiary or any combination thereof such that after the completion of such acquisition such person would be entitled to exercise 50% or more of the votes entitled to be cast at a meeting of the shareholders of the material subsidiary; or (C) more than 50% of the material assets of the Corporation, including the acquisition of more than 50% of the material assets of any material subsidiary of the Corporation; 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 the Corporation or any of its subsidiaries and another corporation or other entity, the nominees named in the most recent management information circular of the Corporation for election to the Board do not constitute a majority of the Board.

Summary of Termination Payments

The estimated incremental payments, payables and benefits that might be paid to the Named Executive Officers and directors pursuant to the above noted agreements in the event of termination without cause or after a Change in Control (assuming such termination or Change in Control is effective as of December 31, 2024) are detailed below:

Named Executive Officer	Termination not for Cause (\$)	Termination on a Change of Control (\$)
Richard Quesnel		

Named Executive Officer	Termination not for Cause (\$)	Termination on a Change of Control (\$)
Salary and Quantified Benefits	Nil	Nil
Bonus	N/A	420,000
Total	Nil	420,000
Rene Bharti		
Salary and Quantified Benefits	60,000	180,000
Bonus	N/A	245,000
Total	60,000	425,000
Ryan Ptolemy		
Salary and Quantified Benefits	50,400	151,200
Bonus	N/A	45,000
Total	50,400	196,200
Dr. Andreas Rompel		
Salary and Quantified Benefits	60,000	180,000
Bonus	N/A	95,000
Total	60,000	275,000
Brett Lynch		
Salary and Quantified Benefits	Nil	Nil
Bonus	N/A	200,000
Total	Nil	200,000

Interest of Informed Persons in Material Transactions

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

ADDITIONAL INFORMATION AND CONTACT INFORMATION

Additional information relating to the Corporation may be found under the profile of the Corporation on

SEDAR+ at www.sedarplus.ca. Additional financial information is provided in the Corporation's audited financial statements and related management's discussion and analysis for the financial year ended December 31, 2024, which can be found under the profile of the Corporation on SEDAR+. Shareholders may also request these documents from the Corporate Secretary of the Corporation by email at aaron.atin@fmresources.ca or by telephone at (416) 861-5888.

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.

BY ORDER OF THE BOARD OF DIRECTORS

Richard Quesnel

President and Chief Executive Officer

Toronto, Ontario
June 11, 2025

SCHEDULE "A"

OMNIBUS PLAN

[Please see attached]

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**JOURDAN RESOURCES INC.
OMNIBUS INCENTIVE PLAN**

Jourdan Resources Inc. (the “**Company**”) hereby establishes an omnibus incentive plan for certain qualified Directors, Officers, Employees or Consultants of the Company or any of its Subsidiaries.

**ARTICLE 1
INTERPRETATION**

Section 1.1 **Definitions.**

In this Plan:

“**Affiliate**” of any Person means a Person who would be an affiliated entity of such first mentioned Person for purposes of National Instrument 45-106 *Prospectus Exemptions* as of the date of this Plan;

“**Applicable Withholding Tax**” has the meaning set forth in Section 4.7;

“**Associate**” has the meaning set out in the Securities Act;

“**Award**” means an Option or a Restricted Share Unit;

“**Award Payment**” means the applicable Share issuance or cash payment in respect of a vested Restricted Share Unit pursuant and subject to the terms and conditions of this Plan and the applicable Award;

“**Black-Out Period**” means the period of time when, pursuant to any policies of the Company or any resolution of the Board, any Shares may not be traded by certain persons as designated by the Company (including a holder of any Restricted Share Unit and/or Option), because they may be in possession of undisclosed material information pertaining to the Company, or when in anticipation of the release of quarterly or annual financials, to avoid potential conflicts associated with a company’s insider-trading policy or applicable securities legislation, (which, for greater certainty, does not include the period during which a cease trade order is in effect to which the Company or in respect of an Insider, that Insider, is subject);

“**Board**” means the board of directors of the Company or any committee thereof duly empowered or authorized to grant Restricted Share Units and/or Options under this Plan;

“**Cashless Exercise**” has the meaning set out in Section 7.1;

“**Change of Control**” means

- (i) any Merger and Acquisition Transaction in which voting securities of the Company possessing more than fifty percent (50%) of the total combined voting power of the Company’s outstanding securities are to be transferred to a Person or Persons (other than any of its Affiliates) different from the Persons holding those securities immediately prior to such transaction and the composition of the Board following such transactions is to be such that such directors prior to the transaction constitute less than fifty percent (50%) of the directors of the Company following the transaction;
- (ii) any Merger or Acquisition Transaction, directly or indirectly, by any Person or related group of Persons (other than the Company or a Person that directly or indirectly controls, is controlled by, or is under a common control with, the Company and other than by any of its Affiliates) involving a change in the beneficial ownership of voting securities of the

Company possessing more than fifty percent (50%) of the total combined voting power of the Company's outstanding securities;

- (iii) any acquisition, directly or indirectly, by a Person or related group of Persons of the right to appoint a majority of the Directors of the Company or otherwise directly or indirectly control the management, affairs and business of the Company (other than any of its Affiliates);
- (iv) any Merger or Acquisition Transaction involving the disposition of all or substantially all of the assets of the Company; and
- (v) a complete liquidation or dissolution of the Company;
- (vi) provided, however, that a Change of Control shall not be deemed to have occurred if such Change of Control results solely from the issuance, in connection with a bona fide financing or series of financings by the Company or any of its Affiliates, of voting securities of the Company or any of its Affiliates or any rights to acquire voting securities of the Company or any of its Affiliates which are convertible into voting securities;

"Code" means the U.S. Internal Revenue Code of 1986, as amended;

"Committee" means the Board or, if the Board so determines in accordance with Section 1.5, the Committee of the Board authorized to administer the Plan which includes any compensation committee of the Board;

"Company" means Jourdan Resources Inc., and includes any successor company thereto;

"Consultant" means, in relation to the Company, an individual or Consultant Company, other than an Employee, Officer or Director, that:

- (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Company or to an Affiliate of the Company, other than services provided in relation to a distribution of securities;
- (ii) provides the services under a written contract between the Company or the Affiliate and the individual or the Consultant Company; and
- (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or an Affiliate of the Company;

"Consultant Company" means a Consultant that is a company;

"Director" means a member of the Board or of the board of directors of a subsidiary of the Company;

"Discounted Market Price" has the meaning assigned by Policy 1.1 of the TSX Venture Policies;

"Disinterested Shareholder Approval" means approval by a majority of the votes cast by all the Company's shareholders at a duly constituted shareholders' meeting, excluding votes attached to Shares beneficially owned by Insiders who are Service Providers or their Associates;

"Employee" means an individual who meets one of the following requirements:

- (i) an individual who is considered an employee under the *Income Tax Act* Canada (i.e. for whom income tax, employment insurance and CPP deductions must be made at source) or have taxes withheld for the United States Internal Revenue Service (IRS);

- (ii) an individual who works full-time for the Company or a subsidiary thereof providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source; or
- (iii) an individual who works for the Company or its subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions need not be made at source;

“**Exchange**” means the TSX, the TSXV, or any other stock exchange on which the Shares are then listed for trading, as applicable;

“**Exchange Hold Period**” has the meaning assigned by Policy 1.1 of the TSX Venture Policies;

“**Fair Market Value**” (FMV) means, as of a particular date:

- (i) for the purpose of calculating the applicable Vesting Date Value and Award Payout for Restricted Share Units,
 - (I) if the Shares are listed on the TSX Venture, the greater of: (i) the weighted average of the trading price per Share on the TSX Venture for the last five trading days ending on that date; and (ii) the closing price of the Shares on the day before that date,
 - (II) if the Shares are listed on the TSX, the volume weighted average price per Share traded on the TSX over the last five trading days preceding that date;
 - (III) if the Shares are not listed on the TSX or the TSX Venture, the value established by the Board based on the volume weighted average price per Share traded on any other public exchange on which the Shares are listed over the same period; or
 - (IV) if the Shares are not listed on any public exchange, the value per Share established by the Board based on its determination of the fair value of a Share;
- (ii) for the purpose of calculating the FMV of the Option Exercise Price, the closing sales price on the most recent trade date immediately prior to the valuation date provided such trade date is no more than thirty (30) days prior to the valuation date. If there has been no trade date within such thirty (30) day period, the fair market value shall be determined in good faith by the Board;

“**Incentive Stock Option**” (ISO) means an Option which is intended to qualify as an incentive stock option under Section 422 of the Code;

“**Insider**” means an individual who meets one of the following requirements:

- (i) a Director or Officer of the Company;
- (ii) a Director or Officer of a company that is an Insider or Related Entity of the Company;
- (iii) a person that beneficially owns or controls, directly or indirectly, Shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company; and

(iv) the Company itself if it holds any of its own securities;

“Investor Relations Service Providers” means a Consultant that conducts, or a Director, Officer or Employee whose principal duty it is to conduct, Investor Relations Activities;

“Investor Relations Activities” has the meaning assigned by Policy 1.1 of the TSX Venture Policies;

“Management Company Employee” means an individual employed by a Person providing management services to the Company which are required for the ongoing successful operation of the business enterprise of the Company, but excluding a Person engaged in Investor Relations Activities;

“Market Price” has the meaning assigned by Policy 1.1 of the TSX Venture Policies;

“Merger and Acquisition Transaction” means:

- (i) any merger or consolidation;
- (ii) any acquisition;
- (iii) any amalgamation;
- (iv) any offer for Shares which if successful would entitle the offeror to acquire all of the voting securities of the Company; or
- (v) any arrangement or other scheme of reorganization;

“Net Exercise” has the meaning set out in Section 7.1;

“Non-Statutory Stock Option” (NSO) means an Option which does not qualify as an Incentive Stock Option;

“Officer” means an individual who is an officer of the Company or of a Related Entity as an appointee of the Board or the board of directors of the Related Entity, as the case may be;

“Option” means the right to purchase Plan Shares granted hereunder to a Service Provider;

“Option Certificate” means the certificate evidencing the grant of an Option delivered by the Company hereunder to a Service Provider and substantially in the form of Schedule B attached hereto;

“Option Commitment” has such meaning as more particularly described in Section 7.1;

“Option Effective Date” for an Option means the date of grant thereof by the Board;

“Option Exercise Price” means the amount payable per Share on the exercise of an Option, as determined in accordance with the terms hereof;

“Option Expiry Date” means the date on which an Option lapses as specified in the Option Commitment thereof or in accordance with the terms of this Plan;

“Optioned Shares” means Shares that may be issued in the future to a Service Provider upon the exercise of an Option;

“Optionee” means the recipient of an Option hereunder;

“**Outstanding Shares**” means at the relevant time, the number of issued and outstanding Shares of the Company at that time.

“**Participant**” means a Service Provider that becomes a recipient of an Award;

“**Person**” means an individual, body corporate, partnership, joint venture, limited liability company or trust and the heirs, beneficiaries, executors, legal representatives or administrators of an individual;

“**Performance Conditions**” means conditions defined by the Board that must be met in order for Restricted Share Units to vest;

“**Plan**” means this Omnibus Incentive Plan, the terms of which are set out herein or as may be amended from time to time;

“**Plan Shares**” means the total number of Shares which may be reserved for issuance under this Plan;

“**Regulatory Approval**” means the approval of the TSX Venture and any other securities regulatory authority that has lawful jurisdiction over this Plan and any Restricted Share Units and/or Options issued hereunder;

“**Related Entity**” means a person that is controlled by the Company. For the purposes of this Plan, a person (first person) is considered to control another person (second person) if the first person, directly or indirectly, has the power to direct the management and policies of the second person by virtue of

- (i) ownership of or direction over voting securities in the second person,
- (ii) a written agreement or indenture,
- (iii) being the general partner or controlling the general partner of the second person, or
- (iv) being a trustee of the second person;

“**Restricted Period**” means the period of time: (i) during a Black-Out Period; and (ii) within two Business Days following the end of a Black-Out Period;

“**Restricted Share Unit**” means a right granted under this Plan to receive the Award Payout on the terms contained in this Plan as more particularly described in Section 4.1;

“**Restricted Share Unit Expiry Date**” means the last day of February of the third calendar year after the Restricted Share Unit Grant Date, or such earlier date as may be established by the Board in respect of an Award at the time of grant of the Award;

“**Restricted Share Unit Grant Date**” means the date of grant of any Restricted Share Unit;

“**Restricted Share Unit Recipient**” means a Service Provider who may be granted Restricted Share Units from time to time under this Plan;

“**Retirement**” means the stage of life where the Recipient voluntarily stops working in the same field as his/her expertise and/or works to a lesser degree than was previously engaged;

“**Securities Act**” means the *Securities Act*, R.S.O. 1990, Chapter S.5, as amended from time to time;

“**Service Provider**” means a Person who is a bona fide Director, Officer, Employee, Management Company Employee, Consultant or Consultant Company, and also includes a company, 100% of the share capital of which is beneficially owned by one or more Service Providers;

“**Shares**” means the common shares without par value in the capital of the Company;

“**Share Compensation Arrangement**” includes this Plan, any Restricted Share Units or Options granted under this Plan, and any performance share unit, restricted share unit, securities for services, stock appreciation right, stock option, stock purchase plan, any security purchase from treasury by a Participant which is financially assisted by the Company by any means whatsoever, and any other compensation or incentive mechanism involving the issuance or potential issuance of securities of the Company from treasury to a Participant, and is subject to TSXV Venture Policies. A Share Compensation Arrangement does not include:

- (a) arrangements which do not involve the issuance from treasury or potential issuance from treasury of securities of the Company;
- (b) security-based compensation arrangements that are settled solely in cash and/or securities purchased on the secondary market; and
- (c) security-based compensation arrangements that qualify as Shares for Services and Shares for Debt arrangements under the policies of the Exchange;

“**Shareholder Approval**” means approval by a majority of the votes cast by eligible shareholders of the Company at a duly constituted shareholders’ meeting;

“**Take-Over Bid**” means a take-over bid as defined in National Instrument 62-104 (Take-over Bids and Issuer Bids) or the analogous provisions of securities legislation applicable to the Company;

“**Termination**” means, with respect to a Restricted Share Unit Recipient, that the Recipient has ceased to be a Service Provider, other than as a result of Retirement, and has ceased to fulfill any other role as Employee or Officer of the Company or any Related Entity, including as a result of termination of employment, resignation from employment, removal as an Officer, death or Total Disability;

“**Total Disability**” means, with respect to a Restricted Share Unit Recipient, that, solely because of disease or injury, within the meaning of the long-term disability plan of the Company, the Restricted Share Unit Recipient is deemed by a qualified physician selected by the Company to be unable to work at any occupation which the Restricted Share Unit Recipient is reasonable qualified to perform;

“**Trigger Date**” means, with respect to a Restricted Share Unit, the earliest date set by the Board at the time of grant, provided such date is not earlier than one year from the date of grant, and if no date is set by the Board, then February 1 of the third calendar year following the Grant Date unless amended in accordance with Section 3.5;

“**TSX**” means the Toronto Stock Exchange;

“**TSX Venture**” means the TSX Venture Exchange;

“**TSX Venture Policies**” means the rules and policies of the TSX Venture as amended from time to time; and

“**Vesting Date Value**” means the notional value, as at a particular date, of the Fair Market Value of one Share.

Section 1.2 **Other Words and Phrases**

Words and phrases used in this Plan but which are not defined in the Plan, but are defined in the TSX Venture Policies, and will have the meaning assigned to them in the TSX Venture Policies.

Section 1.3 Gender

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

Section 1.4 Administration

The Board will, in its sole and absolute discretion, but taking into account relevant corporate, securities and tax laws,

- (a) interpret and administer this Plan,
- (b) establish, amend and rescind any rules and regulations relating to this Plan; and
- (c) make any other determinations that the Board deems necessary or appropriate for the administration of this Plan.

The Board may correct any defect or any omission or reconcile any inconsistency in this Plan in the manner and to the extent the Board deems, in its sole and absolute discretion, necessary or appropriate. Any decision of the Board in the interpretation and administration of this Plan will be final, conclusive and binding on all parties concerned. All expenses of administration of this Plan will be borne by the Company.

Section 1.5 Delegation to Committee

All of the powers exercisable hereunder by the Board may, to the extent permitted by law and as determined by a resolution of the Board, be delegated to a Committee including, any compensation committee of the Board, without limiting the generality of the foregoing, those referred to under Section 1.4.

Section 1.6 Incorporation of Terms of Plan

Subject to specific variations approved by the Board all terms and conditions set out herein will be incorporated into and form part of each Restricted Share Unit and each Option granted under this Plan.

Section 1.7 Establishment of the Plan

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

Section 1.8 Effective Date of Plan

Subject to Section 5.2(c), this Plan will be effective from and after May 11, 2023, and will remain effective provided that the Plan, or any amended version thereof, receives Shareholder Approval at each annual general meeting of the holders of Shares of the Company subsequent to such date. The Board may, in its discretion, at any time, and from time to time, issue Restricted Share Units and/or Options to Service Providers as it determines appropriate under this Plan. With respect to Restricted Share Units, any such issued Restricted Share Units may not be paid out in Shares in any event until receipt of the necessary Shareholder Approval of the Company and all Regulatory Approval.

ARTICLE 2
PLAN AWARDS AND LIMITATIONS

Section 2.1 Powers of the Board

The Board will be responsible for the general administration of the Plan and the proper execution of its provisions, the interpretation of the Plan and the determination of all questions arising hereunder.

Section 2.2 Shares Reserved

The Plan is a 10% rolling Option plan and 10% fixed Restricted Share Unit plan.

The maximum aggregate number of Plan Shares that may be reserved for issuance under the Plan pursuant to the exercise of Options is equal to a maximum of 10% of the Outstanding Shares, calculated at the time of grant.

The maximum aggregate number of Plan Shares that may be reserved for issuance under the Plan pursuant to the exercise of Restricted Share Units at any point in time is 29,588,515 Plan Shares, unless this Plan is amended pursuant to the requirements of the TSX Venture Policies.

Any Plan Share which was reserved for issuance pursuant to an Award which Award has been cancelled or terminated in accordance with the terms of the Plan and Option Certificate, if applicable, without being paid out as provided for in Article 4 or exercised as provided for in Article 7, as applicable, shall be returned to the Plan.

Section 2.3 Recipients

Only Service Providers are eligible to participate in this Plan and receive one or more Awards. It shall be the responsibility of the Company and the Participant to ensure that such Participant is a *bona fide* Service Provider.

Section 2.4 Limitations on Awards to any One Person and to Insiders

Unless Disinterested Shareholder Approval is obtained (or unless permitted otherwise by the rules of the Exchange):

- (a) the maximum number of Plan Shares which may be reserved for issuance to Insiders (as a group) under the Plan, together with Shares issuable under any other Share Compensation Arrangement, shall not exceed 10% of the Outstanding Shares calculated as of the date of the grant of the Award;
- (b) the maximum number of Plan Shares that may be made issuable to Insiders (as a group) under the Plan, together with Shares issuable under any other Share Compensation Arrangement, within a 12-month period, may not exceed 10% of the Outstanding Shares calculated as of the date of the grant of the Award; and
- (c) subject to Section 2.4(b), the maximum number of Plan Shares that may be made issuable pursuant to Awards or issued to, together with Shares made issuable or issued under any other Share Compensation Arrangement, to any one Service Provider under the Plan, within a 12-month period, shall not exceed 5% of the Outstanding Shares calculated on the date of the grant of the Award or issue of the Plan Shares, as applicable;

Section 2.5 **Limitation on Awards to Consultants**

The maximum number of Plan Shares which may be made issuable to any one Consultant, together with any other Share Compensation Arrangement, within a 12-month period, shall not exceed 2% of the number of Outstanding Shares as of the date of the grant of the Award.

Section 2.6 **Limitations on Awards to Investor Relations Service Providers**

The following limitations apply to the grant of Awards to Investor Relations Service Providers:

- (a) the only Awards that may be granted to Investor Relations Service Providers are Options;
- (b) Options granted to Investor Relations Service Providers will vest:
 - (i) at a minimum over a period of not less than 12 months as to 25% on the date that is three months from the date of grant, and a further 25% on each successive date that is three months from the date of the previous vesting; or
 - (ii) such longer vesting period as the Board may determine; and
- (c) the maximum number of Plan Shares that may be made issuable pursuant to Options granted to Investor Relations Service Providers in the previous 12 months shall not exceed 2% of the Outstanding Shares, calculated at the time of grant.

**ARTICLE 3
GRANTS OF RESTRICTED SHARE UNITS**

Section 3.1 **Grant**

The Board may, in its discretion, at any time, and from time to time, grant Restricted Share Units to Service Providers as it determines is appropriate, subject to the limitations set out in this Plan. In making such grants the Board may, in its sole discretion but subject to Section 3.3(b)(ii), in addition to Performance Conditions set out below, impose such conditions on the vesting of the Awards as it sees fit, including imposing a vesting period on grants of Restricted Share Units.

Section 3.2 **Performance Conditions**

At the time a grant of a Restricted Share Unit is made, the Board may, in its sole discretion, establish such performance conditions for the vesting of Restricted Share Units as may be specified by the Committee in the Award (the “**Performance Conditions**”). The Board may use such business criteria and other measures of performance as it may deem appropriate in establishing any Performance Conditions, and may exercise its discretion to reduce the amounts payable under any Award subject to Performance Conditions. The Board may determine that an Award shall vest in whole or in part upon achievement of any one performance condition or that two or more Performance Conditions must be achieved prior to the vesting of an Award. Performance Conditions may differ for Awards granted to any one Restricted Share Unit Recipient or to different Restricted Share Unit Recipients.

Section 3.3 **Vesting**

Except as provided in this Plan, Restricted Share Units issued under this Plan will vest on the date (the “**Vesting Date**”) that is the later of:

- (a) the Trigger Date; and

- (b) the date upon which the relevant Performance Condition or other vesting condition set out in the Award has been satisfied,

provided that

- (i) Restricted Share Units shall only vest on the Trigger Date to the extent that the Performance Conditions or other vesting conditions set out in an Award have been satisfied on or before the Trigger Date;
- (ii) if the date in Section 3.3(a) or Section 3.3(b) occurs during a Restricted Period, the Vesting Date shall be extended to a date which is the earlier of: (i) one business day following the end of such Restricted Period and (ii) the Restricted Share Unit Expiry Date; and
- (iii) no Restricted Share Unit will remain outstanding for any period which exceeds the Restricted Share Unit Expiry Date of such Restricted Share Unit.

Section 3.4 **Forfeiture and Cancellation upon Restricted Share Unit Expiry Date**

Restricted Share Units which do not vest on or before the Restricted Share Unit Expiry Date of such Restricted Share Unit due to failure to meet Performance Conditions or the cessation of employment will be automatically cancelled, without further act or formality and without compensation.

Section 3.5 **Amendment of Trigger Date**

The Board may, at any time after a grant of a Restricted Share Unit, accelerate the Trigger Date of such Restricted Share Unit, provided such date is not earlier than one year from the date of the grant, unless otherwise permitted under TSX Venture Policies.

Section 3.6 **Account**

Restricted Share Units issued pursuant to this Plan (including fractional Restricted Share Units, computed to three digits) will be credited to a notional account maintained for each Restricted Share Unit Recipient by the Company for the purposes of facilitating the determination of amounts that may become payable hereunder. A written confirmation of the balance in each Restricted Share Unit Recipient's account will be sent by the Company to the Restricted Share Unit Recipient upon request of the Restricted Share Unit Recipient.

Section 3.7 **Dividend Equivalents**

On any date on which a cash dividend is paid on Shares, a Restricted Share Unit Recipient's account will be credited with the number and type of Restricted Share Units (including fractional Restricted Share Units, computed to three digits) calculated by:

- (a) multiplying the amount of the dividend per Share by the aggregate number of Restricted Share Units that were credited to the Service Provider's account as of the record date for payment of the dividend; and
- (b) dividing the amount obtained in Section 3.7(a) by the Fair Market Value on the date on which the dividend is paid.

Limitations on Issue

Notwithstanding the foregoing, the aggregate number of Restricted Share Units to be credited in respect of the payment of a dividend amount must not, together with all outstanding Restricted Share Units, exceed the Plan maximum set out in Section 2.2. The issuance of any Restricted Share Units under this Section 3.7 that,

together with all outstanding Restricted Share Units, exceed the Plan maximum set out in Section 2.2 shall be satisfied by the payment of cash to the Restricted Share Unit Recipient by the Company.

Section 3.8 Adjustments and Reorganization

Any adjustment, other than in connection with a security consolidation or security split, to Awards granted or issued under the Plan must be subject to the prior acceptance of the Exchange, including adjustments related to an amalgamation, merger, arrangement, reorganization, spin-off, dividend or recapitalization.

Section 3.9 Notice and Acknowledgement

No certificates will be issued with respect to the Restricted Share Units issued under this Plan. Each Service Provider will, prior to being granted any Restricted Share Units, deliver to the Company a signed acknowledgement substantially in the form of Schedule A to this Plan, as provided by the Company.

**ARTICLE 4
PAYMENTS OF RESTRICTED SHARE UNITS UNDER THIS PLAN**

Section 4.1 Payment of Restricted Share Units

Subject to the terms of this Plan and, in particular, Section 4.7 of this Plan, the Company, in its discretion and as may be determined by the Board, will pay out vested Restricted Share Units issued under this Plan and credited to the account of a Restricted Share Unit Recipient by paying or issuing (net of any Applicable Withholding Tax) to such Restricted Share Unit Recipient, on or subsequent to the Vesting Date but no later than the Restricted Share Unit Expiry Date of such vested Restricted Share Unit, an Award Payout of either:

- (a) subject to receipt of Regulatory Approvals, one Share for such whole vested Restricted Share Unit. Fractional Shares shall not be issued and where a Restricted Share Unit Recipient would be entitled to receive a fractional Share in respect of any fractional vested Restricted Share Unit, the Company shall pay to such Restricted Share Unit Recipient, in lieu of such fractional Share, cash equal to the Vesting Date Value as at the Vesting Date of such fractional Share. Each Share issued by the Company pursuant to this Plan shall be issued as fully paid and non-assessable, or
- (b) a cash amount equal to the Vesting Date Value as at the Vesting Date of such vested Restricted Share Unit; and
- (c) notwithstanding the foregoing, the Vesting Date Value must not be less than the Discounted Market Price as at the Restricted Share Unit Grant Date.

Limitation on Issuance of Shares to Insiders

Notwithstanding anything in this Plan, the Company shall not issue Shares under this Plan to any Service Provider who is an Insider of the Company where such issuance would result in:

- (a) the total number of Shares issuable at any time under this Plan to Insiders, or when combined with all other Shares issuable to Insiders under any other Share Compensation Arrangements then in place, including any Options or Optioned Shares, exceeding the maximum grants set forth herein, or 10% of the total number of Outstanding Shares on a non-diluted basis, unless the Company has obtained Disinterested Shareholder Approval to do so; and
- (b) the total number of Shares that may be issued to Insiders during any one year period under this Plan, or when combined with all other Shares issued to Insiders under any other Share Compensation Arrangements then in place, including any Options or Optioned Shares, exceeding the maximum

grants set forth herein, or 10% of the total number of Outstanding Shares on a non-diluted basis, unless the Company has obtained Disinterested Shareholder Approval to do so.

Where the Company is precluded by this Section 4.1 from issuing Shares to an Insider of the Company, the Company will pay to the relevant Insider a cash Award Payout in an amount equal to the Vesting Date Value as at the Vesting Date of the Restricted Share Unit.

Section 4.2 **Restricted Share Units Granted Under the Company's Previous RSU Plan**

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

Section 4.3 **Experts and Advisors**

The Board may engage such experts and advisors as it considers appropriate, including compensation or human resources experts or advisors, to provide advice and assistance in determining the amounts to be paid under this Plan and other amounts and values to be determined hereunder or in respect of this Plan including, without limitation, those related to a particular Fair Market Value.

