LITHIUM SOUTH DEVELOPMENT CORPORATION

CEO'S LETTER TO SECURITYHOLDERS
NOTICE OF MEETING
MANAGEMENT INFORMATION CIRCULAR

FOR THE

ANNUAL GENERAL AND SPECIAL MEETING OF SECURITYHOLDERS OF LITHIUM SOUTH DEVELOPMENT CORPORATION

TO BE HELD ON

THURSDAY, FEBRUARY 19, 2026
9:00 A.M. (PACIFIC TIME)
SUITE 400 – 1681 CHESTNUT STREET
VANCOUVER, BRITISH COLUMBIA, V6J 4M6, CANADA

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LITHIUM SOUTH DEVELOPMENT CORPORATION
CEO'S LETTER TO THE SECURITYHOLDERS

January 16, 2026

The Board of Directors (the "**Board**") of Lithium South Development Corporation (the "**Company**") cordially invites the holders (the "**Shareholders**") of common shares (the "**Shares**") of the Company, the holders ("**Optionholders**") of incentive stock options of the Company (the "**Options**") and the holders (the "**Warrantholders**" and together with the Shareholders and the Optionholders, the "**Securityholders**") of common share purchase warrants of the Company (the "**Warrants**") to attend the annual general and special meeting (the "**Meeting**") of Securityholders to be held at the offices of the Company at Suite 400 – 1681 Chestnut Street, Vancouver, British Columbia, V6J 4M6 on Thursday, February 19, 2026, at 9:00 am (Pacific Time).

Sale of Subsidiary

At the Meeting, Shareholders will be asked to consider and vote on a special resolution (the "**Disposition Resolution**") approving the arm's length sale by the Company of all of the issued and outstanding shares of NRG Metals Argentina S.A. (the "**Subsidiary**"), a wholly-owned subsidiary of the Company, to POSCO (as defined below) for total consideration of USD$65,000,000, payable in cash. At Closing POSCO shall deliver to the Company the Closing Date Amount (as defined in the Circular) minus the Withholding Tax Amount (as defined in the Circular).

As announced in the Company's news releases dated July 30, 2025, August 7, 2025, September 22, 2025, November 12, 2025, November 20, 2025 and December 8, 2025, the Company has signed a Share Purchase Agreement dated December 5, 2025 (the "**Share Purchase Agreement**") with POSCO Argentina S.A.U., a sole shareholder corporation organized and existing under the laws of Argentina, and Posco Holdings Inc., a company registered in Argentina (together, "**POSCO**"), both arm's length parties to the Company, pursuant to which the Company wishes to sell and POSCO wishes to purchase 100% of the issued and outstanding shares (the "**Subsidiary Shares**") of the Subsidiary, which holds 100% ownership of the Company's HMN Project (as defined below), for a purchase price (the "**Purchase Price**") comprised of USD$65,000,000, payable in cash (the "**Sale of Subsidiary**"). At Closing POSCO shall deliver to the Company the Closing Date Amount minus the Withholding Tax Amount.

The Subsidiary owns 100% of the Hombre Muerto North Lithium Project (the "**HMN Project**") located in the Salta and Catamarca Provinces, Argentina, in the heart of the lithium triangle. The HMN Project is adjacent to a U.S. billion-dollar lithium development by POSCO, now in lithium production. The HMN Project is comprised of the Sophia I, II and III claims and the recently-acquired Hydra X and XI claims located in the Salta and Catamarca Provinces, Argentina. The HMN Project is comprised of the following concessions: a) Mina Tramo, expediente 18.993; b) Mina Natalia Maria, expediente 18.830; c) Mina Gaston Enrique, expediente 18.824; d) Mina Norma Edit, expediente 18.829, e) Mina Alba Sabrina, expediente 18.823, f) Mina Viamonte, expediente 13.408; and g) Servidumbre para Mina Viamonte, expediente 13.849; all registered at the Juzgado de Minas y Comercial de Registro (Provincial Mining Court) in the Province of Salta. The HMN Project covers 3,286.65 hectares.

The Closing Date Amount will be paid by POSCO to the Company on the Closing Date (as defined in the Circular) of the Sale of Subsidiary to POSCO, subject to satisfaction of customary closing conditions, including but not limited to the Company receiving approval of the Disposition Resolution from the Shareholders (other than a Dissenting Shareholder) (as defined in the Circular) at the Meeting and conditional acceptance from the TSX Venture Exchange ("**TSXV**").

