

# Lithium South

## DEVELOPMENT CORPORATION

### MANAGEMENT INFORMATION CIRCULAR

as at July 23, 2024

This Management Information Circular (the “**Circular**”) is furnished in connection with the solicitation of proxies by the management of **Lithium South Development Corporation** (the “**Company**”) for use at the annual general meeting (the “**Meeting**”) of its shareholders to be held on **Friday, August 30, 2024** at the time and place and for the purposes set forth in the accompanying notice of the Meeting.

In this Circular, references to “the Company”, “we” and “our” refer to Lithium South Development Corporation “common shares” means common shares without par value in the capital of the Company. “Beneficial Shareholders” means shareholders who do not hold common shares in their own name and “intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

### GENERAL PROXY INFORMATION

#### Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees or consultants of the Company at nominal cost. The Company will bear all costs of this solicitation.

The individuals named in the accompanying form of proxy (the “**Proxy**”) are officers and/or directors of the Company. **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than either of the persons designated in the Proxy, who need not be a shareholder, to attend and act for you on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.**

The only methods by which you may appoint a person as proxy are submitting a Proxy by telephone, internet or mail.

#### Voting by Proxyholder

The persons named in the Proxy will vote or withhold from voting the common shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your common shares will be voted accordingly. The Proxy confers discretionary authority on persons named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors,
- (b) any amendment to or variation of any matter identified therein, and
- (c) any other matter that properly comes before the Meeting.

**In respect of a matter for which a choice is not specified in the Proxy, or where both choices have been specified, in favour or all matters described herein, the persons named in the Proxy will vote the common shares represented by the Proxy for the approval of such matter.**

## Notice and Access

The Company is not sending this Circular to registered or beneficial shareholders using “notice-and-access” as defined under National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“NI 54-101”).

## Registered Shareholders

**If you are a Registered Shareholder and wish to have your common shares voted at the Meeting, you will be required to submit your vote by Proxy in advance of the Meeting.** Registered Shareholders electing to submit a Proxy may do so by completing, dating and signing the Proxy and returning it to the Company’s transfer agent, Computershare Investor Services Inc. (“**Computershare**”), by telephone, internet or mail, in accordance with the instructions on the Proxy.

**In all cases you should ensure that the Proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the Proxy is to be used.**

Registered Shareholders electing to submit a Proxy may do so by:

- (a) **Internet.** Vote online at [www.investorvote.com](http://www.investorvote.com) using the Proxy control number found in the enclosed Proxy.
- (b) **Telephone.** Using a touch-tone phone to transmit voting choices to the toll-free number given in the Proxy. Registered Shareholders who choose this option must follow the instructions of the voice response system and refer to the enclosed Proxy for the toll-free number, the holder’s account number and the Proxy Control Number.
- (c) **Mail.** Completing, dating and signing the enclosed Proxy and returning it to Computershare, by fax within North America at 1-866-249-7775, or by mail or hand delivery at 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, Canada.

In all cases ensuring that the Proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the Proxy is to be used.

Should you wish to contact Computershare, please refer to the following:

### General Shareholder Inquiries:

By phone:	1-800-564-6253
By fax:	1-866-249-7775
By email:	<a href="mailto:service@computershare.com">service@computershare.com</a>
By regular mail:	Computershare Investor Services Inc. 100 University Avenue, 8 <sup>th</sup> Floor Toronto, Ontario, M5J 2Y1

## Non-Registered Shareholders (Beneficial Shareholders)

The following information is significant to shareholders who do not hold common shares in their own name. Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders (those whose names appear on the records of the Company as the registered holders of common shares).

These securityholder materials are being sent to both registered and non-registered owners of the securities of the Company. If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in your request for voting instructions.

If common shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those common shares will not be registered in the shareholder's name on the records of the Company. Such common shares will more likely be registered under the names of the shareholder's broker or an agent of that broker. In the United States, the vast majority of such common shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms).

There are two kinds of beneficial owners - those who object to their name being made known to the issuers of securities which they own (called "**OBOs**" for "**Objecting Beneficial Owners**") and those who do not object to the issuers of the securities they own knowing who they are (called "**NOBOs**" for "**Non-Objecting Beneficial Owners**").

Pursuant to NI 54-101 of the Canadian Securities Administrators, the Company is sending proxy-related materials directly to NOBOs, which materials will include a scannable Voting Instruction Form (a "**VIF**"). These VIFs are to be completed and returned to Computershare in the envelope provided or by facsimile. In addition, Computershare provides both telephone voting and internet voting as described on the VIF itself which contain complete instructions. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the common shares represented by the VIFs they receive.

Management of the Company does not intend to pay for intermediaries to forward to OBOs under NI 54-101 the proxy-related materials and Form 54-101F7 *Request for Voting Instructions Made by Intermediary*, and, in the case of an OBO, the OBO will not receive the materials unless the OBO's intermediary assumes the cost of delivery.

Every intermediary that mails proxy-related materials to Beneficial Shareholders has its own mailing procedures and provides its own return instructions to clients. Beneficial Shareholders should follow the instructions of their intermediary carefully to ensure that their common shares are voted at the Meeting.

Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in the United States and in Canada. Broadridge mails a voting instruction form (the "**Broadridge VIF**") which is similar to the Proxy provided to Registered Shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote on your behalf. The Broadridge VIF will appoint the same persons as the Company's Proxy to represent you at the Meeting. You have the right to appoint a person (who need not be a shareholder of the Company), other than the persons designated in the Broadridge VIF, to represent you at the Meeting. To exercise this right, you should insert the name of the desired representative in the blank space provided in the Broadridge VIF. The completed Broadridge VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of common shares to be represented at the Meeting. **If you receive a Broadridge VIF, you cannot use it to vote common shares directly at the Meeting – the Broadridge VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting to have the common shares voted.**

Although as a Beneficial Shareholder you may not be recognized directly at the Meeting for the purposes of voting common shares registered in the name of your broker, you, or a person designated by you, may attend at the Meeting as proxyholder for your broker and vote your common shares in that capacity. **If you wish to attend at the Meeting and indirectly vote your common shares as proxyholder for your broker, or have a person designated by you do so, you should enter your own name, or the name of the person you wish to designate, in the blank space on the voting instruction form provided to you and return the same to your broker in accordance with the instructions provided by such broker, well in advance of the Meeting.**

Alternatively, you can request in writing that your broker send you a legal Proxy which would enable you, or a person designated by you, to attend at the Meeting and vote your common shares.

