

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

The securities offered hereby 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 of America, its territories, possessions or the District of Columbia (the “United States”), and may not be offered, sold or delivered, directly or indirectly, in the United States unless exemptions from the registration requirements of the U.S. Securities Act and any applicable securities laws of any state of the United States are available. This short form prospectus does not constitute an offer to sell or a solicitation or an offer to buy any of the securities offered hereby within the United States. See “Plan of Distribution”.

Information has been incorporated by reference in this prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the President and Chief Executive Officer of Frontier Lithium Inc., at its head office at 2736 Belisle Drive, Greater Sudbury, Ontario, P3N 1B3, telephone (705) 897-7622, and are also available electronically on the System for Electronic Document Analysis and Retrieval (“SEDAR”) at www.sedar.com.

SHORT FORM PROSPECTUS

New Issue

November 7, 2022



FRONTIER LITHIUM INC.

\$20,020,000
9,100,000 UNITS

This short form prospectus (this “**Prospectus**”) qualifies the distribution (the “**Offering**”) of 9,100,000 units (the “**Offered Units**”) of Frontier Lithium Inc. (“**Frontier Lithium**” or the “**Company**”) at a price of \$2.20 per Offered Unit (the “**Offering Price**”) for aggregate gross proceeds of \$20,020,000. Each Offered Unit will consist of one common share in the capital of the Company (each, a “**Unit Share**”) and one-half of one common share purchase warrant (each whole warrant, a “**Warrant**”). Each Warrant will entitle the holder thereof to acquire, subject to adjustment in certain circumstances, one common share in the capital of the Company (each, a “**Warrant Share**”) at an exercise price of \$2.75 per Warrant Share, until 5:00 pm (Toronto time) on the date that is 36 months from the Closing Date (as defined below). The Offered Units are being offered and sold pursuant to the terms of an underwriting agreement among the Company, RBC Dominion Securities Inc. (“**RBC**”) and Goldman Sachs Canada Inc. (“**Goldman Sachs**”), as co-lead underwriters and joint bookrunners (RBC and Goldman Sachs together, the “**Joint Bookrunners**”), and BMO Nesbitt Burns Inc., Canaccord Genuity Corp., Cormark Securities Inc. and Stifel Nicolaus Canada Inc. (collectively with the Joint Bookrunners, the “**Underwriters**”) dated as of October 25, 2022 (the “**Underwriting Agreement**”).

	\$2.20 per Offered Unit		
	Price to the Public	Underwriters’ Fee⁽¹⁾⁽²⁾⁽³⁾	Net Proceeds to the Company⁽²⁾⁽³⁾
Per Offered Unit	\$2.20	\$0.12	\$2.08
Total⁽²⁾⁽³⁾	\$20,020,000	\$1,101,100	\$18,918,900

Notes:

- (1) The Company has agreed to pay the Underwriters a cash commission (the “**Underwriters’ Fee**”) equal to 5.5% of the aggregate purchase price paid by the Underwriters to the Company for the Offered Units. See “*Plan of Distribution*”.
- (2) After deducting the Underwriters’ Fee but before deducting expenses of the Offering, estimated to be approximately \$300,000. The Underwriters’ Fee will be paid to the Underwriters from the proceeds of the Offering on the Closing Date. See “*Use of Proceeds*”.

- (3) The Company has granted to the Underwriters an option (the “**Over-Allotment Option**”), exercisable in whole or in part at the sole discretion of the Underwriters at any time until the date that is 30 days following the Closing Date, to purchase up to an additional 1,365,000 Offered Units (representing up to 15% of the number of Offered Units sold pursuant to the base Offering) (the “**Additional Units**”) to cover over-allocations, if any, and for related market stabilization purposes. The Over-Allotment Option may be exercised by the Underwriters: (i) to acquire Additional Units at the Offering Price; or (ii) to acquire additional Unit Shares (the “**Additional Unit Shares**”) at a price of \$1.98 per Additional Unit Share; or (iii) to acquire additional Warrants (“**Additional Warrants**” and, together with the Additional Unit Shares and Offered Units, the “**Over-Allotment Securities**”) at a price of \$0.44 per Additional Warrant; or (iv) to acquire any combination of Additional Units, Additional Unit Shares and Additional Warrants, so long as the aggregate number of Additional Unit Shares and Additional Warrants which may be issued under the Over-Allotment Option, either separately or as part of Additional Units, does not exceed 1,365,000 Additional Unit Shares and 682,500 Additional Warrants. If the Over-Allotment Option is exercised in full for Additional Units, the Price to the Public, Underwriters’ Fee and Net Proceeds to the Company, before deducting expenses of the Offering, will be \$23,023,000, \$1,266,265 and \$21,756,735, respectively. This Prospectus also qualifies the grant of the Over-Allotment Option and distribution of any Over-Allotment Securities issuable upon exercise of the Over-Allotment Option. A purchaser who acquires securities forming part of the Underwriters’ over-allocation position acquires those securities under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. Unless the context otherwise requires, all references to “Offered Units”, “Unit Shares” and “Warrants” in this Prospectus includes reference to Additional Units, Additional Unit Shares and Additional Warrants that may be issued pursuant to the Over-Allotment Option.

The following table sets forth the maximum number of securities that may be issued by the Company pursuant to the Over-Allotment Option:

Underwriters’ Position	Maximum size or number of securities available	Exercise Period	Exercise price
Over-Allotment Option	Up to 1,365,000 Additional Units or Additional Unit Shares and/or 682,500 Additional Warrants	Exercisable at any time until the date that is 30 days following the Closing Date	\$2.20 per Additional Unit \$1.98 per Additional Unit Share \$0.44 per Additional Warrant

The Offered Units will be offered in each of the provinces of Canada, except Québec. The Offered Units may be offered for sale in the United States under certain exemptions from the registration requirements of the U.S. Securities Act and any applicable state securities laws. Subject to applicable law, the Offered Units may be offered in such other jurisdictions outside of Canada and the United States as agreed between the Company and the Underwriters, provided that no prospectus filing, registration statement or comparable obligation arises in such jurisdictions. See “*Plan of Distribution*”.

The outstanding common shares of the Company (the “**Common Shares**”) are listed or quoted for trading on (i) the TSX Venture Exchange (the “**TSXV**”) under the trading symbol “FL”, (ii) the OTCQX market of OTC Markets Group (“**OTCQX**”) under the trading symbol “LITOF” and (iii) the Borse Frankfurt under the symbol “HL2”. On October 18, 2022, the last full trading day prior to the announcement of the Offering, the closing price of the Common Shares on the TSXV was \$2.17. On November 4, 2022, the last trading day prior to the date of this Prospectus, the closing price of the Common Shares on the TSXV was \$2.00. The Company has applied to the TSXV to list the Unit Shares and Warrant Shares, including any Additional Unit Shares and Common Shares issued upon exercise of the Additional Warrants (the “**Additional Warrant Shares**”) issuable on the exercise of the Over-Allotment Option. The TSXV has not conditionally approved the Offering. Such listing will be subject to the Company fulfilling all of the listing requirements of the TSXV.

The Underwriters, as principals, conditionally offer the Offered Units, subject to prior sale, if, as and when issued by the Company and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under “*Plan of Distribution*”, and subject to the approval of certain legal matters on behalf of the Company by Bennett Jones LLP and on behalf of the Underwriters by Cassels Brock & Blackwell LLP. In connection with the Offering, the Underwriters may, subject to applicable laws, effect transactions intended to stabilize

or maintain the market price for the Common Shares at levels above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. See “*Plan of Distribution*”.

The Underwriters propose to initially offer the Offered Units at the Offering Price. After the Underwriters have made a reasonable effort to sell all of the Offered Units at the Offering Price, the Underwriters may subsequently reduce the selling price of the Offered Units to purchasers. If the selling price is reduced, the compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by the purchasers for the Offered Units is less than the gross proceeds paid by the Underwriters to the Company. See “*Plan of Distribution*”.

The Offering Price was determined by arm’s length negotiation between the Company and the Joint Bookrunners, on their own behalf and on behalf of the Underwriters, with reference to the prevailing market price of the Common Shares.

Subscriptions for the Offered Units will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. To the extent required, definitive certificates evidencing the Offered Units will be available for delivery at closing of the Offering; otherwise, a purchaser of Offered Units will receive only a customer confirmation from the registered dealer or broker, which is a CDS participant, from or through which the Offered Units are purchased. Beneficial holders of Warrants (“**Warrant holders**”) should contact the registered dealer or broker through which such Warrant holder purchased Offered Units for instructions on how to exercise the Warrants held by them. Closing is expected to occur on or about November 10, 2022, or such earlier or later date as the Underwriters and the Company may mutually agree, but in any event not later than 42 days after the date of the receipt for the (final) short form prospectus (such actual closing date hereinafter referred to as the “**Closing Date**”).

The Warrants will be created and issued pursuant to the terms of a warrant indenture to be dated the Closing Date (the “**Warrant Indenture**”) between the Company and Odyssey Trust Company, as warrant agent (the “**Warrant Agent**”). **There is currently no market through which the Warrants may be sold and purchasers may not be able to resell the Warrants comprising part of the Offered Units that are purchased under this Prospectus. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants and the extent of issuer regulations. See “*Plan of Distribution*”, “*Description of Securities Being Distributed – Warrants*” and “*Risk Factors*”.**

An investment in Offered Units involves a high degree of risk and must be considered speculative due to the nature of the Company’s business. Prospective investors should carefully consider the risk factors described in this Prospectus under the headings “*Risk Factors*” and “*Cautionary Statement Regarding Forward-Looking Information*”, in the AIF (as defined below), and in the other documents incorporated by reference (as defined below).