Given that the Sale of Subsidiary to POSCO may constitute a sale of all or substantially all of the undertaking of the Company, at the Meeting, to be passed, the Disposition Resolution must be approved by at least 66⅔% of the votes cast by the Shareholders (other than Dissenting Shareholders) either present in person or represented by proxy at the Meeting.

Dissent Rights are available to Registered Shareholders with respect to the Sale of Subsidiary. See *The Sale of Subsidiary – Dissent Rights with Respect to the Sale of Subsidiary* in this Circular. The Sale of Subsidiary is also subject to acceptance by the TSXV. See *The Sale of Subsidiary – Regulatory Approvals and Shareholder Approvals* in this Circular.

Reasons for the Sale of Subsidiary

The Board and management have undertaken a rigorous, multi-year review of strategic alternatives with the objective of maximizing shareholder value. This process included evaluating a range of potential transactions, including mergers, acquisitions, joint ventures, strategic partnerships, and financing options, in addition to continued stand-alone development of the HMN Project. Each alternative was assessed in light of the Company's competitive position, growth prospects, the prevailing conditions in the lithium market and actionability of the various alternatives.

Since acquiring the HMN Project in 2017, the Company has advanced the asset through exploration and development despite significant market fluctuations. While lithium prices surged to record highs in 2022, the subsequent decline created a challenging environment for securing development capital on terms that would not result in substantial Shareholder dilution. The HMN Project is currently at the Preliminary Economic Assessment (PEA) stage, and advancing it to a full Feasibility Study and construction-ready status would require substantial additional capital; an option the Board determined would entail considerable execution risk and significant Shareholder dilution to attract capital given prevailing market conditions.

Recognizing these challenges, management actively pursued strategic partnerships and joint ventures with credible industry participants. Over the course of this process, the Company executed 27 non-disclosure agreements with potential counterparties, including major automotive manufacturers and leading mining companies. Despite these efforts, no actionable alternative transaction materialized that could deliver comparable value to Shareholders as the Sale of Subsidiary to POSCO.

In early 2024, the Company successfully negotiated a cooperative development agreement with POSCO for certain overlapping claim blocks, establishing a constructive and professional relationship with one of the world's leading lithium producers.

Building on this relationship, discussions evolved throughout 2025 into a broader strategic dialogue regarding the HMN Project. Initially, POSCO expressed interest in a joint development arrangement; however, after extensive negotiations and counterproposals, the parties agreed to shift focus to a full acquisition of the HMN Project. Following this process, POSCO presented a final offer of the Purchase Price, which represented a significant premium to the Company's market capitalization at the time.

At a Board meeting held on December 4, 2025, after careful consideration of all available alternatives, including continued project development and further financing, the Board unanimously concluded that the negotiated transaction with POSCO represents the most attractive and certain path to maximize Shareholder value. The Sale of Subsidiary provides immediate liquidity and value certainty at an attractive valuation, avoids the risks and dilution associated with further development financing, and reflects the culmination of a thorough, multi-year strategic review process.

The Board has unanimously approved the Sale of Subsidiary and unanimously recommends that the Shareholders vote *FOR* the Disposition Resolution. The full text of the Disposition Resolution is attached to the Circular as Appendix A.

The Going Private Arrangement

In planning for completion of the Sale of Subsidiary, the Board was searching for an efficient and expedient mechanism to distribute the Net Proceeds (as defined in the Circular) of the Sale of Subsidiary, being all of the assets of the Company, to the Shareholders.

Following the completion of the Sale of Subsidiary, the Company will also no longer meet the TSXV continuous listing requirements as it will have sold the Subsidiary. Upon review of the various alternatives available to the Company to distribute the Net Proceeds of the Sale of Subsidiary to its Shareholders and after consultation with its financial and legal advisors, the Board unanimously determined to complete a going private transaction by way of a plan of arrangement (the "**Going Private Arrangement**" and collectively with the Sale of Subsidiary, the "**Transactions**").