#### **Notice to United States Shareholders**

The Company's common shares are not registered under Section 12 of the United States Securities Exchange Act of 1934, as amended (the "**U.S. Exchange Act**"), and this solicitation of proxies is not subject to the requirements of Section 14(a) of the U.S. Exchange Act. Residents of the United States should be aware that applicable Canadian

proxy solicitation rules differ from those of the United States applicable to proxy statements under the U.S. Exchange Act.

This document does not address any income tax consequences of the disposition of the Company's common shares by shareholders. Shareholders in a jurisdiction outside of Canada should be aware that the disposition of common shares by them may have tax consequences both in those jurisdictions and in Canada, and are urged to consult their tax advisors with respect to their particular circumstances and the tax considerations applicable to them.

Any information concerning any properties and operations of the Company has been prepared in accordance with Canadian standards under applicable Canadian securities laws, and may not be comparable to similar information for United States companies.

Financial statements included or incorporated by reference herein have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board, and are subject to auditing and auditor independence standards in Canada, and reconciled to accounting principles generally accepted in the United States.

### **Revocation of Proxies**

In addition to revocation in any other manner permitted by law, a Registered Shareholder who has given a Proxy may revoke it by executing a Proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the Registered Shareholder or the Registered Shareholder's authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the Proxy bearing a later date to Computershare or at the address of the registered office of the Company at Suite 400, 1681 Chestnut Street, Vancouver, British Columbia V6J 4M6, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law.

A revocation of a Proxy will not affect a matter on which a vote is taken before the revocation.

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

No director or executive officer of the Company, or any person who has held such a position since the beginning of the last completed financial year of the Company, nor any nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors, re-approval of the stock option plan and approval of the option re-pricing to certain insiders of the Company and as may be set out herein.

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

The board of directors (the "**Board**") of the Company has fixed **July 23, 2024** as the record date (the "**Record Date**") for determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who complete, sign and deliver a form of Proxy in the manner and subject to the provisions described above will be entitled to vote or to have their common shares voted at the Meeting.

The Company is authorized to issue an unlimited number of common shares without par value. As of the Record Date, there were **110,325,368** common shares issued and outstanding, each carrying the right to one vote. Other than as set out below, no group of shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the common shares.

To the knowledge of the directors and executive officers of the Company, as at the Record Date, no person or corporation beneficially owns, or controls or directs, directly or indirectly, voting securities of the Company carrying 10% or more of the voting rights attached to any class of outstanding voting securities of the Company.

## VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein. If there are more nominees for election as directors or appointment of the Company's auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled all such nominees will be declared elected or appointed by acclamation.

## SETTING NUMBER OF DIRECTORS

The persons named in the enclosed Proxy intend to vote in favour of fixing the number of directors at five (5). The Board proposes that the number of directors remain at five (5). Shareholders will therefore be asked to approve an ordinary resolution that the number of directors elected be fixed at five (5).

## ELECTION OF DIRECTORS

The term of office of each of the current directors will end at the conclusion of the Meeting. Unless the director's office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (British Columbia), each director elected will hold office until the conclusion of the next annual general meeting of the Company, or if no director is then elected, until a successor is elected.

The following table sets out the names of management's nominees for election as directors, all major offices and positions with the Company and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment (for the five preceding years for new director nominees), the period of time during which each has been a director of the Company and the number of common shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at the Record Date.

<b>Name of Nominee; Current Position with the Company, Province and Country of Residence</b>	<b>Occupation, Business or Employment<sup>(1)</sup></b>	<b>Period as a Director of the Company</b>	<b>Common Shares Beneficially Owned or Controlled<sup>(1)</sup></b>
<b>Adrian Hobkirk<sup>(2)</sup></b> Washington, USA <i>President, CEO and Director</i>	Business Executive; President and CEO of the Company.	October 20, 2004	571,199
<b>Christopher P. Cherry</b> British Columbia, Canada <i>CFO and Director</i>	Chartered Professional Accountant, Cherry Consulting Ltd.; self-employed management consultant providing management and accounting consulting services to public companies.	December 22, 2017	279,938 <sup>(3)</sup>
<b>Fernando Alcocer</b> Salta, Argentina <i>Director, VP Business Development and Director of Project Development</i>	Industrial engineer and self-employed management consultant and project manager focused on lithium process development.	March 3, 2017	85,104
<b>Alison Xiao Tian Dai<sup>(2)</sup></b> United Kingdom <i>Director</i>	General Manager and Director, Chengdu Chemphys Chemical Industry Co. Ltd.	December 22, 2017	Nil
<b>Gordon Neal<sup>(2)</sup></b> British Columbia, Canada <i>Director</i>	CEO of World Copper Ltd.	October 6, 2023	Nil

- (1) The information as to principal occupation, business or employment and common shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective nominees. Unless otherwise indicated, each nominee has held the same or a similar principal occupation with the organization indicated or a predecessor thereof for the last five years. The number of common shares beneficially

owned by the above nominees for directors, directly or indirectly, is based on information furnished by the nominees themselves.

- (2) Member of Audit Committee.
- (3) Of these 279,938 common shares, 125,771 common shares are held directly by Mr. Cherry and 154,167 common shares are held indirectly through Cherry Consulting Ltd., a company owned and operated by Mr. Cherry.

### **CORPORATE CEASE TRADE ORDERS OR BANKRUPTCIES**

Except as disclosed below, to the best of the Company's knowledge, as at the date of this Circular, and within the last 10 years before the date of this Circular, no proposed director (or any of their personal holding companies) of the Company was a director, CEO or CFO of any company (including the Company) that:

- (a) was subject to a cease trade or similar order ("CTO") or an order denying the relevant company access to any exemptions under securities legislation, for more than 30 consecutive days while that person was acting in the capacity as director, CEO or CFO; or
- (b) was the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under securities legislation in each case for a period of 30 consecutive days, that was issued after the person ceased to be a director, CEO or CFO in the company and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO.

No director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

- (a) is as at the date of this Circular or has been within 10 years before the date of this Circular, a director or executive officer of any company, including the Company, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager as trustee appointed to hold the assets of that individual.