Section 4.4 **Cancellation on Termination for Cause, Retirement or Voluntary Resignation**

Unless the Board at any time otherwise determines, all unvested Restricted Share Units held by any Restricted Share Unit Recipient and all rights in respect thereof will be automatically cancelled, without further act or formality and without compensation, immediately in the event of a Termination arising from the termination of employment or removal from service by the Company or a Related Entity for cause, Retirement of the Restricted Share Unit Recipient or the voluntary resignation by the Restricted Share Unit Recipient. In situations where the Board exercises its discretion under this Section 4.4, in no case shall the Restricted Share Units, subject to such discretion, be valid beyond one year from the date of Termination.

Section 4.5 **Total Disability, Death and Termination Without Cause**

Unless the Board at any time otherwise determines, if a Restricted Share Unit Recipient ceases to be a Service Provider for any of the following reasons, unvested Restricted Share Units will vest in accordance with Section 3.3 on the date the Restricted Share Unit Recipient ceases to be a Service Provider:

- (a) death or Total Disability of a Restricted Share Unit Recipient;
- (b) the Termination of employment or removal from service by the Company or a Related Entity without cause; and
- (c) the Termination of employment by the Restricted Share Unit Recipient other than by way of Retirement of the Restricted Share Unit Recipient or voluntary resignation by the Restricted Share Unit Recipient.

In situations where the Board exercises its discretion under this Section 4.5, in no case shall the Restricted Share Units, subject to such discretion, be valid beyond one year from the date of Termination.

Section 4.6 **Change of Control**

In the event of a Change of Control, all Restricted Share Units credited to an account of a Restricted Share Unit Recipient that have not otherwise previously been cancelled pursuant to the terms of the Plan shall vest on the date on which the Change of Control occurs (the "**Change of Control Date**"). Within thirty (30) days after the Change of Control Date, but in no event later than the Restricted Share Unit Expiry Date, the Restricted Share Unit Recipient shall at the discretion of the Board, receive either Shares or receive a cash

payment equal in amount to: (a) the number of Restricted Share Units that vested on the Change of Control Date; multiplied by (b) the Fair Market Value on the Change of Control Date, net of any Applicable Withholding Taxes and other source deductions required by law to be withheld by the Company.

Section 4.7 **Tax Matters and Applicable Withholding Tax**

The Company does not assume any responsibility for or in respect of the tax consequences of the receipt by Restricted Share Unit Recipients of Restricted Share Units, or payments received by Restricted Share Unit Recipients pursuant to this Plan. The Company or relevant Related Entity, as applicable, is authorized to deduct such taxes and other amounts as it may be required or permitted by law to withhold (“**Applicable Withholding Tax**”), in such manner (including, without limitation, by selling Shares otherwise issuable to Restricted Share Unit Recipients, on such terms as the Company determines) as it determines so as to ensure that it will be able to comply with the applicable provisions of any federal, provincial, state or local law relating to the withholding of tax or other required deductions, or the remittance of tax or other obligations. The Company or relevant Related Entity, as applicable, may require Restricted Share Unit Recipients, as a condition of receiving amounts to be paid to them under this Plan, to deliver undertakings to, or indemnities in favour of, the Company or Related Entity, as applicable, respecting the payment by such Restricted Share Unit Recipients of applicable income or other taxes.

ARTICLE 5 SHARE OPTION AWARDS UNDER THIS PLAN

Section 5.1 **Eligibility**

Options to purchase Shares may be granted hereunder to Service Providers of the Company, or its affiliates, from time to time by the Board. Service Providers that are not individuals will be required to undertake in writing not to effect or permit any transfer of ownership or option of any of its securities, or to issue more of its securities (so as to indirectly transfer the benefits of an Option), as long as such Option remains outstanding, unless the written permission of the TSX Venture and the Company is obtained. It shall be the responsibility of the Company and the Optionee to ensure that such Optionee is a *bona fide* Service Provider.

Section 5.2 **Options Granted Under the Plan**

- (a) All Options granted under the Plan will be evidenced by an Option Certificate in the form attached as Schedule B, showing the number of Optioned Shares, the term of the Option, a reference to vesting terms, if any, and the Option Exercise Price.
- (b) The Option Certificate of any Option which is intended to qualify as an Incentive Stock Option shall contain such limitations and restrictions upon the exercise of the Option as shall be necessary in order that such Option qualifies as an “incentive stock option” within the meaning of Section 422 of the Code. Further, the Option Certificate authorized under the Plan shall be subject to such other terms and conditions including, without limitation, restrictions upon the exercise of the Option, as the Board shall deem advisable and which are not inconsistent with the requirements of Section 422 of the Code.
- (c) No Options shall be granted after the expiration of ten (10) years from the earlier of the date of the adoption of the Plan by the Company or the approval of the Plan by the shareholders of the Company.
- (d) The sole class of Service Providers eligible to receive Incentive Stock Options under this Plan are employees of the Company.
- (e) Subject to specific variations approved by the Board, all terms and conditions set out herein will be deemed to be incorporated into and form part of an Option Commitment made hereunder.

Section 5.3 **Powers of the Board**

Without limiting the powers of the Board hereunder, the Board has the power to:

- (a) allot Plan Shares for issuance in connection with the exercise of Options;
- (b) grant Options hereunder;
- (c) subject to any necessary Regulatory Approval, amend, suspend, terminate or discontinue the Plan, or revoke or alter any action taken in connection therewith, except that no general amendment or suspension of the Plan will, without the prior written consent of all Optionees, alter or impair any Option previously granted under the Plan unless the alteration or impairment occurred as a result of a change in the TSX Venture Policies or the Company's tier classification thereunder; and
- (d) delegate all or such portion of its powers hereunder as it may determine to one or more committees of the Board, either indefinitely or for such period of time as it may specify, and thereafter each such committee may exercise the powers and discharge the duties of the Board in respect of the Plan so delegated to the same extent as the Board is hereby authorized so to do.

Section 5.4 **Amendment of the Plan by the Board**

Subject to the requirements of the TSX Venture Policies and the prior receipt of any necessary Regulatory Approval, the Board may in its absolute discretion, amend or modify the Plan or any Option granted as follows:

- (a) it may make amendments which are of a typographical, grammatical or clerical nature only;
- (b) amendments of a housekeeping nature; and
- (c) it may make such amendments as reduce, and do not increase, the benefits of this Plan to Service Providers.

Section 5.5 **Amendments Requiring Disinterested Shareholder Approval**

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

- (a) any amendment, if the Plan, together with all of the Company's other previous Share Compensation Arrangements, could result at any time in:
 - (i) the aggregate number of Shares reserved for issuance under Options granted to Insiders exceeding 10% of the Outstanding Shares in the event that this Plan is amended to reserve for issuance more than 10% of the Outstanding Shares;
 - (ii) the number of Optioned Shares issued to Insiders within a one-year period exceeding 10% of the Outstanding Shares in the event that this Plan is amended to reserve for issuance more than 10% of the Outstanding Shares; or
 - (iii) the issuance to any one Optionee, within a 12-month period, of a number of Shares exceeding 5% of the Outstanding Shares;
- (b) any reduction in the Option Exercise Price of an Option previously granted to an Insider;
- (c) any amendment to the Plan that would result in a benefit of an Insider; or

- (d) the extension to the term of an outstanding Option, or outstanding Incentive Stock Option held by an Insider.

Section 5.6 Amendments Requiring Shareholder Approval

- (a) The Company will be required to obtain Shareholder Approval for any amendment to the Plan where such amendment would amend the:
 - (i) Service Providers who may be granted Options under the Plan;
 - (ii) method for determining the Option Exercise Price;
 - (iii) maximum term of an Option under Section 6.2;
 - (iv) expiry and termination provisions relating to the Options under the Plan, including the addition of a Black-out Period;
 - (v) limitations under the Plan on the number of Options that may be granted to any one person or category of persons, including insiders, as set out in the Plan;
 - (vi) maximum number or percentage, as the case may be, of Shares that may be reserved under the Plan for issuance pursuant to the exercise of the Options;
 - (vii) Plan to include a Net Exercise provision (as defined in the TSX Venture Policies);
 - (viii) the method or formula for calculating prices, values or amounts under the Plan that may result in a benefit to a Participant, including but not limited to the formula for calculating the appreciation of a Stock Appreciation Right, as that term is defined in the TSX Venture Policies;
 - (ix) the vesting provisions of an Option granted hereunder, subject to prior written approval of the TSX Venture, if applicable;
 - (x) the termination provision of an Option granted hereunder which does not entail an extension beyond the original Expiry Date of such Option or 12 months from termination; or
 - (xi) Plan, if the Company becomes listed or quoted on a stock exchange or stock market senior to the TSX Venture, to make such amendments as may be required by the policies of such senior stock exchange or stock market.

Section 5.7 Options Granted Under the Company's Previous Share Option Plan

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

**ARTICLE 6
TERMS AND CONDITIONS OF OPTIONS**

Section 6.1 Option Exercise Price

The Option Exercise Price of an Option will be set by the Board at the time such Option is allocated under the Plan, and cannot be less than the Discounted Market Price, and in the case of a Service Provider employed

or performing services in the United States or otherwise subject to Section 409A or Section 422 of the Code, shall not be less than Fair Market Value on the date of grant. If the Optionee owns directly or by reason of the applicable attribution rules more than 10% of the total combined voting power of all classes of stock of the Company, the Option price per share of the Shares covered by each Option which is intended to be an Incentive Stock Option shall be not less than one hundred and ten percent (110%) of the Fair Market Value on the date of the grant.

Section 6.2 **Term of Option**

An Option can be exercisable for a maximum of 10 years from the Option Effective Date; provided, however, that if the Option price is required under Section 6.1 to be at least 110% of Fair Market Value, each such Option shall terminate not more than five (5) years from the date of the grant thereof, and shall be subject to earlier termination as herein provided.

Section 6.3 **Option Amendment**

- (a) Subject to Section 5.5(b), the Option Exercise Price of an Option may be amended only if at least six (6) months have elapsed since the later of the date of commencement of the term of the Option, the date the Shares commenced trading on the TSX Venture, or the date of the last amendment of the Option Exercise Price.
- (b) An Option must be outstanding for at least one year before the Company may extend its term, subject to the limits contained in Section 6.2.
- (c) Any proposed amendment to the terms of an Option must be approved by the TSX Venture prior to the exercise of such Option.

Section 6.4 **Vesting of Options**

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

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

Section 6.5 **Effect of Take-Over Bid**

If a Take-Over Bid is made to the shareholders of the Company generally then the Company shall immediately upon receipt of notice of the Take-Over Bid, notify each Optionee, with the exception of Optionees engaged in Investor Relations Activities, currently holding an Option of the Company, with full particulars thereof whereupon such Option may, notwithstanding Section 6.4 or any vesting requirements set out in the Option Commitment, be immediately exercised in whole or in part by the Optionee, subject to approval of the TSX Venture for vesting requirements imposed by the TSX Venture Policies.

Section 6.6 Acceleration of Vesting on Change of Control

In the event of a Change of Control occurring, Options granted and outstanding, which are subject to vesting provisions, shall be deemed to have immediately vested upon the occurrence of the Change of Control, excluding Options granted to a Person engaged in Investor Relations Activities.

Section 6.7 Extension of Options Expiring During Black-Out Period

Should the Option Expiry Date for an Option fall within a Black-Out Period, such Option Expiry Date shall, be automatically extended without any further act or formality to that day which is the tenth (10th) Business Day after the end of the Black-Out Period.

Section 6.8 Optionee Ceasing to be Director, Employee or Service Provider

Options may be exercised after the Service Provider has left his/her employ/office or has been advised by the Company that his/her services are no longer required or his/her service contract has expired, until the term applicable to such Options expires, except as follows:

- (a) in the case of the death of an Optionee, any vested Option held by him at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such Option;
- (b) an Option granted to (i) Director or Officer will expire 90 days and (ii) to all others including, but not limited to, Employees and Consultants will expire 30 days (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the Option) after the date the Optionee ceases to be employed by or provide services to the Company, and only to the extent that such Option was vested at the date the Optionee ceased to be so employed by or to provide services to the Company; and
- (c) in the case of an Optionee being dismissed from employment or service for cause, such Optionee's Options, whether or not vested at the date of dismissal will immediately terminate without right to exercise same.

Section 6.9 Non-Assignable

Subject to Section 6.8(a), all Options will be exercisable only by the Optionee to whom they are granted and will not be assignable or transferable.

Section 6.10 Adjustment of the Number of Optioned Shares

The number of Shares subject to an Option will be subject to adjustment in the events and in the manner following:

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

of Optioned Shares in respect of which the right to purchase is then being exercised, the lesser number of Shares as result from the consolidation;

- (c) in the event of any change of the Shares as constituted on the date hereof, at any time while an Option is in effect, the Company will thereafter deliver at the time of purchase of Optioned Shares hereunder the number of shares of the appropriate class resulting from the said change as an Optionee would have been entitled to receive in respect of the number of Shares so purchased had the right to purchase been exercised before such change;
- (d) subject to Section 6.10(e) below, in the event of a capital reorganization, reclassification or change of outstanding equity shares (other than a change in the par value thereof) of the Company, a consolidation, merger or amalgamation of the Company with or into any other company or a sale of the property of the Company as or substantially as an entirety at any time while an Option is in effect, an Optionee will thereafter have the right to purchase and receive, in lieu of the Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option, the kind and amount of shares and other securities and property receivable upon such capital reorganization, reclassification, change, consolidation, merger, amalgamation or sale which the holder of a number of Shares equal to the number of Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option would have received as a result thereof. The subdivision or consolidation of Shares at any time outstanding (whether with or without par value) will not be deemed to be a capital reorganization or a reclassification of the capital of the Company for the purposes of this Section 6.10;
- (e) any adjustment, other than in connection with a consolidation or split to Awards granted or issued pursuant to the Plan is subject to prior acceptance by the Exchange, including adjustments related to an amalgamation, merger, arrangement, reorganization, spin-off, dividend or recapitalization;
- (f) an adjustment will take effect at the time of the event giving rise to the adjustment, and the adjustments provided for in this section are cumulative;
- (g) the Company will not be required to issue fractional shares in satisfaction of its obligations hereunder. Any fractional interest in a Share that would, except for the provisions of this Section 6.10, be deliverable upon the exercise of an Option will be cancelled and not be deliverable by the Company; and

if any questions arise at any time with respect to the Option Exercise Price or number of Optioned Shares deliverable upon exercise of an Option in any of the events set out in this Section 6.10, such questions will be conclusively determined by the Company's auditors, or, if they decline to so act, any other firm of Chartered Accountants, in Toronto, Ontario (or in the city of the Company's principal executive office) that the Company may designate and who will be granted access to all appropriate records and such determination will be binding upon the Company and all Optionees.

ARTICLE 7 COMMITMENT AND EXERCISE PROCEDURES

Section 7.1 Option Commitment

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

Manner of Exercise

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

- (a) a written notice to the Company specifying the number of Optioned Shares being acquired pursuant to the Option; and
- (b) a certified cheque, wire transfer or bank draft payable to the Company for the aggregate Option Exercise Price for the Optioned Shares being acquired, plus any required Applicable Withholding Tax amount subject to Section 7.2.

Notwithstanding anything contained in this Section 7.1, provided the Company consents, an Optionee may elect to exercise an Option, in whole or in part, on a “cashless exercise” (“**Cashless Exercise**”) basis or a “net exercise” (“**Net Exercise**”) basis. In connection with a Cashless Exercise of Options, provided the Company consents, a brokerage firm will loan money (including, to the extent necessary, the amount required to satisfy any Applicable Withholding Tax) to an Optionee to purchase Shares underlying the Options, and will sell a sufficient number of Shares to cover the exercise price (and any Applicable Withholding Taxes) of the Options in order to repay the loan made to the Optionee and the Optionee retains the balance of the Shares. In connection with a Net Exercise of Options, provided the Company consents, an Optionee would receive such number of Shares equal in value to the difference between the sum of the Option Exercise Price multiplied by the number of Options exercised and any Applicable Withholding Taxes and the Fair Market Value of the Shares on the date of exercise, computed in accordance with the terms of the Plan.

Section 7.2 **Tax Withholding and Procedures**

Notwithstanding anything else contained in this Plan, the Company may, from time to time, implement such procedures and conditions as it determines appropriate with respect to the withholding and remittance of taxes imposed under applicable law, or the funding of related amounts for which liability may arise under such applicable law.

The Company will withhold taxes for Optionees exercising Options in accordance with Canadian, U.S. federal and state tax law, as required by the applicable tax law.

Without limiting the generality of the foregoing, an Optionee who wishes to exercise an Option must, in addition to following the procedures set out in Section 7.2 and elsewhere in this Plan, and as a condition of exercise:

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

Reporting of Taxes

For Participants that are employees of the Company, the Company will report the amount of resulting income from exercised NSOs and ISOs and the corresponding withholding tax on the applicable tax forms to the recipient.

Section 7.3 **Delivery of Optioned Shares and Hold Periods**

As soon as practicable after receipt of the notice of exercise described in this Article 7 and payment in full for the Optioned Shares being acquired, the Company will direct its transfer agent to issue to the Optionee the appropriate number of Optioned Shares. If the Option Exercise Price is set below the then current market price of the Shares on the TSX Venture at the time of grant, the certificate representing the Optioned Shares or written notice in the case of uncertificated shares will include a legend stipulating that the Optioned Shares issued are subject to a four-month Exchange Hold Period commencing the date of the Option Commitment.

An Exchange Hold Period will be applied from the date of grant for all Options granted to:

- (a) Insiders of the Company; or
- (b) where Options are granted to any Service Provider, including Insiders, where the Exercise Price is at a discount to the Market Price.

Pursuant to TSX Venture Policies, where the Exchange Hold Period is applicable, the certificate representing the Optioned Shares or written notice in the case of uncertificated shares will include a legend stipulating that the Optioned Shares issued are subject to a four-month Exchange Hold Period commencing the date of the Option Commitment.

ARTICLE 8 GENERAL CONDITIONS

Section 8.1 **General Conditions Applicable to Restricted Share Units**

- (a) **Compliance with Applicable Laws** - The issuance by the Company of any Restricted Share Units and its obligation to make any payments hereunder is subject to compliance with all applicable laws. As a condition of participating in this Plan, each Restricted Share Unit Recipient 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. The Company will have no obligation under this Plan, or otherwise, to grant any Restricted Share Unit or make any payment under this Plan in violation of any applicable laws.
- (b) **Awards to Insiders** - All Awards issued to Insiders will include a legend stipulating that the Award is subject to the Exchange Hold Period.
- (c) **Non-Transferability** - All Awards and all other rights, benefits or interests in this Plan are non-transferable and may not be pledged or assigned or encumbered in any way and are not subject to attachment or garnishment, except that if a Restricted Share Unit Recipient dies the legal representatives of the Restricted Share Unit Recipient will be entitled to receive the amount of any payment otherwise payable to the Restricted Share Unit Recipient hereunder in accordance with the provisions hereof.
- (d) **No Right to Service** - Neither participation in this Plan nor any action under this Plan will be construed to give any Service Provider or Restricted Share Unit Recipient a right to be retained in the service or to continue in the employment of the Company or any Related Entity, or affect in any way the right of the Company or any Related Entity to terminate his or her employment at any time.
- (e) **Plan Amendment** - The Board may amend this Plan as it deems necessary or appropriate, subject to the requirements of applicable laws, but no amendment will, without the consent of the Restricted Share Unit Recipient or unless required by law, adversely affect the rights of a Restricted Share Unit Recipient with respect to Restricted Share Units to which the Restricted Share Unit Recipient is then entitled under this Plan. Any amendments to the Plan are subject to the Company receiving prior

TSX Venture approval and Shareholder Approval or Disinterested Shareholder Approval, as applicable, in accordance with Section 5.5 and Section 5.6 of the Plan, respectively.

- (f) **Plan Termination** - The Board may terminate this Plan at any time, but no termination will, without the consent of the Restricted Share Unit Recipient or unless required by law, adversely affect the rights of a Restricted Share Unit Recipient with respect to Restricted Share Units to which the Restricted Share Unit Recipient is then entitled under this Plan. In no event will a termination of this Plan accelerate the vesting of Restricted Share Units or the time at which a Restricted Share Unit Recipient would otherwise be entitled to receive any payment in respect of Restricted Share Units hereunder.
- (g) **Reorganization of the Company** - The existence of this Plan or Restricted Share Units will not affect in any way the right or power of the Company or its shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, or to create or issue any bonds, debentures, Shares or other securities of the Company or to amend or modify the rights and conditions attaching thereto or to effect the dissolution or liquidation of the Company, or any amalgamation, combination, merger or consolidation involving the Company or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.
- (h) **No Shareholder Rights** - Restricted Share Units are not considered to be Shares or securities of the Company, and a Restricted Share Unit Recipient who is issued Restricted Share Units will not, as such, be entitled to receive notice of or to attend any shareholders' meeting of the Company, nor be entitled to exercise voting rights or any other rights attaching to the ownership of Shares or other securities of the Company, and will not be considered the owner of Shares by virtue of such issuance of Restricted Share Units.
- (i) **No Other Benefit** - No amount will be paid to, or in respect of, a Restricted Share Unit Recipient under this Plan to compensate for a downward fluctuation in the Fair Market Value or price of a Share, nor will any other form of benefit be conferred upon, or in respect of, a Restricted Share Unit Recipient for such purpose.
- (j) **Unfunded Plan** - For greater certainty, this Plan will be an unfunded plan, including for tax purposes and for purposes of the *Employee Retirement Income Security Act* (United States). Any Restricted Share Unit Recipient to which Restricted Share Units are credited to his or her account or holding Restricted Share Units or related accruals under this Plan will have the status of a general unsecured creditor of the Company with respect to any relevant rights that may arise thereunder.

Section 8.2 **General Conditions Applicable to Options**

- (a) **Employment and Services** - Nothing contained in the Plan will confer upon or imply in favour of any Optionee any right with respect to office, employment or provision of services with the Company, or interfere in any way with the right of the Company to lawfully terminate the Optionee's office, employment or service at any time pursuant to the arrangements pertaining to same. Participation in the Plan by an Optionee is voluntary.
- (b) **No Representation or Warranty** - The Company makes no representation or warranty as to the future market value of Shares issued in accordance with the provisions of the Plan or to the effect of the *Income Tax Act* (Canada) or any other taxing statute governing the Options or the Shares issuable thereunder or the tax consequences to a Service Provider. Compliance with applicable securities laws as to the disclosure and resale obligations of each Participant is the responsibility of each Participant and not the Company.
- (c) **Plan Amendment** - The Board reserves the right, in its absolute discretion, to at any time amend, modify or terminate the Plan with respect to all Shares in respect of Options which have not yet

been granted hereunder. Any amendments to the Plan are subject to the Company receiving prior TSX Venture approval and Shareholder Approval and Disinterested Shareholder Approval, as applicable, in accordance with Section 5.5 and Section 5.6 of the Plan, respectively.

- (d) **Savings Clause** - This Plan is intended to comply in all respects with applicable law and regulations, including Section 409A of the Code. In case any one or more provisions of this Plan shall be held invalid, illegal, or unenforceable in any respect under applicable law and regulation (including Section 409A of the Code), the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and the invalid, illegal, or unenforceable provision shall be deemed null and void; however, to the extent permitted by law, any provision that could be deemed null and void shall first be construed, interpreted, or revised retroactively to permit this Plan to be construed in compliance with all applicable law (including Section 409A of the Code) so as to foster the intent of this Plan.

Section 8.3 **General Conditions**

- (a) **Successors and Assigns** - This Plan will enure to the benefit of and be binding upon the respective legal representatives of the Service Provider.
- (b) **Governing Law** - This Plan and all matters to which reference is made in this Plan will be governed by and construed in accordance with the laws of Ontario and the federal laws of Canada applicable therein (without regard to conflict of law principles).

SCHEDULE "A"
FORM OF RESTRICTED SHARE UNIT AGREEMENT

Jourdan Resources Inc. (the "**Company**") hereby confirms the grant to the undersigned recipient of Restricted Share Units ("**Restricted Share Units**") described in the table below pursuant to the Company's Omnibus Incentive Plan (the "**Plan**"), a copy of which Plan has been provided to the undersigned Restricted Share Unit Recipient.

No. of Restricted Share Units	Trigger Date	Restricted Share Unit Expiry Date

[include any specific/additional vesting period or Performance Conditions]

Performance Conditions:

- 1) •
- 2) •

The Company and the undersigned Service Provider hereby confirm that the undersigned Service Provider is a bona fide Director, Officer, Employee, Management Company Employee, Consultant or Company Consultant, which, in each case, includes a company, 100% of the share capital of which is beneficially owned by one or more such Persons, as the case may be.

DATED _____, 20____.

•.

Per: _____
 Authorized Signatory

The undersigned hereby accepts such grant, acknowledges being a Restricted Share Unit Recipient under the Plan, agrees to be bound by the provisions thereof and agrees that the Plan will be effective as an agreement between the Company and the undersigned with respect to the Restricted Share Units granted or otherwise issued to it.

DATED _____, 20____.

 Witness (Signature)

 Name (please print)

 Address

 City, Province

 Occupation

 Restricted Share Unit Recipient's Signature

 Name of Restricted Share Unit Recipient (print)

SCHEDULE "B"
FORM OF OPTION CERTIFICATE

[If issued to officers or directors or at a discount to the Market Price] WITHOUT PRIOR WRITTEN APPROVAL OF TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL [INSERT DATE THAT IS FOUR MONTHS AND A DAY FROM THE GRANT DATE].

[Insert the following U.S. legend if the Option is being issued to an Optionee who is in the United States or who is a U.S. person:]

THE OPTION REPRESENTED BY THIS CERTIFICATE AND THE COMMON SHARES ISSUABLE UPON EXERCISE THEREOF HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY ACQUIRING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE COMPANY THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) PURSUANT TO THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE LAWS AND REGULATIONS GOVERNING THE OFFER AND SALE OF SECURITIES, AND IT HAS, IN THE CASE OF EACH OF (C) AND (D), PRIOR TO SUCH TRANSFER FURNISHED TO THE COMPANY AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE SATISFACTORY TO THE COMPANY TO SUCH EFFECT.

JOURDAN RESOURCES INC.

OMNIBUS INCENTIVE PLAN

OPTION CERTIFICATE

This Certificate is issued pursuant to the provisions of the Jourdan Resources Inc. (the "**Company**") Omnibus Incentive Plan (the "**Plan**") and evidences that _____ is the holder (the "**Optionee**") of an option (the "**Option**") to purchase up to _____ common shares (the "**Shares**") in the capital stock of the Company at a purchase price of CAD\$_____ per Share (the "**Option Exercise Price**").

The Company and the undersigned Service Provider hereby confirm that the undersigned Service Provider is a bona fide Director, Officer, Employee, Management Company Employee, Consultant or Company Consultant, which, in each case, includes a company, 100% of the share capital of which is beneficially owned by one or more such Persons, as the case may be.

The Plan provides for the granting of stock options that either (i) are intended to qualify as "Incentive Stock Options" within the meaning of Section 422 of the United States Internal Revenue Code of 1986, as amended (the "**Code**"), or (ii) do not qualify as Incentive Stock Options under Section 422 of the Code, and are hence called ("**Non-Statutory Stock Options**"). This Option will be treated as (select one), barring any post-grant events that effect the eligibility of the option to be treated as an ISO:

an Incentive Stock Option (ISO); or

a Non-Statutory Stock Option (NSO).

Subject to the provisions of the Plan:

- (a) the effective date of the grant of the Option is _____, 20__;
- (b) the Option expires at 5:00 p.m. (Vancouver Time) on _____, 20__; and
- (c) the Options shall vest as follows:

Date	Percent of Stock Options Vested	Number of Stock Options Vested	Aggregate Number of Stock Options Vested

The vested portion or portions of the Option may be exercised at any time and from time to time from and including the date of the grant of the Option through to 5:00 p.m. (Vancouver Time) on the expiration date of the Option Period by delivering to the Company an Exercise Notice, in the form attached as Appendix "I" hereto, together with this Certificate and a certified cheque or bank draft payable to the Company in an amount equal to the aggregate of the Option Exercise Price of the Shares in respect of which the Option is being exercised.

All Options and any Shares issued on the exercise of Options may be subject to resale restrictions and may be subject to and legended with a four month hold period commencing on the date the Options were granted pursuant to the rules of the Exchange and applicable securities laws. The Options hereby granted are subject to the approval of the Exchange.