Investors should rely only on the information contained in or incorporated by reference in this Prospectus. The Company has not authorized anyone to provide investors with different information. The Company is not offering the Offered Units in any jurisdiction in which the offer is not permitted. Investors should not assume that the information contained in this Prospectus is accurate as of any date other than the date on the front page of this Prospectus and that information contained in any document incorporated by reference is accurate only as of the date of that document, regardless of the time of delivery of this Prospectus or of any sale of the securities pursuant thereto. The Company’s business, financial condition, results of operations and prospects may have changed since the date on the front page of this Prospectus. **Information contained in this Prospectus should not be construed as legal, tax or financial advice and readers are urged to consult their own professional advisors in connection therewith.**

In this Prospectus, references to “Frontier Lithium”, the “Company”, “we”, “us”, and “our” refer to Frontier Lithium Inc. The Company’s head office address is 2736 Belisle Drive, Greater Sudbury, Ontario P3N 1B3 and its registered office address is #1250, 639 – 5th Avenue S.W. Calgary, Alberta, T2P 0M9.

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MARKETING MATERIALS

Any “template version” of any “marketing materials” (as such terms are defined in National Instrument 41-101 – *General Prospectus Requirements*), including the Marketing Materials (as defined below), that are utilized by the Underwriters in connection with the Offering are not part of this Prospectus to the extent that the contents of the template version of the marketing materials have been modified or superseded by a statement contained in this Prospectus. Any template version of any marketing materials that has been, or will be, filed on SEDAR before the termination of the distribution under the Offering (including any amendments to, or an amended version of, any “template version” of any marketing materials) is deemed to be incorporated herein by reference.

ELIGIBILITY FOR INVESTMENT

In the opinion of Bennett Jones LLP, counsel to the Company, and Cassels Brock & Blackwell LLP, counsel to the Underwriters, based on the current provisions of the *Income Tax Act* (Canada) (“**Tax Act**”) and the regulations thereunder in force as of the date hereof, and specific proposals to amend the Tax Act and the regulations thereunder publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, the Unit Shares, Warrants, and Warrant Shares, if issued on the date hereof, would be qualified investments under the Tax Act for a trust governed by a “registered retirement savings plan”, “registered retirement income fund”, “registered education savings plan”, “registered disability savings plan”, “tax-free savings account” (collectively referred to as “**Registered Plans**”) or a deferred profit sharing plan (“**DPSP**”) (each as defined in the Tax Act) at a particular time, provided that at such time:

- (i) in the case of Unit Shares and Warrant Shares, such Unit Shares or Warrant Shares, as the case may be, are listed on a “designated stock exchange” for the purposes of the Tax Act (which currently includes the TSXV) or the Company qualifies as a “public corporation” other than a “mortgage investment corporation” (each as defined in the Tax Act); and
- (ii) in the case of the Warrants, the Warrant Shares are qualified investments as described in (i) above and the Company is not, and deals at arm’s length with each person who is, an annuitant, a beneficiary, an employer or a subscriber under or a holder of such Registered Plan or DPSP.

Notwithstanding the foregoing, the holder of, or annuitant or subscriber under, a Registered Plan (“**Controlling Individual**”) will be subject to a penalty tax in respect of Unit Shares, Warrant Shares or Warrants held in the Registered Plan if such securities are a prohibited investment for the particular Registered Plan. A Unit Share, Warrant Share or Warrant generally will be a “prohibited investment” for a Registered Plan if the Controlling Individual does not deal at arm’s length with the Company for the purposes of the Tax Act or the Controlling Individual has a “significant interest” (as defined in the Tax Act for purposes of the prohibited investment rules) in the Company. Notwithstanding the foregoing, Unit Shares and Warrant Shares will not be “prohibited investments” if they are “excluded property” (as defined in the Tax Act for the purposes of the prohibited investment rules) for a Registered Plan. **Persons who intend to hold the Offered Units in a Registered Plan or DPSP should consult their own tax advisors in regard to the application of these rules in their particular circumstances.**

Based on legislative proposals released by the Minister of Finance (Canada) on August 9, 2022 (the “**August 2022 Proposed Amendments**”), it is expected that upon such amendments coming into force (which, under the August 2022 Proposed Amendments, would occur on January 1, 2023), (a) the Unit Shares, Warrants and Warrant Shares would, provided they are qualified investments for Registered Plans and DPSPs as described above, also be qualified investments for trusts governed by a first home savings account (an “**FHSA**”), and (b) holders of FHSAs would also be subject to the prohibited investment rules described above. **Prospective purchasers that intend to hold Unit Shares, Warrants and Warrant Shares in an FHSA are advised to consult their personal tax advisors as to the tax treatment under the August 2022 Proposed Amendments.**

CURRENCY PRESENTATION

The financial statements of the Company incorporated herein by reference are reported in Canadian dollars and are prepared in accordance with International Financial Reporting Standards. Unless otherwise indicated, all references to “\$”, “C\$”, and “dollars”, and all monetary amounts, in this Prospectus refer to Canadian dollars.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained upon request without charge from the President and Chief Executive Officer of Frontier Lithium, at its head office at 2736 Belisle Drive, Greater Sudbury, Ontario, P3N 1B3, telephone (705) 897-7622, and are also available electronically on SEDAR at www.sedar.com.

The following documents (“**documents incorporated by reference**” or “**documents incorporated herein by reference**”) filed by the Company with various securities commissions or similar authorities in each of the provinces of Canada, except Québec, are specifically incorporated herein by reference and form an integral part of this Prospectus:

- (a) the amended and restated annual information form of the Company for the year ended March 31, 2022, dated as of September 13, 2022 (the “**AIF**”);
- (b) the audited annual financial statements of the Company and the notes thereto as at March 31, 2022 and 2021 together with the auditors’ report thereon of Grant Thornton LLP, Chartered Professional Accountants dated June 28, 2022 for the year ended March 31, 2022, and the auditors’ report of S&W LLP, Chartered Professional Accountants, dated July 27, 2021 for the year ended March 31, 2021;
- (c) management’s discussion and analysis of the financial condition and results of operations of the Company for the year ended March 31, 2022 (the “**Annual MD&A**”);
- (d) the unaudited condensed interim financial statements of the Company as at and for the period ended June 30, 2022, together with the notes thereto (the “**Interim Financial Statements**”);
- (e) management’s discussion and analysis of the financial condition and results of operations of the Company for the three month period ended June 30, 2022 and 2021 (the “**Interim MD&A**”);
- (f) the management information circular of the Company dated August 30, 2022 in connection with the annual meeting of shareholders of the Company held on October 3, 2022;
- (g) the material change report of the Company dated October 27, 2022 in connection with the Offering; and
- (h) the template version of the indicative term sheet for the Offering dated October 19, 2022 (collectively, the “**Marketing Materials**”) filed on SEDAR in connection with the Offering.

Any document of the type referred to above in (a) through (g) and any other document of the type required by National Instrument 44-101 – *Short Form Prospectus Distributions* (“**NI 44-101**”) to be incorporated by reference in a short form prospectus filed by the Company with a securities commission or similar regulatory authority in Canada after the date of this Prospectus and prior to the termination of the distribution hereunder will be deemed to be incorporated by reference in this Prospectus.

Documents referenced in any of the documents incorporated by reference in this Prospectus but not expressly incorporated by reference therein or herein and not otherwise required to be incorporated by reference therein or in this Prospectus are not incorporated by reference in this Prospectus.

Any statement contained in a document incorporated or deemed to be incorporated herein by reference will be deemed to be modified or superseded, for purposes of this Prospectus, to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated herein by reference modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that

it modifies or supersedes. The making of a modifying or superseding statement will not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute part of this Prospectus.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This Prospectus and the documents incorporated herein by reference contain certain forward-looking information and forward-looking statements (collectively referred to herein as “**forward-looking statements**”). These statements relate to future events or the Company’s future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as “guidance”, “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “continues”, “forecasts”, “projects”, “predicts”, “intends”, “anticipates” or “believes”, or variations of, or the negatives of, such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved. The forward-looking statements in this Prospectus and in the documents incorporated herein by reference speak only as of the date of this Prospectus or as of the date or dates specified in such documents incorporated herein by reference.

Specifically, this Prospectus and the documents incorporated herein by reference include but are not limited to forward-looking statements regarding:

- the completion and closing of the Offering and the timing thereof;
- the use of proceeds of the Offering;
- planned or anticipated exploration and development programs and expenditures;
- commercial agreements;
- timelines and milestones with respect to the Company’s properties;
- the impact of COVID-19 on the Company;
- the estimation of mineral resources;
- magnitude or quality of mineral deposits;
- anticipated advancement of mineral properties and programs;
- future exploration prospects;
- expected results of exploration;
- the Company’s ability to obtain licenses, permits and regulatory approvals required to implement expected future exploration plans;
- changes in commodity prices and exchange rates;
- future growth potential of the Company; and
- currency and interest rate fluctuations.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements express or implied by the forward-looking statements. Such factors include, among others:

- the actual results of current mining operations and development activities;
- operating and/or project delays or interruptions and funding needs, including increases in operating and capital costs;
- general business, economic, competitive, political and social uncertainties;
- future prices of metals;
- availability of alternative lithium sources or substitutions;
- actual results of reclamation activities;
- conclusions of economic evaluations;
- changes in mine or project parameters as plans continue to be refined;

- the future cost of capital to the Company;
- possible variations of mineralized material grade or recovery rates;
- failure of plant, equipment or processes to operate as anticipated;
- accidents, labour disputes and other risks of the mining industry;
- political instability, terrorism, insurrection or war;
- delays in obtaining governmental approvals, necessary permitting or in the completion of development or construction activities; and
- risks related to the COVID-19 pandemic,

as well as those risk factors listed in the “Risk Factors” section of this Prospectus and in the documents incorporated by reference into this Prospectus.