None of the proposed directors (or any of their personal holding companies) has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or a regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

Mr. Cherry was a director and officer of 1040426 BC Ltd., 1040433 BC Ltd., 1040440 BC Ltd., 1040442 BC Ltd. and Genix Pharmaceutical Corp., companies that are reporting issuers in the provinces of British Columbia and Alberta. On December 2, 2016, the British Columbia Securities Commission (the "BCSC") issued CTOs against these companies, their directors, officers and insiders for failure to file financial statements and the related management's discussion and analysis for the year ended July 31, 2016 (collectively, the "Financial Materials"). The BCSC also issued deficiency notices to each of 1040440 BC Ltd. and Genix Pharmaceutical Corp. for failure to file first quarter Financial Materials for the period ended October 31, 2016. On May 23, 2017, the BCSC issued revocation orders for each of 1040426 BC Ltd., 1040433 BC Ltd. and 1040442 BC Ltd. (now Zenith Exploration Inc.) and the CTOs were lifted. On September 20, 2017, the BCSC issued a revocation order for 1040440 BC Ltd. and the CTO was lifted. On April 13, 2018, the BCSC issued a revocation order for Genix Pharmaceutical Corp. and the CTO was lifted.

Mr. Cherry was the CFO of Wellstar Energy Corp. (“**Wellstar**”). On March 24, 2017, the Court of Queen's Bench of Alberta granted an application of the Wellstar lenders, to appoint Grant Thornton Limited (the “**Receiver**”) as receiver and manager over the assets, undertakings and property of WellStar and its wholly owned subsidiary Nexxtep Resources Ltd (“**Nexxtep**”). The Receiver is charged with managing the day-to-day affairs of the Company and Nexxtep during the period of its appointment.

Mr. Cherry is the CFO and a director of ESG Global Impact Inc. (formerly Block One Capital Inc.) (“**ESG Global**”). On January 2, 2019, the BCSC issued a CTO against ESG Global and Mr. Cherry, as an insider of ESG Global, for failure to file Financial Materials for the year ended August 31, 2018. On January 31, 2019, the BCSC issued a revocation order for ESG Global and the CTO was lifted.

Mr. Cherry was the CFO of NetCents Technology Inc. (“**NetCents**”). On March 1, 2019, at the request of management of NetCents, the BCSC issued a CTO against the insiders of NetCents for failure to file Financial Materials for the year ended October 31, 2018. On March 29, 2019, the BCSC issued a revocation order for NetCents and the CTO was lifted. Also, On March 1, 2020, the BCSC issued a CTO against NetCents and its insiders for failure to file Financial Materials for the year ended October 31, 2019. On June 17, 2020, the BCSC issued a revocation order for NetCents and the MCTO was lifted. Mr. Cherry resigned as CFO of NetCents on May 5, 2021.

On June 9, 2020, at the request of management, the Company submitted an application to the BCSC for a management cease trade order (the “**MCTO**”) for the postponement of filing its Financial Materials for the year ended December 31, 2019 and Financial Materials for the quarter ended March 31, 2020. On July 16, 2020, the BCSC issued a revocation order for the Company and its insiders and the MCTO was lifted.

Mr. Cherry was the CFO of WPD Pharmaceuticals Inc. (“**WPD**”). On June 16, 2020, the BCSC issued a CTO against WPD and its insiders for failure to file the Financial Materials for the year ended December 31, 2019. On July 31, 2020, the BCSC issued a revocation order and the CTO was lifted.

Mr. Cherry and Mr. Hobkirk are directors of Gold Port Corporation (“**Gold Port**”). On July 22, 2020, the BCSC issued a CTO against Gold Port and its insiders for failure to file Financial Materials for the year ended December 31, 2019. On September 3, 2020, the BCSC issued a revocation order for Gold Port and the CTO was lifted. Also on May 4, 2022, the BCSC issued a deficiency notice to Gold Port for failure to file Financial Materials for the year ended December 31, 2021. On June 10, 2022, the BCSC issued a revocation order and the CTO was lifted.

Mr. Cherry was the CFO and a director of Energy Plug Technologies Corp. (formerly, VPN Technologies Inc.) (“**Energy Plug**”). On November 5, 2020, the BCSC and Ontario Securities Commission (the “**OSC**”) issued a CTO against Energy Plug and its insiders for failure to file Financial Materials for the year ended June 30, 2020. On December 31, 2020, the BCSC issued a revocation order and the CTO was lifted. Also on November 4, 2021, the BCSC issued a CTO against Energy Plug and its insiders for failure to file Financial Materials for the year ended June 30, 2021. On June 15, 2022, the BCSC and OSC issued a revocation order and the CTO was lifted. On June 16, 2022, the CSE reinstated the common shares of Energy Plug for trading.

Mr. Cherry was the CFO of AuQ Gold Mining Inc. On June 29, 2021, the BCSC issued a CTO against the company and its insiders for failure to file the Financial Materials for the year ended February 28, 2021. On August 17, 2021, the BCSC issued a revocation order and the CTO was lifted.

Mr. Cherry was the former CFO of Blackwell Intelligence Inc. (“**Blackwell**”). On May 9, 2022, the BCSC issued a CTO against Blackwell and its insider for failure to file the Financial Materials for the year ended December 31, 2021. On July 28, 2022, the BCSC issued a revocation order and the CTO was lifted.

Mr. Cherry and Mr. Alcocer are directors of Eon Lithium Corp. (“Eon”). On May 3, 2022, at the request of management, Eon submitted an application to the BCSC for an MCTO for the postponement of filing its Financial Materials for the year ended December 31, 2021. On May 30, 2022, the BCSC issued a revocation order and the MCTO was lifted.

### **APPOINTMENT OF AUDITOR**

Davidson & Company LLP, Chartered Professional Accountants (“Davidson & Company”), of 1200 - 609 Granville Street, Vancouver, British Columbia, V7Y 1G6, will be nominated at the Meeting for re-appointment as auditor of the Company at a remuneration to be fixed by the Board. Davidson & Company were appointed the auditor of the Company on December 11, 2012.

### **AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR**

National Instrument 52-110 *Audit Committees* (“NI 52-110”) requires the Company, as a venture issuer, to disclose annually in its Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth in the following:

#### **The Audit Committee’s Charter**

The Audit Committee has a charter. The copy of the Audit Charter is attached to the Company’s management information circular dated May 7, 2021 and was filed on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) on April 16, 2021 and is specifically incorporated by reference into, and forms an integral part of, this Circular.

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

The current members of the Audit Committee are Gordon Neal (Chair), Adrian Hobkirk and Alison Xiao Tian Dai. All members of the Audit Committee are considered to be financially literate. Mr. Neal and Ms. Dai are not executive officers of the Company and, therefore, are independent members of the Audit Committee. Mr. Hobkirk is an executive officer of the Company and is not considered to be an independent member of the Audit Committee.