This Certificate and the Option evidenced hereby is not assignable, transferable or negotiable and is subject to the detailed terms and conditions contained in the Plan, the terms and conditions of which the Optionee hereby expressly agrees with the Company to be bound by. This Certificate is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the Plan and the records of the Company shall prevail.

If the Optionee is a U.S. person or is located in the United States, the Optionee acknowledges and agrees as follows:

- (a) The Option and the Shares (collectively, the "**Securities**") have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States, and the Option is being granted to the Optionee in reliance on an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws.
- (b) The Securities will be "restricted securities", as defined in Rule 144 under the U.S. Securities Act, and the rules of the United States Securities and Exchange Commission provide in substance that the Optionee may dispose of the Securities only pursuant to an effective registration statement under the U.S. Securities Act or an exemption therefrom, and the Company has no obligation to register any of the Securities or to take action so as to permit sales pursuant to the U.S. Securities Act (including Rule 144 thereunder, if available).

- (c) The Optionee understands that (i) if the Company is deemed to be an issuer that is, or that has been at any time previously, an issuer with no or nominal operations and no or nominal assets other than cash and cash equivalents (a “**Shell Company**”), Rule 144 under the U.S. Securities Act may not be available for resales of the Securities and (ii) the Company is not obligated to make Rule 144 under the U.S. Securities Act available for resales of the Securities;
- (d) If the Optionee decides to offer, sell or otherwise transfer any of the Shares, the Optionee will not offer, sell or otherwise transfer any of the Shares directly or indirectly, unless:
 - (i) the sale is to the Company;
 - (ii) the sale is made outside the United States in a transaction meeting the requirements of Rule 904 of Regulation S under the U.S. Securities Act (“**Regulation S**”) and in compliance with applicable local laws and regulations;
 - (iii) the sale is made pursuant to the exemption from the registration requirements under the U.S. Securities Act provided by Rule 144 thereunder, if available, and in accordance with any applicable state securities or “blue sky” laws; or
 - (iv) the Shares are sold in a transaction that does not require registration under the U.S. Securities Act or any applicable state laws and regulations governing the offer and sale of securities;

and, in the case of each of (iii) and (iv) it has prior to such sale furnished to the Company an opinion of counsel reasonably satisfactory to the Company stating that such transaction is exempt from registration under applicable securities laws.

The Option may not be exercised by or for the account or benefit of a person in the United States or a U.S. person unless registered under the U.S. Securities Act and any applicable state securities laws, unless an exemption from such registration requirements is available.

The certificate(s) representing the Shares will be endorsed with the following or a similar legend until such time as it is no longer required under the applicable requirements of the U.S. Securities Act or applicable state securities laws:

“THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, (THE “U.S. SECURITIES ACT”) OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE COMPANY, THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY; (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT; (C) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS; OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF CLAUSE (C) OR (D), THE SELLER FURNISHES TO THE COMPANY AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE SATISFACTORY TO THE COMPANY TO SUCH EFFECT. THE PRESENCE OF THIS LEGEND MAY IMPAIR THE ABILITY OF THE HOLDER HEREOF TO EFFECT “GOOD DELIVERY” OF THE SECURITIES REPRESENTED HEREBY ON A CANADIAN STOCK EXCHANGE.”

provided, that if the Shares are being sold outside the United States in compliance with the requirements of Rule 904 of Regulation S and such Shares were acquired at a time when the Company is a “foreign issuer” as defined in Regulation S, the legend set forth above may be removed by providing an executed declaration to the registrar and transfer agent of the Company, in substantially the form set forth as Appendix “II” hereto (or in such other form as the Company may prescribe from time to time) and, if requested by the Company or the transfer agent, an opinion of counsel of recognized standing in form and substance satisfactory to the Company and the transfer agent to the effect that such sale is being made in compliance with Rule 904 of Regulation S; and provided, further, that, if any Shares are being sold otherwise than in accordance with Regulation S and other than to the Company, the legend may be removed by delivery to the registrar and transfer agent and the Company of an opinion of counsel, of recognized standing reasonably satisfactory to the Company, that such legend is no longer required under applicable requirements of the U.S. Securities Act or state securities laws.

- (e) Rule 905 of Regulation S provides in substance that any “restricted securities” that are equity securities of a “domestic issuer” (including an issuer that no longer qualifies as a “foreign issuer”) will continue to be deemed to be restricted securities notwithstanding that they were acquired in a resale transaction pursuant to Rule 901 or 904 of Regulation S; that Rule 905 of Regulation S will apply in respect of Shares if the Company is not a “foreign issuer” at the time of exercise of the related Options; and that the Company is not obligated to remain a “foreign issuer”.
- (f) “Domestic issuer”, “foreign issuer”, “United States” and “U.S. person” are as defined in Regulation S.
- (g) If the Optionee is resident in the State of California on the effective date of the grant of the Option, then, in addition to the terms and conditions contained in the Plan and in this Certificate, the Optionee acknowledges that the Company, as a reporting issuer under the securities legislation in the Provinces of British Columbia, Alberta, Ontario, and Quebec, is required to publicly file with the securities regulators in those jurisdictions continuous disclosure documents, including audited annual financial statements and unaudited quarterly financial statements (collectively, the “**Financial Statements**”). Such filings are available on the System for Electronic Document Analysis and Retrieval (SEDAR), and documents filed on SEDAR may be viewed under the Company’s profile at the following website address: www.sedar.com. Copies of Financial Statements will be made available to the Optionee by the Company upon the Optionee’s request.

All terms not otherwise defined in this Certificate shall have the meanings given to them under the Plan.

Dated this ____ day of _____, 20__.

JOURDAN RESOURCES INC.

Authorized Signatory

APPENDIX "I"

JOURDAN RESOURCES INC.

OMNIBUS INCENTIVE PLAN

EXERCISE NOTICE

TO: Jourdan Resources Inc. (the "Company")

1. The undersigned (the "**Optionee**"), being the holder of options to purchase _____ common shares of the Company (the "**Shares**") at the exercise price of \$CAD _____ per share (the "**Option Exercise Price**"), hereby irrevocably gives notice, pursuant to the Omnibus Incentive Plan of the Company (the "**Plan**"), of the exercise of the Option to acquire and hereby subscribes for _____ of such Shares of the Company.

2. The Optionee tenders herewith a certified cheque or bank draft payable to the Company in an amount equal to the aggregate Option Exercise Price of the aforesaid Shares exercised (unless the Optionee has elected for, and the Company consents to, a Cashless Exercise or Net Exercise under Item 2A below) and directs the Company to issue a share certificate evidencing said Shares in the name of the Optionee to be mailed to the Optionee at the following address:

2A. Subject to consent of the Company, the Optionee elects (if applicable, please check a category):

(a) Cashless Exercise; or

(b) Net Exercise.

3. By executing this Exercise Notice, the Optionee hereby confirms that the undersigned has read the Plan and agrees to be bound by the provisions of the Plan. All terms not otherwise defined in this Exercise Notice shall have the meanings given to them under the Plan or the attached Option Certificate.

4. The Optionee is resident in _____ [name of state/province].

5. The Optionee represents, warrants and certifies as follows (please check all of the categories that apply):

(a) the Optionee at the time of exercise of the Option is not in the United States, is not a "U.S. person" as defined in Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") and is not exercising the Option on behalf of, or for the account or benefit of a U.S. person or a person in the United States and did not execute or deliver this exercise form in the United States;

(b) the undersigned holder is resident in the United States or is a U.S. person who is a resident of the jurisdiction referred to in the address appearing above, and is a U.S. Accredited Investor **and has completed the U.S. Accredited Investor Status Certificate in the form attached to this Exercise Notice**;

(c) the undersigned holder is resident in the United States or is a U.S. person who is a resident of the jurisdiction referred to in the address appearing above, and is a natural person who is either: (i) a director, officer or employee of the Company or of a majority-owned subsidiary of the Company (each, an "**Eligible Company Optionee**"), (ii) a consultant who is providing bona fide services to the Company or a majority-owned subsidiary of the Company that are not in connection with the offer or sale of securities in a capital-raising transaction, and do not directly or indirectly promote or maintain

a market for the Company's securities (an “**Eligible Consultant**”), or (iii) a former Eligible Company Optionee or Eligible Consultant; and/or

- (d) if the undersigned holder is resident in the United States or is a U.S. person, the undersigned holder has delivered to the Company and the Company’s transfer agent an opinion of counsel (which will not be sufficient unless it is in form and substance satisfactory to the Company) or such other evidence satisfactory to the Company to the effect that with respect to the securities to be delivered upon exercise of the Option, the issuance of such securities has been registered under the U.S. Securities Act and applicable state securities laws or an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws is available;

6. “United States” and “U.S. person” are as defined in Regulation S under the U.S. Securities Act.

Note: Certificates representing Shares will not be registered or delivered to an address in the United States unless Box 5(b), (c) or (d) above is checked.

7. If the undersigned Optionee has marked Box 5(b), (c) or (d) above, the undersigned Optionee hereby represents, warrants, acknowledges and agrees that:

- (a) funds representing the subscription price for the Shares which will be advanced by the undersigned to the Company upon exercise of the Options will not represent proceeds of crime for the purposes of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (the “**PATRIOT Act**”), and the undersigned acknowledges that the Company may in the future be required by law to disclose the undersigned's name and other information relating to this exercise form and the undersigned's subscription hereunder, on a confidential basis, pursuant to the PATRIOT Act. No portion of the subscription price to be provided by the undersigned (i) has been or will be derived from or related to any activity that is deemed criminal under the laws of the United States of America, or any other jurisdiction, or (ii) is being tendered on behalf of a person or entity who has not been identified to or by the undersigned, and it shall promptly notify the Company if the undersigned discovers that any of such representations ceases to be true and provide the Company with appropriate information in connection therewith;
- (b) the financial statements of the Company have been prepared in accordance with Canadian generally accepted accounting principles or International Financial Reporting Standards, which differ in some respects from United States generally accepted accounting principles, and thus may not be comparable to financial statements of United States companies;
- (c) there may be material tax consequences to the Optionee of an acquisition or disposition of any of the Shares. The Company gives no opinion and makes no representation with respect to the tax consequences to the Optionee under United States, state, local or foreign tax law of the undersigned’s acquisition or disposition of such securities. In particular, no determination has been made whether the Company will be a “passive foreign investment company” within the meaning of Section 1297 of the United States Internal Revenue Code of 1986, as amended; and
- (d) if the undersigned has marked Box 5(c) above, the Company may rely on the registration exemption in Rule 701 under the U.S. Securities Act and a state registration exemption, but only if such exemptions are available; in the event such exemptions are determined by the Company to be unavailable, the undersigned may be required to provide additional evidence of an available exemption, including, without limitation, the legal opinion contemplated by Box 5(d).

8. If the undersigned Optionee has marked Box 5(b) above, the undersigned represents and warrants to the Company that:

- (a) the Optionee has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Shares, and the undersigned is able to bear the economic risk of loss of his or her entire investment;

- (b) the Company has provided to the undersigned the opportunity to ask questions and receive answers concerning the terms and conditions of the offering, and the undersigned has had access to such information concerning the Company as he or she has considered necessary or appropriate in connection with his or her investment decision to acquire the Shares;
- (c) the undersigned is: (i) purchasing the Shares for his or her own account or for the account of one or more U.S. Accredited Investors with respect to which the undersigned is exercising sole investment discretion, and not on behalf of any other person; and (ii) is purchasing the Shares for investment purposes only and not with a view to resale, distribution or other disposition in violation of United States federal or state securities laws; and
- (d) the undersigned has not exercised the Option as a result of any form of general solicitation or general advertising, including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or on the Internet, or broadcast over radio, television or other form of telecommunications or the Internet, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising.

9. If the undersigned has indicated that the undersigned is a U.S. Accredited Investor by marking Box 5(b) above, or if the undersigned has marked Box 7(c) above on the basis that the exercise of the Option is subject to the registration exemption in Rule 701 under the U.S. Securities Act and an available state registration exemption, the undersigned also acknowledges and agrees that:

- (a) the Shares have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States, and the Shares will be issued as “restricted securities” (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act) and may not be offered, sold, pledged, or otherwise transferred, directly or indirectly, without prior registration under the U.S. Securities Act and applicable state securities laws absent an exemption from such registration requirements; and
- (b) the certificate(s) representing the Shares will be endorsed with a U.S. restrictive legend substantially in the form set forth in the Option Certificate until such time as it is no longer required under the applicable requirements of the U.S. Securities Act or applicable state securities laws.

10 The undersigned Optionee hereby represents, warrants, acknowledges and agrees that the certificate(s) representing the Shares may be subject to and legended with a four month hold period commencing on the date the Options were granted pursuant to the rules of the Exchange and applicable securities laws.

DATED the _____ day of _____, _____.

Signature of Optionee

U.S. ACCREDITED INVESTOR STATUS CERTIFICATE

In connection with the exercise of an option to purchase common shares of **Jourdan Resources Inc.** (the “**Company**”) by the Optionee, the Optionee hereby represents and warrants to the Company that the Optionee satisfies one or more of the following categories of Accredited Investor (**please initial each category that applies**):

- _____ (1) Any director or executive officer of the Company; or
- _____ (2) A natural person whose individual net worth, or joint net worth with that person’s spouse, at the time of purchase of the Shares contemplated by the accompanying Exercise Notice, exceeds US\$1,000,000 (for the purposes of calculating net worth: (i) the person’s primary residence shall not be included as an asset; (ii) indebtedness that is secured by the person’s primary residence, up to the estimated fair market value of the primary residence at the time of the purchase of the Shares, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time execution of the accompanying Exercise Notice exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability); and (iii) indebtedness that is secured by the person’s primary residence in excess of the estimated fair market value of the primary residence shall be included as a liability); or
- _____ (3) A natural person who had an individual income in excess of US\$200,000 in each of the two most recent years or joint income with that person’s spouse in excess of US\$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year; or
- _____ (4) An organization described in Section 501(c)(3) of the United States Internal Revenue Code, a corporation, a Massachusetts or similar business trust, or a partnership, not formed for the specific purpose of acquiring the Shares, with total assets in excess of US\$5,000,000; or
- _____ (5) An entity in which all of the equity owners meet the requirements of at least one of the above categories (if this alternative is checked, you must identify each equity owner and provide statements signed by each demonstrating how each qualifies as an Accredited Investor).

APPENDIX "II"

JOURDAN RESOURCES INC.

OMNIBUS INCENTIVE PLAN

FORM OF DECLARATION FOR REMOVAL OF LEGEND

TO: Jourdan Resources Inc. (the "Company")

AND TO: Registrar and transfer agent for the common shares of the Company

The undersigned (a) acknowledges that the sale of _____ (the "Securities") of the Company, represented by certificate number _____, to which this declaration relates is being made in reliance on Rule 904 of Regulation S ("Regulation S") under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), and (b) certifies that (1) the undersigned is not (A) an "affiliate" of the Company (as that term is defined in Rule 405 under the U.S. Securities Act), (B) a "distributor" as defined in Regulation S or (C) an affiliate of a distributor; (2) the offer of such securities was not made to a person in the United States and either (A) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believed that the buyer was outside the United States, or (B) the transaction was executed on or through the facilities of the Toronto Stock Exchange, the TSX Venture Exchange, the Canadian Securities Exchange or another "designated offshore securities market", and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States; (3) neither the seller nor any affiliate of the seller nor any person acting on any of their behalf has engaged or will engage in any "directed selling efforts" in the United States in connection with the offer and sale of such securities; (4) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the securities are "restricted securities" (as such term is defined in Rule 144(a)(3) under the U. S. Securities Act); (5) the seller does not intend to replace the securities sold in reliance on Rule 904 of Regulation S with fungible unrestricted securities; and (6) the contemplated sale is not a transaction, or part of a series of transactions, which, although in technical compliance with Regulation S, is part of a plan or scheme to evade the registration provisions of the U. S. Securities Act. Terms used herein have the meanings given to them by Regulation S.

Dated _____ 20__.

X _____
Signature of individual (if Seller is an individual)

X _____
Authorized signatory (if Seller is **not** an individual)

Name of Seller (**please print**)

Name of authorized signatory (**please print**)

Official capacity of authorized signatory (**please print**)

Affirmation by Seller's Broker-Dealer
(Required for sales pursuant to Section (b)(2)(B) above)

We have read the foregoing representations of our customer, _____ (the "Seller") dated _____, with regard to the sale, for such Seller's account, of _____ common shares (the "Securities") of the Company represented by certificate number _____. We have executed sales of the Securities pursuant to Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), on behalf of the Seller. In that connection, we hereby represent to you as follows:

- (1) no offer to sell Securities was made to a person in the United States;
- (2) the sale of the Securities was executed in, on or through the facilities of the Toronto Stock Exchange, the TSX Venture Exchange, the Canadian Securities Exchange or another designated offshore securities market (as defined in Rule 902(b) of Regulation S under the U.S. Securities Act), and, to the best of our knowledge, the sale was not pre-arranged with a buyer in the United States;
- (3) no "directed selling efforts" were made in the United States by the undersigned, any affiliate of the undersigned, or any person acting on behalf of the undersigned; and
- (4) we have done no more than execute the order or orders to sell the Securities as agent for the Seller and will receive no more than the usual and customary broker's commission that would be received by a person executing such transaction as agent.

For purposes of these representations: "**affiliate**" means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the undersigned; "**directed selling efforts**" means any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the Securities (including, but not be limited to, the solicitation of offers to purchase the Securities from persons in the United States); and "**United States**" means the United States of America, its territories or possessions, any State of the United States, and the District of Columbia.

Legal counsel to the Company shall be entitled to rely upon the representations, warranties and covenants contained herein to the same extent as if this affirmation had been addressed to them.

Dated: _____ 20__.

Name of Firm

By: _____
Authorized Officer

SCHEDULE "B"

Audit Committee Charter

1. **Mission**

Senior management, as overseen by the board of directors, has primary responsibility for the Corporation's financial reporting, accounting systems and internal controls. The audit committee is a standing committee of the board of directors established to assist the board of directors in fulfilling its responsibilities in this regard.

2. **Responsibilities**

The audit committee shall:

(a) **Financial Information**

- (i) review the annual financial statements and related matters and recommend their approval to the board of directors, after discussing matters such as the selection of accounting policies, major accounting judgements, accruals and estimates with management;
- (ii) review the annual information form, if applicable;
- (iii) be responsible for reviewing the results of the external audit, including:
 - A. the auditor's engagement letter;
 - B. the reasonableness of the estimated audit fees;
 - C. the scope of the audit, including materiality, locations to be visited, audit reports required, areas of audit risk, timetable, deadlines and coordination with internal audit;
 - D. the post-audit management letter together with management's response;
 - E. the form of the audit report;
 - F. any other related audit engagements (e.g. audit of the company pension plan);
 - G. non-audit services performed by the auditor;
 - H. assessing the auditor's performance;
 - I. recommending the auditor for appointment by the board of directors; and
 - J. meeting with the auditors to discuss pertinent matters, including the quality of accounting personnel;
- (iv) ensure that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements (except for disclosure required to be reviewed by the audit committee), and must periodically assess the adequacy of those procedures;

- (v) establish procedures for:
 - A. the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and
 - B. the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters; and
- (vi) review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation.

(b) Interim Financial Statements

- (i) obtain reasonable assurance on the process for preparing reliable quarterly interim financial statements from discussions with management and, where appropriate, reports from the external and internal auditors;
- (ii) review and approve the interim financial statements of the Corporation and management's discussion and analysis related thereto when the same is not undertaken by the board of directors; and
- (iii) obtain reasonable assurance from management about the process for ensuring the reliability of other public disclosure documents that contain audited and unaudited financial information.

(c) Accounting System and Internal Controls

- (i) obtain reasonable assurance from discussions with and/or reports from management, and reports from external and internal auditors that the Corporation's accounting systems are reliable and that the prescribed internal controls are operating effectively;
- (ii) direct the auditors' examinations to particular areas;
- (iii) request the auditors to undertake special examinations (e.g., review compliance with conflict of interest policies);
- (iv) review control weaknesses identified by the external and internal auditors, together with management's response;
- (v) review the appointments of the chief financial officer and key financial executives; and
- (vi) review accounting and financial human resources and succession planning within the corporation.

(d) Reporting

- (i) report to the board of directors following each meeting on the major discussions and decisions made by the audit committee; and
- (ii) review the audit committee's terms of reference periodically and propose recommended changes to the board of directors.

3. *Composition and Regulations*

- (a) The audit committee shall be composed of at least three directors. The members and the chairperson of the audit committee shall be appointed by the board of directors for a one-year term and may serve any number of consecutive terms.
- (b) The chairperson of the audit committee shall, in consultation with management and the auditors, establish the agenda for the meetings and ensure that properly prepared agenda materials are circulated to members with sufficient time for study prior to the meeting.
- (c) The audit committee shall have the power, authority and discretion delegated to it by the board of directors which shall not include the power to change the membership of or fill vacancies in the audit committee.
- (d) The audit committee shall conform to the regulations which may from time to time be imposed upon it by the board of directors. The board of directors shall have the power at any time to revoke or override the authority given to or acts done by the audit committee except as to acts done before such revocation or act of overriding and to terminate the appointment or change the membership of the audit committee or fill vacancies in it as it shall see fit.
- (e) The audit committee may meet and adjourn, as they think proper. A majority of the members of the audit committee shall constitute a quorum thereof. Questions arising shall be determined by a majority of votes of the members of the audit committee present, and in the case of an equality of votes, the chairperson shall not have a second or casting vote.
- (f) A resolution approved in writing by all of the members of the audit committee shall be valid and effective as if it had been passed at a duly called meeting. Such resolution shall be filed with the minutes of the proceedings of the audit committee and shall be effective on the date stated thereon or on the latest date stated in any counterpart.
- (g) The audit committee shall keep regular minutes of its meetings and record all material matters and shall cause such minutes to be recorded in the books kept for that purpose and shall distribute such minutes to the board of directors.
- (h) The audit committee shall have unrestricted and unfettered access to all Corporation personnel and documents and shall be provided with the resources necessary to carry out its responsibilities.

SCHEDULE “C”

Background to and reasons for the Share Consolidation

The Board believes that it is in the best interests of the Corporation to reduce the number of outstanding Common Shares by way of the Share Consolidation. The potential benefits of the Share Consolidation include:

- *Access to expertise and management teams* – the future success of the Corporation is highly dependent on attracting qualified personnel with experience and a proven track record. Given the current prevailing global market conditions, and once the share structure of the Corporation has been consolidated, the Corporation believes it can attract key management personnel that can be instrumental realizing on the Corporation’s existing opportunities and creating value for investors.
- *Greater investor interest* – a higher post-Share Consolidation Common Share price could help generate interest in the Corporation among investors, as a higher anticipated Common Share price may: (i) meet investing guidelines for certain institutional investors and investment funds that may be prevented under their investing guidelines from investing in the Common Shares at current price levels; and (ii) allow investors to leverage their investment by meeting margin eligibility requirements;
- *Reduction of shareholder transaction costs* – investors may benefit from relatively lower trading costs associated with a higher Common Share price. It is possible that many investors pay commissions based on the number of Common Shares traded when they buy or sell Common Shares. If the Common Share price were higher, investors may pay lower commissions to trade a fixed dollar amount than they would if the Common Share price is lower;
- *Improved trading liquidity* – the combination of potentially lower transaction costs and increased interest from investors may ultimately improve the trading liquidity of the Common Shares; and
- *Raise additional capital at a higher price per share* – the higher anticipated price of the post-Share Consolidation Common Shares will allow the Corporation to raise additional capital through the sale of additional Common Shares at a higher price per Common Share than would be possible in the absence of the Share Consolidation.

The Share Consolidation is subject to regulatory approval, including approval of the Exchange. As a condition to the approval of a consolidation of shares listed for trading on the Exchange, the Exchange requires, among other things, that an Exchange-listed issuer continue to meet the Exchange’s “Continuous Listing Requirements” after the Share Consolidation. Among other continued listing requirements, in order for the Corporation to continue to meet the applicable Continuous Listing Requirements, the Corporation must have at least 150 “Public Security Holders” (as defined under Exchange policies) holding a certain minimum number of Common Shares, each free of restrictions on transfer, after completion of the Share Consolidation. As a result, management of the Corporation may determine that it is necessary to implement a lower Share Consolidation ratio in order to satisfy the applicable Listing Requirements and obtain approval of the Share Consolidation from the Exchange. Management of the Corporation may also determine to implement a lower Share Consolidation ratio for other reasons, such as to adjust to a higher stock price for the Corporation’s shares or to reflect an increase in the actual or expected value of the Corporation’s assets.

If the special resolution is approved, the Share Consolidation would be implemented, if at all, only upon a determination by the Board that it is in the best interests of the Corporation at that time. In connection with any determination to implement the Share Consolidation, the Board will set the timing for the Share Consolidation to become effective, which the Board currently anticipates will be as soon as practicable

following the Meeting. No further action on the part of Shareholders would be required in order for the Board to implement the Share Consolidation.

If the Board does not implement the Share Consolidation prior to the next annual meeting of Shareholders, the authority granted by the special resolution to implement the Share Consolidation on these terms would lapse and be of no further force or effect. The special resolution also authorizes the Board to elect not to proceed with, and abandon, the Share Consolidation at any time if it determines, in its sole discretion, to do so.

No delivery of a certificate evidencing a post-Share Consolidation Common Share will be made to a Shareholder until the Shareholder has surrendered the issued certificates representing its pre-Share Consolidation Common Shares. Until surrendered, each certificate formerly representing pre-Share Consolidation Common Shares shall be deemed for all purposes to represent the number of post-Share Consolidation Common Shares to which the holder is entitled as a result of the Share Consolidation.

Non-Registered Shareholders holding their Common Shares through a bank, broker or other nominee should note that such banks, brokers or other nominees may have various procedures for processing the Share Consolidation. If a Shareholder holds Common Shares with such a bank, broker or other nominee and has any questions in this regard, the Shareholder is encouraged to contact its nominee. No fractional shares will be issued upon the consolidation of the Common Shares.

Certain Risks associated with the Share Consolidation

The Corporation's total market capitalization immediately after the proposed Share Consolidation may be lower than immediately before the proposed Share Consolidation

There are numerous factors and contingencies that could affect the Common Share price prior to or following the Share Consolidation, including the status of the Corporation's reported financial results in future periods, and general economic, geopolitical, stock market and industry conditions. Accordingly, the market price of the Common Shares may not be sustainable at the direct arithmetic result of the Share Consolidation and may be lower. If the market price of the Common Shares is lower than it was before the Share Consolidation on an arithmetic equivalent basis, the Corporation's total market capitalization (the aggregate value of all Common Shares at the then market price) after the Share Consolidation may be lower than before the Share Consolidation.

A decline in the market price of the Common Shares after the Share Consolidation may result in a greater percentage decline than would occur in the absence of the Share Consolidation, and the liquidity of the Common Shares could be adversely affected following the Share Consolidation

If the Share Consolidation is implemented and the market price of the Common Shares declines, the percentage decline may be greater than would occur in the absence of the Share Consolidation. The market price of the Common Shares will, however, also be based on the Corporation's performance and other factors, which are unrelated to the number of Common Shares outstanding. Furthermore, the liquidity of the Common Shares could be adversely affected by the reduced number of Common Shares that would be outstanding after the Share Consolidation.

The Share Consolidation may result in some Shareholders owning "odd lots" of less than 100 Common Shares on a post-consolidation basis. "Odd lots" may be more difficult to sell or require greater transaction costs per Common Share to sell, than Common Shares held in "board lots" of even multiples of 100 Common Shares.



Consolidated Lithium Metals Inc.

Financial Statements

For the years ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

Independent Auditor's Report

To the Shareholders of Consolidated Lithium Metals Inc.

Opinion

We have audited the financial statements of Consolidated Lithium Metals Inc. (the "Company"), which comprise the statements of financial position as at December 31, 2024 and 2023, and the statements of loss and comprehensive loss, statements of changes in shareholders' equity and statements of cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

Material uncertainty related to going concern

We draw attention to Note 1 in the financial statements, which indicates that the Company continues to experience losses and has an accumulated deficit. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that material uncertainties exist that cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Material uncertainty related to going concern section, we have determined that there were no additional key audit matters to communicate in our report.