Investors are cautioned that the foregoing list is not exhaustive of the factors that may affect the forward-looking statements. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Prospectus. Such statements are based on a number of assumptions, which may prove to be incorrect, including, but not limited to, assumptions about the following:

- the supply and demand for, and the level and volatility of future lithium prices;
- operating and capital costs;
- availability of financing;
- the accuracy of the Company’s mineral resource estimates and the geological and metallurgical assumptions (including with respect to the size, grade and recoverability of mineral resources) and operational and price assumptions on which the mineral resource estimates are based;
- permitting, development and operations consistent with the Company’s expectations;
- foreign exchange rates;
- energy and fuel costs;
- the Company’s ability to attract and retain skilled staff;
- prices and availability of equipment;
- that contracted parties provide goods and/or services on the agreed timeframes; and
- that no unusual geological or technical problems occur.

All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements, whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements.

THE COMPANY

The Company is incorporated under the *Business Corporations Act* (Alberta). On April 21, 1995, the Company amended its articles to change its name from 646215 Alberta Inc. to Houston Lake Mining Inc. and removed its private company restrictions. On May 19, 2016, the Company amended its articles to change its name from Houston Lake Mining Inc. to Frontier Lithium Inc. The Company’s head office address is 2736 Belisle Drive, Greater Sudbury, Ontario P3N 1B3 and its registered office address is #1250, 639 – 5th Avenue S.W. Calgary, Alberta, T2P 0M9. The Company does not have any subsidiaries.

The Common Shares are listed or quoted for trading on (i) the TSXV under the trading symbol “FL”, (ii) the OTCQX under the trading symbol “LITOF” and (iii) the Borse Frankfurt under the symbol “HL2”.

SUMMARY DESCRIPTION OF THE BUSINESS

The Company is a pure-play lithium mineral exploration and development company focused on its 100% owned PAK Lithium Project in northwestern Ontario’s Red Lake Mining district. The Company’s primary medium-term objective is to become a strategic supplier of technical grade spodumene concentrates for premium glass and glass-ceramics

producers and battery-grade lithium hydroxide and other related chemicals to the growing electric vehicle and energy storage markets in North America.

Further information regarding the PAK Lithium Project and the business and operations of the Company can be found in the AIF and the other documents incorporated by reference into this Prospectus. See “*Documents Incorporated by Reference*” and “*Risk Factors*” in this Prospectus, as well as the documents incorporated by reference herein.

There have been no material developments in the business of the Company since September 13, 2022, the date of the AIF, however the Company has made the following announcements:

- On September 20, 2022, the Company announced the results for five additional drill holes completed during the Phase XII drill program on the Spark pegmatite.
- On October 11, 2022, the Company announced the results for four additional drill holes completed during the Phase XII drill program on the Spark pegmatite.
- On October 11, 2022, the Company announced that it had elected to introduce a phased approach in the preliminary feasibility study (“PFS”) currently being prepared by the Company through the advancement of a mine and mill development to initially produce premium spodumene concentrates in Phase I. Phase II plans would increase mine and mill production to feed a downstream refinery to produce lithium chemicals for the energy storage and electric vehicle battery market. As a result of the proposed phased approach, the Company anticipates that the PFS will now be completed in March/April 2023.

Garth Drever, P. Geo., the Company’s Vice President of Exploration, a “qualified person” for the purposes of National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“NI 43-101”), has reviewed and approved the foregoing technical information under the heading “*Summary Description of the Business*”. The scientific and technical data contained in the AIF, which is incorporated by reference herein, has been reviewed, approved and verified by Mr. Drever, other than (i) the updated mineral resource estimate (as of March 2022) contained in Section 5.8 of the AIF, which has been reviewed, approved and verified by Mr. Drever and Todd McCracken P. Geo of BBA E&C Inc. (“BBA”) and (ii) information derived from or based on the Technical Report titled “PAK Property” by BBA issued on April 5, 2021, which is based on that technical report. Mr. McCracken is a “qualified person” for purposes of NI 43-101 and is independent of the Company.

CONSOLIDATED CAPITALIZATION

Other than the cancellation of 500,000 stock options (“Options”) and 50,000 Common Share purchase warrants and as noted under the heading “*Prior Sales*”, there has been no material change in the Company’s share and loan capital since June 30, 2022, the date of the most recent financial statements, being the Interim Financial Statements.

The following table sets forth the Common Shares and convertible securities of the Company as at June 30, 2022, the date of the Company’s most recently filed financial statements, being the Interim Financial Statements, as at the date hereof, and as of the closing of the Offering excluding the Over-Allotment Option and the closing of Offering including the full exercise of the Over-Allotment Option for Additional Units. Such information should be read in conjunction with the Interim Financial Statements and the Interim MD&A, which are incorporated by reference in this Prospectus.

	As at June 30, 2022 before giving effect to the Offering	As at the date hereof before giving effect to the Offering	As at the date hereof after giving effect to the Offering	As at the date hereof after giving effect to the Offering and the exercise in full of the Over-Allotment Option for Additional Units
Common Shares	211,760,067	213,072,990	222,172,990 ⁽¹⁾	223,537,990 ⁽²⁾
Warrants	5,125,297	4,052,374	8,602,374 ⁽³⁾	9,284,874 ⁽⁴⁾
Options	15,583,717	14,793,717	14,793,717	14,793,717

Notes:

(1) After giving effect to the issuance of 9,100,000 Unit Shares but prior to the issuance of 1,365,000 Unit Shares pursuant to the exercise of the Over-Allotment Option and any Warrant Shares. See “*Plan of Distribution*”.

(2) After giving effect to the issuance of 9,100,000 Unit Shares and assuming the issuance of 1,365,000 Unit Shares pursuant to the exercise of the Over-Allotment Option but prior to the issuance of any Warrant Shares. See “*Plan of Distribution*”.

(3) After giving effect to the issuance of 4,550,000 Warrants but prior to the issuance of 682,500 Warrants pursuant to the exercise of the Over-Allotment Option. See “*Plan of Distribution*”.

(4) After giving effect to the issuance of 4,550,000 Warrants and assuming the issuance of 682,500 Warrants pursuant to the exercise of the Over-Allotment Option. See “*Plan of Distribution*”.

USE OF PROCEEDS

The estimated net proceeds to the Company from the Offering are anticipated to be approximately \$18,618,900 after deducting the Underwriters’ Fee and the estimated expenses of the Offering of \$300,000 (and excluding the net proceeds, if any, from the exercise of the Over-Allotment Option).

Principal Purposes

The aggregate net proceeds of the Offering excluding the net proceeds, if any, from the exercise of the Over-Allotment Option are intended to be used to fund exploration and development activities at the PAK Lithium Project for work related to delivery of a potential definitive feasibility study (“**DFS**”), as well as for general administration and corporate purposes, as follows:

Activity or Nature of Expenditure	Approximate Use of Proceeds
DFS Phase 1 – technical grade lithium concentrate from the PAK Deposit	\$2,750,000
Concentrate Processing	
- Testing and support work for DFS Phase 1 – technical grade lithium concentrate from the PAK Deposit	\$1,000,000
Chemical Processing	
- Engineering and construction of 50 tonnes per year chemical demonstration plant for DFS Phase 2 - battery grade lithium carbonate and hydroxide	\$10,450,000
- Construction of an analysis lab for the chemical demonstration plant	\$405,000
Working capital and general corporate purposes (excluding depreciation and stock option expense)	\$4,013,900
Total	\$18,618,900

Note:

(1) The Company is fully funded to complete the anticipated remaining work to deliver the PFS. It is not anticipated that any funds from the Offering will be used for delivery of the PFS discussed under the heading “*Summary Description of the Business*”.

Net proceeds from the exercise of the Over-Allotment Option, if any, are expected to be allocated to the “chemical demonstration plant for DFS Phase 2 – battery grade lithium carbonate and hydroxide”, research and development of lithium slag processing, chemical conversation testwork, battery recycling or working capital and general corporate purposes.

Garth Drever, P. Geo., the Company’s Vice President of Exploration, a “qualified person” for the purposes of NI 43-101, has reviewed the contemplated uses of the net proceeds of the Offering as they relate to the PAK Lithium Project and believes that they are reasonable.

Although the Company intends to expend the net proceeds from the Offering as set out above, the amount actually expended for the purposes described above could vary significantly depending on, among other things, spodumene and lithium prices, the results of further exploration, the results of any future estimation of mineral reserves, the Company's future operating and capital needs from time to time, and other factors referred to under "Risk Factors" in this Prospectus and in the documents incorporated by reference herein. There may be circumstances where, for sound business reasons, a reallocation of funds may be necessary.

The Company had negative cash flow from operating activities for each of the financial years ended March 31, 2022 and March 31, 2021 and each of the three months ended June 30, 2022 and June 30, 2021. The Company's ability to generate positive operating cash flow will depend upon a number of factors, including, among others, the success of current and future exploration programs at the PAK Lithium Project, worldwide market prices of spodumene and lithium, and the ability of the Company to develop its projects and recover metals from its mineral properties at a profit. There is no assurance that additional deposits will be discovered or that existing or future deposits will be successfully monetized. To the extent the Company experiences negative operating cash flows in future periods, it may be required to raise additional funds through the issuance of additional equity securities or through loan financing. There is no assurance that additional capital or other types of financing will be available if needed or that these financings will be on terms at least as favourable to the Company as those previously obtained, or at all. See "Risk Factors – Negative Operating Cash Flow".

Business Objectives and Milestones

The business objective that the Company expects to accomplish using the net proceeds of the Offering, in the manner described above, following delivery of the positive PFS, is to fund Phase 1 of the DFS (technical grade concentrate production) and some key programs that support a Phase 2 DFS (battery grade lithium chemicals production).