Under the terms of the Going Private Arrangement, the Company will repurchase all of its issued and outstanding Shares and:

- each Dissenting Shareholder will be deemed to transfer their Dissent Shares to the Company for cancellation in accordance with the Dissent Rights;

- each Shareholder (other than a Dissenting Shareholder) will receive the Cash Consideration (as defined in the Circular) of a minimum of $0.505, in exchange for each Share held on the date the Going Private Arrangement is completed ("**Effective Time**");

- each holder of an In-the-Money Option outstanding immediately prior to the Effective Time will receive in exchange therefor a cash payment from the Company equal to the amount by which the Cash Consideration exceeds the per share exercise price of such In-the-Money Option (the "**Option Consideration**");

- each holder of an In-the-Money Warrant outstanding immediately prior to the Effective Time will receive in exchange therefor a cash payment from the Company equal to the amount by which the cash Consideration exceeds the per share exercise price of such In-the-Money Warrant (the "**Warrant Consideration**");

- all Options and Warrants other than In-the-Money Options and In-the-Money Warrants will be cancelled; and

- Adrian Hobkirk, the Company's current President, CEO and a director, will subscribe for one (1) Share to ensure that the Company has at least one Shareholder after closing of the Transactions to effect the post closing matters of the Transactions and deal with the Company's ongoing obligations for a minimum period of 12 months at which time the Company may then be wound up.

Following the completion of the Going Private Arrangement, the Company will then immediately voluntarily apply to delist from the TSXV and apply to cease to be a reporting issuer in the Provinces of British Columbia, Alberta and Ontario. See *The Going Private Arrangement* in this Circular. Delisting the Company from the TSXV is subject to approval of the TSXV.

At the Meeting, if the Sale of Subsidiary is approved by the Shareholders, then, the Securityholders will be asked to consider and vote on a special resolution (the "**Arrangement Resolution**") approving the Going Private Arrangement. To pass at the Meeting, the Going Private Arrangement must be approved by: (i) $66^{2/3}\%$ of the votes cast on the Arrangement Resolution by the Shareholders (other than Dissenting Shareholders) present in person or represented by proxy and entitled to vote at the Meeting; and (ii) 66⅔% of the votes cast on the Arrangement Resolution by Securityholders present in person or represented by proxy and entitled to vote at the Meeting, voting as a single class.

Dissent Rights are available to Registered Shareholders with respect to the Going Private Arrangement. See *The Going Private Arrangement – Dissent Rights with Respect to the Going Private Arrangement* in this Circular. The Going Private Arrangement is also subject to approval by the Court (as defined in the Circular) which, will consider, among other things, the fairness of the Going Private Arrangement to the Securityholders, and approval of the TSXV.

The Board has unanimously approved the terms of the Going Private Arrangement and unanimously recommends that the Securityholders vote *FOR* the Arrangement Resolution. The full text of the Arrangement Resolution is attached to the Circular as Appendix B.

Subject to obtaining the required approvals of the Securityholders, the Court and the TSXV, it is likely that the Transactions will be completed on or about March 16, 2026.

Procedure for Receipt of Cash Consideration

Shareholders

If you are a Registered Shareholder (other than a Dissenting Shareholder), in order to receive the Cash Consideration, you must complete, date, sign and return the enclosed letter of transmittal (the "**Letter of Transmittal**"), in accordance with the instructions and procedural information set out therein and in the Circular, together with your share certificate(s) or direct registration system statement(s) (a "**DRS Statement**") representing your Shares to Computershare Investor Services Inc. (the "**Depositary**") at the address specified in the Letter of Transmittal. You

are not required to send your share certificate(s) or DRS Statement(s) representing Shares to validly cast your vote in respect of the Disposition Resolution or the Arrangement Resolution.

Where Shares are evidenced only by a DRS Statement, there is no requirement to first obtain a share certificate for those Shares. Only a properly completed and duly executed and dated Letter of Transmittal, accompanied by the applicable DRS Statement(s), is required to be delivered to the Depositary in order to surrender those Shares under the Going Private Arrangement. **Do not send your Letter of Transmittal and share certificate(s)/DRS Statement(s) to the Company.**