Other information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

McGovern Hurley

The engagement partner of the audit resulting in this independent auditor's report is Regina Kwong.

McGovern Hurley LLP

McGovern Hurley LLP

**Chartered Professional Accountants
Licensed Public Accountants**

Toronto, Ontario
April 17, 2025

Consolidated Lithium Metals Inc.

Statements of Financial Position

(Expressed in Canadian dollars)

As at:

	Notes	December 31, 2024	December 31, 2023
ASSETS			
Current assets:			
Cash		\$ 223,229	\$ 2,415,649
Amounts receivable	4	454,233	496,893
Prepaid expenses		17,010	25,117
Total current assets		694,472	2,937,659
Non-current assets:			
Right-of-use asset and leasehold improvements	5(b)	-	179,942
TOTAL ASSETS		\$ 694,472	\$ 3,117,601
LIABILITIES AND EQUITY			
Current liabilities:			
Accounts payable and accrued liabilities	7,12	\$ 166,259	\$ 227,149
Flow-through share premium liability	8	-	4,848
Lease liability	5(a)	-	49,607
Total current liabilities		166,259	281,604
Non-current liabilities:			
Long-term portion of lease liability	5(a)	-	88,234
Total liabilities		166,259	369,838
Shareholders' equity:			
Share capital	9(b)	30,686,340	30,522,521
Warrants	9(b),10(a)	1,104,199	1,326,303
Contributed surplus	10(b)	1,732,726	1,573,492
Deficit		(32,995,052)	(30,674,553)
Total shareholders' equity		528,213	2,747,763
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 694,472	\$ 3,117,601
Nature of operations and going concern	1		
Commitments and contingencies	15		
Subsequent events	17		

Approved on behalf of the Board of Directors

Rene Bharti
Director

Robert Bryce
Director

The accompanying notes are an integral part of these financial statements.

Consolidated Lithium Metals Inc.
Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

		For the year ended December 31,	
	Notes	2024	2023
Expenses:			
Consulting and management fees	12	\$ 1,151,047	\$ 1,866,386
Exploration and evaluation expenses	6	793,225	2,164,049
Professional fees		106,213	107,709
Shareholder communications and filing fees		65,357	113,306
General and administrative expenses		334,550	1,161,915
Amortization	5(b)	96,223	77,440
Interest and bank charges		10,706	17,922
Share-based compensation	10(b)	209,969	386,504
Loss before other items		2,767,290	5,895,231
Other income/(loss):			
Flow-through share premium recovery	8	4,848	113,902
Other gains	5(a),7	8,822	306,906
Other income		28,455	33,345
Net loss and comprehensive loss		\$ 2,725,165	\$ 5,441,078
Loss per share			
Basic and diluted		\$ 0.008	\$ 0.018
Weighted average number of common shares outstanding:			
Basic and diluted		358,355,622	305,887,148

The accompanying notes are an integral part of these financial statements.

Consolidated Lithium Metals Inc.

Statements of Changes in Shareholders' Equity

(Expressed in Canadian dollars)

	No.	Share capital		Warrants		Contributed surplus		Deficit		Total shareholders' equity	
		\$		\$		\$		\$		\$	
Balance, December 31, 2022	270,363,723	25,823,480	1,130,166	1,429,391	(26,118,899)	2,264,138					
Private placement (note 9(b))	58,412,727	3,807,626	-	-	-	3,807,626					3,807,626
Share issuance cost (note 9(b))	-	(181,545)	-	-	-	(181,545)					(181,545)
Flow-through share premium liability (note 8)	-	(118,750)	-	-	-	(118,750)					(118,750)
Shares issued for property acquisition (note 6,9(b))	2,040,816	150,000	-	-	-	150,000					150,000
Shares issued for flow-through private placement (note 6,9(b))	21,250,000	1,700,000	-	-	-	1,700,000					1,700,000
Share issuance cost (note 9(b))	-	(116,606)	-	-	-	(116,606)					(116,606)
Warrants issued (note 9(b))	-	(972,372)	972,372	-	-	-					-
Stock options granted (note 10(b))	-	-	-	386,504	-	386,504					386,504
Stock options expired (note 10(b))	-	-	-	(242,403)	242,403	-					-
Warrants exercised (note 10(a))	4,250,000	430,688	(133,214)	-	-	297,474					297,474
Warrants expired (note 10(a))	-	-	(643,021)	-	643,021	-					-
Net and comprehensive loss	-	-	-	-	(5,441,078)	(5,441,078)					(5,441,078)
Balance, December 31, 2023	356,317,266	30,522,521	1,326,303	1,573,492	(30,674,553)	2,747,763					
Shares issued for flow-through private placement (note 9(b))	12,000,000	300,000	-	-	-	300,000					300,000
Share issuance cost (note 9(b))	-	(4,354)	-	-	-	(4,354)					(4,354)
Warrants issued (note 9(b))	-	(131,827)	131,827	-	-	-					-
Stock options granted (note 10(b))	-	-	-	209,969	-	209,969					209,969
Stock options expired (note 10(b))	-	-	-	(50,735)	50,735	-					-
Warrants expired (note 10(a))	-	-	(353,931)	-	353,931	-					-
Net and comprehensive loss	-	-	-	-	(2,725,165)	(2,725,165)					(2,725,165)
Balance, December 31, 2024	368,317,266	30,686,340	1,104,199	1,732,726	(32,995,052)	528,213					

The accompanying notes are an integral part of these financial statements.

Consolidated Lithium Metals Inc.

Statements of Cash Flows

(Expressed in Canadian dollars)

		For the year ended	
	Notes	December 31,	
		2024	2023
Cash provided by (used in):			
Operating activities:			
Net loss		\$ (2,725,165)	\$ (5,441,078)
Items not involving cash:			
Gain on lease termination	5(a)	(8,822)	-
Gain on debt settlement	7,12	-	(306,906)
Share-based compensation	10(b)	209,969	386,504
Amortization	5(b)	96,223	77,440
Interest expense	5(a)	9,700	14,647
Shares issued for property acquisition	6,9(b)	-	150,000
Flow-through premium recovery	8	(4,848)	(113,902)
Working capital adjustments:			
Changes in working capital items	11	(10,123)	307,418
Net cash (used in) operating activities		(2,433,066)	(4,925,877)
Financing activities:			
Proceeds from private placements	9(b)	300,000	5,507,626
Private placements- share issue costs	9(b)	(4,354)	(298,151)
Lease payments	5(a)	(55,000)	(60,000)
Proceeds from exercise of warrants	10(a)	-	297,474
Net cash provided by financing activities		240,646	5,446,949
Change in cash		(2,192,420)	521,072
Cash, beginning of the year		2,415,649	1,894,577
Cash, end of the year		\$ 223,229	\$ 2,415,649
Supplemental Information:			
Common shares issued for property acquisitions	6,9(b)	\$ -	\$ 150,000
Broker warrants issued	9(b)	\$ 6,871	\$ 112,660

The accompanying notes are an integral part of these financial statements.

Consolidated Lithium Metals Inc.

Notes to the Financial Statements

For the years ended December 31, 2024 and 2023

(Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Consolidated Lithium Metals Inc. (“CLM” or the “Company”) is incorporated under the *Canada Business Corporations Act*. The Company’s registered office is located at 198 Davenport Road, Toronto, Ontario, M5R 1J2.

CLM engages in the acquisition, exploration and development of mining properties in lithium and other minerals, primarily in Canada, and has not yet identified a commercial mineral resource. The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current operations, including exploration and evaluation programs, will result in profitable mining operations. The recoverability of the carrying value of exploration and evaluation properties and the Company’s continued existence are dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise additional financing, if necessary, or alternatively upon the Company’s ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee the Company’s title. Property title may be subject to government licensing requirements or regulations, social licensing requirements, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory and environmental requirements. The Company’s assets may also be subject to increases in taxes and royalties, renegotiation of contracts, political uncertainty and currency exchange fluctuations and restrictions.

Going concern

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations, and do not include any adjustments to the recoverability of assets and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

As at December 31, 2024, the Company continues to experience losses and has an accumulated deficit of \$32,995,052 (December 31, 2023 - \$30,674,553) and working capital of \$528,213 (December 31, 2023 – working capital of \$2,656,055). These matters represent material uncertainties that cast significant doubt as to the Company’s ability to continue as a going concern. The continuation of CLM as a going concern is dependent upon the ability of the Company to obtain the necessary equity financing to continue operations, the successful results of mineral property exploration activities and its ability to attain profitable operations and generate funds therefrom or realize proceeds from their sale. The Company may periodically have to raise additional capital to fund projects and continue operations and while it has been successful in doing so in the past, there can be no assurance that the Company will be able to do so in the future. Management believes CLM will obtain the funding required to maintain current levels of operations and continue as a going concern for the following year.

Consolidated Lithium Metals Inc.

Notes to the Financial Statements

For the years ended December 31, 2024 and 2023

(Expressed in Canadian dollars)

2. MATERIAL ACCOUNTING POLICIES

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”), and International Financial Reporting Interpretations Committee (“IFRIC”) interpretations. The Company has consistently applied the accounting policies used in the preparation of these financial statements throughout all periods presented. These financial statements were approved and authorized for issuance by the Board of Directors on April 17, 2025.

Basis of preparation

These financial statements have been prepared on a historical cost basis except for certain financial instruments, which are stated at their fair values. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Foreign currency transactions

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The Canadian dollar has been determined as the functional currency of the Company as it is the currency in which funds from financing activities (i.e., issuing debt and equity instruments) are generated. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in currencies other than functional currency at period-end exchange rates are recognized in the statements of loss and comprehensive loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exploration and evaluation

The costs of exploration properties and leases, including the cost of acquiring prospective properties and exploration rights, pre-license costs, and exploration costs incurred subsequent to acquisition, are expensed as incurred and included in the statement of loss until technical feasibility and commercial viability of extraction of reserves are demonstrable. Once a mine development decision has been made by the Company, subsequent expenditures incurred to develop the mine are capitalized to mineral properties.

Financial assets and liabilities

Financial assets

Initial recognition and measurement

Non-derivative financial assets within the scope of IFRS 9 are classified and measured as “financial assets at fair value”, as either fair value through profit or loss (“FVPL”) or fair value through other comprehensive income (“FVOCI”), and “financial assets at amortized costs”, as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company’s business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Consolidated Lithium Metals Inc.

Notes to the Financial Statements

For the years ended December 31, 2024 and 2023

(Expressed in Canadian dollars)

2. MATERIAL ACCOUNTING POLICIES (continued)

Financial assets and liabilities (continued)

Financial assets (continued)

Subsequent measurement – financial assets at amortized cost

After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate (“EIR”) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in the statements of loss. The Company’s cash and amounts receivable are recorded at amortized cost.

Subsequent measurement – financial assets at FVPL

Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the statements of financial position with changes in fair value recognized in other income or expense in the statements of loss.

The Company does not measure any financial assets at FVPL.

Subsequent measurement – financial assets at FVOCI

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the statements of comprehensive income (loss). When the investment is sold, the cumulative gain or loss is not reclassified to profit or loss.

Dividends from such investments are recognized in other income in the statements of loss when the right to receive payments is established.

Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

Impairment of financial assets

The Company’s only financial assets subject to impairment are amounts receivable, which are measured at amortized cost. The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure estimated credit losses, amounts receivable have been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases, and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

Consolidated Lithium Metals Inc.

Notes to the Financial Statements

For the years ended December 31, 2024 and 2023

(Expressed in Canadian dollars)

2. MATERIAL ACCOUNTING POLICIES (continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. The Company's financial liabilities include accounts payable and accrued liabilities, which are measured at amortized cost. All financial liabilities are recognized initially at fair value and in the case of long-term debt, net of directly attributable transaction costs.

Subsequent measurement – financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in the statements of loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the statements of loss.

Cash

Cash is comprised of cash on hand and deposits. Deposits are held in Canadian chartered banks or in financial institutions controlled by a Canadian chartered bank.

Prepaid expenses

Prepaid expenses represent payments made or obligations incurred in advance of the receipt of goods or rendering of services. Prepaid expenses are typically included in other current assets on the statement of financial position.

Leases

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company recognizes a right-of-use asset and a lease liability at the commencement date of the lease. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use assets are adjusted for impairment losses, if any. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease liability is subsequently measured at amortized cost using the effective interest method.

Consolidated Lithium Metals Inc.

Notes to the Financial Statements

For the years ended December 31, 2024 and 2023

(Expressed in Canadian dollars)

2. MATERIAL ACCOUNTING POLICIES (continued)

Leases (continued)

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases (lease term of 12 months or less) and leases for which the underlying asset is of low value. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Provisions

General

Provisions are recognized when (a), the Company has a present obligation (legal or constructive) as a result of a past event, and (b), it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the statements of loss and comprehensive loss, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pretax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Rehabilitation provision

The Company records the present value of estimated costs of legal and constructive obligations required to restore operating locations in the period in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailings dams, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation and re-vegetation of affected areas.

The obligation generally arises when the asset is installed, or the ground / environment is disturbed at the production location. When the liability is initially recognized, the present value of the estimated cost is capitalized by increasing the carrying amount of the related mining assets to the extent that it was incurred prior to the production of related ore. Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognized in the statement of loss and comprehensive loss as a finance cost. Additional disturbances or changes in rehabilitation costs will be recognized as additions or charges to the corresponding assets and rehabilitation liability when they occur. For closed sites, changes to estimated costs are recognized immediately in the statement of loss and comprehensive loss.

As at December 31, 2024 and 2023, the Company determined that it has no material rehabilitation obligations.

Revenue recognition

Revenue from interest income and investment income from marketable securities is recognized when earned.

Flow-through shares

The Company will, from time to time, issue flow-through shares to finance a portion of its exploration programs. Pursuant to the terms of flow-through share agreements, the Company agrees to incur qualifying expenditures and renounce the tax deductions associated with these qualifying expenditures to the flow-through subscribers at an agreed upon date.

Consolidated Lithium Metals Inc.

Notes to the Financial Statements

For the years ended December 31, 2024 and 2023

(Expressed in Canadian dollars)

2. MATERIAL ACCOUNTING POLICIES (continued)

Flow-through shares (continued)

Flow-through shares are reported at issue price. If the flow-through shares are issued at a premium to the market price of non-flow-through or hard dollar shares at the date of announcement, such premium or excess proceeds is reported as a liability. The subsequent renunciation of such qualifying expenditures incurred by the Company in favor of the flow-through subscribers is reported as a reduction in the flow-through share premium liability and a corresponding reduction in deferred tax expense or as other income.

The Company indemnified the subscribers of current and previous flow-through share offerings against any tax-related amounts that become payable by the shareholder as a result of the Company not meeting its expenditure commitments.

Operating segments

The Company has concluded that it has only one material operating segment (the exploration of its North American mineral licences) for financial reporting purposes.

Loss per share

Basic loss per share is calculated by dividing loss attributable to common shareholders by the weighted average number of common shares outstanding for the year. In the event of the Company reporting net profit, the diluted loss per share will be similar to basic loss per share, except that the denominator will be increased to include the number of additional shares that would have been outstanding if the dilutive potential common shares in connection with the issued share options and warrants had been issued using the treasury stock method. The Company's options and warrants were anti-dilutive for the years ended December 31, 2024 and 2023.

Share-based payments

Share-based payments to directors, officers and employees are measured at the grant date fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received.

The fair value of stock-based payments is determined using the Black-Scholes option pricing model using assumptions for risk-free interest rates, dividend yields, volatility factors of the expected market price of the Company's common shares, expected forfeitures and the expected life of the options. The expense is recognized to contributed surplus over the period during which the options vest based on the estimate of equity instruments expected to vest. Management is required to estimate forfeitures and revise its estimates of the number of stock options expected to vest each period. The impact of any revisions to management's estimate on forfeitures, if any, is recognized during the period.

Upon exercise of the stock options, consideration paid by the option holder together with the amount previously recognized in contributed surplus is recorded as an increase to share capital. Unexercised expired stock options are transferred to deficit.

Consolidated Lithium Metals Inc.

Notes to the Financial Statements

For the years ended December 31, 2024 and 2023

(Expressed in Canadian dollars)

2. MATERIAL ACCOUNTING POLICIES (continued)

Restricted Share Units (“RSU”)

Where cash settled, the fair value of the units awarded, representing the fair market value of the Company’s shares is recognized as share-based compensation expense at grant date with the corresponding amount recorded as a share-based liability. The fair value of the unit is remeasured at each reporting year and at the date of settlement, with changes in fair value recognized as share-based compensation expense in the year.

Where RSU are equity-settled, the fair value of units at the date of grant is charged to the statement of loss over the vesting year. Equity settled units are not subsequently remeasured. Performance vesting conditions are taken into account by adjusting the number of units expected to vest at each reporting date so that, ultimately the cumulative amount recognized over the vesting year is based on the number of units that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the units granted

Warrants

Warrants are recognized at fair value on the date of grant and are measured using the Black-Scholes option pricing model in the same way as stock options. Upon exercise of warrants, consideration paid by the warrant holder together with the amount previously recognized in warrants is recorded as an increase to share capital. Unexercised expired warrants are transferred to deficit.

Related party transactions

Parties are considered related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions or is a member of the key management personnel of the reporting entity. Parties are also considered related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between said parties.

Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Consolidated Lithium Metals Inc.

Notes to the Financial Statements

For the years ended December 31, 2024 and 2023

(Expressed in Canadian dollars)

2. MATERIAL ACCOUNTING POLICIES (continued)

Contingencies

In assessing loss contingencies related to legal proceedings that are pending or unasserted claims that may result in such proceedings, the Company and its legal counsel evaluate the perceived merits of any legal proceedings or unasserted claims and the amount of relief sought or expected to be sought.

If the assessment of a contingency suggests that a loss is probable, the amount can be reliably estimated, and there is a present obligation as a result of a past event, then a loss is recorded. The details of a contingent loss are disclosed unless the possibility of any outflow in settlement is remote. Legal fees incurred with pending legal proceedings are expensed as incurred.

Government assistance

The Company expects to be entitled to a refundable tax credit on qualified mining exploration expenses incurred in the province of Quebec and to a mining duties credit, which are estimated and recorded against the exploration and evaluation expenses to which they relate.

Leasehold improvements

Leasehold improvements are amortized over the shorter of the useful life of those leasehold improvements or the remaining lease term. However, if the lease transfers ownership of the underlying asset to the lessee or the lessee is reasonably certain to exercise an option to purchase the underlying asset, the leasehold improvement is amortized to the end of its useful life.

New and future accounting pronouncements

Current accounting changes:

During fiscal 2024, the Company adopted a number of new IFRS standards, interpretations, amendments and improvements of existing standards, including IAS 1 and IFRS 7. The new standards and changes did not have any material impact on the Company's financial statements.

Future accounting changes:

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for annual accounting periods beginning on January 1, 2025 or later. Updates that are not applicable or are not consequential to the Company have been excluded.

Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

In May 2024, the IASB issued amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments – Disclosures*. The amendments clarify the derecognition of financial liabilities and introduces an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system. The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features and the treatment of non-recourse assets and contractually linked instruments (CLIs). Further, the amendments mandate additional disclosures in IFRS 7 for financial instruments with contingent features and equity instruments classified at FVOCI. The amendments are effective for annual periods starting on or after January 1, 2026. Retrospective application is required, and early adoption is permitted.

Consolidated Lithium Metals Inc.

Notes to the Financial Statements

For the years ended December 31, 2024 and 2023

(Expressed in Canadian dollars)

2. MATERIAL ACCOUNTING POLICIES (continued)

Presentation and Disclosure in Financial Statements (IFRS 18)

In April 2024, the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements* to improve reporting of financial performance. The new standards replaces IAS 1 *Presentation of Financial Statements*. IFRS 18 introduces new categories and required subtotals in the statement of profit and loss and also requires disclosure of management-defined performance measures. It also includes new requirements for the location, aggregation and disaggregation of financial information. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements. Retrospective application is required, and early adoption is permitted.

3. CRITICAL ACCOUNTING ESTIMATES AND MANAGEMENT JUDGMENTS

The preparation of the financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. Such estimates and assumptions affect the carrying value of assets and impact decisions as to when exploration and development costs should be capitalized or expensed. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The significant areas of judgement and estimation uncertainty considered by management in preparing the financial statements include:

- *Assets' carrying values and impairment charges*
Events or changes in circumstances can give rise to significant impairment charges or reversals of impairment in a particular year. Management exercises its judgment in determining when such events or changes in circumstances have arisen and where such circumstances evidence a significant or prolonged decline of fair value on assets indicating impairment.
- *Share-based payment transactions and warrant valuations*
The Company records share-based payments at fair value over the vesting period. The fair value of the grant is determined using the Black-Scholes options pricing model and management assumptions including the expected dividend yield, expected volatility, forfeiture rate, risk free rate and expected life. Should the underlying assumptions change, it will impact the fair value of the share-based payment. Similar calculations are made in order to value warrants. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates. The main factor affecting the estimates of the fair value of share-based payments and warrants is the stock price expected volatility used. The Company currently estimates the expected volatility of its common shares based on trading history taking into consideration the expected life of the options.
- *Mineral reserve estimates*
The figures for mineral reserves and mineral resources are determined in accordance with National Instrument 43-101, "Standards of Disclosure for Mineral Projects", issued by the Canadian Securities Administrators. There are numerous uncertainties inherent in estimating mineral reserves and mineral resources, including many factors beyond the Company's control. Such estimation is a subjective process, and the accuracy of any mineral reserve or mineral resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. Differences between management's assumptions, including economic assumptions such as metal prices and market conditions could have a material effect in the future on the Company's financial position and results of operation.

Consolidated Lithium Metals Inc.

Notes to the Financial Statements

For the years ended December 31, 2024 and 2023

(Expressed in Canadian dollars)

3. CRITICAL ACCOUNTING ESTIMATES AND MANAGEMENT JUDGMENTS (continued)

- *Estimation of decommissioning and restoration costs and the timing of expenditures*

The cost estimates are updated annually during the life of a mine to reflect known developments, (e.g., revisions to cost estimates and to the estimated lives of operations) and are subject to review at regular intervals. Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.
- *Income taxes and recoverability of potential deferred tax assets*

In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers whether relevant tax planning opportunities are within the Company's control, are feasible, and are within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period.
- *Valuation of the refundable mining duties credit and the refundable tax credit for resources*

The refundable mining duties credit and the refundable tax credit for resources for the current and prior periods are measured at the amount expected to be recovered from the taxation authorities using the tax rates and tax laws that have been enacted or substantively enacted at the statement of financial position date. Uncertainties exist with respect to the interpretation of tax regulations, including the mining duties credit and the tax credit for resources for which certain expenditures could be disallowed by the taxation authorities in the calculation of credits, and the amount and timing of their collection. The calculation of the Company's mining duties credit and tax credit for resources necessarily involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until notices of assessment and payments have been received from the relevant taxation authority. Differences arising between the actual results following the final resolution of some of these items and the assumptions made, or future changes to such assumptions, could necessitate adjustments to the mining duties credit and tax credit for resources and the exploration and evaluation expenses in future periods.
- *Leases under IFRS 16*

Critical judgements are required in the application of IFRS 16, including identifying whether a contract (or part of a contract) includes a lease and determining whether it is reasonably certain that an extension or termination option will be exercised. Sources of estimation uncertainty include estimation of the lease term, determination of an appropriate discount rate and assessment of whether a right-of-use asset is impaired. Such judgements, estimates and assumptions are inherently uncertain, and changes in these assumptions affect the fair value estimates.

Consolidated Lithium Metals Inc.

Notes to the Financial Statements

For the years ended December 31, 2024 and 2023

(Expressed in Canadian dollars)

3. CRITICAL ACCOUNTING ESTIMATES AND MANAGEMENT JUDGMENTS (continued)

- *Income, value added, withholding and other taxes*

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities require interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

- *Contingencies*

Refer to Notes 1 and 15.

4. AMOUNTS RECEIVABLE

	December 31, 2024	December 31, 2023
	\$	\$
Sales taxes receivable	110,433	359,893
Mining tax credit receivable	293,800	137,000
Other receivable	50,000	-
	454,233	496,893

The Company's sales tax receivable balance as at December 31, 2024 and 2023 consists of input tax credits owed by federal and provincial government agencies and were collected in full subsequent to December 31, 2024 and 2023.

5. RIGHT OF USE ASSETS, LEASEHOLD IMPROVEMENTS, AND LEASE LIABILITIES

(a) Lease liabilities

On July 27, 2022, the Company entered into a sublease agreement for a property located at 5 Hazelton Avenue, Toronto, Ontario, Canada. The agreement had a termination date of July 31, 2026 and monthly lease payments of \$5,000.

During the year ended December 31, 2024, the Company terminated the sublease agreement, and no amounts are owed by the Company in relation to the agreement. The Company has recorded a gain on lease termination of \$8,822 in the statements of loss for the year ended December 31, 2024.

Consolidated Lithium Metals Inc.

Notes to the Financial Statements

For the years ended December 31, 2024 and 2023

(Expressed in Canadian dollars)

5. RIGHT OF USE ASSETS, LEASEHOLD IMPROVEMENTS, AND LEASE LIABILITIES (continued)

The following table reflects the lease activity for the years ended December 31, 2024 and 2023:

Balance, December 31, 2022	\$ 183,195
Interest expense	14,647
Lease payments	(60,000)
Balance, December 31, 2023	\$ 137,842
Interest expense	9,700
Lease payments	(55,000)
Lease termination	(92,542)
Balance, December 31, 2024	\$ -
Current portion:	\$ -
Long-term portion:	\$ -

(b) Leasehold improvements and right-of-use assets

	Leasehold Improvements	Right-of-use assets	Total
Cost as at December 31, 2022	\$ 85,000	\$ 200,924	\$ 285,924
Adjustments	(2,890)	-	(2,890)
Cost as at December 31, 2023	\$ 82,110	\$ 200,924	\$ 283,034
Disposals	(82,110)	(200,924)	(283,034)
Cost as at December 31, 2024	\$ -	\$ -	\$ -

Accumulated Depreciation

Balance at December 31, 2022	\$ 4,722	\$ 20,930	\$ 25,652
Charge for the year	27,209	50,231	77,440
Balance at December 31, 2023	\$ 31,931	\$ 71,161	\$ 103,092
Charge for the year	50,179	46,044	96,223
Disposals	(59,302)	(117,205)	(176,507)
Balance at December 31, 2024	\$ -	\$ -	\$ -
Net book value as at December 31, 2023	\$ 50,179	\$ 129,763	\$ 179,942
Net book value as at December 31, 2024	\$ -	\$ -	\$ -

Consolidated Lithium Metals Inc.

Notes to the Financial Statements

For the years ended December 31, 2024 and 2023

(Expressed in Canadian dollars)

6. EXPLORATION AND EVALUATION PROPERTIES

The following table provides a summary of exploration and evaluation expenditures incurred by the Company during the years ending December 31, 2024 and 2023:

	Vallee Project	Baillarge Project	Preissac Lacorne Project	East Vallee Project	Other	Total
Land management fees, taxes and permits	\$ 6,726	\$ 283	\$ -	\$ -	\$ -	7,009
Labour	145,806	84,275	158,488	92,036	-	480,605
Drilling and geophysics	(22,702)	6,536	4,154	479,087	-	467,075
Assaying	(609)	9,490	(3,149)	76,990	-	82,722
Field supplies	-	-	12,000	-	-	12,000
Travel and accommodations	-	-	3,369	-	-	3,369
Government tax credits	-	-	-	-	(259,555)	(259,555)
Year ended December 31, 2024	\$ 129,221	\$ 100,584	\$ 174,862	\$ 648,113	\$ (259,555)	\$ 793,225

	Vallee Project	Baillarge Project	Preissac Lacorne Project	East Vallee Project	Other	Total
Land management fees, taxes and permits	\$ -	\$ 13,630	\$ 12,682	\$ -	\$ -	26,312
Labour	267,195	157,889	134,175	-	-	559,259
Drilling and geophysics	117,677	808,479	5,000	-	-	931,156
Assaying	613,744	217,932	103,650	-	-	935,326
Field supplies	13,650	26,900	-	-	-	40,550
Travel and accommodations	5,797	4,910	11,539	-	-	22,246
Acquisitions	-	12,473	-	-	312,500	324,973
Earn-in agreement	(538,773)	-	-	-	-	(538,773)
Government tax credits	-	-	-	-	(137,000)	(137,000)
Year ended December 31, 2023	\$ 479,290	\$ 1,242,213	\$ 267,046	\$ -	\$ 175,500	\$ 2,164,049

The Company has certain property interests located north of Val D'Or, Quebec, Canada. Certain claims are subject to net smelter returns ("NSR") royalties of up to 2%. The Company holds rights to repurchase certain portions of the NSR royalties under certain circumstances and at agreed upon prices.