PLAN OF DISTRIBUTION

Pursuant to the Underwriting Agreement, the Company has agreed to sell and the Underwriters have severally, and not jointly or jointly and severally, agreed to purchase on the Closing Date, as principals, subject to compliance with all necessary legal requirements and the terms and conditions contained in the Underwriting Agreement, a total of 9,100,000 Offered Units at the Offering Price, payable in cash to the Company against delivery of the Unit Shares and Warrants, respectively, on the Closing Date. The Company has granted the Over-Allotment Option to the Underwriters, exercisable at any time until the date that is 30 days following the Closing Date, to purchase up to 1,365,000 Additional Units to cover over-allocations, if any, and for related market stabilization purposes. The Over-Allotment Option may be exercised by the Underwriters: (i) to acquire Additional Units at the Offering Price; or (ii) to acquire Additional Unit Shares at a price of \$1.98 per Additional Unit Share; or (iii) to acquire Additional Warrants at a price of \$0.44 per Additional Warrant; or (iv) to acquire any combination of Additional Units, Additional Unit Shares and Additional Warrants, so long as the aggregate number of Additional Unit Shares and Additional Warrants which may be issued under the Over-Allotment Option, either separately or as part of Additional Units, does not exceed 1,365,000 Additional Unit Shares and 682,500 Additional Warrants. If the Over-Allotment Option is exercised in full, the Price to the Public, Underwriters' Fee and Net Proceeds to the Company, before deducting expenses of the Offering, will be \$23,023,000, \$1,266,265 and \$21,756,735, respectively. This Prospectus also qualifies the distribution of any Over-Allotment Securities issuable upon exercise of the Over-Allotment Option.

The Offered Units will be offered in each of the provinces of Canada, except Québec. The Offered Units may be offered for sale in the United States under certain exemptions from the registration requirements of the U.S. Securities Act and any applicable state securities laws. Subject to applicable law, the Offered Units may be offered in such other jurisdictions outside of Canada and the United States as agreed between the Company and the Underwriters, provided that no prospectus filing, registration statement or comparable obligation arises in such jurisdictions.

Under the Underwriting Agreement, the Company has agreed to pay to the Underwriters a cash commission equal to 5.5% of the aggregate purchase price paid by the Underwriters to the Company for the Offered Units.

The Offering Price of the Offered Units was determined by arm's length negotiation between the Company and the Underwriters, with reference to the prevailing market price of the Common Shares.

The Company has also agreed to indemnify each of the Underwriters and their subsidiaries and affiliates, and each of their respective directors, officers, employees, partners, agents, each other person, if any, controlling the Underwriters or any of their subsidiaries, affiliates and each shareholder of the Underwriters and the successors and assigns of all the foregoing persons, from and against certain liabilities and expenses and to contribute to payments that the Underwriters may be required to make in respect thereof.

The obligations of the Underwriters under the Underwriting Agreement are several and not joint and not joint and several and may be terminated at their discretion on the basis of the “disaster out”, “regulatory proceedings out” and “material change or change in material fact out” provisions of the Underwriting Agreement and may also be terminated upon the occurrence of certain other stated events. The Underwriters are, however, obligated to take up and pay for all Offered Units if any are purchased under the Underwriting Agreement.

The Underwriters propose to initially offer the Offered Units at the Offering Price. After the Underwriters have made a reasonable effort to sell all of the Offered Units at the Offering Price, the Underwriters may subsequently reduce the selling price of the Offered Units to purchasers. If the selling price is reduced, the compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by the purchasers for the Offered Units is less than the gross proceeds paid by the Underwriters to the Company.

Under the Underwriting Agreement, without the prior written consent of the Underwriters, such consent not to be unreasonably withheld, during the period ending 90 days after the Closing Date, the Company has agreed not to, directly or indirectly, (a) create, allot, authorize, offer, issue, secure, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise lend, transfer or dispose of, directly or indirectly, any Common Shares, rights to purchase such Common Shares or any securities convertible into or exercisable or exchangeable for such Common Shares, or (b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of such securities, whether any such transaction described in clause (a) or (b) above is to be settled by delivery of such Common Shares or such other securities or interests, in cash or otherwise, or agree to do any of the foregoing, except in conjunction with (i) the grant or exercise or vesting of stock options, restricted share units, deferred share units and other similar issuances pursuant to the equity incentive plans of the Company and other securities-based compensation arrangements; (ii) the exercise or conversion of outstanding convertible securities; and (iii) any obligations in respect of existing agreements.

The Underwriters may not, at any time during the period of distribution under the Offering, bid for or purchase Common Shares or Warrants for their own accounts or for accounts over which they exercise control or direction. The foregoing restriction is subject to certain exceptions, including: (i) a bid or purchase permitted under the Universal Market Integrity Rules for Canadian Marketplaces administered by the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market making activities; (ii) a bid or purchase made for or on behalf of a customer where the order was not solicited during the period of the distribution, or (iii) a bid or purchase to cover a short position entered into prior to the commencement of the prescribed restricted period. Consistent with these requirements, and in connection with the Offering, the Underwriters may over-allot and effect transactions which are intended to stabilize or maintain the market price of the Common Shares or Warrants at levels other than those which otherwise might prevail on the open market. If these activities are commenced, they may be discontinued by the Underwriters at any time. The Underwriters may carry out these transactions on the TSXV, in the over-the-counter market or otherwise.

Subscriptions for the Offered Units will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. To the extent required, definitive certificates evidencing the Offered Units will be available for delivery at closing of the Offering; otherwise, a purchaser of Offered Units will receive only a customer confirmation from the registered dealer or broker, which is a CDS participant, from or through which the Offered Units are purchased. Warrant holders should contact the registered dealer or broker through which such Warrant holder purchased Offered Units for instructions on how to exercise the Warrants held by them. Closing is expected to occur on or about November 10, 2022, or such earlier or later date as the Underwriters and the Company may mutually agree, but in any event not later than 42 days after the date of the receipt for the (final) short form prospectus.

The Company has applied to the TSXV to list the Unit Shares and Warrant Shares, including any Additional Unit Shares and Additional Warrant Shares issuable on the exercise of the Over-Allotment Option. The TSXV has not conditionally approved the Offering. Such listing will be subject to the Company fulfilling all of the listing requirements of the TSXV.

United States Offering Restrictions

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the Offered Units in the United States.

The Offered Units, the Unit Shares and Warrants underlying the Offered Units and the Warrant Shares issuable upon exercise of the Warrants 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 may not be offered, sold or delivered, directly or indirectly, within the United States except in transactions exempt from the registration requirements of the U.S. Securities Act and any applicable securities laws of any state of the United States. The Underwriters have agreed that, except as permitted by the Underwriting Agreement and as expressly permitted by applicable laws of the United States, they will not offer or sell the Offered Units at any time within the United States as part of their distribution. The Underwriting Agreement permits the Underwriters to re-offer and re-sell of the Offered Units that they have acquired pursuant to the Underwriting Agreement to “qualified institutional buyers” (as defined in Rule 144A of the U.S. Securities Act) in the United States in accordance with Rule 144A under the U.S. Securities Act (and pursuant to similar exemptions under applicable state securities laws). As used herein, the term “United States” has the meaning given to it in Regulation S under the U.S. Securities Act. Because of these restrictions and those described below, purchasers in the United States are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Offered Units offered hereby or securities underlying the Offered Units. Moreover, the Underwriting Agreement provides that the Underwriters will offer and sell the Offered Units outside the United States only in accordance with Rule 903 of Regulation S under the U.S. Securities Act.

In addition, until 40 days after the Closing Date, an offer or sale of the Offered Units distributed under the Offering within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from such registration requirements. The Offered Units sold on the basis of an exemption to the registration requirements of the U.S. Securities Act to U.S. persons or into the United States will be “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act.

Australian Offering Restrictions

The Company is not registered as a foreign company in Australia, nor does it hold an Australian financial services license. An investor in the securities of the issuer will not have cooling off rights.

The offering document is not a disclosure document and has not been, nor will be, lodged with the Australian Securities & Investments Commission. It does not purport to contain all information that an investor or his, her or its professional advisers would expect to find in a prospectus or other disclosure document (as defined in the Corporations Act 2001 (Cth)) for the purposes of Part 6D.2 of the Corporations Act 2001 (Cth) or in a product disclosure statement for the purposes of Part 7.9 of the Corporations Act 2001 (Cth), in either case, in relation to the securities.

The information in the offering document has been prepared without taking into account any person’s investment objectives, financial situation or needs. Before acting on the information you should consider its appropriateness having regard to your investment objectives, financial situation and needs. The offering document has not been prepared specifically for Australian investors. It: (i) may contain references to dollar amounts which are not Australian dollars; (ii) may contain financial information which is not prepared in accordance with Australian law or practices; (iii) may not address risks associated with investment in foreign currency denominated investments; and (iv) does not address Australian tax issues.

The securities are not being offered in Australia to “retail clients” as defined in sections 761G and 761GA of the Corporations Act 2001 (Cth). The offering is being made in Australia solely to “wholesale clients” for the purposes

of section 761G of the Corporations Act 2001 (Cth), and, as such, no prospectus, product disclosure statement or other disclosure document in relation to the securities has been, or will be, prepared. The offering document does not constitute an offer in Australia other than to wholesale clients. By submitting an application for securities, you represent and warrant that you are a wholesale client for the purposes of section 761G of the Corporations Act 2001 (Cth). If any recipient of the offering document is not a wholesale client, no offer of, or invitation to apply for, securities shall be deemed to be made to such recipient and no applications for securities will be accepted from such recipient. Any offer to a recipient in Australia, and any agreement arising from acceptance of such offer, is personal and may only be accepted by the recipient. In addition, by applying for securities, you undertake that, for a period of 12 months from the date of issue of the securities, you will not transfer any interest in the securities to any person in Australia other than to a wholesale client.