Registered Shareholders must submit their Letter of Transmittal, together with their share certificate(s) or DRS Statement(s) to the Depositary prior to the second (2nd) anniversary of the Effective Date. Any share certificate or DRS Statement which immediately prior to the Effective Time represented outstanding Shares that were exchanged pursuant to the Plan of Arrangement that is not deposited with all other instruments required by the Plan of Arrangement, and any payment made by the Depositary pursuant to the Plan of Arrangement that has not been deposited or has been returned to the Depositary or that otherwise remains unclaimed, in each case, on or prior to the second (2nd) anniversary of the Effective Date, shall cease to represent a claim or interest of any kind or nature as a Securityholder of the Company. On such date, the consideration to which the former holder of the share certificate or DRS Statement referred to in the preceding sentence was ultimately entitled under the Plan of Arrangement shall be deemed to have been surrendered for no consideration to the Company. The Company nor the Depositary shall be liable to any person in respect of any amount delivered to a public official pursuant to any applicable abandoned property, escheat or similar law.

If the Arrangement Resolution is not approved or if the Going Private Arrangement is not otherwise completed, your share certificate(s) and/or DRS Statement(s) and any other documentation associated with the ownership of your Shares will be returned promptly by the Depositary. For additional information on how the Depositary will send the Cash Consideration, please refer to the details under *The Going Private Arrangement – Procedure for Receipt of Cash Consideration* in the Circular and the Letter of Transmittal.

Assuming completion of the Going Private Arrangement, non-registered Shareholders whose Shares are registered in the name of a broker, custodian, investment dealer or other intermediary, are not required to take any action and the Cash Consideration you are entitled to receive will be delivered to your intermediary through procedures in place for such purposes between CDS & Co. (in Canada), Cede & Co. (in the U.S.) or similar entities and such intermediaries. Non-registered Shareholders should contact their intermediary with any questions regarding this process.

On or as soon as practicable after the Effective Date, the Depositary shall pay or cause to be paid, on behalf of the Company, to each holder of In-the-Money Options or In-the-Money Warrants, as reflected on the applicable register maintained by or on behalf of the Company in respect thereof (in each case less any withholding taxes), the consideration to which such Securityholder has the right to receive under this Plan of Arrangement for their In-the-Money Options or In-the-Money Warrants, as applicable, by cheque or similar means.

Holders of In-the-Money Options and In-the-Money Warrants

On or as soon as practicable after the Effective Date, the Depositary will pay or cause to be paid, on behalf of the Company, to each In-the-Money Optionholder and In-the-Money Warrantholder, as reflected on the applicable register maintained by or on behalf of the Company in respect thereof (in each case less any amounts withheld pursuant to the Plan of Arrangement, if any) the consideration to which such Securityholder has the right to receive under the Plan of Arrangement for their In-the-Money Options or In-the-Money Warrants, as applicable, by cheque or similar means.

How to Vote Your Securities

Your vote is important regardless of the number of Securities you own. Even if you plan to attend the Meeting in person, we encourage Registered Shareholders, Optionholders and Warrantholders to take the time now to follow the instructions on the enclosed form of proxy so that your Securities can be voted at the Meeting in accordance with your instructions. We encourage you to use the internet or telephone voting options to ensure your vote is received prior to the voting deadline. Alternatively, you can complete, sign, date and return the enclosed form of proxy by mail. If you hold your Securities through a broker, trustee, financial institution or other intermediary, you are a non-registered Shareholder and you will receive instructions from such intermediary, or Broadridge Financial Solutions, Inc. on the

intermediary's behalf, on how to vote your Securities. We encourage non-registered Shareholders to carefully follow such instructions so that your Securities can be voted at the Meeting.

For greater clarity, the Shareholders, as at the close of business on the Record Date (as defined in the Circular), are entitled to one vote for each Share held and will be voting on all resolutions presented at the Meeting. The Optionholders and Warrantholders, as at the close of business on the Record Date, are entitled to one vote for each Option and/or Warrant held along with the Shareholders, as a class, and will be voting on the Arrangement Resolution only.

Voting Methods	 **Internet**	 **Telephone**
Registered Shareholders, Optionholders and **Warrantholders** *Shares held in own name and represented by a physical share certificate or DRS Statement*	Vote online at www.investorvote.com Enter 15-digit control number	Telephone: 1-866-732-VOTE (8683) Toll Free in the US and Canada
Non-Registered Shareholders (also referred to as **Beneficial Shareholder** in the Circular) *Shares held with a broker, bank or other intermediary*	Vote online at www.proxyvote.com Enter 16-digit control number	Call the number(s) listed on your voting instruction form

Shareholder Questions

If you have any questions or need more information, including completing and submitting the Letter of Transmittal and share certificate(s) or DRS Statement(s), please contact Computershare Investor Services Inc., who is acting as the Depositary under the Going Private Arrangement, at their General Shareholder Inquiries line at 1-800-564-6253 (toll free in North America) or international at 514.982.7555 (outside North America) or by email at service@computershare.com.