On November 14, 2022, the Company entered into an earn-in agreement and joint venture agreement with Sayona Mining Limited's (ASX: SYA; OTCQB: SYAXF) ("Sayona") subsidiary, North American Lithium Inc. ("NAL"), in relation to the Company's Vallee lithium project. In addition, Sayona's subsidiary, Sayona Quebec Inc, acquired 27,000,000 common shares of the Company, representing approximately 9.99% of the issued and outstanding shares, at a price of \$0.0556 per share for gross proceeds of \$1,501,200.

Under the agreement, NAL had the right to earn up to a 51% stake in certain claims within the Vallee project, based on NAL spending \$4,000,000 within 12 months of the agreement to earn a 25% interest (the first option) and an additional \$6,000,000 within 24 months to earn a further 25% interest (the second option). NAL also had the right to increase its interest by an additional 1%, to an aggregate 51% interest, by completing a feasibility study and arranging funding for the construction of a mine at Vallee (the third option). In connection with the agreement, the Company transferred certain of its Vallee claims outright to Sayona to provide for future infrastructure expansion at the NAL mine and its processing facility. The agreement is subject to certain dilution clauses effective at the earlier of the termination of the second option, exercise of the third option, or termination of the third option, when a party opts to not participate proportionately in ongoing expenditures. If the interest of a party is reduced to 10% or below, its interest will be deemed to be converted to a 2% royalty which may be purchased by the other party in certain circumstances at a price of \$2,000,000.

Consolidated Lithium Metals Inc.

Notes to the Financial Statements

For the years ended December 31, 2024 and 2023

(Expressed in Canadian dollars)

6. EXPLORATION AND EVALUATION PROPERTIES (continued)

During the year ended December 31, 2023, NAL exercised the first option by meeting the spending requirement, consisting of a combination of exploration expenditures at the Vallee project and a cash payment to the Company of \$538,773 in accordance with the terms of the earn-in agreement. As at December 31, 2024 and 2023, NAL owns 25% of the claims in the Vallee project.

During the year ended December 31, 2024, NAL declined to exercise the second option. The Company will retain 75% of the ownership interests in the portion of the Vallee property. The Company is in the process of assuming the role as operator of the project in accordance with the terms of the earn-in agreement.

On May 25, 2023, the Company acquired certain mining claims that are located within or adjacent to the Preissac LaCorne and Vallée East property. The Company paid \$10,000 cash in exchange of 100% ownership of these claims.

On June 26, 2023, the Company purchased certain mining claims surrounded by the Company's Vallée lithium project from Globex Mining Enterprises Inc. ("Globex"). As consideration, the Company paid \$100,000 in cash and issued 2,040,816 of its common shares at an estimated fair value of \$150,000 based on the 10-day volume-weighted average price of the Company's common shares on the TSXV at the date of issuance. In addition, the Company agreed to grant Globex a 2% NSR royalty on the claims, half of which the Company is entitled to, prior to the commencement of commercial production, repurchase for \$1,000,000 (indexed to Canadian inflation as represented by the consumer price index).

On July 20, 2023, the Company acquired certain mineral claims in the James Bay/Eeyou Istche region of Quebec from a wholly owned subsidiary ("Subco") of AmmPower Corp. ("AmmPower"), for aggregate consideration of \$60,000 in cash. AmmPower was granted a 1% NSR affecting the claims, which CLM has the option to repurchase at any time for \$250,000. CLM and AmmPower share common shareholders and officers. Rene Bharti, VP of Corporate Development of CLM and Ryan Ptolemy, Chief Financial Officer of CLM are also a former President and former Chief Financial Officer of AmmPower.

During the year ended December 31, 2024, the Company received a mining tax refund of \$113,955 from the government of Quebec relating to exploration and evaluation expenses incurred in the year ended December 31, 2023. As at December 31, 2024, the Company has a Quebec mining tax credit receivable balance of \$293,800 (December 31, 2023: \$137,000).

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2024	December 31, 2023
	\$	\$
Trade payables	101,259	166,511
Accrued liabilities	65,000	60,638
	166,259	227,149

On September 5, 2023, the Company completed a settlement agreement with a former officer of the Company, and a gain of \$306,906 was recorded as other income on the statements of loss for the year ended December 31, 2023.

Consolidated Lithium Metals Inc.

Notes to the Financial Statements

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8. FLOW-THROUGH SHARE PREMIUM LIABILITY

During the year ended December 31, 2023, the Company recorded a flow-through liability totaling \$118,750. As the Company incurs eligible expenditures against this liability, the Company reduces the liability at the same rate as expenditures were renounced and recorded this as a flow-through premium recovery on the statements of loss. As at December 31, 2024, the liability was reduced to \$nil (December 31, 2023: \$4,848) and a flow-through share premium recovery of \$4,848 was recorded on the statements of loss for the year ended December 31, 2024 (2023- \$113,902). See Note 15.

9. SHARE CAPITAL

a) Authorized

Unlimited number of common shares.

b) Issued and outstanding common shares

Reconciliation of the number and value of common shares for the years ended December 31, 2024 and 2023 were as follows:

	Number of Shares	Amount
Balance, December 31, 2022	270,363,723	25,823,480
Shares issued for private placement- April 2023	30,286,210	2,120,035
Black-Scholes warrant valuation	-	(442,254)
Shares issued to acquire exploration property	2,040,816	150,000
Warrants exercised	4,250,000	297,500
Black-Scholes warrant valuation	-	133,188
Shares issued for flow-through private placement- June 2023	21,250,000	1,700,000
Black-Scholes warrant valuation	-	(81,387)
Flow-through premium liability	-	(118,750)
Shares issued for private placement- December 2023	28,126,517	1,687,591
Black-Scholes warrant valuation	-	(448,731)
Share issuance costs	-	(298,151)
Balance, December 31, 2023	356,317,266	30,522,521
Shares issued for flow-through private placement- October 2024	12,000,000	300,000
Black-Scholes warrant valuation	-	(131,827)
Flow-through premium liability	-	-
Share issuance costs	-	(4,354)
Balance, December 31, 2024	368,317,266	30,686,340

On October 30, 2024, the Company closed a flow-through private placement financing by issuing 12,000,000 units at a price of \$0.025 per unit for gross proceeds of \$300,000. Each unit consists of one flow-through share of the Company, and one common share purchase warrant, each warrant entitling the holder to acquire one additional common share of the Company at an exercise price of \$0.05 until October 30, 2026. Directors and officers of the Company subscribed for 4,000,000 units, generating gross proceeds of \$100,000.

Consolidated Lithium Metals Inc.

Notes to the Financial Statements

For the years ended December 31, 2024 and 2023

(Expressed in Canadian dollars)

9. SHARE CAPITAL (continued)

b) Issued and outstanding common shares (continued)

The Company paid finders fees of \$20,000 and additional share issue costs of \$2,895 in cash and issued 640,000 finder warrants. Each finder warrant is exercisable into one common share of the Company at a price of \$0.05 per common share until October 30, 2026. The fair value of the 12,000,000 warrants was estimated at \$124,956, using the Black-Scholes option pricing model with the following assumptions: stock price of \$0.015; expected dividend yield of 0%; expected volatility of 194% (based on the Company's historical share price); risk-free interest rate of 3.09% and an expected life of 2 years. The fair value of the 640,000 finder warrants was estimated at \$6,871, using the Black-Scholes option pricing model with the following assumptions: stock price of \$0.015; expected dividend yield of 0%; expected volatility of 194% (based on the Company's historical share price); risk-free interest rate of 3.09% and an expected life of 2 years. The flow-through share premium was estimated to be \$nil based on the residual approach.

During the year ended December 31, 2024 the Company received a refund of \$18,541 resulting from the overpayment of certain share issuance costs incurred in the Company's December 2023 financing.

See Note 17.

On April 21, 2023, the Company closed the first tranche of its private placement financing by issuing 21,271,428 units at a price of \$0.07 per unit for gross proceeds of \$1,489,000. Each unit consists of one common share of the Company, and one half of one common share purchase warrant, each whole warrant entitling the holder to acquire one additional common share of the Company at an exercise price of \$0.10 until April 21, 2025.

The Company paid share issue costs of \$1,500 in cash. The fair value of the 10,635,714 warrants was estimated at \$308,133, using the Black-Scholes option pricing model with the following assumptions: stock price of \$0.046; expected dividend yield of 0%; expected volatility of 132% (based on the Company's historical share price); risk-free interest rate of 3.79% and an expected life of 2 years. A director and officer of the Company subscribed for a total of 10,000,000 units, generating gross proceeds of \$700,000.

On June 2, 2023, the Company closed the second and final tranche of its private placement financing by issuing 9,014,782 units at a price of \$0.07 per unit for gross proceeds of \$631,035. Each unit consists of one common share of the Company, and one half of one common share purchase warrant, each whole warrant entitling the holder to acquire one additional common share of the Company at an exercise price of \$0.10 until June 1, 2025.

The Company paid finders fees of \$8,623 and additional share issue costs of \$2,003 in cash and issued 123,180 finder warrants. Each finder warrant is exercisable into one common share of the Company at a price of \$0.10 per common share until June 1, 2025. The fair value of the 4,507,391 warrants was estimated at \$128,995, using the Black-Scholes option pricing model with the following assumptions: stock price of \$0.046; expected dividend yield of 0%; expected volatility of 131% (based on the Company's historical share price); risk-free interest rate of 4.20% and an expected life of 2 years. The fair value of the 123,180 finder warrants was estimated at \$5,126, using the Black-Scholes option pricing model with the following assumptions: stock price of \$0.07; expected dividend yield of 0%; expected volatility of 131% (based on the Company's historical share price); risk-free interest rate of 4.20% and an expected life of 2 years.

On June 23, 2023, the Company issued 2,040,816 common shares at a price of \$0.0735 per share based on the 10-day volume weighted average price of the Company's common shares on May 23, 2023 to complete the acquisition of certain claims adjacent to the Company's Vallee lithium property. See Note 6.

Consolidated Lithium Metals Inc.

Notes to the Financial Statements

For the years ended December 31, 2024 and 2023

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9. SHARE CAPITAL (continued)

b) Issued and outstanding common shares (continued)

On June 12, 2023, the Company closed the first tranche of its flow-through private placement financing by issuing 6,250,000 flow-through shares at a price of \$0.08 per flow-through share for gross proceeds of \$500,000.

The Company paid finders fees of \$40,000 and additional share issue costs of \$11,936 in cash and issued 500,000 finder warrants. Each finder warrant is exercisable into one common share of the Company at a price of \$0.08 per common share until June 12, 2025. The fair value of the finder warrants was estimated at \$24,341, using the Black-Scholes option pricing model with the following assumptions: stock price of \$0.075; expected dividend yield of 0%; expected volatility of 131% (based on the Company's historical share price); risk-free interest rate of 4.45% and an expected life of 2 years. The flow-through share premium was estimated to be \$31,250 based on the residual approach.

On June 26, 2023, the Company closed the second tranche of its flow-through private placement financing by issuing 2,500,000 flow-through shares at a price of \$0.08 per flow-through share for gross proceeds of \$200,000.

The Company paid finders fees of \$16,000 and additional share issuance costs of \$8,670 in cash and issued 200,000 finder warrants. Each finder warrant is exercisable into one common share of the Company at a price of \$0.08 per common share until June 26, 2025. The fair value of the finder warrants was estimated at \$8,908, using the Black-Scholes option pricing model with the following assumptions: stock price of \$0.07; expected dividend yield of 0%; expected volatility of 130% (based on the Company's historical share price); risk-free interest rate of 4.61% and an expected life of 2 years. The flow-through share premium was estimated to be \$25,000 based on the residual approach.

On August 10, 2023, the Company closed the third and final tranche of its flow-through private placement financing by issuing 12,500,000 flow-through shares at a price of \$0.08 per flow-through share for gross proceeds of \$1,000,000.

The Company paid finders fees of \$80,000 and additional share issuance costs of \$3,240 in cash and issued 1,000,000 finder warrants. Each finder warrant is exercisable into one common share of the Company at a price of \$0.08 per common share until August 10, 2025. The fair value of the finder warrants was estimated at \$48,138, using the Black-Scholes option pricing model with the following assumptions: stock price of \$0.075; expected dividend yield of 0%; expected volatility of 128% (based on the Company's historical share price); risk-free interest rate of 4.74% and an expected life of 2 years. The flow-through share premium was estimated to be \$62,500 based on the residual approach.

On December 6, 2023, the Company closed a private placement financing by issuing 28,126,517 units at a price of \$0.06 per unit for gross proceeds of \$1,687,591. Each unit consists of one common share of the Company, and one half of one common share purchase warrant, each whole warrant entitling the holder to acquire one additional common share of the Company at an exercise price of \$0.08 until December 6, 2026.

Consolidated Lithium Metals Inc.

Notes to the Financial Statements

For the years ended December 31, 2024 and 2023

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9. SHARE CAPITAL (continued)

b) Issued and outstanding common shares (continued)

The Company paid finders fees of \$106,915 and additional share issue costs of \$19,264 in cash and issued 1,472,891 finder warrants. Each finder warrant is exercisable into one common share of the Company at a price of \$0.08 per common share until December 6, 2025. The fair value of the 14,063,258 warrants was estimated at \$422,584, using the Black-Scholes option pricing model with the following assumptions: stock price of \$0.036; expected dividend yield of 0%; expected volatility of 135% (based on the Company's historical share price); risk-free interest rate of 3.89% and an expected life of 3 years. The fair value of the 1,472,891 finder warrants was estimated at \$26,147, using the Black-Scholes option pricing model with the following assumptions: stock price of \$0.035; expected dividend yield of 0%; expected volatility of 131% (based on the Company's historical share price); risk-free interest rate of 4.07% and an expected life of 2 years.

During the year ended December 31, 2023, 4,250,000 of the Company's warrants were exercised, generating proceeds of \$297,500.

10. RESERVES

a) Warrants

Details of share purchase warrant transactions for the years ended December 31, 2024 and 2023 are as follows:

	No. of warrants #	Weighted Average Exercise Price \$	Grant Date Value of warrants \$
December 31, 2022	36,324,500	0.08	1,130,166
Exercised	(4,250,000)	0.07	(133,189)
Expired	(21,752,000)	0.07	(643,021)
Granted	32,502,434	0.09	972,347
December 31, 2023	42,824,934	0.09	1,326,303
Expired	(10,322,500)	0.10	(353,931)
Granted	12,640,000	0.05	131,827
December 31, 2024	45,142,434	0.08	1,104,199

During the year ended December 31, 2024, 10,322,500 of the Company's warrants expired and \$353,931 was transferred to deficit (year ended December 31, 2023, 21,752,000 warrants, \$643,021).

As at December 31, 2024, the Company has share purchase warrants outstanding as follows:

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10. RESERVES (continued)

a) Warrants (continued)

No. outstanding	No. exercisable	Grant date	Expiry date	Exercise price	Share price	Fair value at grant date	Expected volatility	Expected life (yrs)	Expected dividend yield	Risk-free interest rate
10,635,714	10,635,714	21-Apr-23	21-Apr-25	\$ 0.10	\$ 0.046	\$ 308,133	132%	2.00	0%	3.79%
4,507,391	4,507,391	1-Jun-23	1-Jun-25	\$ 0.10	\$ 0.046	\$ 128,995	131%	2.00	0%	4.20%
123,180	123,180	1-Jun-23	1-Jun-25	\$ 0.10	\$ 0.070	\$ 5,126	131%	2.00	0%	4.20%
500,000	500,000	12-Jun-23	12-Jun-25	\$ 0.08	\$ 0.075	\$ 24,341	131%	2.00	0%	4.45%
200,000	200,000	26-Jun-23	26-Jun-25	\$ 0.08	\$ 0.070	\$ 8,908	130%	2.00	0%	4.61%
1,000,000	1,000,000	10-Aug-23	10-Aug-25	\$ 0.08	\$ 0.075	\$ 48,138	128%	2.00	0%	4.74%
14,063,258	14,063,258	6-Dec-23	6-Dec-26	\$ 0.08	\$ 0.036	\$ 422,584	135%	3.00	0%	3.89%
1,472,891	1,472,891	6-Dec-23	6-Dec-25	\$ 0.08	\$ 0.035	\$ 26,147	131%	2.00	0%	4.07%
12,000,000	12,000,000	30-Oct-24	30-Oct-26	\$ 0.05	\$ 0.015	\$ 124,956	194%	2.00	0%	3.09%
640,000	640,000	30-Oct-24	30-Oct-26	\$ 0.05	\$ 0.015	\$ 6,871	194%	2.00	0%	3.09%
45,142,434	45,142,434					\$ 1,104,199				

The weighted-average contractual years remaining on the Company's outstanding warrants as of December 31, 2024 was 1.28 years (December 31, 2023: 1.71 years).

b) Stock options

The Company has adopted an omnibus share-based payment plan under which the board of directors may award options for common shares and restricted share units (each, an "RSU") to directors, officers, employees and consultants. The maximum number of shares issuable pursuant to the grant of options under the plan represents 10% of the issued and outstanding common shares of the Company at the time of the grant, and the maximum number of shares issuable pursuant to the grant of RSUs is 36,831,726. The maximum number of shares which may be reserved for issuance to any grantee within a 12-month period pursuant to share options or RSUs may not exceed 5% of the common shares outstanding at the time of grant and 2% for consultants. The omnibus plan replaces the Company's previous share-based payment plan and the RSU plan received shareholder approval on June 13, 2023.

The exercise price of each option is determined by the board of directors and cannot be less than the Discounted Market Price (as such term is defined in the policies of the TSX Venture Exchange ("TSXV")) of the common shares on the day prior to the grant, and the term of the options cannot exceed ten years. Certain options and RSUs vest over periods of time, determined by the board of directors.

The continuity of the contributed surplus activity for the years ended December 31, 2024 and 2023 are as follows:

Consolidated Lithium Metals Inc.

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10. RESERVES (continued)

b) Stock options (continued)

	No. of options #	Weighted Average Exercise Price \$	Grant Date Value of vested options \$
December 31, 2022	22,374,811	0.07	1,429,391
Granted, February 2023	800,000	0.065	33,220
Vested, March 2023	-	-	46,644
Granted, April 2023	3,600,000	0.065	160,319
Granted, May 2023	1,400,000	0.07	59,150
Expired, June 2023	(1,650,000)	0.08	(125,433)
Vested, June 2023	-	-	33,828
Expired, August 2023	(200,000)	0.065	(4,520)
Granted, August 2023	500,000	0.08	16,796
Vested, September 2023	-	-	21,579
Vested, December 2023	-	-	14,967
Expired, December 2023	(1,690,000)	0.06	(112,449)
December 31, 2023	25,134,811	0.07	1,573,492
Vested, March 2024	-	-	57,038
Expired, March 2024	(30,000)	0.50	(12,695)
Granted, May 2024	6,000,000	0.05	73,623
Vested, June 2024	-	-	38,914
Vested, September 2024	-	-	24,436
Vested, December 2024	-	-	15,958
Expired, December 2024	(600,000)	0.07	(38,040)
December 31, 2024	30,504,811	0.07	1,732,726

On May 13, 2024, the Company granted 6,000,000 stock options to a director of the Company pursuant to the Company's omnibus incentive plan. The stock options vest in eight quarterly installments beginning three months from the date of grant. The options may be exercised at a price of \$0.05 per option for a period of five years from the date of grant. The grant date fair value of the options was estimated at \$115,800 using the Black-Scholes option pricing model with the following assumptions: stock price of \$0.02; expected dividend yield of 0%; expected volatility of 199% (based on the Company's historical share price); risk-free interest rate of 3.76% and an expected life of 5 years.

On February 21, 2023, the Company granted 200,000 stock options to a consultant of the Company pursuant to the Company's stock option plan. The stock options vest in six monthly tranches beginning one month from the date of grant. The options may be exercised at a price of \$0.065 per option for a period of six months from the date of grant. The grant date fair value of the options was estimated at \$4,520 using the Black-Scholes option pricing model with the following assumptions: stock price of \$0.065; expected dividend yield of 0%; expected volatility of 125% (based on the Company's historical share price); risk-free interest rate of 4.57% and an expected life of 0.5 years.

On the same date, the Company granted an additional 600,000 stock options to two consultants of the Company pursuant to the Company's stock option plan. The stock options vest in eight quarterly tranches beginning three months from the date of grant. The options may be exercised at a price of \$0.065 per option for a period of five years from the date of grant. The grant date fair value of the options was estimated at \$38,040 using the Black-Scholes option pricing model with the following assumptions: stock price of \$0.065; expected dividend yield of 0%; expected volatility of 199% (based on the Company's historical share price); risk-free interest rate of 3.58% and an expected life of 5 years.

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10. RESERVES (continued)

b) Stock options (continued)

On April 3, 2023, the Company granted 3,600,000 stock options to a director and officer of the Company pursuant to the Company's stock option plan. The stock options vest in eight quarterly installments beginning three months from the date of grant. The options may be exercised at a price of \$0.065 per option for a period of five years from the date of grant. The grant date fair value of the options was estimated at \$228,240 using the Black-Scholes option pricing model with the following assumptions: stock price of \$0.065; expected dividend yield of 0%; expected volatility of 198% (based on the Company's historical share price); risk-free interest rate of 2.94% and an expected life of 5 years.

On May 23, 2023, the Company granted 1,400,000 stock options to a director and officer of the Company pursuant to the Company's stock option plan. The stock options vest in eight quarterly installments beginning three months from the date of grant. The options may be exercised at a price of \$0.07 per option for a period of five years from the date of grant. The grant date fair value of the options was estimated at \$95,620 using the Black-Scholes option pricing model with the following assumptions: stock price of \$0.07; expected dividend yield of 0%; expected volatility of 198% (based on the Company's historical share price); risk-free interest rate of 3.41% and an expected life of 5 years.

On August 10, 2023, the Company granted 500,000 stock options to a director of the Company pursuant to the Company's omnibus incentive plan. The stock options vest in eight quarterly installments beginning three months from the date of grant. The options may be exercised at a price of \$0.08 per option for a period of five years from the date of grant. The grant date fair value of the options was estimated at \$36,500 using the Black-Scholes option pricing model with the following assumptions: stock price of \$0.08; expected dividend yield of 0%; expected volatility of 196% (based on the Company's historical share price); risk-free interest rate of 3.93% and an expected life of 5 years.

During the year ended December 31, 2024, 630,000 options with a grant date fair value of \$49,411 expired in accordance with the Company's omnibus incentive plan (year ended December 31, 2023- 3,540,000 options with a grant date fair value of \$242,403).

As at December 31, 2024, the Company had stock options outstanding and exercisable as follows:

No. outstanding	No. exercisable	Grant date	Expiry date	Exercise price	Share price	Vested fair value at grant date	Expected volatility	Expected life (yrs)	Expected dividend yield	Risk-free interest rate
6,894,811	6,894,811	20-Jan-21	20-Jan-26	\$ 0.075	\$ 0.105	\$ 500,563	192%	5.00	0%	0.43%
2,480,000	2,480,000	25-Nov-21	25-Nov-26	\$ 0.05	\$ 0.05	\$ 121,024	201%	5.00	0%	1.56%
3,930,000	3,930,000	18-Apr-22	18-Apr-27	\$ 0.05	\$ 0.05	\$ 192,177	202%	5.00	0%	2.63%
3,700,000	3,700,000	10-Aug-22	10-Aug-27	\$ 0.08	\$ 0.08	\$ 289,340	201%	5.00	0%	2.85%
2,000,000	2,000,000	14-Nov-22	14-Nov-27	\$ 0.105	\$ 0.075	\$ 205,400	202%	5.00	0%	3.33%
3,600,000	2,700,000	3-Apr-23	3-Apr-28	\$ 0.065	\$ 0.065	\$ 224,477	198%	5.00	0%	2.94%
1,400,000	1,050,000	23-May-23	23-May-28	\$ 0.070	\$ 0.070	\$ 92,276	198%	5.00	0%	3.41%
500,000	312,500	10-Aug-23	10-Aug-28	\$ 0.080	\$ 0.075	\$ 33,847	196%	5.00	0%	3.93%
6,000,000	1,500,000	13-May-24	13-May-29	\$ 0.050	\$ 0.020	\$ 73,622	199%	5.00	0%	3.76%
30,504,811	24,567,311					\$ 1,732,726				

The weighted average contractual years remaining on its outstanding options as of December 31, 2024 was 2.65 years (December 31, 2023 – 3.25 years).

Consolidated Lithium Metals Inc.

Notes to the Financial Statements

For the years ended December 31, 2024 and 2023

(Expressed in Canadian dollars)

11. ADDITIONAL INFORMATION – CASH FLOWS

The changes in working capital items are detailed as follows:

	For the year ended December 31,	
	2024	2023
	\$	\$
Amounts receivable	42,660	639,404
Prepaid expenses	8,107	33,210
Trade and other payables	(60,890)	(365,196)
	(10,123)	307,418

12. RELATED PARTY TRANSACTIONS

Compensation of key management

In accordance with IAS 24, key management personnel are those persons who have authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including directors (executive and non-executive) of the Company. Compensation awarded to key management included:

	Year ended December 31,	
	2024	2023
	\$	\$
Consulting fees	829,474	1,377,707
Share-based compensation	200,629	353,284
	1,030,103	1,730,991

Included in accounts payable and accrued liabilities as at December 31, 2024 is \$nil (December 31, 2023 – \$26,686) due to directors and officers and directors of the Company. The amounts are unsecured, non-interest bearing and due on demand.

During the year ended December 31, 2024, key management received bonuses totalling \$200,000 (December 31, 2023- \$607,000). During the year ended December 31, 2023, key management reinvested bonuses totaling \$350,000 into the Company's private placement financing that was completed on April 21, 2023 (Note 9).

Mr. Stan Bharti is the Executive Chairman of Forbes and Manhattan Inc. ("Forbes"). The Company is part of the Forbes Group of Companies and continues to receive the benefits of such membership, including access to various professionals, and strategic advice from the Forbes Board of Advisors. An administration fee of \$10,000 per month from December 2022 was charged by Forbes pursuant to a consulting agreement. During the year ended December 31, 2024, total amounts charged by Forbes was \$90,000 (2023 - \$130,000). Subsequent to December 31, 2024, this agreement was terminated.

Related party participation in the Company's private placements is disclosed in Note 9.

See Note 7 and Note 10.

Consolidated Lithium Metals Inc.

Notes to the Financial Statements

For the years ended December 31, 2024 and 2023

(Expressed in Canadian dollars)

13. FINANCIAL INSTRUMENTS

All financial instruments are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are initially measured at fair value plus transaction costs, except for financial assets and financial liabilities carried at fair value through profit or loss, which are measured initially at fair value. Financial assets are derecognized when the contractual right to the cash flows from the financial assets expire, or when the financial asset and all substantial risks and rewards are transferred.

The Company's financial instruments are comprised of cash, amounts receivable, and accounts payable and accrued liabilities. The carrying value of these financial instruments approximates their fair value due to the short-term nature of these instruments.

Financial instruments to be measured at fair value on the statements of financial position are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 Inputs that are not based on observable market data.

The Company does not measure any financial instruments at fair value that require classification within the fair value hierarchy.