DESCRIPTION OF SECURITIES BEING DISTRIBUTED

The Offering consists of 9,100,000 Offered Units at a price of \$2.20 per Offered Unit. Each Offered Unit will consist of one Unit Share and one-half of one Warrant. In addition, the Company has granted the Underwriters the Over-Allotment Option, exercisable, in whole or in part, at the sole discretion of the Underwriters, at any time until the date that is 30 days following the Closing Date, to purchase up to 1,365,000 Additional Units and/or up to 1,365,000 Additional Unit Shares and/or up to 682,500 Additional Warrants to cover over-allotments, if any, and for related market stabilization purposes. See “*Plan of Distribution*”.

The Unit Shares and Warrant Shares comprising the Offered Units and Warrants, respectively, will have the same rights and entitlements as the Common Shares set forth below.

Common Shares

The Company is authorized to issue an unlimited number of first preferred shares, second preferred shares, and Common Shares. The Company has only issued Common Shares as of date of this Prospectus and these Common Shares carry the right to vote at shareholder meetings, and to the payment of dividends and distribution of the remaining property of the Company on dissolution subsequent to the rights of preferred shares. The Common Shares carry no pre-emptive, conversion, redemption or retraction rights. As of November 4, 2022, the number of issued and outstanding Common Shares was 213,072,990.

Warrants

The Warrants will be governed by the Warrant Indenture to be entered into on or before the Closing Date between the Company and the Warrant Agent. A copy of the Warrant Indenture will be filed and available on the Company’s SEDAR profile at www.sedar.com following the Closing Date. The following summarizes the material provisions of the Warrant Indenture. The following summary does not purport to be complete and is subject in its entirety to the detailed provisions of the executed Warrant Indenture.

Under the Warrant Indenture, each Warrant will entitle the holder thereof to acquire, subject to adjustment in accordance with the Warrant Indenture, one Warrant Share at an exercise price of \$2.75 per Warrant Share at any time prior to 5:00 p.m. (Toronto time) on the date that is 36 months from the Closing Date, after which time each outstanding Warrant will expire (the “**Expiry Date**”). Warrants not exercised prior to 5:00 pm (Toronto time) on the Expiry Date will be void and of no value.

The exercise price for the Warrants will be payable in Canadian dollars.

The Warrants and the Warrant Shares have not been and will not be registered under the U.S. Securities Act or any applicable state securities laws, and the Warrants may not be exercised by or on behalf of a person in the United States unless an exemption from such registration is available and documentation to that effect is provided in accordance with the terms of the Warrant Indenture.

The Warrant Indenture is expected to provide, in the event of certain alterations of the Common Shares, that the number of Warrant Shares which may be acquired by a holder of Warrants upon the exercise thereof will be subject

to anti-dilution provisions governed by the Warrant Indenture, including provisions for the appropriate adjustment of the class, number and price of the securities issuable under the Warrant Indenture upon the occurrence of certain events including but not limited to any subdivision, consolidation, or reclassification of the Common Shares, payment of dividends outside of the ordinary course, or amalgamation/merger of the Company. No adjustment in the exercise price or the number of Warrant Shares issuable upon exercise of the Warrants will be required to be made unless the cumulative effect of such adjustment or adjustments would result in a change of at least 1% in the exercise price or a change in the number of Common Shares purchasable upon exercise by at least one one-hundredth of a Common Share, as the case may be.

No fractional Warrant Shares will be issuable to any holder of Warrants upon the exercise thereof, and no cash or other consideration will be paid in lieu of fractional Warrant Shares. The holding of Warrants will not make the holder thereof a shareholder or entitle such holder to any right or interest in respect of the Warrant Shares except as expressly provided in the Warrant Indenture. Holders of Warrants will not have any voting or pre-emptive rights or any other rights enjoyed by shareholders.

The Company will covenant in the Warrant Indenture, during the period in which the Warrants are exercisable, to give notice to holders of Warrants of certain stated events, including events that would result in an adjustment to the exercise price for the Warrants or the number of Warrant Shares issuable upon exercise of the Warrants, a prescribed number of days prior to the record date or effective date, as the case may be, of such event.

The Warrant Indenture is expected to provide that, from time to time, the Warrant Agent and the Company, without the consent of the holders of Warrants, may be able to amend or supplement the Warrant Indenture for certain purposes, including rectifying any ambiguities, defective provisions, clerical omissions or mistakes, or other errors contained in the Warrant Indenture or in any deed or indenture supplemental or ancillary to the Warrant Indenture, provided that, in the opinion of the Warrant Agent, relying on counsel, the rights of the holders of Warrants are not prejudiced, as a group.

The Warrant Indenture is also expected to contain provisions making binding upon all holders of Warrants resolutions passed at meetings of such holders in accordance with such provisions or by instruments in writing signed by holders of Warrants holding a specified percentage of the Warrants. Any amendment or supplement to the Warrant Indenture that is prejudicial to the interests of the holders of Warrants, as a group, is expected to be subject to approval by an “Extraordinary Resolution”, which is expected to be defined in the Warrant Indenture as a resolution either: (i) passed at a meeting of the holders of Warrants at which there are holders of Warrants present in person or represented by proxy representing at least 20% of the aggregate number of the then outstanding Warrants (unless such meeting is adjourned to a prescribed later date due to a lack of quorum, at which adjourned meeting the Warrant holders present in person or by proxy shall form a quorum) and passed by the affirmative vote of holders of Warrants representing not less than 66 $\frac{2}{3}$ % of the aggregate number of all the then outstanding Warrants represented at the meeting and voted on the poll for such resolution; or (ii) adopted by an instrument in writing signed by the holders of Warrants representing not less than 66 $\frac{2}{3}$ % of the number of all of the then outstanding Warrants.

There is currently no market through which the Warrants may be sold and purchasers may not be able to resell the Warrants comprising part of the Offered Units that are purchased under this Prospectus. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants and the extent of issuer regulations. See “Plan of Distribution”, “Description of Securities Being Distributed – Warrants” and “Risk Factors”.

Prior Sales

The following tables outline the number of Common Shares and securities that are convertible into Common Shares issued by the Company during the 12-month period preceding the date of this Prospectus.

Common Shares

Date of Sale or Grant	Issue or Exercise Price	Number of Common Shares
November 5, 2021 ⁽¹⁾	\$0.27 per Common Share	29,526
November 22, 2021 ⁽¹⁾	\$0.45 per Common Share	20,000
November 24, 2021 ⁽²⁾	\$0.30 per Common Share	450,000
November 26, 2021 ⁽¹⁾	\$0.27 per Common Share	25,000
November 29, 2021 ⁽¹⁾	\$0.45 per Common Share	20,000
November 30, 2021 ⁽¹⁾	\$1.50 per Common Share	7,700
November 30, 2021 ⁽¹⁾	\$1.25 per Common Share	150,000
December 3, 2021 ⁽¹⁾	\$0.45 per Common Share	35,294
December 6, 2021 ⁽¹⁾	\$0.45 per Common Share	220,600
December 8, 2021 ⁽¹⁾	\$1.25 per Common Share	1,008
December 15, 2021 ⁽³⁾	\$1.86 per Common Share	6,453,000
December 21, 2021 ⁽¹⁾	\$0.27 per Common Share	647,094
January 5, 2022 ⁽¹⁾	\$1.50 per Common Share	192,308
January 7, 2022 ⁽¹⁾	\$1.25 per Common Share	20,000
January 11, 2022 ⁽²⁾	\$0.25 per Common Share	50,000
January 14, 2022 ⁽¹⁾	\$0.27 per Common Share	25,000
January 18, 2022 ⁽²⁾	\$0.25 per Common Share	85,000
January 18, 2022 ⁽²⁾	\$0.90 per Common Share	40,000
January 19, 2022 ⁽²⁾	\$0.90 per Common Share	38,045
January 19, 2022 ⁽¹⁾	\$0.27 per Common Share	125,000
January 19, 2022 ⁽¹⁾	\$1.25 per Common Share	10,615
January 19, 2022 ⁽²⁾	\$0.90 per Common Share	130,000
January 20, 2022 ⁽¹⁾	\$0.45 per Common Share	40,040
January 20, 2022 ⁽¹⁾	\$1.25 per Common Share	98,000
January 20, 2022 ⁽¹⁾	\$1.25 per Common Share	5,760
January 24, 2022 ⁽²⁾	\$1.05 per Common Share	75,000
January 27, 2022 ⁽²⁾	\$0.25 per Common Share	70,000
January 27, 2022 ⁽²⁾	\$1.05 per Common Share	100,000
January 28, 2022 ⁽²⁾	\$0.90 per Common Share	25,000
February 3, 2022 ⁽¹⁾	\$1.25 per Common Share	630,000
February 7, 2022 ⁽²⁾	\$0.30 per Common Share	416,666
February 7, 2022 ⁽²⁾	\$0.25 per Common Share	100,001