On behalf of the Board, I would like to thank all of our Securityholders for their ongoing support as we prepare to take part in this important event in the Company's history.

LITHIUM SOUTH DEVELOPMENT CORPORATION

"Adrian Hobkirk"

Adrian Hobkirk,
President and CEO

LITHIUM SOUTH DEVELOPMENT CORPORATION
(the "**Company**")

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SECURITYHOLDERS

TO: The holders (the "**Shareholders**") of common shares ("**Shares**") of the Company

AND TO: The holders ("**Optionholders**") of incentive stock options ("**Options**") and holders ("**Warrantholders**") of common share purchase warrants ("**Warrants**") (the Shareholders, Optionholders and Warrantholders, collectively referred to as the "**Securityholders**")

NOTICE IS HEREBY GIVEN that the annual general and special meeting (the "**Meeting**") of the Securityholders will be held at the offices of the Company at Suite 400 – 1681 Chestnut Street, Vancouver, British Columbia, V6J 4M6 on Thursday, February 19, 2026, at 9:00 am (Pacific Time), for the following purposes:

1. To consider and, if thought fit, pass with or without variation, a special resolution (the "**Disposition Resolution**") the full text of which is attached as **Appendix A** to the accompanying management information circular (the "**Circular**"), to approve an arm's length sale by the Company of all of the issued and outstanding shares of its wholly-owned subsidiary, NRG Metals Argentina S.A., which holds a 100% ownership interest in the Company's Hombre Muerto North Lithium property located in the Salta and Catamarca Provinces, Argentina, which transaction will constitute a sale of all or substantially all of the Company's undertaking (the "**Sale of Subsidiary**");

2. If the Disposition Resolution is approved at the Meeting, to consider and, if thought fit, pass with or without variation, a special resolution (the "**Arrangement Resolution**"), the full text of which is attached as **Appendix B** to the Circular, to approve an arrangement (the "**Going Private Arrangement"**) under Section 288 of the *Business Corporations Act* (British Columbia) (the "**BCBCA**"), which involves the repurchase by the Company of all of its issued and outstanding securities, as more particularly described in the accompanying Circular;

3. To receive the audited financial statements of the Company for the financial year ended December 31, 2024, the auditor's report thereon and the management's discussion and analysis for the financial year ended December 31, 2024;

4. To fix the number of directors for the ensuing year at five (5) or alternatively, if the Disposition Resolution is approved at the Meeting, to fix the number of directors at three (3);

5. If the Disposition Resolution is approved at the Meeting, to elect three (3) directors of the Company for the ensuing year, as more particularly described in the accompanying Circular;

6. If the Disposition Resolution is not approved at the Meeting, to elect five (5) directors of the Company for the ensuing year, as more particularly described in the accompanying Circular;

7. To re-appoint Davidson & Company LLP, Chartered Professional Accountants, as auditors of the Company for the ensuing year and to authorize the board of directors to fix the auditor's remuneration;

8. To re-approve by ordinary resolution the 10% rolling stock option plan of the Company, as more particularly described in the accompanying Circular; and

9. To transact such further or other business as may properly come before the Meeting or any adjournments thereof.

For greater clarity, the Shareholders, as at the close of business on the Record Date (as defined below), are entitled to one vote for each Share held and will be voting on all resolutions presented at the Meeting. The Optionholders and Warrantholders, as at the close of business on the Record Date, are entitled to one vote for each Option and/or Warrant held along with the Shareholders, as a single class, and will be voting on the Arrangement Resolution only.

The directors of the Company have fixed the close of business on Monday, January 5, 2026 as the record date (the "**Record Date**") for the determination of Securityholders entitled to receive this Notice of Meeting and to vote at the Meeting.