Financial assets and financial liabilities as at December 31, 2024 and 2023 were as follows:

December 31, 2024	Fair value through profit and loss \$	Amortized cost \$	TOTAL \$
Financial assets:			
Cash	-	223,229	223,229
Financial liabilities:			
Accounts payable and accrued liabilities	-	(166,259)	(166,259)
December 31, 2023	Fair value through profit and loss \$	Amortized cost \$	TOTAL \$
Financial assets:			
Cash	-	2,415,649	2,415,649
Financial liabilities:			
Accounts payable and accrued liabilities	-	(227,149)	(227,149)

Consolidated Lithium Metals Inc.

Notes to the Financial Statements

For the years ended December 31, 2024 and 2023

(Expressed in Canadian dollars)

14. CAPITAL AND FINANCIAL RISK MANAGEMENT

The Company's capital structure consists of shareholders' equity and current liabilities. The primary capital management objectives are to maintain a flexible capital structure, which optimizes the cost of capital at acceptable risk to facilitate ongoing exploration and to maintain a strong capital base so as to maintain investor confidence and provide an appropriate return to its shareholders. The Company has the ability to adjust its capital structure by issuing new equity and adjusting its mineral exploration program to the extent the mineral exploration expenditures are not committed to.

As at December 31, 2024, the Company had working capital of \$528,213 (December 31, 2023 – \$2,656,055) and no long-term debt.

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern;
- to maximize the funds invested into exploration and development activities;
- to increase the value of the assets of the business; and
- to provide an adequate return to shareholders.

These objectives will be achieved by identifying the right exploration projects, adding value to these projects and ultimately taking them through to production or sale and cash flow, either with partners or by the Company's own means. The Company is not currently basing any production or mining decisions on a technical report or a feasibility study of mineral reserves demonstrating economic and technical viability at any of its properties, and as a result there is increased uncertainty and there are multiple technical and economic risks of failure which are associated with any such production or mining decision.

These risks, among others, include areas that are analyzed in more detail in a feasibility study, such as applying economic analysis to resources and reserves and a number of specialized studies in areas such as mining and recovery methods, market analysis, and environmental and community impacts.

The Company's capital structure reflects a company focused on mineral exploration and financing both internal and external growth opportunities. The Company manages capital in proportion to risk and manages the exploration and evaluation properties and capital structure based on economic conditions and prevailing commodity pricing and trends. The Company relies on equity financing to maintain adequate liquidity to support its ongoing exploration and development activities and ongoing working capital commitments.

The Company is not exposed to any externally imposed capital requirements, except when the Company issues flow-through shares for which an amount should be used for exploration work. No other capital requirements are imposed by a lending institution or regulatory body, other than of the TSXV which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of December 31, 2024, the Company may not be compliant with the policies of the TSXV. The impact of any such violation is not known and is ultimately dependent on the discretion of the TSXV.

No significant changes were made in the objectives, policies and processes for managing capital during the reporting periods. In the normal course of operations, the Company is exposed to various financial risks. The Company does not enter into financial instrument agreements, including derivative financial instruments, for speculative purposes.

The main risks that could adversely affect the Company's financial assets, liabilities or future cash flows are liquidity risk, credit risk and market risk. The Company has minimal interest rate risk as there are no outstanding variable-rate borrowings, and the Company finances its operations primarily through share offerings. Management mandates and agrees on policies for managing each of these risks.

Consolidated Lithium Metals Inc.

Notes to the Financial Statements

For the years ended December 31, 2024 and 2023

(Expressed in Canadian dollars)

14. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial commitments and working capital obligations as they come due. The Company's ability to continue as a going concern is dependent on the board of directors' and management's ability to raise the required capital through future equity or debt issuances. As the Company is in the exploration stage, it has no production upon which it could rely to fund its operations or the exploration of its properties. Financial liabilities consist of accounts payable and accrued liabilities, which are current and will be settled within one year.

As at December 31, 2024, the Company had a cash balance of \$223,229 (December 31, 2023: \$2,415,649) available to fund financial liabilities that consisted of accounts payable and accrued liabilities, flow-through premium liabilities and lease liabilities of \$166,259 (December 31, 2023: \$281,604).

Credit risk

Credit risk is risk of financial loss to the Company if a counterparty to a financial instrument fails to pay amounts owing or perform its contractual obligations causing a financial loss. Not having a producing asset generating sales and accounts receivable, the Company's credit risk is considered limited as there is no exposure to a single customer or counterparty. With respect to credit risk arising from financial assets of the Company, which comprise cash and amounts receivable, the Company's exposure to credit risk arises from default of counterparties with a maximum exposure equal to the carrying amount of these instruments.

Cash balances are held with high credit quality financial institutions and may be redeemed on demand. The Company has no trade accounts and as such has limited exposure to credit risk. Amounts receivable primarily represent input tax credit refunds and Quebec mining tax credits from government bodies. Management believes that the credit risk concentration with respect to these financial instruments is remote. No impairment loss has been recognized in the periods presented.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, such as commodity prices, foreign currency exchange rates, interest rates and liquidity. The objective of market risk management is to manage and control market risk exposures within acceptable limits while maximizing returns. The Company recognizes that external factors, which it cannot control such as financial market instability and commodity prices, can adversely affect its ability to raise the necessary capital to maintain ongoing operations. A discussion of the Company's primary market risk exposures, and how those exposures are currently managed, follows:

Commodity price risk

The ability of the Company to explore, evaluate and develop its exploration properties and the future profitability of the Company are directly related to the price of lithium and other commodities. Commodity prices fluctuate and are affected by factors outside of the Company's control. Current and expected future prices have a significant impact on the market sentiment for investment in mineral exploration companies and may impact the Company's ability to raise equity financing for its ongoing working capital requirements. The Company monitors commodity prices to determine the appropriate course of action to be taken.

Consolidated Lithium Metals Inc.

Notes to the Financial Statements

For the years ended December 31, 2024 and 2023

(Expressed in Canadian dollars)

14. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

Currency risk

Foreign currency risk is created by fluctuations in the fair value or cash flows of financial instruments due to changes in foreign exchange rates. The Company's financial assets and liabilities and operating costs are principally denominated in Canadian dollars. The Company has historically had insignificant operations in United States dollars. The Company has no hedging program due to its minimal exposure to financial gain or loss as a result of foreign exchange movements against the Canadian dollar.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a loss as a result of a decline in the fair value of cash is limited because of their short-term investment nature. A variable rate of interest is earned on cash; changes in market interest rates at the year-end would not have a material impact on the Company's financial statements. The Company's interest rate risk is minimal as there are no outstanding loans or interest-bearing debts. The Company has not entered into any interest rate swaps or other active interest rate management programs at this time.

15. COMMITMENTS AND CONTINGENCIES

Flow-Through Financing

The Company has been partially financed through the issuance of flow-through shares and, according to tax rules regarding this type of financing, the Company is engaged in realizing mining exploration work. These tax rules also set deadlines for carrying out the exploration work, which must be performed no later than the earlier of the following dates:

- end of the calendar year following the flow-through placements; and
- one year after the Company has renounced the tax deductions relating to the exploration work.

There is no guarantee that the Company's exploration expenses will qualify as Canadian Exploration Expenditures, even if the Company is committed to taking all the necessary measures in this regard. Refusal of certain expenses by the tax authorities would have a negative tax impact for investors and for the Company.

Pursuant to the terms of the flow-through agreements entered into on June 12, June 26, and August 10 2023, the Company is committed to incur Canadian Exploration Expenditures of \$1,700,000 by December 31, 2024. As at December 31, 2024, the Company believes it has satisfied this commitment.

Pursuant to the terms of the flow-through agreements entered into on October 30, 2024, the Company is committed to incur Canadian Exploration Expenditures of \$593,800 by December 31, 2025. As at December 31, 2024, the Company has incurred \$14,568 in Canadian Exploration Expenditures. The Company has indemnified the subscribers of the current flow-through share offerings against any tax-related amounts that become payable by the shareholder as a result of the Company not meeting its expenditure commitments.

Consolidated Lithium Metals Inc.

Notes to the Financial Statements

For the years ended December 31, 2024 and 2023

(Expressed in Canadian dollars)

15. COMMITMENTS AND CONTINGENCIES (continued)

Management Contracts

The Company is party to certain management contracts and severance obligations. These contracts contain clauses requiring additional payments of approximately \$2,088,000 (December 31, 2023: \$4,507,000) to be made to the officers of the Company upon the occurrence of certain events such as a change of control. As the triggering event has not taken place, the contingent payments have not been reflected in these financial statements. Additional minimum management contractual commitments remaining under the agreements are approximately \$298,000 (December 31, 2023: \$1,308,000), all due within one year.

Environmental

The Company's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Going Concern

See Note 1.

Legal Matters

From time to time, the Company may be named as a party to claims or involved in proceedings, including legal, regulatory and tax related, in the ordinary course of its business. While the outcome of these matters may not be estimable at period end, the Company makes provisions, where possible, for the estimated outcome of such claims or proceedings. Should a loss result from the resolution of any claims or proceedings that differs from these estimates, the difference will be accounted for as a charge to net income (loss) in that period.

16. INCOME TAXES

Provision for income taxes

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% (2023: 26.5%) to the effective tax rate is as follows:

	2024	2023
	\$	\$
(Loss) before income taxes	(2,725,165)	(5,441,078)
Expected income tax recovery based on statutory rate	(722,000)	(1,442,000)
Adjustment to expected income tax recovery:		
Share-based compensation	56,000	102,000
Expenses not deductible for tax purposes	67,000	426,000
Other	96,000	1,117,000
Change in unrecorded deferred tax asset	503,000	(203,000)
Deferred income tax provision (recovery)	-	-

Consolidated Lithium Metals Inc.

Notes to the Financial Statements

For the years ended December 31, 2024 and 2023

(Expressed in Canadian dollars)

16. INCOME TAXES (continued)

Deferred income tax

Deferred taxes are a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities.

	2024	2023
	\$	\$
Non-capital loss carry-forwards	14,617,000	12,921,000
Share issue costs	250,000	334,000
Mineral property costs	6,346,000	5,693,000
Other temporary differences	82,000	405,000
Total	21,295,000	19,353,000

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can use the benefits.

Non-capital losses expire as follows:

	\$
2025	82,000
2026	288,000
2027	382,000
2028	313,000
2029	263,000
2030	375,000
2031	470,000
2032	634,000
2033	542,000
2034	441,000
2035	197,000
2036	455,000
2037	575,000
2038	130,000
2039	732,000
2040	933,000
2041	656,000
2042	2,146,000
2043	3,292,000
2044	1,713,000
	<u>14,619,000</u>

Consolidated Lithium Metals Inc.

Notes to the Financial Statements

For the years ended December 31, 2024 and 2023

(Expressed in Canadian dollars)

17. SUBSEQUENT EVENTS

On April 2, 2025, the Company closed the first tranche of its non-brokered private placement financing of units at a price of one cent per unit for gross proceeds of \$210,000. Pursuant to the first tranche, the Company issued 21,000,000 units at a price of \$0.01 unit. Each unit consists of one common share of the Company and one-half of one Common share purchase warrant. Each warrant entitles the holder to acquire one additional common share at an exercise price of \$0.05 until April 2, 2027. The securities issued in connection with the first tranche are subject to a statutory four-month hold period, which expires on August 3, 2025. Completion of the first tranche is subject to receipt of final approval of the TSX Venture Exchange. Directors and officers of the Company subscribed for 20,000,000 units, generating gross proceeds of \$200,000.

See Note 12.



Consolidated Lithium Metals Inc.

**Management's Discussion and Analysis
for the years ended
December 31, 2024 and 2023**

Consolidated Lithium Metals Inc.
Management's Discussion and Analysis
For the years ended December 31, 2024 and 2023

DATED: April 17, 2025

GENERAL

This Management's Discussion and Analysis ("MD&A") of Consolidated Lithium Metals Inc. ("CLM" or the "Company") provides a review of the financial position and results of operations of the Company for the years ended December 31, 2024 and 2023 and should be read in conjunction with the annual financial statements of the Company, including the notes thereto, for the years ended December 31, 2024 and 2023. These financial statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), and International Financial Reporting Interpretation Committee ("IFRIC") interpretations. This MD&A covers the most recently completed financial period and the subsequent period up to the date of this MD&A. All amounts are expressed in Canadian dollars, unless otherwise indicated.

Additional information relating to the Company has been filed electronically through and may be found under its profile on the System for Document Analysis and Retrieval and is available online under its profile at www.sedarplus.ca. Additional information can be found on the Company's website at www.consolidatedlithium.com.

The Company's financial statements have been presented on the basis that the Company will continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent upon it being able to generate sufficient funds or obtain sufficient capital from investors to meet its current and future obligations. The Company is subject to risks and challenges similar to other exploration stage companies. As a result of these risks, a material uncertainty exists that casts significant doubt as to the appropriateness of the going concern assumption. There is no assurance that the Company's funding initiatives will continue to be successful, and the financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported expenses and statements of financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material. The Company will have to raise additional funds to advance its exploration and development efforts and, while it has been successful in doing so in the past, there can be no assurance that it will be able to do so in the future. The reader should be aware that historical results are not necessarily indicative of future performance.

This MD&A and the financial statements for the years ended December 31, 2024 and 2023 have been reviewed by the Company's Audit Committee and approved by the Company's Board of Directors prior to release.

QUALIFIED PERSON

Alexandr Beloborodov, P. Geo, is the Qualified Person under National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101") as defined in NI 43-101 and has reviewed and approved all technical information in this management discussion and analysis.

OVERVIEW

CLM is a publicly traded Canadian exploration company listed on the TSX Venture Exchange ("TSXV") under the symbol **CLM.V**, the OTCQB under the symbol **JORFF**, and on the Frankfurt and Stuttgart Stock Exchanges under the symbol **Z36**. As an exploration-stage company that is in the process of exploring its mineral properties located in Canada, the Company has not yet determined whether these properties contain reserves that are economically recoverable. The Company is incorporated under the *Canada Business Corporations Act* and its registered head office is located at 198 Davenport Road, Toronto, Ontario M5R 1J2.

The Company is currently focused on the acquisition, exploration and development of, and production from, lithium properties in Quebec, targeting the battery and technical grade spodumene market. The Company's properties are primarily in the spodumene-bearing pegmatites of the La Corne Batholith, around North American Lithium's producing Quebec lithium mine.

Consolidated Lithium Metals Inc.
Management's Discussion and Analysis
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MINERAL PROPERTIES

Lithium is found in low concentrations in igneous rocks. The largest concentrations of lithium-containing minerals are found in granitic pegmatites. The most important of these minerals are spodumene ($\text{LiAlSi}_2\text{O}_6$) and petalite ($\text{LiAlSi}_4\text{O}_{10}$). Spodumene has a theoretical Li_2O content of 8.03%. Due to its high lithium content, spodumene is considered the most important lithium ore mineral. A typical run-of-mine ore can contain 1-2% Li_2O , while a typical spodumene concentrate suitable for lithium carbonate production contains 6-7% Li_2O (75% - 87% spodumene).

The Company currently has a land holding in the heart of the southern portion of the Abitibi Greenstone Belt in Quebec. It consists of approximately 22,600 hectares located in NTS 32D08 and 32C05 in a lithium-rich district approximately 35km north of Val-d'Or, Quebec, Canada. Six project areas are defined and consist of Vallée, Preissac - La Corne, Baillargé, East Vallée, La Motte, Duval, and Vassan, all in the immediate vicinity of the North American Lithium property. The district boasts a well-developed local infrastructure and year-round access. Low cost and low carbon electricity is readily available.

EXPLORATION PROJECTS

Vallée Lithium Project

The Vallée lithium project is located in La Corne and Fiedmont Townships, adjacent to the North American Lithium mining project. The mineralized spodumene pegmatite dykes that were mined on the North American Lithium property continue directly onto the claims of CLM.

On August 19, 2021, the Company received permission from Quebec's mining authority to commence a 2,000-metre diamond drilling program on its Vallée property. The program was intended to follow up on the results of the 2018 bulk sample and aimed at completing two more fence lines across the lithium-bearing pegmatite swarm which has been mined in the immediate vicinity to the west. On October 15, 2021, the Company completed the drilling program, with 1,682 metres of drilling completed. The Company received the assay results in November 2021, in which every hole showed multiple intersections of spodumene-bearing pegmatite. For more information, refer to the Company's press release dated September 16, 2021.

On February 8, 2022, the Company commenced a second diamond drilling program of approximately 2,000m to significantly enlarge the known pegmatites in the northerly and easterly direction. On March 24, 2022, the Company expanded the drilling campaign to approximately 3,200m after all of its first eight drillholes intersected the newly identified spodumene-bearing pegmatite swarm on its Vallée property. On May 24, 2022, the Company completed the second phase of its drilling program, with all drill holes of the campaign intersecting the new spodumene-bearing pegmatite swarm at a previously underexplored eastern extension, which had not been exposed by the North American Lithium mine to the west of Vallée. Eighteen holes were drilled with a total of 3,629 metres of core recovered. For more information, refer to the Company's press releases dated July 7, 2022 and September 6, 2022.

On August 22, 2022, the Company commenced a third phase of drilling of approximately 2,200m aimed at drilling fence lines further east across the lithium-bearing pegmatite swarm, which has been mined in the immediate vicinity to the west. On September 15, 2022, the Company expanded the drilling campaign to 28 newly permitted drill holes and approximately 5,600m. On November 2, 2022, the Company completed the third phase of its drilling program. Thirty-two holes were drilled with a total of 6,585 metres completed. For more information, refer to the Company's press releases dated September 15, 2022, November 2, 2022, January 18, 2023, February 15, 2023, March 16, 2023 and March 21, 2023.

On November 14, 2022, the Company entered into an earn-in agreement and joint venture agreement with Sayona Mining Limited's (ASX: SYA; OTCQB: SYAXF) ("Sayona") indirectly majority owned subsidiary, North American Lithium Inc. ("NAL"), in relation to the Company's Vallée lithium project. In addition, Sayona's subsidiary, Sayona Quebec Inc, acquired 27,000,000 common shares of the Company, representing approximately 9.99% of the issued and outstanding shares, at a price of \$0.0556 per share for gross proceeds of \$1,501,200. Sayona also acquired 100% interest in select claims owned by the Company immediately adjacent to the NAL mining lease.

Consolidated Lithium Metals Inc.
Management's Discussion and Analysis
For the years ended December 31, 2024 and 2023

Under the agreement, NAL acquired the right to earn up to a 51% stake in certain claims within the Vallee project, based on NAL spending \$4,000,000 within 12 months of the agreement to earn a 25% interest (the first option) and an additional \$6,000,000 within 24 months to earn a further 25% interest (the second option). On December 19, 2022, Sayona deposited \$4,000,000 into an escrow account, representing a firm commitment under the earn-in agreement. By the November 14, 2023 deadline, Sayona completed approximately \$3.5 million in exploration work on the first option and the remaining \$500,000 remaining in the escrow account was released to CLM in accordance with the escrow agreement. Upon release of the remaining funds, Sayona vested a 25% interest in the Vallée Project and triggered the establishment of the Vallée Joint Venture.

NAL also has the right to increase its interest by an additional 1%, to an aggregate 51% interest, by completing a feasibility study and arranging funding for the construction of a mine at Vallee (the third option). In connection with the agreement, the Company transferred certain of its Vallee claims outright to NAL to provide for future infrastructure expansion at the NAL mine and its processing facility. The agreement is subject to certain dilution clauses effective at the earlier of the termination of the second option, exercise of the third option, or termination of the third option, when a party opts to not participate proportionately in ongoing expenditures. If the interest of a party is reduced to 10% or below, its interest will be deemed to be converted to a 2% net smelter return ("NSR") royalty which may be purchased by the other party in certain circumstances at a price of \$2,000,000. Full details of the earn-in and joint venture agreement can be found in the Company's press releases dated November 14, 2022 and December 19, 2022.

On March 7, 2023, the Company and NAL announced an extensive exploration and development program with the objective of expanding and defining sufficient mineral resources to supply increased tonnages to NAL's concentrator, located approximately 30km north of Val-d'Or. To define mineral resources at the Vallee property, over 15,000m of drilling on the Vallee Joint Venture claims subject to the earn-in agreement of November 14, 2022 was funded by the \$4,000,000 deposited in escrow by NAL.

The 2023 exploration program in the JV area consisted of 15,607m of drilling in 58 drill holes, spaced on lines approximately 150m apart with closer spaced infill holes to be drilled where results warranted. The first holes of the program were drilled along the west property boundary with NAL, testing the southern extension of CLM's currently defined lithium pegmatites and in the heart of the NAL Mine Trend extending southeast from the NAL open pit. The exploration program has been completed and results have been received and summarized below (see table 1). For further information, please refer to the Company's press releases dated March 7, 2023, September 14, 2023, January 11, 2024 and February 15, 2024.

The 2023 summer drilling program succeeded at tracing lithium-bearing pegmatite mineralization associated with the adjacent NAL operating lithium mine across the entire width of the Vallée JV property from northwest to southeast. Thicker high-grade mineralized intersections were located along the northwestern and southeastern sections of the core pegmatite dyke. The program resulted in the extension of the core pegmatite by 700m to the southeast from the area defined by the Company's 2021 and 2022 drilling programs.

Consolidated Lithium Metals Inc.
Management's Discussion and Analysis
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Table 1 - Highlights of the 2023 Vallée JV Drilling Program

Hole	From	To	Length	Li ₂ O (wt%)
VAL-23-001	55.12	61.58	6.46	1.04
	129.14	132.53	3.39	1.35
VAL-23-009	90.30	92.00	1.70	0.60
VAL-23-014	173.90	175.20	1.30	0.88
VAL-23-015	186.00	195.00	9.00	0.36
<i>including</i>	190.25	195.00	4.75	0.49
VAL-23-018	104.40	105.95	1.55	0.70
VAL-23-032b	209.50	220.10	10.60	0.51
<i>including</i>	212.00	213.50	1.50	1.56
VAL-23-042	163.00	180.00	17.00	0.68
<i>including</i>	167.55	171.15	3.60	1.43
	215.50	238.80	23.30	0.64
<i>including</i>	216.55	226.75	10.20	0.95
VAL-23-050	198.00	200.00	2.00	0.97
	217.65	218.25	0.60	1.54
VAL-23-051	157.15	164.30	7.15	1.04
VAL-23-053	112.50	130.10	17.60	0.55
<i>including</i>	112.50	115.70	3.20	1.25
VAL-23-056	127.90	129.85	1.95	0.90
VAL-23-057	59.59	65.08	5.49	0.46
	132.73	148.75	16.02	0.50
<i>including</i>	140.74	143.10	2.36	1.29
	179.85	184.65	4.80	0.62

True widths are not known but are believed to be 85-95% of core length

The extension of the core pegmatite to the eastern property boundary during the drill program is considered to be a very exciting development for CLM. The Company's 100% owned East Vallée project is located immediately adjacent to the Vallée JV property. The Company expects that the core pegmatite and adjacent spodumene-bearing dykes will likely continue onto the East Vallée property. The East Vallée Project overlies an additional 5km of the Vallée Lithium Trend that has never been drill-tested for lithium.

The Company also intends to review and interpret the 2023 results in collaboration with the 2021-2022 drill results in the northwest end of the core pegmatite trend immediately adjacent to the NAL lithium mine. The objective of the review will be to determine whether sufficient drilling has been completed to establish a mineral resource in that area.

During the year ended December 31, 2024, NAL declined to exercise the second option. The Company will retain 75% of the ownership interests in the portion of the Vallée property. The Company is the operator in accordance with the terms of the earn-in agreement.

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East Vallée Project

On November 21, 2022, the Company acquired an additional 138 mining claims adjacent to the Company's current exploration Vallée Joint Venture claims and has named the property the East Vallée Project. As consideration, the Company paid an aggregate cash payment of \$50,000 to the vendors of the claims and granted to the vendors NSR royalties affecting the transferred claims ranging from 0.25% to 0.5%, payable up to a maximum aggregate amount of \$1,000,000.

On June 26, 2023, the Company purchased an additional six mining claims surrounded by the Company's Vallee lithium project from Globex Mining Enterprises Inc. ("Globex"). As consideration, the Company paid \$100,000 in cash and issued 2,040,816 of its common shares at an estimated fair value of \$150,000 based on the 10-day volume-weighted average price of the Company's common shares on the TSXV at the date of issuance. In addition, the Company agreed to grant Globex a 2% NSR royalty on the claims, half of which the Company is entitled to, prior to the commencement of commercial production, repurchase for \$1,000,000 (indexed to Canadian inflation as represented by the consumer price index).

In the fall of 2023, CLM commissioned a 1275 sample soil survey program with the objective of determining if the lithium-bearing pegmatites that have been traced across the Company's Vallée JV Project and thought to extend eastward onto the East Vallée Project can be detected by remote geochemical techniques. No significant geochemical anomalies were discovered during the soil sampling program. However, based upon the work completed in 2023 on the immediately adjacent Vallée JV Project, CLM has been able to track spodumene-bearing pegmatites right to the western boundary of the East Vallée Project. There has been no historical drilling on the anticipated projection of the pegmatites onto and across the East Vallée Project and the Company considered the area to be high-priority drilling target.

On June 3, 2024, the Company announced the commencement of Phase I of the East Vallée drilling program. The objective of the program was to continue to explore the east-south-east extension of the Core Pegmatite Dyke, the key dyke within the NAL Mine Swarm. The Core Dyke had been traced over a 4.2 km strike length across the Vallee JV property and remained open for expansion along strike to the east on CLM's 100%-owned East Vallée Project.

The Phase I program will consist of 12 drill holes totaling approximately 2,400 m and will test the Core Pegmatite and flanking pegmatites along drill fences spaced 400 metres apart starting at the western property boundary. The drilling program has been completed and drill core samples were collected and shipped to ALS Canada Inc's laboratory in North Vancouver, British Columbia.

On October 2, 2024, the announced the assay results from the spring 2024 diamond drilling program on the 100-per-cent-owned East Vallee project. The objective of the spring drilling program was to confirm the presence and extension onto the East Vallee project of the defined lithium-bearing pegmatites intersected by the company during its 2023 drilling program on the adjacent Vallee joint venture property. East Vallee is located in the Abitibi greenstone belt approximately 30 kilometres north of Val-d'Or, Que.

Twelve holes were completed on East Vallee totalling 2,289 metres (m). The 12 holes evaluated for the potential southeastern strike extension of eight known lithium-bearing pegmatites onto the property. The program also tested for the extension of the core pegmatite, which has been previously defined over a strike length of 4.25 kilometres commencing from the active open pit mine at Sayona's North American lithium mine operation, across the width of the Vallee JV property, right to the western property boundary of the East Vallee project.

The 2024 drilling program succeeded at tracing both the core pegmatite and the S2 pegmatite onto the East Vallee property. Both the pegmatites were intersected in two holes. The highlight of the program was a high-grade intersection of the core pegmatite in hole EV-24-002 that averaged 1.184 per cent Li₂O over 4.00 m from 101.0 m to 105.0 m, within a larger interval that averaged 0.754 per cent Li₂O over 9.25 m from 99.25 m to 108.5 m. This larger interval included lithium mineralization contained within a well-defined biotite alteration zone enveloping the core pegmatite. Hole EV-24-009, drilled 800 m along strike to the southeast, also encountered the core pegmatite that averaged 0.293 per cent Li₂O over 0.65 m from 102.95 m to 103.60 m.

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Table 1 – Lithium Intersections from the 2024 East Vallée Drill Program

Hole	From (m)	To. (m)	Length (m)*	Li2O (%)
EV-24-002	99.25	108.50	9.25	0.754
	101.00	105.00	4.00	1.184
EV-24-007	181.85	182.90	1.05	0.308
EV-24-008	176.30	177.45	1.15	0.310
EV-24-008	179.00	179.60	0.60	0.347
EV-24-009	102.95	103.60	0.65	0.293
* True widths of the mineralization reported cannot be determined at this time. Cut-off grades for compositing was 0.25% Li2O				

Hole EV-24-007 intersected the S2 pegmatite and returned assays of 0.308 per cent Li2O over 1.05 m from 181.85 m to 182.90 m. Hole EV-24-008 encountered two zones of mineralization that were hosted in the wall rocks adjacent to the S2 pegmatite within a biotite alteration zone in a granitic unit. The upper interval assayed 0.310 per cent Li2O over 1.15 m from 176.30 m to 177.45 m and the lower flanking interval averaged 0.347 per cent Li2O over 0.60 m from 179.00 m to 179.60 m.