A member of the Audit Committee is independent if the member has no direct or indirect material relationship with the Company. A material relationship means a relationship which could, in the view of the Company’s Board, reasonably interfere with the exercise of a member’s independent judgement.

A member of the Audit Committee is considered financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company.

#### **Relevant Education and Experience**

The following describes the education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as an Audit Committee member:

**Gordon Neal** obtained his Bachelor of Science from Dalhousie University in 1978. He is currently the CEO of World Copper Ltd. Since December 2021, he has served as the CEO and a director of Tincorp Metals Inc. where he oversees the company’s exploration and development programs, capital markets, environmental and social responsibility, corporate development, and team building. Mr. Neal is focused on asset growth, strengthening corporate foundations and value accretion. Prior to his appointment at Tincorp Metals Inc., Mr. Neal served as the President of New Pacific Metals Corp. from 2017-2021, as the Vice President of Corporate Development of Silvercorp Metals Inc. from 2016 to 2017 and as Vice President of Corporate Development of MAG Silver Corp. from 2004 to 2013.

Mr. Neal has also been elected as the President of the Dalhousie University Student Union, the Dalhousie Board of Governors, and the Dalhousie Senate and the chair of Viola Desmond Chair in Social Justice for Cape Breton University.

**Adrian Hobkirk** has 32 years of experience in the mining and venture capital industry, beginning with Norgold Resources in 1990, which was ultimately purchased by BEMA Gold. Mr. Hobkirk has been involved in Guyana for over twenty years and founded the company to develop the Groete Gold Copper Deposit in 2006. He has worked in many countries including Canada, Mongolia, Venezuela, Guyana, Chile, Colombia, the United States and Mexico. He has been involved in mineral exploration and technology ventures, and has extensive public company experience. He is the founder and project developer of Lithium South. He holds a BA in Economics from Simon Fraser University and is the largest single individual shareholder of the Company.

**Alison Xiao Tian Dai** has 13 years of experience in the lithium industry and is the General Manager and a director for Chengdu Chemphys Chemical Industry Co., Ltd. In her role at Chemphys, Ms. Dai has been involved in developing strategic partnerships, international markets and procurement. Prior to joining Chemphys, Ms. Dai was an investment banking analyst at J.P. Morgan Australia in the mining and metals team. Ms. Dai holds a double degree in Bachelor of Laws and Bachelor of Commerce from the University of Western Australia.

Each member of the Company’s present and proposed Audit Committee has adequate education and experience that is relevant to their performance as an Audit Committee member and, in particular, the requisite education and experience that have provided the member with:

- (a) an understanding of the accounting principles used by the Company to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company’s financial statements or experience actively supervising individuals engaged in such activities; and
- (c) an understanding of internal controls and procedures for financial reporting.

### **Audit Committee Oversight**

The Audit Committee has not made any recommendations to the Board to nominate or compensate any external auditor, other than Davidson & Company.

### **Reliance on Certain Exemptions**

The Company is relying upon the exemptions in section 6.1 of NI 52-110 in respect of Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*) under NI 52-110 for the financial year ended December 31, 2023.

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

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

### **External Auditor Service Fees**

The Audit Committee has reviewed the nature and amount of the non-audited services provided by Davidson & Company to the Company to ensure auditor independence. The following table outlines the fees incurred with Davidson & Company, who were appointed auditors of the Company on December 11, 2012 for audit and non-audit services in the last two fiscal years:

<u>Nature of Services</u>	<u>Fees Paid to Auditor in Year Ended December 31, 2023</u>	<u>Fees Paid to Auditor in Year Ended December 31, 2022</u>
Audit Fees <sup>(1)</sup>	\$75,000	\$75,000
Audit-Related Fees <sup>(2)</sup>	Nil	Nil
Tax Fees <sup>(3)</sup>	Nil	\$14,000
All Other Fees <sup>(4)</sup>	<u>Nil</u>	<u>Nil</u>
<b>Total:</b>	<b><u>\$75,000</u></b>	<b><u>\$89,000</u></b>

(1) “Audit Fees” include fees necessary to perform the annual audit and quarterly reviews of the Company’s consolidated

financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

- (2) “Audit-Related Fees” include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) “Tax Fees” include fees for all tax services other than those included in “Audit Fees” and “Audit-Related Fees”. This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) “All Other Fees” include all other non-audit services.

## **CORPORATE GOVERNANCE**

### **General**

Effective June 30, 2005, National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) and National Policy 58-201 *Corporate Governance Guidelines* (“**NP 58-201**”) were adopted in each of the provinces and territories of Canada. NI 58-101 requires issuers to disclose the corporate governance practices that they have adopted. NP 58-201 provides guidance on corporate governance practices.

The Board believes that good corporate governance improves corporate performance and benefits all shareholders. The Canadian Securities Administrators have adopted NI 58-201, which provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, the Canadian Securities Administrators have implemented NI 58-101, which prescribes certain disclosure by the Company of its corporate governance practices. This section sets out the Company’s approach to corporate governance and addresses the Company’s compliance with NI 58-101.

### **Board of Directors**

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A “material relationship” is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director’s independent judgment.

Management has been delegated the responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Company’s business in the ordinary course, managing cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board facilitates its independent supervision over management by reviewing and approving long-term strategic, business and capital plans, material contracts and business transactions, and all debt and equity financing transactions. Through its Audit Committee, the Board examines the effectiveness of the Company’s internal control processes and management information systems. The plenary Board reviews executive compensation and recommends stock option grants.

The independent members of the Board are Gordon Neal, Alison Xiao Tian Dai and Yi Hua Dai. Following the Meeting, Mr. Dai will cease to be a member of the Board and the independent members of the Board will be Gordon Neal and Alixon Xiao Dai.

The non-independent members of the Board are Adrian Hobkirk, the President and CEO of the Company, Christopher P. Cherry, the CFO of the Company and Fernando Alcocer, the VP, Business Development and Director of Project Development of the Company.

### **Other Directorships**

The following directors of the Company are directors of other reporting issuers:

#### **Adrian Hobkirk**

Mr. Hobkirk is a director of Gold Port Corporation and Critical Reagent Processing Corp.

### **Gordon Neal**

Mr. Neal is a director of Altina Capital Corp., Tincorp Metals Inc. and Wealth Minerals Ltd.

### **Fernando Erik Villarroel Alcocer**

Mr. Alcocer is a director of Eon Lithium Corp.