The Going Private Arrangement requires approval by the Supreme Court of British Columbia (the "**Court**"). Prior to the mailing of the Circular, the Company filed a Petition to the Court and obtained an interim order providing for the calling and holding of the Meeting and other procedural matters (the "**Interim Order**"). Subject to the approval of the Going Private Arrangement by Securityholders at the Meeting in the manner required by the Interim Order, a Court hearing for the final order in respect of the Going Private Arrangement (the "**Final Order**") is currently scheduled to take place on or about Wednesday, February 25, 2026 or as soon thereafter as counsel may be heard. The Notice of Hearing of Petition applying for the Final Order is attached to the Circular as **Appendix E**.

Accompanying this Notice of Meeting is the Circular, forms of Proxy for the Shares, Options and Warrants, Letter of Transmittal and a Financial Statement Request Card. The Circular provides information relating to the matters to be addressed at the Meeting and is incorporated into this Notice of Meeting. Please advise the Company if there has been any change to your mailing address.

Registered Shareholders, Optionholders and Warrantholders: Every registered holder of Shares ("**Registered Shareholder**") as at the close of business on the Record Date, is entitled to receive notice of and to attend and vote such Shares at the Meeting. Every Optionholder and every Warrantholder, as at the close of business on the Record Date, is also entitled to receive notice of and to vote his or her Options and/or Warrants along with the Registered Shareholders, as a single class, at the Meeting only on the Arrangement Resolution. Registered Shareholders, Optionholders and Warrantholders who are unable to attend the Meeting in person and who wish to ensure that their Shares, Options or Warrants, as the case may be, will be voted at the Meeting are requested to complete, sign and deliver the applicable enclosed form of proxy c/o Proxy Dept., Computershare Investor Services Inc., 320 Bay Street, 14th Floor, Toronto, Ontario M5H 4A6. In order to be valid and acted upon at the Meeting, the completed proxies must be returned to the aforesaid address not later than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for the holding of the Meeting or any adjournments thereof. Further instructions with respect to the voting by proxy are provided in the form of proxy and in the Circular.

Non-Registered Shareholders: Shareholders may beneficially own Shares that are registered in the name of a broker, another intermediary or an agent of that broker or intermediary (the "**Non-Registered Shareholders**"). Without specific instructions, intermediaries are prohibited from voting shares for their clients. **If you are a Non-Registered Shareholder, it is vital that the voting instruction form provided to you by your broker, intermediary or its agent is returned according to their instructions, sufficiently in advance of the deadline specified by the broker, intermediary or agent, to ensure that they are able to provided voting instructions on your behalf.**

Only Registered Shareholders are entitled to exercise dissent rights in respect of the Sale of Subsidiary and the Going Private Arrangement. Such Registered Shareholders wishing to exercise rights of dissent should do so in respect of the Sale of Subsidiary and the Going Private Arrangement in accordance with the dissent provisions of the *Business Corporations Act* (British Columbia), as summarized under, and modified as described under each of *Particulars of Other Matters to be Acted Upon - The Sale of Subsidiary – Dissent Rights with Respect to the Sale of Subsidiary* in the Circular, and *Particulars of Other Matters to be Acted Upon - The Going Private Arrangement – Dissent Rights with Respect to the Going Private Arrangement* in the Circular.

DATED at Vancouver, British Columbia, this 16th day of January, 2026.

LITHIUM SOUTH DEVELOPMENT CORPORATION

"Adrian Hobkirk"

Adrian Hobkirk,
President and CEO

PRELIMINARY MATTERS

CAPITALIZED TERMS USED HEREIN ARE DEFINED IN THE "GLOSSARY OF TERMS" OR ELSEWHERE IN THE INFORMATION CIRCULAR.

All information in this Circular is provided as of the Record Date unless otherwise specified.

Forward-Looking Information

This Circular contains certain statements or disclosures that may constitute forward-looking information under applicable Canadian securities laws (collectively, "**forward-looking statements**"). These forward-looking statements relate to future events or future performance, and are based on expectations, estimates and projections as at the date of this Circular. All statements and disclosures, other than those of historical fact, which address activities, events, outcomes, results or developments that management of the Company anticipates or expects may or will occur in the future (in whole or in part) should be considered forward-looking statements. In some cases, forward-looking information can be identified by terms such as "forecast", "future", "may", ''will'', "expect", "anticipate", "believe", "potential", "enable", "plan", "continue", "contemplate", "pro forma" or other comparable terminology.