The drilling program successfully confirmed the presence of the core pegmatite over an additional strike length of 800 m within the East Vallée project. An additional five km of the property remains untested by drilling to the southeast of hole EV-24-009, the most southeastern known intersection of the core pegmatite that is anticipated to be targeted by the company in future exploration programs.

In November 2024, CLM collected 206 soil samples at targeted locations of interest, on three of CLM's 100% owned properties: Baillargé, East Vallée, and Preissac. The analysis of these samples has detected 29 soil anomalies above 100 ppm lithium and 4 soil anomalies above 200 ppm lithium. The majority of the soil anomalies from this campaign were detected near the newly discovered pegmatite dykes on the northeastern section of the Baillargé Property (Fig. 1). All three properties were soil sampled in November 2024, and are located in the Abitibi Greenstone Belt, approximately 29 km northwest of Val-d'Or, Quebec.

Baillargé Lithium-Molybdenite Project

Baillargé is located in the Abitibi Greenstone Belt approximately 21km northwest of Val-d'Or, Quebec.

The LaCorne mine was operated intermittently by Molybdia Corporation Limited from 1951 to 1972 as an underground mine. Historical production during this period was reported to be 3,838,844 tons of ore at a head grade of 0.33% MoS₂ (6.6 lbs/t) and 0.040% bismuth (0.80 lbs/t).

On July 25, 2022, the Company commenced a soil sampling and prospection program on the majority of its claims in the Preissac-LaCorne district. The program was aimed at finding new lithium anomalies and showings in areas of known lithium mineralization at Baillargé, Preissac-LaCorne, Duval Lithium in La Motte, as well as Vallée and was conducted as a precursor to a potential future drilling program. For further information, refer to the Company's press releases on July 25, 2022 and September 15, 2022.

On December 12, 2022, the Company announced the completion of the stripping, mapping, and sampling campaign on its Baillargé property. The program covers an area of approximately 2,400 sq.m and has resulted in a significant strike extension of the known spodumene-bearing dykes. For further information, refer to the Company's press release on December 12, 2022.

In 2022, the Company undertook a property-wide soil sampling survey on a 400 x 200m grid spacing. In addition to the BE anomaly, the Company defined five other lithium-in-soil anomalies where the lithium-in-soil concentration exceeded 200 ppm Li. The density of soil sampling was tightened to a 50 x 50m grid in the Baillargé Est showing area, helping to further define the BE anomaly.

On March 16, 2023, the Company announced details of its 2023 exploration program on the Baillargé project. The exploration program was delayed due to the volatile forest fire situation in Northern Quebec. The summer 2023 exploration program was completed on October 3, 2023 and consisted of three key but separate components:

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- A 29 hole, 4,747m diamond drilling program;
- An outcrop stripping and sampling program; and
- A soil sampling program covering the area between the Baillargé Est showing and the Chubb showing, which is located 1.1km southeast and along strike of the area that was the subject of the summer drilling program.

The Baillargé Est Showing ("BE")

A total of 4,747m of diamond drilling was completed (see table 2) with 29 holes testing the three previously known dykes of the Baillargé Est Showing, located just south of Lac Baillargé within the northern half of CLM's Baillargé Property. Lithium mineralization was first found at Baillargé Est in 1955 by Amos Lithium Corporation Limited (see Government of Quebec, Ressources Naturelles et Forets, SIGEOM files GM 3404 and GM 4109-B).

The drill program was successful at extending the three known spodumene-bearing pegmatites at depth and along strike to the southeast. The program also discovered seven additional lithium-bearing pegmatites between and adjacent to the previously known dykes all within an area measuring 500m by 450m. All ten dykes remain open for expansion along strike in both directions and at depth. For further information, please refer to the Company's press release of February 15, 2024.

Table 2 – Assay Results from 2023 Summer Drilling – Baillargé Project

Hole	Dyke	From (m)	To (m)	Length (m)	Li (ppm)	Converted to Li ₂ O (wt%)
B23-01	D7	41.70	42.70	1.00	1467	0.32
B23-02	D7	49.20	50.20	1.00	1076	0.23
B23-05	D7	37.40	38.40	1.00	1010	0.22
B23-06	D7	41.00	42.00	1.00	1015	0.22
B23-16	D3	83.70	84.70	1.00	1258	0.27
	D5	127.40	128.40	1.00	1849	0.40
B23-18	D2	71.40	72.40	1.00	1834	0.39
	D1	94.00	94.50	0.50	1044	0.22
B23-28	D6	28.25	29.65	1.40	1521	0.33
	D7	145.60	146.65	1.05	1029	0.22

Core lengths are estimated to be approximately 90-95% of true width

Outcrop Stripping Program

The Company completed its Phase II outcrop stripping program to expand the known surface strike extent of the three identified spodumene-bearing pegmatite dyke systems that comprise the Baillargé Est occurrence. CLM undertook Phase I of the outcrop stripping program during the fall of 2022 (see the Company's news releases dated December 12, 2022 and March 16, 2023 for further details)

In addition to extending the length of the three known dykes, a new pegmatite dyke was discovered early in the stripping program. The newly discovered Dyke 5 pegmatite was located by stripping the area directly underneath a lithium-in-soil anomaly detected during the 2022 soil sampling program (see the Company's news release dated July 10, 2023). Lithium bearing minerals including spodumene and lithium-bearing micas were observed in the pegmatites in the newly stripped areas and in Dyke 5.

CLM conducted channel sampling of the newly stripped areas of Dykes 3 and 7, as well as along the newly exposed portion of Dyke 5. All four dykes remain open along strike to the north-northwest and south-southeast and at depth.

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In addition to the discovery of Dyke 5, the newly stripped area of Dyke 3 northwest of the 2022 stripped area yielded a previously unknown portion of the pegmatite that contained highly visible concentrations of lithium-bearing mica and spodumene located only 25m from the northern end of the 2022 stripped area.

Channel sampling was completed on all new stripped areas and the results have been received (see table 3). For further details, please refer to the Company's press release dated February 15, 2024.

Table 3 – Assay Results from 2023 Summer Channel Sampling – Baillargé Project

Dyke	Channel Number	Location Easting	Location Northing	Length (m)	Li (ppm)	Converted to Li ₂ O (wt%)
D3	R2	279790	5355876	0.80	4894	1.05
D3	R3	279793	5355872	2.79	2462	0.53
	<i>including</i>			0.93	5894	1.27
D3	R5	279796	5355866	8.16	3855	0.83
	<i>including</i>			1.02	9999	2.15
D3	R7	279802	5355861	5.37	4003	0.86
	<i>including</i>			1.0	9758	2.10
D5	R23	279828	5355739	1.96	1787	0.38

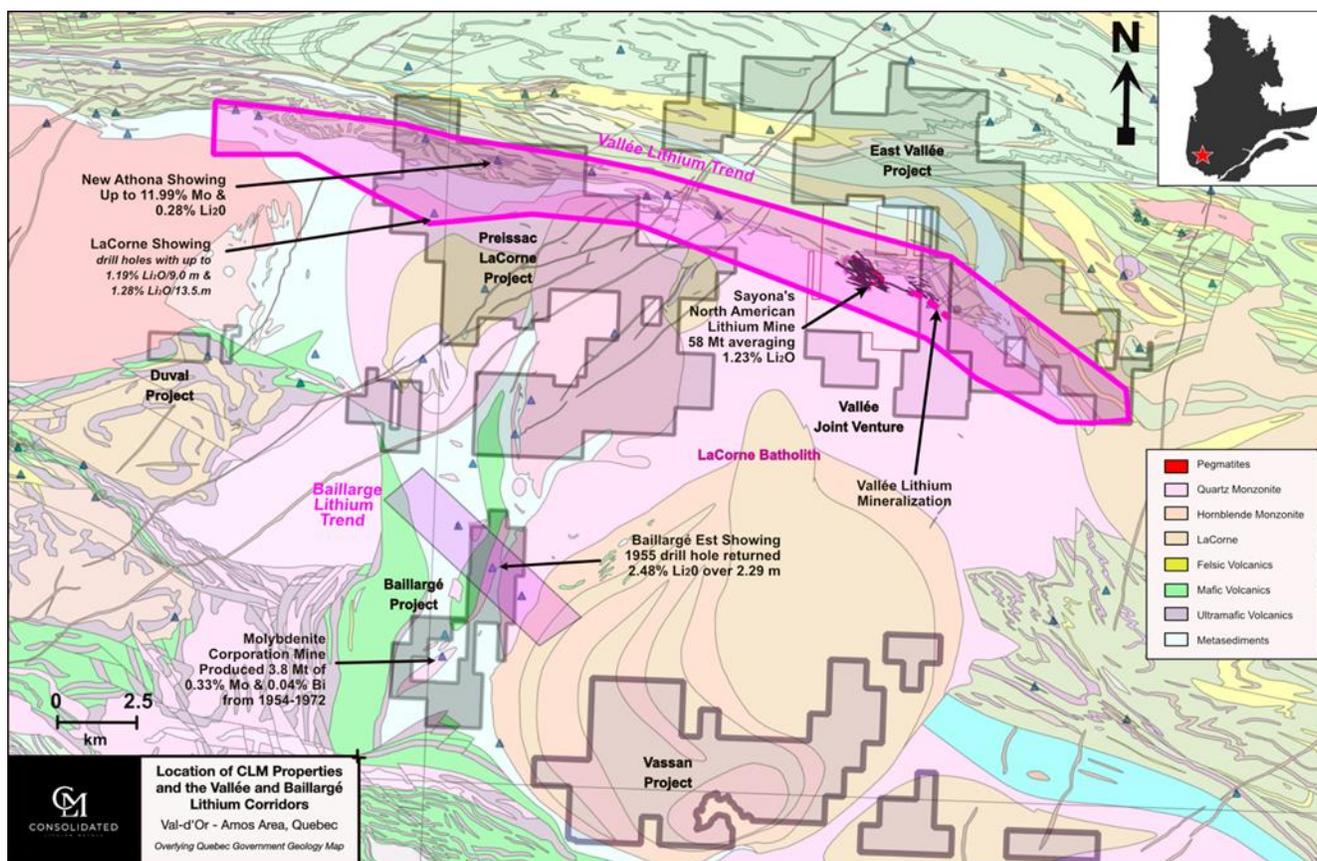
Soil Sampling Program

The 2023 drilling and outcrop stripping programs have confirmed that the Baillargé Est pegmatites strike southeast towards the Chubb showing, located immediately east of the eastern property boundary. From various Quebec assessment reports and public disclosures by the Chubb Showing owner Burley Resources, the Chubb pegmatites strike NW-SE, towards the Baillargé Est showing. The 1.2km long area between the Baillargé Est and Chubb showings is located on the Company's property and has never been explored. A 248-ppm single sample lithium-in-soil anomaly was detected during the 2022 soil sampling program within the 400 x 200m grid area along the east property boundary adjacent to the Chubb showing.

Information applicable to the adjacent Chubb Showing is not necessarily an indication of information applicable to the Company's Baillargé project, or any other of CLM's properties.

CLM completed a 50 x 50m spaced infill soil sampling program to follow up this 248 ppm Li anomaly covering the area between the Baillargé Est and Chubb Showing to define future drilling targets in the highly prospective Baillargé lithium corridor. A total of 278 samples were collected for analysis.

A weak lithium-in-soil anomaly was detected extending northwest of the area of the single sample 248 ppm Li soil anomaly detected during the 2022 program.



For further details about the Baillargé exploration program, refer to the Company's press releases dated December 12, 2022, March 16, 2023, July 10, 2023, October 3, 2023, January 11, 2024 and February 15, 2024.

Preissac-LaCorne Lithium Project

The Preissac-La Corne lithium portfolio is situated within the La Motte, La Corne, Figury and Landrienne townships, containing numerous lithium spodumene bearing granitic pegmatite occurrences, showings and prospects of historic significance.

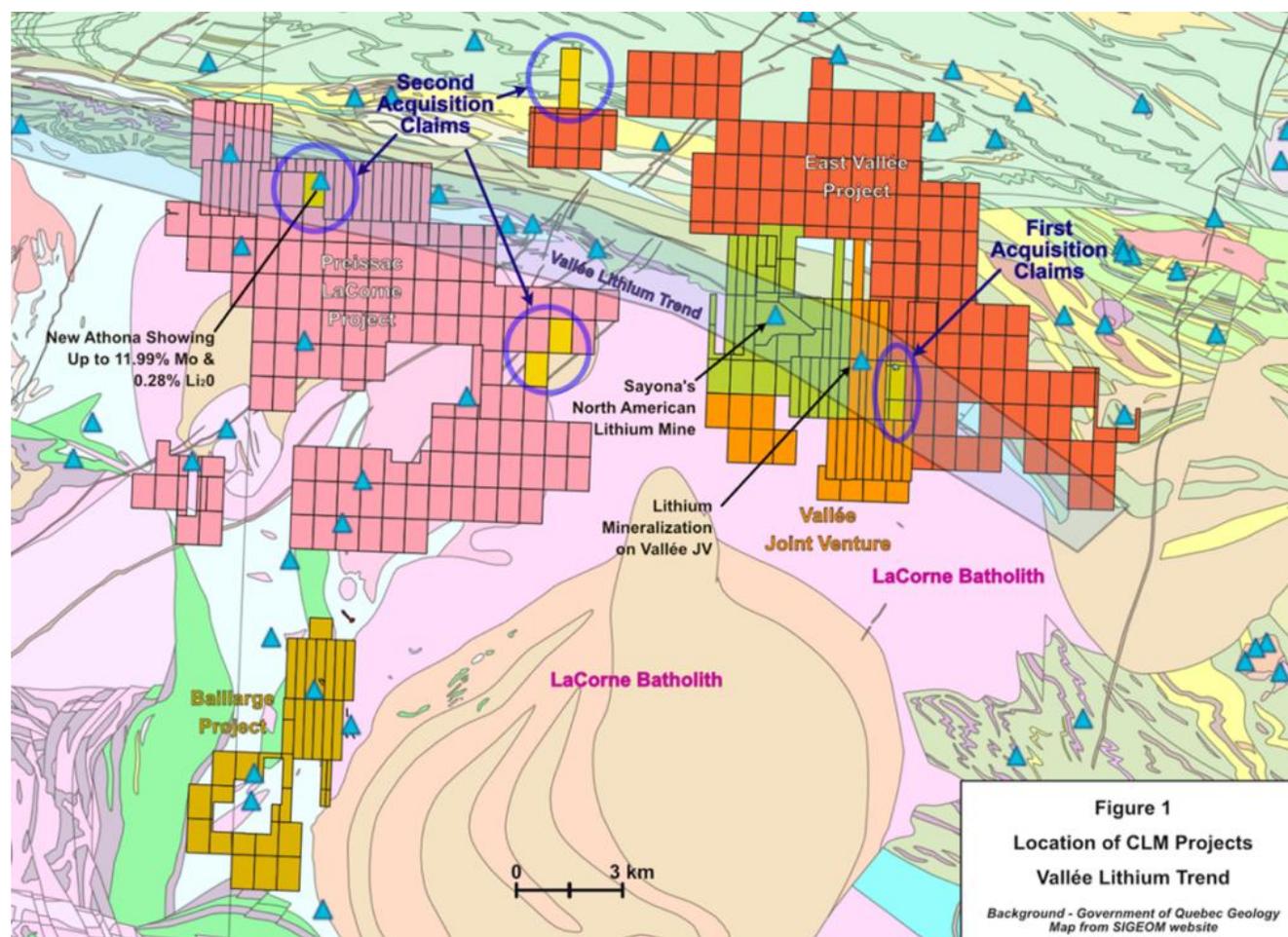
On July 25, 2022, the Company commenced a soil sampling program on the majority of its claims in the Preissac-LaCorne district. The program is aimed at finding new lithium anomalies and showings in areas of known lithium mineralization at Baillargé, Preissac-LaCorne, Duval Lithium in La Motte, as well as Vallée and is being conducted as a precursor to a potential future drilling program. For further information, refer to the Company's press releases dated July 25, 2022 and September 15, 2022.

On February 22, 2023, the Company announced partial results of the summer 2022 soil sampling program on the Preissac – LaCorne project. The soil sampling program has resulted in the detection of several lithium anomalies which represent potential new targets for a follow-up field program.

The sampling program was conducted on a 400m x 200m regional grid and covered most of the property area. The Company is highly encouraged by the results received to date. An extensive lithium-in-soil anomaly was defined over a known beryl showing in the west-central portion of the property. Another anomaly is located north and adjacent to another beryl showing located near the southern property margin. Beryl-bearing pegmatites are known to contain spodumene, the key lithium-bearing mineral in pegmatites.

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On June 27, 2023, the Company acquired 100% ownership of five additional mineral claims totaling 251.94 hectares that are located in gaps within or adjacent to the Preissac-LaCorne and Vallée properties, in exchange for \$10,000 cash. The key claim is located within the Vallée Lithium Trend along the northern margin of the LaCorne Batholith and hosts the New Athona Occurrence. New Athona hosts molybdenum-lithium-tantalum-bearing pegmatites and aplite dykes with historical grab samples reporting assay values as high as 11.99% Mo and 0.28% Li₂O (see Government of Quebec, Ressources Naturelles et Forêts, SIGEOM website at <https://gq.mines.gouv.qc.ca/documents/EXAMINE/MB8929/MB8929.pdf>.) Sample results at or around New Athona are not indicative of results that could be obtained at the acquired claims.



The Company commenced a Phase II soil sampling program on the north end of the Property in late September 2023, focused along the Vallée Lithium Trend as it extends west from the NAL Mine. The Phase II program tightened the spacings between the existing Phase I soil sampling program from 400m to 200m. Samples were collected at 50m intervals on each line. Approximately 275 samples were collected prior to the area's first snowfall, which suspended the sampling program until spring.

In November 2024, CLM collected 206 soil samples at targeted locations of interest, on three of CLM's 100% owned properties: Baillargé, East Vallée, and Preissac. The analysis of these samples has detected 29 soil anomalies above 100 ppm lithium and 4 soil anomalies above 200 ppm lithium. The majority of the soil anomalies from this campaign were detected near the newly discovered pegmatite dykes on the northeastern section of the Baillargé Property. All three properties were soil sampled in November 2024, and are located in the Abitibi Greenstone Belt, approximately 29 km northwest of Val-d'Or, Quebec.

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A total of nine lithium soil anomalies have been identified at Preissac-LaCorne during the 2023 soil sampling program:

1. Athona Anomaly
2. Key West Anomaly
3. Narwhal Anomaly
4. NW Buffalo Anomaly
5. West BaMo Anomaly
6. SE Preissac Anomaly
7. NW Narwhal Anomaly
8. South Key West Anomaly
9. SW Narwhal Anomaly

Each anomaly consists of samples containing greater than 100 ppm lithium. Five of these anomalies (1-3 & 8-9) are located within the heart of the Vallée Lithium Trend Survey in Northeast area of the property; along strike of the pegmatites comprising Sayona's North American Lithium Operation and to lithium mineralization encountered on FE Battery Metal's Augustus Property. Three single sample anomalies (4-6) are located in the southern half of the property within the area sampled during the 2022 soil sampling program. The Athona, Key West, and Narwhal Anomalies were considered the highest priority anomalies for follow-up work in 2024.

The Athona Anomaly is comprised of five sub-subsections scattered over a 1,600 m long by 650m wide. Lithium soil concentrations in the Athona Anomaly range from 165 ppm Li to 348 ppm Li. The sub-sections of the Athona Anomaly surround the New Athona Mo-Li Occurrence, which was discovered in 1960. Grab samples ranging up to 11.99% Mo and 0.28% Li₂O have been reported at the New Athona Mo-Li Occurrence (see *Government of Quebec, SIGEOM website at:*

https://sigeom.mines.gouv.qc.ca/signet/classes/11103_index?format=COMPLET&type_reqt=U&mode=NOUVELLE&l=F&entt=GM&numr_utls=174579064607&alias_table_crit=F4E02&mnen_crit=NUMR_INTER&oper_crit=EGAL&valr_crit=5431

The Athona Anomaly is located 2.1 km west of the eastern property boundary and is along strike of the Keyboycon Lithium Showing on the adjacent property. Only one historical drill hole is present between the Athona Anomaly and the Keyboycon Lithium Showing. Seven short holes have been drilled at the New Athona Mo-Li Occurrence. While each hole contained anomalous molybdenum, none of the holes were sampled for lithium (see *Government of Quebec, SIGEOM website at:*

https://sigeom.mines.gouv.qc.ca/signet/classes/11103_index?l=f&type_reqt=U&entt=LG&mode=NOUVELLE&format=RESUME&alias_table_crit=EXADOC&mnen_crit=NUMR_RAPR&oper_crit=EGAL&valr_crit=GM%2017912

The Key West Anomaly is 1,400 m long and up to 200 m wide and is defined by eight anomalous samples ranging from 157 ppm Li to 248 ppm Li. The anomaly is located 1,600 m west of the property boundary and is underlain by metasedimentary rocks located less than 200 m north of the LaCorne Batholith margin, the same stratigraphic and structural location of the nearby Canada Lithium/Beluga lithium occurrence on the adjacent property.

The Narwhal Anomaly is 800 m long and up to 150 m wide extending westward from the eastern property boundary. The anomaly is located immediately along strike of lithium-bearing pegmatites discovered on the adjacent property. The Narwhal Anomaly has never been tested with a drill hole. The anomaly consists of two samples, one of which returned 180 ppm Li and the other 260 ppm Li.

The northeast area of the Preissac property is now considered to be a priority exploration target. The Company intends to follow up the lithium soil anomalies at Athona, Narwhal and Key West this summer with a multi-phased exploration program. Phase I will consist of additional mapping and prospecting in the area of the showings, including the area east of the anomalies extending to property boundary where known lithium-bearing pegmatites have been confirmed by diamond drilling on the adjacent property. Phase II will consist of outcrop stripping, trenching and channel sampling based on the results of the Phase I program. Phase III will consist of follow-up diamond drilling. The Company is currently finalizing the plan for a 2025 exploration program at Preissac.

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Whabouchi South Lithium

On July 20, 2023, the Company acquired 24 mineral claims representing 1,283.08 hectares of concessions in the James Bay/Eeyou Istche region of Quebec from a wholly owned subsidiary ("Subco") of AmmPower Corp. ("AmmPower"), for aggregate consideration of \$60,000 in cash. AmmPower was granted a 1% NSR affecting the claims, which CLM has the option to repurchase at any time for \$250,000. CLM, Subco and AmmPower share common directors and officers.

Outlook

The Company's near-term goals include:

- Developing a multi-million tonne resource showing economical Li₂O grade
- Consolidating additional high priority properties, further explore and develop the pegmatite occurrences on Baillargé and Preissac-LaCorne
- Seeking financial and offtake partner(s)

The Company will need to raise additional capital to accomplish its goals.

RESULTS OF OPERATIONS

Three months ended December 31, 2024 and 2023

The Company has no operating revenues and relies on external financing for working capital. Because of its exploration activities and administrative overheads, CLM incurs net losses. For the three months ended December 31, 2024, the Company incurred a gain of \$104,750 (\$0.000 per share), compared to a loss of \$995,252 (\$0.003 per share) in the three months ended December 31, 2023. The net loss for the three months ended December 31, 2024 and 2023 included the following expenses of an administrative nature:

	3 months ended December 31 2024 (\$)	3 months ended December 31 2023 (\$)
Bank charges and interest	1,705	4,025
Professional fees	16,250	31,867
Shareholder communication & filing fees	(4,563)	(1,196)
General and administrative expenses	(858)	192,854
Amortization	38,021	19,400
Consulting and management fees	60,912	422,537
	111,467	669,487

Administrative expenses and consulting and management fees during the three months ended December 31, 2024 were lower due to reductions in corporate development, consulting fees and promotional expenses compared to the three months ended December 31, 2023.

During the three months ended December 31, 2024, the Company incurred \$37,135 in share-based compensation expenses related to the vesting of options granted in April 2023, May 2023, August 2023, and May 2024 (three months ended December 31, 2023: \$83,528).

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The primary operational activities for the Company during the three months ended December 31, 2024 consisted of the execution of the Company's exploration programs, maintaining its mineral properties, investigating new opportunities, and general corporate activities. During the three months ended December 31, 2024, the Company incurred exploration expenditures totaling \$(243,495) (three months ended December 31, 2023: \$263,943) on its mineral properties. The Company incurred \$50,305 in exploration expenditures during the period and was offset by the recognition of 2024 mining tax refunds due from the government of Quebec.

Year ended December 31, 2024 and 2023

In the year ended December 31, 2024, the Company incurred a loss of \$2,725,165 (\$0.008 per share), compared to a loss of \$5,441,078 (\$0.018 per share) in the year ended December 31, 2023. The net loss for the year ended December 31, 2024 and 2023 included the following expenses of an administrative nature:

	Year ended December 31 2024 (\$)	Year ended December 31 2023 (\$)
Bank charges and interest	10,706	17,922
Professional fees	106,213	107,709
Shareholder communication & filing fees	65,357	113,306
General and administrative expenses	334,550	1,161,915
Amortization	96,223	77,440
Consulting and management fees	1,151,047	1,866,386
	1,764,096	3,344,678

Administrative expenses during the year ended December 31, 2024 were lower due to lower corporate development, consulting fees and promotional expenses compared to the year ended December 31, 2023.

During the year ended December 31, 2024, the Company incurred \$209,969 in share-based compensation expenses related to the vesting of options granted in November 2022, February 2023, April 2023, May 2023, August 2023, and May 2024 (year ended December 31, 2023: \$386,504).

During the year ended December 31, 2024, the Company recorded a gain from flow-through share premium recovery of \$4,848 (year ended December 31, 2023: \$113,902).

During the year ended December 31, 2023, the Company recorded a gain of \$306,906 related to the settlement of some of the Company's outstanding debt.

The primary operational activities for the Company during the year ended December 31, 2024 consisted of the execution of the Company's exploration programs, maintaining its mineral properties, investigating new opportunities, and general corporate activities. During the year ended December 31, 2024, the Company incurred exploration expenditures totaling \$793,225 (year ended December 31, 2023: \$2,164,049) on its mineral properties. The difference is primarily a result of higher drilling and assaying costs in 2023 from the Company's Vallée exploration program.

CASH FLOWS

Three months ended December 31, 2024 and 2023

Cash used in operating activities for the three months ended December 31, 2024 was \$255,304, compared to \$127,309 in cash provided in the three months ended December 31, 2023, primarily due to changes in non-cash working capital. In the three months ended December 31, 2024, changes in non-cash working capital provided/(used) was \$(427,874), compared to \$1,033,755 in the corresponding period of the prior year.

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The Company had no investing activities in the three months ended December 31, 2024 and 2023.

Financing activities generated \$285,646 in cash during the three months ended December 31, 2024 from the net proceeds of a private placement financing offset by lease payments. In the three months ended December 31, 2023, financing activities generated \$1,540,668 in cash from the net proceeds of a flow-through private placement financing, offset by lease payments.

Year ended December 31, 2024 and 2023

Cash used in operating activities for the year ended December 31, 2024 was \$2,433,066, compared to \$4,925,877 in cash used in the year ended December 31, 2023, primarily due to changes in non-cash working capital, and a gain on debt settlement in 2023. In the year ended December 31, 2024, changes in non-cash working capital provided/(used) was \$(10,123), compared to \$307,418 in working capital provided during the corresponding period of the prior year.

The Company had no investing activities in the year ended December 31, 2024 and 2023.

Financing activities provided \$240,646 in cash during the year ended December 31, 2024 from the net proceeds of a private placement financing offset by \$55,000 for lease payments. In the year ended December 31, 2023, financing activities generated \$5,446,949 from the net proceeds of two private placement financings, and the exercise of 4,250,000 of the Company's warrants, offset by \$60,000 for lease payments.