### **Christopher P. Cherry**

Mr. Cherry is a director of AI Artificial Intelligence Ventures Inc., American Biofuels Inc., Anquiro Ventures Ltd., CloudMD Software & Services Inc. (formerly Premier Health Group Inc.), Critical Reagent Processing Corp., Doubleview Gold Corp., Eon Lithium Corp., Gold Port Corporation, Harvest Gold Corporation, Infinity Stone Ventures Corp. (Formerly Kontakt World Technologies Corp.), Lynx Global Digital Finance Corporation, Medbright AI Investments Inc. (formerly Vinergy Capital Inc.) and Treatment.com International Inc.

### **Orientation and Continuing Education**

When new directors are appointed, they receive orientation, commensurate with their previous experience, on the Company's properties, business, technology and industry and on the responsibilities of directors.

Board meetings may also include presentations by the Company's management and employees to give the directors additional insight into the Company's business.

### **Ethical Business Conduct**

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

### **Nomination of Directors**

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

The Board does not have a nominating committee and these functions are currently performed by the Board as a whole. However, if there is a change in the number of directors required by the Company, this policy will be reviewed.

### **Compensation**

The Board determines compensation for the directors and CEO.

### **Other Board Committees**

The Board has no other committees other than the Audit Committee.

### **Assessments**

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and committees.

## COMPENSATION OF EXECUTIVE OFFICERS

### Executive Compensation

In this section “Named Executive Officer” (“NEO”) means the CEO, the CFO and each of the three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers at the end of the most recently completed financial year and whose total compensation was more than \$150,000 as well as any additional individuals for whom disclosure would have been provided except that the individual was not serving as an executive officer of the Company at the end of the most recently completed financial year.

During the financial years ended December 31, 2023 and 2022, the Company had three NEOs; Adrian Hobkirk, the President and CEO of the Company, Christopher P. Cherry, CFO of the Company and Fernando Alcocer, the VP, Business Development and Director, Project Development of the Company.

### Compensation Discussion and Analysis

The board of directors (the “Board”) of the Company has not appointed a compensation committee so the responsibilities relating to executive and director compensation, including reviewing and recommending director compensation, overseeing the Company’s base compensation structure and equity-based compensation programs, recommending compensation of the Company’s officers and employees, and evaluating the performance of officers generally and in light of annual goals and objectives, is performed by the Board as a whole.

The Board also assumes responsibility for reviewing and monitoring the long-range compensation strategy for the senior management of the Company. In determining and approving the base salary for each NEO, the Board takes into consideration available market data. A specific benchmark is not targeted, and a formal peer group has not yet been established by the Board.

The compensation for executives includes four components: (i) base consulting fees, (ii) bonus (if applicable), (iii) stock options (“Options”) and (iv) perquisites. As a package, the compensation components are intended to satisfy the objectives of the compensation program (that is, to attract, retain and motivate qualified executives). There are no predefined or standard termination payments, change of control arrangements or employment contracts.

### Philosophy and Objectives

The Company’s compensation policies and programs are designed to be competitive with similar mining exploration companies and to recognize and reward executive performance consistent with the success of the Company’s business. The compensation program for the senior management of the Company is designed to ensure that the level and form of compensation achieves certain objectives, including (i) attracting and retaining talented, qualified and effective executives, (ii) motivating the short and long-term performance of these executives; and (iii) better aligning their interests with those of the Company’s shareholders.

In compensating its senior management, the Company has encouraged equity participation and in furtherance thereof employs its stock option plan (the “Option Plan”).

### Equity Participation

The Company believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation has been accomplished through the Company’s Option Plan. Options are granted to executives and employees take into account a number of factors, including the amount and term of Options previously granted, base consulting fees and bonuses and competitive factors. The amounts and terms of Options granted are determined by the Board.

Given the evolving nature of the Company’s business, the Board continues to review the overall compensation plan for senior management to continue to address the objectives identified above.

### Summary Compensation Table

Name and Principal Positions	Year <sup>(1)</sup>	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Adrian Hobkirk <sup>(2)</sup> President and CEO	2023	498,849	N/A	N/A	N/A	N/A	N/A	Nil	498,849
	2022	362,566	N/A	196,675	N/A	N/A	N/A	Nil	559,241
	2021	331,820	N/A	508,969	N/A	N/A	N/A	Nil	840,789
Christopher P. Cherry <sup>(3)</sup> CFO	2023	315,000	N/A	N/A	N/A	N/A	N/A	Nil	315,000
	2022	225,000	N/A	196,675	N/A	N/A	N/A	Nil	421,675
	2021	270,000	N/A	326,262	N/A	N/A	N/A	Nil	596,262
Fernando Alcocer <sup>(4)</sup> VP, Business Development and Director, Project Development	2023	242,946	N/A	N/A	N/A	N/A	N/A	Nil	242,946
	2022	202,118	N/A	196,675	N/A	N/A	N/A	Nil	398,793
	2021	240,454	N/A	326,409	N/A	N/A	N/A	Nil	566,863

(1) For the financial years ended December 31.

(2) Mr. Hobkirk has served as President and CEO of the Company since October 20, 2014.

(3) Mr. Cherry has served as CFO of the Company since November 26, 2014.

(4) Mr. Alcocer was appointed as the VP, Business Development, on November 9, 2018 and Director of Project Development on April 12, 2021.

### Option-Based Awards

On September 13, 2022, the Board adopted its new Option Plan, being a 10% rolling plan, which incorporated amendments required pursuant to TSX Venture Exchange (the “Exchange”) Policy 4.4 *Security Based Compensation* which became effective November 24, 2021 (formerly, Policy 4.4 *Incentive Stock Options*). The shareholders of the Company approved the Option Plan on October 31, 2022, and the Exchange approved the Option Plan on November 4, 2022.

All Option grants require approval of the Board. The Option Plan is administered by the Board and provides that Options will be issued to directors, officers, employees or consultants of the Company or a subsidiary of the Company.

### Incentive Plan Awards

Pursuant to the Option Plan, the Company may grant up to 10% of the issued and outstanding common shares of the Company.

The following table sets out all Option-based awards outstanding as at the year-ended December 31, 2023 for each NEO. There were no share-based awards granted to any of the NEOs:

Option-based Awards				
Name and Principal Positions	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-Money Options (\$) <sup>(1)</sup>
Adrian Hobkirk President and CEO	120,000	0.20	February 10, 2025	13,800
	100,000	0.305	April 9, 2025	1,000
Christopher P. Cherry CFO	150,000	0.20	February 10, 2025	17,250
	100,000	0.305	April 9, 2025	1,000
Fernando Alcocer VP, Business Development and Director, Project Development	150,000	0.20	February 10, 2025	17,250
	350,000	0.80	March 24, 2026	Nil

(1) This amount is based on the difference between the market value of the securities underlying the Options on December 29, 2023, which was \$0.315, being the last trading day of the Company’s common shares for the financial year and the exercise price of any outstanding Options.

### Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets out the value vested during the financial year-ended December 31, 2023 for Options awarded under the Option Plan for the NEO, as well as the value earned under non-equity incentive plans for the same period.

Name	Option-based awards- Value vested during the year (\$)	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation Value earned during the year (\$)
<b>Adrian Hobkirk</b> President and CEO	Nil	Nil	Nil
<b>Christopher P. Cherry</b> CFO	Nil	Nil	Nil
<b>Fernando Alcocer</b> VP, Business Development and Director, Project Development	Nil	Nil	Nil

### Termination and Change of Control Benefits

Except as disclosed below, neither the Company nor any subsidiary thereof has a contract, agreement, plan or arrangement that provides for payments to a NEO or director of the Company at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control (“**Change of Control**”) of the Company, or a change in responsibilities of the NEO following a change of control.

On January 1, 2023, the Company entered into consulting agreements with Adrian Hobkirk (the “**Hobkirk Agreement**”), Christopher P. Cherry (the “**Cherry Agreement**”), Alison Xiao Tian Dai (the “**Alison Agreement**”), Fernando Alcocer (the “**Alcocer Agreement**”), Gordon Neal (the “**Neal Agreement**”) and Yi Hua Dai (the “**Yi Agreement**”).

Pursuant to the Hobkirk Agreement, Mr. Hobkirk has agreed to provide certain services in his capacity as a director and officer of the Company, in exchange for remuneration of US\$22,000 per month, plus applicable taxes. In addition, Mr. Hobkirk is eligible to receive an annual cash bonus of up to US\$105,600 payable on or before November 15 of each calendar year.

If the Hobkirk Agreement is terminated by the Company, Mr. Hobkirk is entitled to (i) a lump sum payment representing twelve (12) times the monthly fees, (ii) twelve (12) months of bonus entitlements, including 40% of twelve (12) times the monthly fees, (iii) all monthly fees accrued but unpaid as at the termination date, (iv) all expenses incurred prior to the termination date, and (v) the right to exercise all vested Options and warrants outstanding as at the date of termination. In the event of a Change of Control, Mr. Hobkirk is entitled to a lump sum payment representing twelve (12) times his monthly fees and all unvested Options shall immediately vest, plus the aforementioned compensation payable in the event of termination by the Company.

Pursuant to the Cherry Agreement, Mr. Cherry has agreed to provide certain services in his capacity as a director and officer of the Company, in exchange for remuneration of CAD\$18,750 per month, plus applicable taxes. In addition, Mr. Cherry is eligible to receive an annual cash bonus of up to CAD\$90,000 payable on or before November 15 of each calendar year.

If the Cherry Agreement is terminated by the Company, Mr. Cherry is entitled to (i) a lump sum payment representing twelve (12) times the monthly fees, (ii) twelve (12) months of bonus entitlements, including 40% of twelve (12) times the monthly fees, (iii) all monthly fees accrued but unpaid as at the termination date, (iv) all expenses incurred prior to the termination date, and (v) the right to exercise all vested Options and warrants outstanding as at the date of termination. In the event of a Change of Control, Mr. Cherry is entitled to a lump sum payment representing twelve (12) times his monthly fees and all unvested Options shall immediately vest, plus the aforementioned compensation payable in the event of termination by the Company. Pursuant to the Alcocer Agreement, Mr. Alcocer has agreed to provide certain services in his capacity as a director of the Company, in exchange for remuneration of US\$12,500 per month, plus applicable taxes. In addition, Mr. Alcocer is eligible to receive an annual cash bonus of up to US\$30,000 payable on or before November 15 of each calendar year.

If the Alcocer Agreement is terminated by the Company, Mr. Alcocer is entitled to (i) a lump sum payment representing twelve (12) times the monthly fees, (ii) twelve (12) months of bonus entitlements, including 40% of twelve (12) times the monthly fees, (iii) all monthly fees accrued but unpaid as at the termination date, (iv) all expenses incurred prior to the termination date, and (v) the right to exercise all vested Options and warrants outstanding as at the date of termination. In the event of a Change of Control, Mr. Alcocer is entitled to a lump sum payment representing twelve (12) times his monthly fees and all unvested Options shall immediately vest, plus the aforementioned compensation payable in the event of termination by the Company.

Pursuant to the Alison Agreement, Ms. Dai has agreed to provide certain services in her capacity as a director of the Company, in exchange for remuneration of £2,500 per month, plus applicable taxes.

If the Alison Agreement is terminated by the Company, Ms. Dai is entitled to (i) a lump sum payment representing twelve (12) times the monthly fees, (ii) all monthly fees accrued but unpaid as at the termination date, (iii) all expenses incurred prior to the termination date, and (iv) the right to exercise all vested Options and warrants outstanding as at the date of termination. In the event of a Change of Control, Ms. Dai is entitled to a lump sum payment representing twelve (12) times her monthly fees and all unvested Options shall immediately vest, plus the aforementioned compensation payable in the event of termination by the Company.

Pursuant to the Yi Agreement, Mr. Dai has agreed to provide certain services in his capacity as a director of the Company, in exchange for remuneration of US\$2,500 per month, plus applicable taxes.

If the Yi Agreement is terminated by the Company, Mr. Dai is entitled to (i) a lump sum payment representing twelve (12) times the monthly fees, (ii) all monthly fees accrued but unpaid as at the termination date, (iii) all expenses incurred prior to the termination date, and (iv) the right to exercise all vested Options and warrants outstanding as at the date of termination. In the event of a Change of Control, Mr. Dai is entitled to a lump sum payment representing twelve (12) times his monthly fees and all unvested Options shall immediately vest, plus the aforementioned compensation payable in the event of termination by the Company.

Pursuant to the Neal Agreement, Mr. Neal has agreed to provide certain services in his capacity as a director of the Company, in exchange for remuneration of CAD\$2,500 per month, plus applicable taxes.