Date of Sale or Grant	Issue or Exercise Price	Number of Common Shares
February 7, 2022 ⁽²⁾	\$0.80 per Common Share	250,000
February 14, 2022 ⁽²⁾	\$1.05 per Common Share	75,000
February 16, 2022 ⁽²⁾	\$0.84 per Common Share	100,000
February 17, 2022 ⁽²⁾	\$0.90 per Common Share	3,890
February 22, 2022 ⁽¹⁾	\$0.45 per Common Share	14,285
March 01, 2022 ⁽¹⁾	\$0.27 per Common Share	85,000
March 07, 2022 ⁽¹⁾	\$0.45 per Common Share	20,000
March 11, 2022 ⁽¹⁾	\$0.27 per Common Share	85,000
March 16, 2022 ⁽¹⁾	\$0.27 per Common Share	25,000
March 21, 2022 ⁽¹⁾	\$0.45 per Common Share	14,285
March 22, 2022 ⁽¹⁾	\$0.27 per Common Share	1,350
March 25, 2022 ⁽¹⁾	\$0.27 per Common Share	250,000
March 25, 2022 ⁽¹⁾	\$0.27 per Common Share	25,000
March 29, 2022 ⁽²⁾	\$1.05 per Common Share	250,000
March 30, 2022 ⁽¹⁾	\$1.50 per Common Share	15,000
April 1, 2022 ⁽²⁾	\$0.25 per Common Share	449,999
April 1, 2022 ⁽²⁾	\$1.05 per Common Share	283,333
April 1, 2022 ⁽²⁾	\$0.90 per Common Share	50,001
April 1, 2022 ⁽²⁾	\$0.90 per Common Share	54,348
April 18, 2022 ⁽²⁾	\$0.90 per Common Share	30,000
April 18, 2022 ⁽²⁾	\$0.30 per Common Share	250,000
April 18, 2022 ⁽²⁾	\$0.25 per Common Share	250,000
April 19, 2022 ⁽¹⁾	\$0.45 per Common Share	400,000
April 20, 2022 ⁽¹⁾	\$1.25 per Common Share	5,000
April 29, 2022 ⁽¹⁾	\$1.50 per Common Share	1,923
May 3, 2022 ⁽¹⁾	\$1.25 per Common Share	125,000
May 3, 2022 ⁽¹⁾	\$1.50 per Common Share	75,000
May 4, 2022 ⁽¹⁾	\$0.45 per Common Share	1,320
May 4, 2022 ⁽¹⁾	\$1.25 per Common Share	792
May 4, 2022 ⁽¹⁾	\$1.52 per Common Share	193,590
May 10, 2022 ⁽¹⁾	\$0.27 per Common Share	50,000
May 10, 2022 ⁽¹⁾	\$0.45 per Common Share	25,000
May 11, 2022 ⁽¹⁾	\$0.27 per Common Share	85,000
May 13, 2022 ⁽²⁾	\$0.90 per Common Share	100,000
May 13, 2022 ⁽¹⁾	\$1.25 per Common Share	5,000
May 17, 2022 ⁽¹⁾	\$1.25 per Common Share	125,000
May 19, 2022 ⁽²⁾	\$0.25 per Common Share	100,000
May 20, 2022 ⁽¹⁾	\$1.25 per Common Share	15,000

Date of Sale or Grant	Issue or Exercise Price	Number of Common Shares
May 26, 2022 ⁽¹⁾	\$1.25 per Common Share	50,000
May 27, 2022 ⁽¹⁾	\$0.27 per Common Share	100,000
June 1, 2022 ⁽²⁾	\$0.30 per Common Share	100,000
June 20, 2022 ⁽¹⁾	\$0.27 per Common Share	75,000
June 29, 2022 ⁽²⁾	\$1.05 per Common Share	100,000
July 5, 2022 ⁽¹⁾	\$0.27 per Common Share	85,000
July 7, 2022 ⁽²⁾	\$0.30 per Common Share	250,000
July 7, 2022 ⁽¹⁾	\$0.45 per Common Share	20,000
July 11, 2022 ⁽¹⁾	\$1.50 per Common Share	5,000
July 11, 2022 ⁽¹⁾	\$0.27 per Common Share	1,650
July 15, 2022 ⁽¹⁾	\$0.27 per Common Share	25,000
July 18, 2022 ⁽¹⁾	\$0.27 per Common Share	700,000
August 3, 2022 ⁽¹⁾	\$1.25 per Common Share	31,273
August 12, 2022 ⁽²⁾	\$0.25 per Common Share	40,000
August 16, 2022 ⁽¹⁾	\$1.25 per Common Share	5,000
August 17, 2022 ⁽¹⁾	\$1.25 per Common Share	100,000
October 19, 2022 ⁽¹⁾	\$1.25 per Common Share	50,000

Notes:

- (1) Issued pursuant to the exercise of Common Share purchase warrants.
- (2) Issued pursuant to the exercise of Options.
- (3) Issued pursuant to a bought deal private placement financing.

Common Share Purchase Warrants

Date of Grant	Expiry Date	Exercise Price	Total Issued
December 15, 2021 ⁽¹⁾	December 15, 2023	\$1.52	387,180

Notes:

- (1) Broker Warrants were issued in connection with a private placement of 6,453,000 Common Shares, the Company issued 387,180 broker warrants exercisable at \$1.52 per Common Share for a period of 24 months from the date of issuance.

Options

Date of Grant	Expiry Date	Exercise Price	Total Issued
February 7, 2022 ⁽¹⁾	February 7, 2027	\$2.71	1,000,000
April 19, 2022 ⁽¹⁾	April 19, 2027	\$3.16	750,000

Notes:

- (1) The Company granted these Options to directors, officers and certain consultants of the Company, subject to the terms and conditions of the Company's stock option plan.

Trading Price and Volume

The Common Shares are listed or quoted for trading on (i) the TSXV under the trading symbol “FL”, (ii) the OTCQX under the trading symbol “LITOF” and (iii) the Borse Frankfurt under the symbol “HL2”. The following tables set out the high and low trading prices and trading volumes of the Common Shares on the TSXV for the period from November 2021 to November 4, 2022.

Month	High (\$)	Low (\$)	Volume Traded
November 2021	2.12	1.02	8,974,605
December 2021	2.23	1.66	12,815,299
January 2022	3.05	1.90	13,843,502
February 2022	2.88	2.34	7,366,722
March 2022	3.36	2.55	10,241,819
April 2022	3.74	3.02	10,900,075
May 2022	3.89	3.18	6,760,948
June 2022	3.31	2.07	9,673,244
July 2022	2.30	1.30	6,701,918
August 2022	2.72	1.89	4,879,714
September 2022	2.69	2.05	3,747,854
October 2022	2.34	1.97	4,124,030
November 1 – 4, 2022	2.03	1.99	68,007

On October 18, 2022, the last full trading day prior to the announcement of the Offering, the closing price of the Common Shares on the TSXV was \$2.17. On November 4, 2022, the last trading day prior to the date of this Prospectus, the closing price of the Common Shares on the TSXV was \$2.00.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable to a purchaser who acquires Offered Units pursuant to this Offering. For purposes of this summary, references to “Shares” include Unit Shares and Warrant Shares unless otherwise indicated. This summary applies only to a purchaser who is a beneficial owner of Shares and Warrants acquired pursuant to this Offering and who, for the purposes of the Tax Act, and at all relevant times: (i) deals at arm’s length with the Company and the Underwriters; (ii) is not affiliated with either the Company or the Underwriters; and (iii) holds the Shares and Warrants as capital property (a “Holder”).

Shares and Warrants will generally be considered to be capital property to a Holder unless they are held in the course of carrying on a business of trading or dealing in securities or were acquired in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary is not applicable to a Holder (i) that is a “financial institution” (as defined in the Tax Act for the purposes of the mark-to-market rules), (ii) an interest in which would be a “tax shelter investment” (as defined in the Tax Act), (iii) that is a “specified financial institution” (as defined in the Tax Act), (iv) that has elected to report its “Canadian tax results” (as defined in the Tax Act) in a currency other than Canadian currency, (v) that has entered or will enter into a “derivative forward agreement” or “synthetic disposition arrangement” (each as defined in the Tax Act) with respect to the Shares or Warrants, or (vi) that receives dividends on the Shares under or as part of a “dividend rental arrangement” as defined in the Tax Act. Any such Holder should consult its own tax advisor with respect to an investment in the Offered Units. Additional considerations, not discussed herein, may be applicable to a Holder that is a corporation resident in Canada (for the purposes of the Tax Act), and is, or becomes (or does not deal at arm’s length for purposes of the Tax Act with a corporation resident in Canada that is or becomes) as part of a transaction

or event or series of transactions or events that includes the acquisition of Offered Units or Warrant Shares, controlled by a non-resident person or a group of non-resident persons that do not deal with each other at arm's length for purposes of the "foreign affiliate dumping" rules in section 212.3 of the Tax Act. Such Holders should consult their tax advisors with respect to the consequences of acquiring Offered Units.

In addition, this summary does not address the deductibility of interest by a Holder who has borrowed money or otherwise incurred debt in connection with the acquisition of Offered Units.

This summary is based upon the current provisions of the Tax Act and the regulations thereunder ("**Regulations**") in force as of the date hereof, all specific proposals to amend the Tax Act or the Regulations that have been publicly announced by, or on behalf of, the Minister of Finance (Canada) prior to the date hereof ("**Proposed Amendments**") and counsel's understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency ("**CRA**"). No assurance can be given that the Proposed Amendments will be enacted or otherwise implemented in their current form, if at all. If the Proposed Amendments are not enacted or otherwise implemented as presently proposed, the tax consequences may not be as described below in all cases. Other than the Proposed Amendments, this summary does not take into account or anticipate any changes in law, administrative policy or assessing practice, whether by legislative, regulatory, administrative, governmental or judicial decision or action, nor does it take into account the tax laws of any province or territory of Canada or of any jurisdiction outside of Canada.

This summary is of a general nature only, is not exhaustive of all possible Canadian federal income tax considerations and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder. Accordingly, Holders should consult their own tax advisors with respect to their particular circumstances.

Allocation of Cost

Holders will be required to allocate the purchase price paid for each Offered Unit between the Unit Share and the one-half of a Warrant comprising such Unit on a reasonable basis in order to determine their respective costs for purposes of the Tax Act. For its purposes, the Company intends to allocate \$1.98 to each Unit Share and \$0.44 to each full Warrant. Although the Company believes that its allocation is reasonable, it is not binding on the CRA or the Holder. Counsel express no opinion with respect to such allocation.