SELECTED ANNUAL RESULTS

The financial results from the Company's three most recently completed fiscal years are as follows:

	December 31, 2024	December 31, 2023	December 31, 2022
	\$	\$	\$
Net loss attributable to shareholders of the Company	2,725,165	5,441,078	4,248,224
Basic and diluted loss per share	0.008	0.018	0.021
Total assets	694,472	3,117,601	3,349,473
Non-current liabilities	-	88,234	137,842

SUMMARY OF QUARTERLY RESULTS

The financial results from the Company's eight most recently completed quarters are as follows:

QUARTER ENDED	31-Dec-24	30-Sep-24	30-Jun-24	31-Mar-24
Total assets	694,472	472,697	1,435,001	2,366,763
Working capital surplus	528,213	34,480	659,335	1,948,402
Shareholder's equity	528,213	108,223	738,764	2,033,821
Net and comprehensive (gain) loss	(104,750)	685,852	1,373,083	770,980
(Gain) Loss per share, basic and diluted	(0.000)	0.002	0.004	0.002
Cash flow (used in) operating activities	(255,304)	(759,940)	(951,907)	(465,915)
Cash flow (used in) investing activities	-	-	-	-
Cash flow from (used in) financing activities	285,646	(15,000)	(15,000)	(15,000)

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QUARTER ENDED

	31-Dec-23	30-Sep-23	30-Jun-23	31-Mar-23
Total assets	3,117,601	2,047,456	3,052,542	1,489,881
Working capital surplus	2,656,055	1,349,748	2,051,510	552,386
Shareholder's equity	2,747,763	1,448,034	2,156,658	664,674
Net and comprehensive loss	955,252	1,671,240	1,776,673	997,913
Loss per share, basic and diluted	0.003	0.005	0.006	0.004
Cash flow from (used in) operating activities	127,309	(2,781,037)	(1,449,668)	(822,481)
Cash flow (used in) investing activities	-	-	-	-
Cash flow from (used in) financing activities	1,540,868	896,304	3,024,977	(15,000)

* Please see "Non-IFRS Measures" section below.

LIQUIDITY AND CAPITAL RESOURCES

The Company spends its available funds on its corporate, general and administrative obligations and to maintain its mineral projects with the objective of carrying out exploration activities to establish ore of commercial tonnage and grade. As the Company is in the exploration stage and generates no revenues, the necessary funds have to be raised through equity or debt financing, most commonly within the Canadian public markets. Factors such as equity market conditions and the results of exploration activities will affect future capital raising, which may substantially impact future activities. There are no assurances that the Company will continue to be successful in raising additional funds or that other forms of equity capital or debt financing will be available to the Company in the future or on satisfactory terms. Any additional equity financing may be on terms that are dilutive, or potentially dilutive, to the Company's shareholders and debt financing, if available, may involve restrictive covenants with respect to the Company's ability to pay dividends, raise additional capital or execute various other financial and operational plans.

On October 30, 2024, the Company completed a private placement financing of units (each, a "Unit") and issued on a "flow-through basis" 12,000,000 Units at a price of \$0.025 per Unit, for gross proceeds of \$300,000. Each Unit consists of one common share of the Company (each, a "Common Share") and one Common Share purchase warrant (each, a "Warrant"). Each Warrant entitles the holder to acquire one additional Common Share at an exercise price of \$0.05 until October 30, 2026. The Company intends to use the proceeds of the offering to fund exploration work, including treating bulk samples, field geological mapping, geophysical surveys and various other site expenses, and paying certain amounts owing to retain its mining concessions. None of the proceeds will be used for management fees or investor relations and none will be paid to Non-Arm's Length Parties of the Company (as such term is defined in the policies of the TSXV). An officer and director of the Company subscribed for 4,000,000 Units. Directors and officers subscribed for 4,000,000 Units, generating gross proceeds of \$100,000.

In connection with the offering, the Company paid finder's fees of \$20,000 in cash and issued 640,000 non-transferable finder's warrants ("Finder's Warrants") to an eligible finder in accordance with TSXV policies. Each Finder's Warrant entitles the holder thereof to acquire one Common Share of the Company at a price of \$0.05 at any time prior to October 30, 2026.

On April 2, 2025, the Company closed the first tranche of its non-brokered private placement financing of units at a price of one cent per unit for gross proceeds of \$210,000. Pursuant to the first tranche, the Company issued 21,000,000 units at a price of \$0.01 unit. Each unit consists of one common share of the Company and one-half of one Common share purchase warrant. Each warrant entitles the holder to acquire one additional common share at an exercise price of \$0.05 until April 2, 2027. The securities issued in connection with the first tranche are subject to a statutory four-month hold period, which expires on August 3, 2025. Completion of the first tranche is subject to receipt of final approval of the TSX Venture Exchange. Directors and officers subscribed for 20,000,000 units, generating gross proceeds of \$200,000.

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Under the earn-in and joint venture agreement with NAL, NAL had the right to earn up to a 51% stake in certain claims within the Vallee project, based on NAL spending \$4,000,000 within 12 months of the agreement to earn a 25% interest (the first option) and an additional \$6,000,000 within 24 months to earn a further 25% interest (the second option). NAL also had the right to increase its interest by an additional 1%, to an aggregate 51% interest, by completing a feasibility study and arranging funding for the construction of a mine at Vallee (the third option). In connection with the agreement, the Company transferred certain of its Vallee claims outright to NAL to provide for future infrastructure expansion at the NAL mine and its processing facility.

During the year ended December 31, 2023, NAL exercised the first option by meeting the spending requirement, consisting of a combination of exploration expenditures at the Vallee project and a cash payment to the Company of \$538,773 in accordance with the terms of the earn-in agreement. During the year ended December 31, 2024, NAL declined to exercise the second option. The Company will retain 75% of the ownership interests in the portion of the Vallee property. The Company is in the process of assuming the role as operator of the project in accordance with the terms of the earn-in agreement.

If, at any time, the Company's Board of Directors deems continued exploration at its properties to be unwarranted, based on the results of work done up to that time or for any other reason, the Company may suspend or discontinue exploration of such properties and apply the funds on hand towards the acquisition, exploration or development of new properties or, if required and permitted, the general working capital of the Company.

The Company does not have any commitments for material capital expenditure in the near or long term, other than those expenditures required pursuant to the Company's issuance of flow-through shares, for which an amount must be used for exploration work. At December 31, 2024, no definitive agreements with respect to long-term borrowings had been entered into by the Company. No other capital requirements are imposed by a lending institution or regulatory body, other than of the TSXV which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of December 31, 2024, the Company may not be compliant with the policies of the TSXV. The impact of any such violation is not known and is ultimately dependent on the discretion of the TSXV.

The Company's objective is to maintain a strong capital base in order to:

- ensure the Company's ability to continue as a going concern;
- maintain financial flexibility;
- maximize the funds invested into exploration and development activities;
- maintain creditor and investor confidence; and
- sustain the future development of the business.

The Company manages its capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. The most significant alternatives available for the management of the capital structure include the issue of shares or raising of debt financing when management and the Board of Directors feel the timing is appropriate.

WORKING CAPITAL

As at December 31, 2024, the Company had working capital of \$528,213 compared with working capital of \$2,656,055 as at December 31, 2023, including cash of \$223,229 (December 31, 2023: \$2,415,649). The Company's primary capital needs are funds for the exploration of its mineral properties, administrative expenses and working capital. Exploration beyond basic maintenance on any of its mineral properties would require that the Company raise funds by additional equity financing, participation by joint venture partners or by selling property interests in whole or in part. The Company will maintain its excess working capital in Canadian dollars, at a large reputable Canadian commercial bank, in high quality short-term deposits or cash.

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Non-IFRS Measures

The Company has included certain non-IFRS performance measures, namely working capital, throughout this document. In the mining industry, this is a common non-IFRS performance measure but does not have a standardized meaning. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, we and certain investors use this information to evaluate the Company's performance and ability to generate cash, profits, and meet financial commitments.

Non-IFRS measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The following table provides a reconciliation of working capital to the financial statements for the previous eight fiscal quarters:

	2024				2023			
	Q4-2024	Q3-2024	Q2-2024	Q1-2024	Q4-2023	Q3-2023	Q2-2023	Q1-2023
Cash	223,229	192,887	967,827	1,934,734	2,415,649	747,672	2,632,405	1,057,096
Receivables	454,233	134,816	292,391	230,093	496,893	1,081,107	831,545	778,443
Prepaid Expenses	17,010	23,253	33,642	41,395	25,117	19,335	25,636	71,985
Accounts Payable and Accrued Liabilities	166,259	263,418	582,643	207,088	227,149	427,611	678,970	652,972
Lease liability	-	53,058	51,882	50,732	49,607	48,508	47,433	46,381
Flow-through Premium Liability	-	-	-	-	4,848	22,247	55,888	-
Working Capital	528,213	34,480	659,335	1,948,402	2,656,055	1,349,748	2,707,295	1,208,171

OPERATING SEGMENTS

The Company has concluded that it has only one material operating segment (the exploration of its Canadian mineral licenses) for financial reporting purposes.

OFF-BALANCE SHEET ARRANGEMENTS

To the best of management's knowledge, the Company has no off-balance sheet arrangements that have or will have a current or future effect on the results of operations or the financial condition of the Company.

FINANCIAL INSTRUMENTS

All financial instruments are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are initially measured at fair value plus transaction costs, except for financial assets and financial liabilities carried at fair value through profit or loss, which are measured initially at fair value. Financial assets are derecognized when the contractual right to the cash flows from the financial assets expire, or when the financial asset and all substantial risks and rewards are transferred.

The Company's financial instruments are comprised of cash, amounts receivable, and accounts payable and accrued liabilities. The carrying value of these financial instruments approximates their fair value due to the short-term nature of these instruments. The Company has no financial instruments recorded at fair value.

Financial instruments to be measured at fair value on the consolidated statements of financial position are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3: Inputs that are not based on observable market data.

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Financial assets and financial liabilities at December 31, 2024 and 2023 were as follows:

December 31, 2024	Fair value through profit and loss \$	Amortized cost \$	TOTAL \$
Financial assets:			
Cash	-	223,229	223,229
Financial liabilities:			
Accounts payable and accrued liabilities	-	(166,259)	(166,259)
<hr/>			
December 31, 2023	Fair value through profit and loss \$	Amortized cost \$	TOTAL \$
Financial assets:			
Cash	-	2,415,649	2,415,649
Financial liabilities:			
Accounts payable and accrued liabilities	-	(227,149)	(227,149)

FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

In the normal course of operations, the Company is exposed to various financial risks. The Company does not enter into financial instrument agreements, including derivative financial instruments, for speculative purposes. The main risks that could adversely affect the Company's financial assets, liabilities or future cash flows are liquidity risk, credit risk and market risk. The Company has minimal interest rate risk as there are no outstanding variable-rate borrowings, and the Company finances its operations primarily through share offerings. Management mandates and agrees on policies for managing each of these risks.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial commitments and working capital obligations as they come due. The Company's ability to continue as a going concern is dependent on the board of directors' and management's ability to raise the required capital through future equity or debt issuances. As the Company is in the exploration stage, it has no production upon which it could rely to fund its operations or the exploration of its properties. Financial liabilities consist of accounts payable and accrued liabilities which are current and will be settled within one year.

As of December 31, 2024, the Company had a cash balance of \$223,229 (December 31, 2023: \$2,415,649) available to fund financial liabilities that consisted of accounts payable and accrued liabilities, flow-through premium liabilities and lease liabilities of \$166,259 (December 31, 2023: \$281,604).

Credit Risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to pay amounts owing or perform its contractual obligations causing a financial loss. Not having a producing asset generating sales and accounts receivable, the Company's credit risk is considered limited as there is no exposure to a single customer or counterparty. With respect to credit risk arising from financial assets of the Company, which comprise cash and minimal receivables, the Company's exposure to credit risk arises from default of counterparties with a maximum exposure equal to the carrying amount of these instruments.

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Cash balances are held with high credit quality financial institutions and may be redeemed on demand. The Company has no trade accounts and as such has limited exposure to credit risk. Amounts receivable primarily represent input tax credit refunds and Quebec mining tax refunds from government bodies. Management believes that the credit risk concentration with respect to these financial instruments is remote. No impairment loss has been recognized in the periods presented.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, such as commodity prices, foreign currency exchange rates, interest rates and liquidity. The objective of market risk management is to manage and control market risk exposures within acceptable limits while maximizing returns. The Company recognizes that external factors which it cannot control such as financial market instability and commodity prices can adversely affect its ability to raise the necessary capital to maintain ongoing operations. A discussion of the Company's primary market risk exposures, and how those exposures are currently managed, follows:

Commodity Price Risk

The ability of the Company to explore, evaluate and develop its exploration properties and the future profitability of the Company are directly related to the price of lithium and other commodities. Commodity prices fluctuate and are affected by factors outside of the Company's control. Current and expected future prices have a significant impact on the market sentiment for investment in mineral exploration companies and may impact the Company's ability to raise equity financing for its ongoing working capital requirements. The Company monitors commodity prices to determine the appropriate course of action to be taken.

Currency Risk

Foreign currency risk is created by fluctuations in the fair value or cash flows of financial instruments due to changes in foreign exchange rates. The Company's financial assets and liabilities and operating costs are principally denominated in Canadian dollars. The Company has historically had insignificant operations in United States dollars. The Company has no hedging program due to its minimal exposure to financial gain or loss as a result of foreign exchange movements against the Canadian dollar.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a loss as a result of a decline in the fair value of cash is limited because of their short-term investment nature. A variable rate of interest is earned on cash; changes in market interest rates at the year-end would not have a material impact on the Company's financial statements. The Company's interest rate risk is minimal as there are no outstanding loans or interest-bearing debts. The Company has not entered into any interest rate swaps or other active interest rate management programs at this time.

TRANSACTIONS WITH RELATED PARTIES

The Company paid or accrued the following amounts to related parties during the years ended December 31, 2024 and 2023:

	Year ended December 31,	
	2024	2023
	\$	\$
Consulting fees	829,474	1,377,707
Share-based compensation	200,629	353,284
	1,030,103	1,730,991

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In accordance with IAS 24, key management personnel are those persons who have authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including directors (executive and non-executive) of the Company.

Included in accounts payable and accrued liabilities as at December 31, 2024 is \$nil (December 31, 2023 – \$26,686) due to directors and officers and directors of the Company. The amounts are unsecured, non-interest bearing and due on demand.

During the year ended December 31, 2024, key management received bonuses totaling \$200,000 (year ended December 31, 2023 - \$607,000). During the year ended December 31, 2023, key management reinvested bonuses totaling \$350,000 into the Company's private placement financing that was completed on April 21, 2023.

Mr. Stan Bharti is the Executive Chairman of Forbes and Manhattan Inc. ("Forbes"). The Company is part of the Forbes Group of Companies and continues to receive the benefits of such membership, including access to various professionals, and strategic advice from the Forbes Board of Advisors. An administration fee of \$10,000 per month from December 2022 was charged by Forbes pursuant to a consulting agreement. During the year ended December 31, 2024, total amounts charged by Forbes was \$90,000 (year ended December 31, 2023: \$130,000). Subsequent to December 31, 2024, this agreement was terminated.

Related party participation in the Company's private placements is disclosed in Note 9 of the Company's financial statements for the years ended December 31, 2024, and 2023.

COMMITMENTS AND CONTINGENCIES

FLOW THROUGH FINANCING

The Company has been partially financed through the issuance of flow-through shares and, according to tax rules regarding this type of financing, the Company is engaged in realizing mining exploration work. These tax rules also set deadlines for carrying out the exploration work, which must be performed no later than the earlier of the following dates:

- end of the calendar year following the flow-through placements; and
- one year after the Company has renounced the tax deductions relating to the exploration work.

There is no guarantee that the Company's exploration expenses will qualify as Canadian Exploration Expenditures, even if the Company is committed to taking all the necessary measures in this regard. Refusal of certain expenses by the tax authorities would have a negative tax impact for investors and the Company.

Pursuant to the terms of flow-through agreements entered into on June 12, June 26, and August 10, 2023, the Company is committed to incur Canadian Exploration Expenditures of \$1,700,000 by December 31, 2024. As of December 31, 2024, the Company believes that it has satisfied this commitment. The Company has indemnified the subscribers of the current flow-through share offerings against any tax-related amounts that become payable by the shareholder as a result of the Company not meeting its expenditure commitments.

Pursuant to the terms of the flow-through agreements entered into on October 30, 2024, the Company is committed to incur Canadian Exploration Expenditures of \$593,800 by December 31, 2025. As of December 31, 2024, the Company has incurred \$14,568 in Canadian Exploration Expenditures. The Company has indemnified the subscribers of the current flow-through share offerings against any tax-related amounts that become payable by the shareholder as a result of the Company not meeting its expenditure commitments.

MANAGEMENT CONTRACTS

The Company is party to certain management contracts and severance obligations. These contracts contain clauses requiring additional payments of up to \$2,088,000 (December 31, 2023: \$4,507,000) to be made to the officers of the Company upon the occurrence of certain events such as a change of control. As the triggering event has not taken place, the contingent payments have not been reflected in the financial statements. Additional minimum management contractual commitments remaining under the agreements are approximately \$298,000 (December 31, 2023: \$1,308,000), all due within one year.

PROPERTY OBLIGATIONS

The unpatented mining claims held by CLM in Quebec require an annual application of assessment work credits. The Company has "banked" assessment work credits totaling \$830,302 (December 31, 2023: \$509,596), which can be allocated to its mining claims as necessary.

ENVIRONMENTAL

The Company's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and are generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

LEGAL MATTERS

From time to time, the Company may be named as a party to claims or involved in proceedings, including legal, regulatory and tax related, in the ordinary course of its business. While the outcome of these matters may not be estimable at period end, the Company makes provisions, where possible, for the estimated outcome of such claims or proceedings. Should a loss result from the resolution of any claims or proceedings that differ from these estimates, the difference will be accounted for as a charge to net income (loss) in that period.

BOARD AND MANAGEMENT CHANGES

On May 13, 2024, Brett Lynch was appointed as Executive Chairman of the board of directors, replacing Richard Quesnel. In turn, Mr. Quesnel was named the President and Chief Executive Officer of the Company, replacing Rene Bharti, who was named the Vice President of Corporate Development.

RISKS AND UNCERTAINTIES

Liquidity Concerns and Financing Risks

The Company has limited financial resources, no source of operating cash flow and has no assurance that additional funding will be available for further exploration of its projects or to fulfill its obligations under any applicable agreements. There can be no assurance that adequate financing will be obtained in the future or that the terms of such financing, if secured, will be favorable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration of its projects with the possible loss of such properties. While the Company's financial statements have been prepared on the basis of a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business, failure to secure additional funding may cast doubt about the validity of that assumption.

Exploration and Mining Risks

The business of exploring for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. At present, there are no known bodies of commercial ore on the mineral properties of the Company and the proposed exploration program is an exploratory search for ore.

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Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not overcome. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to the exploration and development of, and production from, mineral resources, any of which could result in work stoppages; damage to or destruction of property or production facilities; personal injury; environmental damage; monetary losses and legal liability. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, cave-ins, landslides, inclement or hazardous weather conditions, and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the conduct of exploration programs.

The Company from time to time augments its internal exploration and operating expertise with due advice from consultants and others as required. The economics of developing mineral properties are affected by many factors including the cost of operations, variation of the grade of ore mined and fluctuations in the price of any minerals produced. There are presently no underground or surface plants or equipment on the Company's mineral properties, or any known body of commercial ore.

Stage of Development

The Company's properties are in the exploration stage and to date none of them have a proven ore body. The Company does not have a history of earnings or the provision of return on investment, and in future there is no assurance that it will produce revenue, operate profitably or provide a return on investment. In addition, CLM is not currently basing any production or mining decisions on a technical report or a feasibility study of mineral reserves demonstrating economic and technical viability at any of its properties, and as a result there is increased uncertainty and there are multiple technical and economic risks of failure which are associated with any such production or mining decision. These risks, among others, include areas that are analyzed in more detail in a feasibility study, such as applying economic analysis to resources and reserves and a number of specialized studies in areas such as mining and recovery methods, market analysis, and environmental and community impacts.

Mineral Resource and Mineral Reserve Estimates

There are numerous uncertainties inherent in estimating mineral resources and mineral reserves, including many factors beyond the control of the Company. Such estimates are a subjective process and the accuracy of any mineral resource or mineral reserve estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. These amounts are estimates only and the actual level of mineral recovery from such deposits may be different. Differences between management's assumptions, including economic assumptions such as commodity prices and market conditions, could have a material adverse effect on the Company's financial position and results of operations.

Titles to Property

While the Company has diligently investigated title to the various properties in which it has interest, and to the best of its knowledge, titles to those properties are in good standing, this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements or transfer, or native or government land claims, and title may be affected by undetected defects.

Permits and Licenses

The Company's operations may require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out future exploration, development and mining operations at its projects.

Environmental Regulations

The Company's operations are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions of spills and the release or emission of various substances produced in association with certain mining industry operations, such as seepage from tailing disposal areas, which could result in environmental pollution.

A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require submissions and approval of environmental impact assessments. Environmental legislation is evolving in a manner, which means stricter standards, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in government regulations has the potential to reduce the profitability of operations. Any failure to comply fully with all applicable laws and regulations could have significant adverse effects on the Company, including the suspension or cessation of operations, and there is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. The Company intends to fully comply with all environmental regulations.

Markets for Securities

There can be no assurance that an active trading market in the Company's securities will be established and sustained. The market prices for securities of many companies, particularly exploration stage companies, are subject to wide fluctuations that are not necessarily reflective of their operating performance, underlying asset values or the prospects of such companies. Factors such as commodity prices, government regulation, interest rates, share price movements of peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of the securities of the Company. There can be no assurance that significant fluctuations in the Company's share price will not occur.

Commodity Prices

Even if the Company's exploration programs are successful, factors beyond the control of the Company may affect marketability of any minerals discovered. Commodity prices have historically fluctuated widely and are affected by numerous factors beyond the Company's control, including international, economic and political trends, expectations for inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and worldwide production levels. The effect of these factors cannot accurately be predicted.

Uninsured Hazards

Hazards such as unusual geological conditions are involved in exploring for and developing mineral deposits. The Company maintains insurance to cover normal business risks, however, it may become subject to liability for pollution or other hazards against which it cannot be insured or against which the Company may elect not to insure because of high premium costs or other reasons. The payment of any such liability could result in the loss of Company assets or the insolvency of the Company.

Reliance on Key Individuals and Outside Parties

The Company's success depends upon the personal efforts and commitment of key members of its management. It is expected that the contribution of these individuals will be a significant factor in the Company's growth and success. The loss of the services of these members of management and certain key employees could have a material adverse effect on the Company. The Company will also rely upon consultants, engineers and others for exploration, development, construction and operating expertise.

Substantial expenditures are required to establish mineral reserves through drilling, to carry out environmental and social impact assessments, and to develop metallurgical processes to extract the commodity from the ore. If such parties' work is deficient or negligent or is not completed in a timely manner, it could have a material adverse effect on the Company.

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Competition

The mining industry is intensely competitive in all its phases. The Company competes with many companies possessing greater financial resources and technical facilities than itself for the acquisition of mineral interests as well as for recruitment and retention of qualified employees. Such competition may result in the Company being unable to acquire desired properties, recruit or retain qualified employees, or acquire the capital necessary to fund its operations and develop its properties. The Company's inability to compete with other mineral companies for these resources would have a material adverse effect on the Company's results of operation and business.

Conflicts of Interest

Certain directors and officers of the Company are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest, which they may have in any project or opportunity of the Company.

If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Litigation

Legal proceedings, with and without merit, may arise from time to time in the course of the Company's business. Defense and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. The process of defending such claims could take away from management time and effort. Due to the inherent uncertainty of the litigation process, the resolution of any legal proceeding to which the Company may become subject, could have a material effect on the Company's financial position, results of operations, or exploration and project development activities.

Corruption and Bribery Laws

The Company's operations are governed by, and involve interactions with, many levels of government. The Company is required to comply with anti-corruption and anti-bribery laws, including the *Criminal Code* (Canada), and the *Canadian Corruption of Foreign Public Officials Act*, as well as similar laws in the countries in which the Company may conduct business. In recent years, there has been a general increase in both the frequency of enforcement and the severity of penalties under such laws, resulting in greater scrutiny and punishment for companies convicted of violating anti-corruption and anti-bribery laws. Furthermore, a company may be found liable for violations by not only its employees, but also by its contractors and third-party agents. Although the Company has adopted steps to mitigate such risks, such measures may not always be effective in ensuring that the Company, its employees, contractors or third-party agents will comply strictly with such laws.

If the Company finds itself subject to an enforcement action or is found to be in violation of such laws, this may result in significant penalties, fines and/or sanctions being imposed, resulting in a material adverse effect on the Company's reputation and results of its operations.

Industry Conditions

Mining and milling operations are subject to government regulations. Operations may be affected in varying degrees by government regulations such as restrictions on production, price controls, tax increases, expropriation of property, pollution controls or changes in conditions under which minerals may be mined, milled or marketed. The marketability of minerals may be affected by numerous factors beyond the control of the Company, including government regulations.

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Canada Revenue Agency and provincial agencies

No assurance can be made that Canada Revenue Agency or provincial agencies will agree with the Company's characterization of expenditures as Canadian exploration expenses or Canadian development expense or the eligibility of such expenses as Canadian exploration expense under the *Income Tax Act* (Canada) or any provincial equivalent. In addition, no assurance can be made that Canada Revenue Agency will agree with the Company's claims for tax credits related to the Critical Mineral Exploration Tax Credit.

OUTSTANDING SHARE DATA

Issued and outstanding common shares: December 31, 2024 – 368,317,266

Issued and outstanding common shares: April 17, 2025 – 389,317,266

Warrants outstanding: December 31, 2024 – 45,142,434

Warrants outstanding: April 17, 2025 – 55,642,434

Expiry dates of the outstanding warrants range between April 21, 2025 and April 2, 2027. If all the warrants were exercised, 55,642,434 shares would be issued for gross proceeds of \$4,062,520.

Options outstanding: December 31, 2024 – 30,504,811

Options outstanding: April 17, 2025 – 30,504,811

Expiry dates of the outstanding stock options range between January 20, 2026 and May 13, 2029. If all the options were exercised, 30,504,811 shares would be issued for gross proceeds of \$2,015,611.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This MD&A may contain forward-looking statements that are based on the Company's expectations, estimates and projections regarding its business and the economic environment in which it operates. These statements speak only as of the date on which they are made, are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. Actual outcomes and results may differ materially from those expressed in these forward-looking statements and readers should not place undue reliance on such statements.

The information herein contains forward-looking statements and assumptions. Except for statements of historical fact, certain information contained herein constitutes forward-looking statements under Canadian securities legislation. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "budget", "forecast", "schedule", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "target", "intend", "believe" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will be taken", "occur" or "be achieved". Such statements and assumptions also include those relating to guidance; proposed acquisitions and strategy; development potential and timetable for the Company's properties; the Company's ability to raise additional financing; results of operations and financial condition; commodity prices; mineralization projections; the timing and amount of estimated future exploration and development; the success of exploration activities; mining or processing issues; currency exchange rates; government regulation and permitting of mining operations; reliance on qualified personnel; competition; dependence on outside parties; and environmental risks. Forward-looking statements are based on the opinions and estimates of management and certain qualified persons as of the date such statements are made. By their nature, forward-looking statements are subject to numerous known and unknown risks and uncertainties that could significantly affect anticipated results or the level of activity, performance or achievements in the future and, accordingly, actual results may differ materially from those expressed or implied by such forward-looking statements. The Company is exposed to numerous operational, technical, financial and regulatory risks and uncertainties, many of which are beyond its control and may significantly affect anticipated future results, including but not limited to risks related to: uncertainties inherent in estimating mineral resources and mineral reserves; lack of revenues; revocation of government approvals; corruption and uncertainty with court systems and the rule of law; availability of external financing on acceptable terms; actual results of current exploration activities; changes in project parameters as plans continue to be refined; future mineral prices; failure of equipment or processes to operate as anticipated; accidents, labour or community disputes; other risks of the mining industry; and other risk factors, including without limitation the risk factors described herein. Estimates regarding the anticipated timing, amount and cost of exploration activities are based on previous industry experience and regional political and economic stability. Capital and operating cost estimates are based on research of the Company or its consultants. Although management has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended.

There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. The Company does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

Additional information related to the Company is available for view on the Company's website located at www.consolidatedlithium.com.

April 17, 2025.