If the Neal Agreement is terminated by the Company, Mr. Neal is entitled to (i) a lump sum payment representing twelve (12) times the monthly fees, (ii) all monthly fees accrued but unpaid as at the termination date, (iii) all expenses incurred prior to the termination date, and (iv) the right to exercise all vested Options and warrants outstanding as at the date of termination. In the event of a Change of Control, Mr. Neal is entitled to a lump sum payment representing twelve (12) times his monthly fees and all unvested Options shall immediately vest, plus the aforementioned compensation payable in the event of termination by the Company.

### Director Compensation

During the most recently completed financial year-ended December 31, 2023, the directors who were not NEOs received the following compensation for services provided to the Company:

Name	Fees earned (\$)	Share-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Alison Xiao Tian Dai <sup>(1)</sup>	51,027	N/A	N/A	N/A	N/A	51,027
Yi Hua Dai <sup>(2)</sup>	40,491	N/A	N/A	N/A	N/A	40,491
Gordon Neal <sup>(3)</sup>	7,500	87,443	N/A	N/A	N/A	94,943

(1) Ms. Dai was appointed a director of the Company on December 22, 2017.

(2) Mr. Dai was appointed a director of the Company on June 30, 2021.

(3) Mr. Neal was appointed a director of the Company on October 6, 2023.

### Outstanding Option-Based Awards

The following table sets forth for each director, other than those who are also NEOs of the Company, all awards outstanding at the end of the most recently completed financial year-ended December 31, 2023, including awards granted before the most recently completed financial year.

Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>
Alison Xiao Tian Dai	50,000	0.20	February 10, 2025	5,750
	100,000	0.305	April 9, 2025	1,000
	600,000	0.70	February 4, 2026	Nil
Yi Hua Dai	250,000	0.68	October 26, 2026	Nil
Gordon Neal	100,000	0.70	February 4, 2026	Nil
	100,000	0.80	March 24, 2026	Nil
	100,000	0.75	January 28, 2027	Nil
	400,000	0.325	November 21, 2028	Nil

(1) This amount is based on the difference between the market value of the securities underlying the Options on December 29, 2023, which was \$0.315, being the last trading day of the Company's common shares for the financial year and the exercise price of any outstanding Options.

### Narrative Discussion

The Company has no arrangements, standard or otherwise, pursuant to which directors were compensated by the Company for their services as directors, for committee participation, for involvement in special assignments during the most recently completed financial year.

The purpose of granting such Options is to assist the Company in compensating, attracting, retaining and motivating the directors, officers, employees and consultants and to closely align the personal interests of such persons to that of the shareholders.

### Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth, for each director, other than those who are also NEOs of the Company, the value of all incentive plan awards vested during the financial year-ended December 31, 2023:

Name	Option-based awards - Value vested during the year (\$)	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation Value earned during the year (\$)
Alison Xiao Tian Dai	Nil	Nil	Nil
Yi Hua Dai	Nil	Nil	Nil
Gordon Neal	87,443	Nil	Nil

### Securities Authorized for Issuance under Equity Compensation Plans

The following table sets out equity compensation plan information as at the financial year ended December 31, 2023:

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights (\$)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by securityholders	9,690,000	0.61	6,954
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
<b>Total:</b>	<b>9,690,000</b>		<b>6,954</b>

### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No individual who is or who at any time during the last financial year was a director or executive officer or employee of the Company, a proposed nominee for election as a director of the Company or an associate of any such director, officer or proposed nominee is, or at any time since the beginning of the last completed financial year has been, indebted to the Company or any of its subsidiaries and no indebtedness of any such individual to another entity is, or has at any time since the beginning of such year been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

### INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed herein, since the commencement of the Company's last completed financial year, no informed person of the Company, nominee for election as a director of the Company, or any associate or affiliate of an informed person or nominee, has or had any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or will materially affect the Company or any of its subsidiaries.

### MANAGEMENT CONTRACTS

Except as set out herein, there are no management functions of the Company which are to any substantial degree performed by a person or company other than the directors or senior officers of the Company.

### PARTICULARS OF MATTERS TO BE ACTED UPON

#### Re-Approve Stock Option Plan

Exchange policy requires all of its listed companies to have a stock option plan if a company intends to grant Options. The Board adopted its Option Plan on September 13, 2022 to include terms pursuant to the Policy, which came into effect on November 24, 2021. A summary of the material terms of the Option Plan were disclosed in the Company's Circular dated September 26, 2022, which was filed on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) on October 4, 2022.

The Policy requires (i) all of its listed companies to have a security based compensation plan if a company intends to grant Options; (ii) shareholder approval is required by ordinary resolution in respect of the implementation or amendment of a security based compensation plan, and annually no later than 15 months from the date shareholder approval was last obtained for the security based compensation plan, otherwise, the issuer will be unable to grant any further security based compensation under the security based compensation plan until shareholder approval is obtained; and (iii) the security based compensation plan must be submitted for Exchange review and approval on an annual basis.

The Option Plan is a rolling plan, and a maximum of 10% of the issued and outstanding common shares of the Company at the time an Option is granted, less common shares reserved for issuance on exercise of Options then

outstanding under the Plan, are reserved for Options to be granted at the discretion of the Board to eligible optionees. As at the date of this Circular, there were nil Options outstanding.

### Shareholder Approval and Exchange Acceptance

The Option Plan is subject to the acceptance by the shareholders of the Company and by the Exchange on an annual basis. At the Meeting, shareholders will be asked to consider and vote on the ordinary resolution to approve the Option Plan, with or without variation, as follows:

**“UPON MOTION DULY MADE, IT WAS RESOLVED AS AN ORDINARY RESOLUTION THAT:**

1. The Company’s 10% rolling stock option plan (the “**Option Plan**”) approved by the Company’s board of directors on September 13, 2022, as more particularly described in the management information circular of the Company dated July 23, 2024, be ratified and approved.
2. To the extent permitted by law, the Company be authorized to abandon all or any part of the Option Plan if the board of directors deems it appropriate and in the best interests of the Company to do so.
3. Any one or more of the directors and officers of the Company be authorized to perform all such acts, deeds and things and execute, under seal of the Company or otherwise, all such documents as may be required to give effect to these resolutions.”

**The Board recommends that shareholders vote in favour of the Option Plan. Unless such authority is withheld, the persons named in the enclosed Proxy intend to vote FOR the approval of the foregoing ordinary resolution.**

An ordinary resolution is a resolution passed by the shareholders of the Company at a general meeting by a simple majority of the votes cast in person or by proxy.