The adjusted cost base to a Holder of each Unit Share comprising a part of an Offered Unit acquired pursuant to this Offering will be determined by averaging the cost of such Unit Share with the adjusted cost base to such Holder of all other Common Shares (if any) held by the Holder as capital property immediately prior to the acquisition.

Exercise of Warrants

No gain or loss will be realized by a Holder upon the exercise of a Warrant to acquire a Warrant Share. When a Warrant is exercised, the Holder's cost of the Warrant Share acquired thereby will be the aggregate of the Holder's adjusted cost base of such Warrant and the exercise price paid for the Warrant Share. The Holder's adjusted cost base of the Warrant Share so acquired will be determined by averaging such cost with the adjusted cost base (determined immediately before the acquisition of the Warrant Share) to the Holder of all Common Shares owned by the Holder as capital property immediately prior to such acquisition.

Holders Resident in Canada

This section of the summary applies to a Holder who, at all relevant times, is, or is deemed to be, resident in Canada for the purposes of the Tax Act ("**Resident Holder**"). A Resident Holder whose Shares might not otherwise qualify as capital property may be entitled to make the irrevocable election provided by subsection 39(4) of the Tax Act to have the Shares and every other "Canadian security" (as defined in the Tax Act) owned by such Resident Holder in the taxation year of the election and in all subsequent taxation years deemed to be capital property. Such election is not available in respect of Warrants. Resident Holders should consult their own tax advisors for advice as to whether an election under subsection 39(4) of the Tax Act is available and/or advisable in their particular circumstances.

Expiry of Warrants

In the event of the expiry of an unexercised Warrant, a Resident Holder generally will realize a capital loss equal to the Resident Holder's adjusted cost base of such Warrant. The tax treatment of capital gains and capital losses is discussed in greater detail below under "*Holders Resident in Canada - Taxation of Capital Gains and Capital Losses*".

Dividends

A Resident Holder will be required to include in computing its income for a taxation year any taxable dividends received or deemed to be received on the Shares.

Such dividends received by a Resident Holder that is an individual (other than certain trusts) will be subject to the gross-up and dividend tax credit rules in the Tax Act normally applicable to dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit in respect of dividends designated by the Company as "eligible dividends" in accordance with the Tax Act. There may be limitations on the ability of the Company to designate dividends as eligible dividends.

In the case of a Resident Holder that is a corporation, the amount of any such taxable dividend that is included in its income for a taxation year will generally be deductible in computing its taxable income for that taxation year. In certain circumstances a dividend or deemed dividend received by a Resident Holder that is a corporation may be treated as a capital gain or proceeds of disposition under subsection 55(2) of the Tax Act. Such Resident Holders should consult their own tax advisors.

A Resident Holder that is a "private corporation", as defined in the Tax Act, or a "subject corporation", as defined in subsection 186(3) of the Tax Act, will generally be liable to pay an additional tax (refundable in certain circumstances) under Part IV of the Tax Act on dividends received (or deemed to be received) on the Shares to the extent such dividends are deductible in computing the Resident Holder's taxable income for the year. A "subject corporation" is generally a corporation (other than a private corporation) controlled directly or indirectly by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts).

Dispositions of Shares and Warrants

A disposition or a deemed disposition of a Share (other than a disposition to the Company that is not a sale in the open market in the manner in which shares would normally be purchased by any member of the public in an open market) or Warrant (other than a disposition arising on the exercise or expiry of a Warrant) by a Resident Holder will generally result in the Resident Holder realizing a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition of the Share or Warrant, as the case may be, exceed (or are less than) the aggregate of the adjusted cost base to the Resident Holder thereof and any reasonable costs of disposition. Such capital gain (or capital loss) will be subject to the tax treatment described below under "*Holders Resident in Canada - Taxation of Capital Gains and Capital Losses*".

Taxation of Capital Gains and Capital Losses

A Resident Holder will generally be required to include in computing its income for the taxation year of disposition, one-half of the amount of any capital gain (a "**taxable capital gain**") realized in such year. Subject to and in accordance with the provisions of the Tax Act, a Resident Holder will be required to deduct one-half of the amount of any capital loss (an "**allowable capital loss**") against taxable capital gains realized in the taxation year of disposition. Allowable capital losses in excess of taxable capital gains for the taxation year of disposition may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years, to the extent and under the circumstances specified in the Tax Act.

The amount of any capital loss realized on the disposition or deemed disposition of a Share by a Resident Holder that is a corporation may, in certain circumstances, be reduced by the amount of dividends received or deemed to have been received by it on such Shares or shares substituted for such Shares to the extent and under the circumstances

specified in the Tax Act. Similar rules may apply where a Share is owned by a partnership or trust of which a corporation, trust or partnership is a member or beneficiary. Resident Holders to whom these rules may be relevant should consult their own tax advisors.

Other Income Taxes

A Resident Holder that is throughout the relevant taxation year a “Canadian-controlled private corporation” (as defined in the Tax Act) may be liable to pay an additional tax (refundable in certain circumstances) on its “aggregate investment income” (as defined in the Tax Act) for the year, including taxable capital gains. Proposed Amendments released on August 9, 2022 extend this additional tax and refund mechanism in respect of “aggregate investment income” to “substantive CCPCs” as defined in the Proposed Amendments. Resident Holders should consult their own advisors with respect to the application of the Proposed Amendments.

In general terms, a Resident Holder that is an individual (other than certain trusts) that receives or is deemed to have received taxable dividends on the Shares or realizes a capital gain on the disposition or deemed disposition of Shares or Warrants may be liable for alternative minimum tax under the Tax Act. Resident Holders that are individuals should consult their own tax advisors in this regard.

Holders Not Resident in Canada

This portion of the summary is generally applicable to a Holder who, at all relevant times, for purposes of the Tax Act: (i) is not, and is not deemed to be, resident in Canada; and (ii) does not use or hold, and is not deemed to use or hold, the Shares or Warrants in connection with carrying on a business in Canada (“**Non-Resident Holder**”). This summary does not apply to a Holder that carries on, or is deemed to carry on, an insurance business in Canada and elsewhere or that is an “authorized foreign bank” (as defined in the Tax Act). Such Holders should consult their own tax advisors.

Dividends

Dividends paid or credited or deemed under the Tax Act to be paid or credited by the Company to a Non-Resident Holder on the Shares will be subject to Canadian withholding tax at the rate of 25%, subject to any reduction in the rate of withholding to which the Non-Resident Holder is entitled under any applicable income tax convention between Canada and the country in which the Non-Resident Holder is resident. For example, under the *Canada-United States Tax Convention (1980)*, as amended (the “**Treaty**”), where a Non-Resident Holder is a resident of the United States for purposes of the Treaty, is fully entitled to the benefits under the Treaty, and is the beneficial owner of the dividend, the applicable rate of Canadian withholding tax is generally reduced to 15%.

Dispositions of Shares and Warrants

A Non-Resident Holder will not be subject to tax under the Tax Act in respect of any capital gain realized on a disposition or deemed disposition of a Share or Warrant unless the Share or Warrant (as applicable) is, or is deemed to be, “taxable Canadian property” of the Non-Resident Holder for the purposes of the Tax Act at the time of the disposition or deemed disposition and the Non-Resident Holder is not entitled to an exemption under an applicable income tax convention between Canada and the country in which the Non-Resident Holder is resident.

Generally, a Share or Warrant (as applicable) will not constitute taxable Canadian property of a Non-Resident Holder provided that the Shares are listed on a “designated stock exchange” for the purposes of the Tax Act (which currently includes the TSXV) at the time of disposition, unless at any time during the 60 month period immediately preceding the disposition, (i) at least 25% of the issued shares of any class or series of the capital stock of the Company were owned by or belonged to any combination of (a) the Non-Resident Holder, (b) persons with whom the Non-Resident Holder did not deal at arm’s length, and (c) partnerships in which the Non-Resident Holder or a person described in (b) holds a membership interest directly or indirectly through one or more partnerships; and (ii) at such time, more than 50% of the fair market value of such shares was derived, directly or indirectly, from any combination of real or immovable property situated in Canada, “Canadian resource property” (as defined in the Tax Act), “timber resource property” (as defined in the Tax Act), or options in respect of, interests in, or for civil law rights in, such properties,

whether or not such property exists. Notwithstanding the foregoing, a Share or Warrant may also be deemed to be “taxable Canadian property” in certain other circumstances. Non-Resident Holders should consult their own tax advisors as to whether their Shares or Warrants constitute “taxable Canadian property” in their own particular circumstances.

In cases where a Non-Resident Holder disposes (or is deemed to have disposed) of a Share or Warrant that is taxable Canadian property to that Non-Resident Holder, and the Non-Resident Holder is not entitled to an exemption under an applicable income tax convention, the consequences described above under the headings “*Holders Resident in Canada - Dispositions of Shares and Warrants*” and “*Holders Resident in Canada - Taxation of Capital Gains and Capital Losses*” will generally be applicable to such disposition. Such Non-Resident Holders should consult their own tax advisors.

RISK FACTORS

An investment in the Offered Units is subject to a number of risks that should be carefully considered by a prospective purchaser. Before deciding whether to invest in the Offered Units, prospective investors should carefully consider, in light of their own financial circumstances, the risks described below and those incorporated by reference into this Prospectus, including in the AIF and those described in the Annual MD&A and Interim MD&A. See “Documents Incorporated by Reference”. The risks discussed below also include forward-looking statements and the Company’s actual results may differ substantially from those discussed in these forward-looking statements. See “Cautionary Note Regarding Forward-Looking Information”.

The Common Shares are Subject to Market Price Volatility

The market price of the Common Shares (including Unit Shares and Warrant Shares) may be adversely affected by a variety of factors relating to the Company’s business, including fluctuations in the Company’s operating and financial results, the results of any public announcements made by the Company and the Company’s failure to meet analysts’ expectations. In addition, from time to time, the stock market experiences significant price and volume volatility that may affect the market price of the Common Shares for reasons unrelated to the Company’s performance. Additionally, the value of the Common Shares is subject to market value fluctuations based upon factors that influence the Company’s operations, such as legislative or regulatory developments, competition, technological changes, global capital market activity and changes in interest and currency rates. There can be no assurance that the market price of the Common Shares will not experience significant fluctuations in the future, including fluctuations that are unrelated to the Company’s performance. The market value of the Common Shares may also be affected by the Company’s financial results and political, economic, financial and other factors that can affect the capital markets generally, the stock exchanges on which the Common Shares are traded and the market segment of which the Company is a part.

Potential Need for Additional Financing

Despite the anticipated net proceeds from the Offering, the Company may require additional financing, including through the issue and sale of equity or debt securities to satisfy the operational and capital costs at its properties, if various events alone or in combination occur. The Company’s ability to meet its obligations and maintain operations is contingent upon successful completion of additional financing arrangements. There can be no assurance that the Company will be able to obtain necessary financing in a timely manner or on acceptable terms, if at all. The failure to obtain additional financing could have a material adverse effect on the business of the Company.

Potential Dilution

The Company’s articles of incorporation and by-laws allow it to issue an unlimited number of Common Shares for such consideration and on such terms and conditions as established by the board of directors of the Company, in many cases, without the approval of the Company’s shareholders. As part of this Offering, the Company could issue up to 10,465,000 Offered Units (which number includes the 1,365,000 Offered Units issuable if the Over-Allotment Option is exercised in full by the Underwriters). The Company may issue additional Common Shares in subsequent offerings (including through the sale of securities convertible into or exchangeable for Common Shares) and on the exercise of stock options or other securities exercisable for Common Shares. The Company cannot predict the size of future

issuances of Common Shares or the effect that future issuances and sales of Common Shares will have on the market price of the Common Shares. Issuances of a substantial number of additional Common Shares, or the perception that such issuances could occur, may adversely affect prevailing market prices for the Common Shares. With any additional issuance of Common Shares, investors will suffer dilution to their voting power and the Company may experience dilution in its earnings per Common Share.

Negative Operating Cash Flow

The Company reported negative cash flow from operations for the year ended March 31, 2022 and the interim period ended June 30, 2022. The Company may continue to report negative operating cash flow while it continues to develop its mineral properties. There is no assurance that additional deposits will be discovered or that existing or future deposits will be successfully monetized. To the extent the Company continues to have negative operating cash flows in future periods, it may be required to raise additional funds through the issuance of additional equity securities or through loan financing. There is no assurance that additional capital or other types of financing will be available if needed or that these financings will be on terms at least as favourable to the Company as those previously obtained, or at all.

The Company May Use the Proceeds of the Offering for Purposes Other Than Those Set Out in this Prospectus

The Company currently intends to allocate the net proceeds received from the Offering as described under the heading “Use of Proceeds” in this Prospectus. However, management will have discretion in the actual application of the proceeds, and may elect to allocate proceeds differently from that described under the heading “Use of Proceeds” if it believes that it would be in the best interests of the Company to do so if circumstances change. The failure by management to apply these funds effectively could have a material adverse effect on the business of the Company.

No Market for Warrants

There is currently no market through which the Warrants may be sold and purchasers may not be able to sell the Warrants purchased under this Prospectus. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants and the extent of issuer regulation. There can be no assurance that a secondary market for the Warrants will develop or be sustained after the Closing Date. Even if a market develops for the Warrants, there can be no assurance that it will be liquid. In the event the market price of the Common Shares does not exceed the exercise price of the Warrants during the period when the Warrants are exercisable, the Warrants may not have any value. Warrant holders will have no rights as shareholders of the Company until they exercise the Warrants in accordance with their terms. Upon exercise of the Warrants, holders of the Warrant Shares deliverable on the exercise of such Warrants will be entitled to exercise the rights of a shareholder in respect of such Warrant Shares only in respect of matters for which the record date occurs after the exercise date.

Loss of Entire Investment

There is no guarantee that an investment in the Offered Units, including the Unit Shares and Warrants comprised thereof, will earn any positive return in the short term or long term. An investment in such securities involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. An investment in the securities of the Company is appropriate only for investors who have the capacity to absorb a loss of their entire investment.

LEGAL MATTERS

Certain legal matters relating to the Offering will be passed upon by Bennett Jones LLP, on behalf of the Company, and by Cassels Brock & Blackwell LLP, on behalf of the Underwriters.

INTEREST OF EXPERTS

The following experts are named as having prepared or certified a report, valuation, statement or opinion in this Prospectus, either directly or in a document incorporated herein by reference, and whose profession or business gives

authority to the report, valuation, statement or opinion made by the expert: Bennett Jones LLP, Cassels Brock & Blackwell LLP, the Prior Auditor (as defined below), Garth Drever, P. Geo., Todd McCracken, P. Geo. and the persons identified as experts in the “*Interests of Experts*” section of the AIF (the “**Experts**”). As of the date hereof, to the knowledge of the Company, each of the persons identified as Experts (including, in case of partnerships, partners and associates, as a group) each beneficially owned, directly or indirectly, less than 1% of the outstanding Common Shares, other than (i) Garth Drever, who owns 3,988,664 Common Shares representing approximately 1.9% of the issued and outstanding Common Shares and (ii) partners and associates of Bennett Jones LLP, who own 2,422,870 Common Shares and 175,000 warrants of the Company, representing approximately 1.14% of the issued and outstanding Common Shares and 4.3% of the outstanding warrants of the Company.

S&W LLP, the Company’s prior auditor (the “**Prior Auditor**”), delivered an audit report in connection with its audit of the annual financial statements of the Company for the years ended March 31, 2021, which is incorporated by reference into this Prospectus (collectively, the “**Prior Auditor Report**”). Pursuant to Section 4.2(a)(vii) of NI 44-101, the Company is required to file a written consent of the Prior Auditor relating to the Prior Auditor Report with the filing of this Prospectus. The Company is unable to obtain a written consent from the Prior Auditor as it was dissolved on August 17, 2022. As a result, the Company has filed an alternative consent by Mr. Howard Wolle, a prior engagement partner of the Prior Auditor, on behalf of the Prior Auditor with respect to such disclosure. Pursuant to Regulation 14-1 of the Chartered Professional Accountants of Ontario (the “**CPAO Regulations**”), a dissolving audit firm is required to carry professional liability insurance for six years following dissolution. To the Company’s knowledge, the Prior Auditor currently maintains professional liability insurance in accordance with the CPAO Regulations and, accordingly, investors would have recourse against the Prior Auditor for liability arising out of any misrepresentation or omissions in the Prior Auditor Reports. The Company is not aware of the extent to which there may be assets available, if any, to satisfy any judgment against the Prior Auditor.

EXEMPTIONS FROM CERTAIN DISCLOSURE REQUIREMENTS

The staff of the Ontario Securities Commission (“**OSC**”) has notified the Company that it is currently of the view that Mr. Reginald Walker may be considered a promoter of the Company within the meaning of applicable securities laws in Canada, as Mr. Walker is Chairman and Director and owns over 10% of the Common Shares directly or indirectly.

Pursuant to Section 58(5) of the *Securities Act* (Ontario), the Director has consented to Mr. Walker not signing a Certificate of Promoter for this Prospectus. The Company has been advised by the OSC that the issuance of a receipt by the OSC for this Prospectus will evidence the granting of this consent. Neither the Company nor Mr. Walker agree or admit that Mr. Walker is a promoter of the Company.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditor of the Company is Grant Thornton LLP, Chartered Professional Accountants, located at 11th Floor, 200 King Street West, Box 11 Toronto, ON M5H 3T4. Grant Thornton LLP has confirmed to the Company that they are independent from the Company in accordance with the Chartered Professional Accountants of Ontario. Grant Thornton LLP was appointed auditor on April 12, 2022. The Prior Auditor was S&W LLP, Chartered Professional Accountants, formerly located at 91 Skyway Avenue, Suite 105, Toronto, ON M9W 6R5 (replaced April 12, 2022).

The transfer agent and registrar of the Company is Odyssey Trust Company, with principal offices located in Calgary, Alberta.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities

legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal advisor.

In an offering of Warrants, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in a prospectus is limited, in certain provincial securities legislation, to the price at which the Warrant is offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon conversion, exchange or exercise of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages or consult with a legal adviser.

CERTIFICATE OF THE COMPANY

Dated: November 7, 2022

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada, except Québec.

(signed) "*Trevor R. Walker*"

Trevor R. Walker
Chief Executive Officer

(signed) "*Tony Zheng*"

Tony Zheng
Chief Financial Officer

On behalf of the Board of Directors

(signed) "*Reginald F. Walker*"

Reginald F. Walker
Director

(signed) "*Greg Mills*"

Greg Mills
Director

CERTIFICATE OF THE UNDERWRITERS

Dated: November 7, 2022

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada, except Québec.

RBC DOMINION SECURITIES INC.

(signed) "*Hugh Samson*"

Hugh Samson
Director

GOLDMAN SACHS CANADA INC.

(signed) "*Jacqueline Nixon Gowdy*"

Jacqueline Nixon Gowdy
Managing Director

BMO NESBITT BURNS INC.

(signed) "*Rahim
Bapoo*"

Rahim Bapoo
Managing Director

CANACCORD GENUITY CORP.

(signed) "*Tom
Jakubowski*"

Tom Jakubowski
Managing Director

CORMARK SECURITIES INC.

(signed) "*Darren
Wallace*"

Darren Wallace
Managing Director

STIFEL NICOLAUS CANADA INC.

(signed) "*Michael
Barman*"

Michael Barman
Managing Director