### Approval of Repricing of Previously Granted Stock Options

The Company wishes to re-price a total of 6,145,000 Options, of which 2,825,000 Options are held by Insiders of the Company, representing 5.57% and 2.56%, respectively, of the current outstanding common shares. In accordance with the terms of the Option Plan and the policies of the Exchange, the repricing of the 2,825,000 Options held by Insiders is subject to Disinterested Shareholder Approval (as defined below).

In accordance with the amendment provisions of the Option Plan, shareholder approval is not required for the repricing of 3,320,000 Options that are held by non-insiders. On July 24, 2024, the Board approved the Option repricing to \$0.25, and on July 26, 2024, the Company announced the Option re-pricing at \$0.25, being above the current market price of the Company’s common shares.

The Options proposed to be re-priced were granted on the dates and at the prices set forth below:

<b>Options Granted to Consultants of the Company</b>			
<b>Grant Date</b>	<b>Number of Options</b>	<b>Original Exercise Price</b>	<b>Expiry Date</b>
April 9, 2020	75,000	\$0.305	April 9, 2025
February 4, 2021	270,000	\$0.70	February 4, 2026
March 24, 2021	325,000	\$0.80	March 24, 2026
October 26, 2021	200,000	\$0.68	October 26, 2026
January 28, 2022	550,000	\$0.75	January 28, 2027
September 6, 2022	900,000	\$0.455	September 6, 2027
August 4, 2023	1,000,000	\$0.465	August 4, 2028
	<b>3,320,000</b>		

Options Granted to Insiders of the Company					
Name of Insider	Relationship to Company	Grant Date	Number of Options	Original Exercise Price	Expiry Date
Adrian Hobkirk	Director/Officer	April 9, 2020	100,000	\$0.305	April 9, 2025
Christopher P. Cherry	Director/Officer	April 9, 2020	100,000	\$0.305	April 9, 2025
Alison Xiao Tian Dai	Director	April 9, 2020	100,000	\$0.305	April 9, 2025
1065068 BC Ltd. (Jan Urata)	Officer	April 9, 2020	75,000	\$0.305	April 9, 2025
Gordon Neal	Director	February 4, 2021	100,000	\$0.70	February 4, 2026
Allison Xiao Tian Dai	Director	February 4, 2021	600,000	\$0.70	February 4, 2026
1065068 BC Ltd. (Jan Urata)	Officer	February 4, 2021	50,000	\$0.70	February 4, 2026
Fernando Alcoceer	Director	March 24, 2021	350,000	\$0.80	March 24, 2026
William Feyerabend	Director	March 24, 2021	150,000	\$0.80	March 24, 2026
Gordon Neal	Director	March 24, 2021	100,000	\$0.80	March 24, 2026
1065068 BC Ltd. (Jan Urata)	Officer	March 24, 2021	75,000	\$0.80	March 24, 2026
Yi Hua Dai	Director	October 26, 2021	250,000	\$0.68	October 26, 2026
1065068 BC Ltd. (Jan Urata)	Officer	January 28, 2022	100,000	\$0.75	January 28, 2027
Gordon Neal	Director	January 28, 2022	100,000	\$0.75	January 28, 2027
1065068 BC Ltd. (Jan Urata)	Officer	September 29, 2022	125,000	\$0.49	September 29, 2027
Gordon Neal	Director	November 21, 2023	400,000	\$0.325	November 21, 2028
McNallie Money	Investor Relations	November 21, 2023	50,000	\$0.325	November 21, 2028
<b>Subtotal:</b>			<b>2,825,000</b>		
<b>TOTAL:</b>			<b>6,145,000</b>		

It is proposed that, subject to Exchange approval, all of the foregoing Options be repriced to \$0.25, being above the closing market price on the date the Company announced the Option amendments. The re-pricing of these Options is intended to align the exercise price of the Options with the current market pricing of the common shares of the Company. The expiry dates of the Options will remain unchanged.

In accordance with the terms of the Option Plan and the Exchange policies, the re-pricing of Options granted to Insiders of the Company is subject to Disinterested Shareholder Approval (as defined below). Based on the present shareholdings of the directors and senior officers of the Company, a total of up to 936,241 common shares will be excluded from voting on the resolution.

*Disinterested Shareholder Approval and the Acceptance by the Exchange*

The re-pricing of the Options is subject to Disinterested Shareholder Approval (as defined below) and acceptance by the Exchange. At the Meeting, the disinterested shareholders of the Company will be asked to pass the following ordinary resolution in regard to the repricing of Options held by Insiders of the Company:

**“UPON MOTION DULY MADE, IT WAS RESOLVED AS AN ORDINARY RESOLUTION OF DISINTERESTED SHAREHOLDERS THAT** subject to TSX Venture Exchange approval, the Company be and is hereby authorized to reprice a total of 2,825,000 previously granted stock options held by insiders of the Company at exercise prices between \$0.305 to \$0.80 to an exercise price of \$0.25, being above the closing market price on the date the Company announced the Option amendments, and the directors and officers of the Company be authorized and directed to perform such acts and deeds and things and execute all such documents, agreements and other writings as may be required to give effect to the true intent of this resolution.”

**The Board recommends that disinterested shareholders vote in favour of the re-pricing of Options held by insiders. In the absence of any contrary directions, it is the intention of management to vote proxies in the accompanying form in favour of the foregoing ordinary resolution.**

“**Disinterested Shareholder Approval**” means the approval by a majority of the votes cast by all shareholders of the Company at the Meeting excluding votes attached to listed common shares beneficially owned by Insiders (defined below) of the Company and Associates (as defined in the Securities Act) of Insiders.

An “**Insider**” is a director, or senior officer of the Company, a director or senior officer of a company that is an Insider or Subsidiary of the Company, or a person that beneficially owns or controls, directly or indirectly, voting common shares carrying more than 10% of the voting rights attached to all outstanding voting common shares of the Company.

#### **ADDITIONAL INFORMATION**

Additional information concerning the Company can be found on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on the Company’s website at <https://www.lithiumsouth.com/>.

Financial information relating to the Company is provided in the Company’s audited financial statements and the management discussion and analysis (“**MD&A**”) (together, the “**Financial Materials**”) for the financial years ended December 31, 2023 and 2022. Shareholders may download the Financial Materials from SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)) or contact the Company directly to request copies of the Financial Materials or additional financial information at Suite 400 – 1681 Chestnut Street, Vancouver, BC, V6J 4M6; telephone to 604.737.2303, or fax to 604.737.1140.

#### **OTHER MATTERS**

The Board is not aware of any other matters which they anticipate will come before the Meeting as of the date of mailing of this Circular.