In particular, forward-looking statements or disclosures in this Circular, may, among other things, be with respect to: the structure, steps, timing and effects of the Share Purchase Agreement, the Transactions and the completion of the same; the anticipated benefits and shareholder value resulting from the Share Purchase Agreement, and the Transactions; the nature of the Company's operations following the Effective Date; movements in currency exchange rates; anticipated income taxes; the Company's business outlook; plans and objectives of management for future operations; forecast business results; and anticipated financial performance.

Various assumptions or factors are applied in drawing conclusions or making the forecasts or projections set out in forward-looking information. Those assumptions and factors are based on information currently available to the Company. In some instances, material assumptions and factors are presented or discussed elsewhere in this Circular in connection with the statements or disclosure containing the forward-looking information. You are cautioned that the following list of material factors and assumptions is not exhaustive. The factors and assumptions include, but are not limited to: the approval of the Share Purchase Agreement and the sale of the Subsidiary Shares; the receipt of all Regulatory Approvals to complete the Transactions; no unforeseen changes in the legislative and operating framework for the business of the Company as applicable; no significant adverse changes in economic conditions that influence the demand for lithium or other precious or base metals; no significant adverse changes in commodity prices; a stable competitive environment; and no significant event occurring outside the ordinary course of business such as a natural disaster or other calamity.

The forward-looking information in statements or disclosures in this Circular is based (in whole or in part) upon factors which may cause actual results, performance or achievements of the Company, to differ materially from those contemplated (whether expressly or by implication) in the forward-looking information. Those factors are based on information currently available to the Company. Actual results or outcomes may differ materially from those predicted by such statements or disclosures. While the Company does not know what impact any of those differences may have, its business, results of operations, financial condition and credit stability may be materially adversely affected. Factors that could cause actual results or outcomes to differ materially from the results expressed or implied by forward-looking information include, among other things, the failure to complete the Share Purchase Agreement and the sale of the Subsidiary Shares; the failure to realize the anticipated benefits of the Share Purchase Agreement and the sale of the Subsidiary Shares; the risks that the Transactions will not receive all requisite Securityholder and TSXV approvals; the failure of POSCO or another potential purchaser to raise sufficient capital to pay for the Subsidiary Shares; the failure of POSCO to identify an economically viable mineral deposit on the HMN Property as a result of such failure abandoning the Sale of Subsidiary; the failure of POSCO to obtain required exploration or mining authorization permits for the further exploration and development of the HMN Property; and the risks associated with fluctuations in commodity prices in the mining sector; the risks associated with legislative and regulatory developments that may affect costs, revenues, the speed and degree of competition entering the market, global capital markets activity and general economic conditions in geographic areas where the Company operates and where POSCO will operate.

The forward-looking statements contained in this analysis are expressly qualified by this cautionary statement. Subject to the Company's obligations under applicable securities laws, the Company is not under any duty to update any of the forward-looking statements after the date of this Circular to conform such statements to actual results or to changes in the Company's expectations.

Because of the risks, uncertainties and assumptions contained herein, investors should not place undue reliance on forward-looking statements or disclosures. The foregoing statements expressly qualify any forward-looking information contained herein.

The Company cautions you that factors which could cause actual results, performance or achievements of the Company to differ materially from those contemplated (whether expressly or by implication) in the forward-looking statements or other forward-looking information are disclosed in the Company's publicly filed disclosure documents, including those disclosed under *Risk Factors* below.

Technical Information

All of the disclosure of a scientific or technical nature in this Circular regarding the HMN Project has been reviewed, approved by Dr. Mark King, Ph.D. F.G.C., P.Geo., a "qualified person" within the meaning of NI 43-101. Dr. King is a consultant for the Company and the Subsidiary.

GLOSSARY OF TERMS

The following is a glossary of general terms and abbreviations used in this circular:

"**affiliate**" has the meaning ascribed thereto in NI 45-106;

"**Arrangement Resolution**" means the special resolution of the Securityholders approving the Going Private Arrangement, which is to be considered at the Meeting, substantially in the form and content of **Appendix B** to this Circular;

"**BCBCA**" means the *Business Corporations Act* (British Columbia), S.B.C. 2002, c. 57, as may be amended or replaced from time to time, including all regulations thereunder;

"**Beneficial Shareholder**" means a person who holds Shares through an Intermediary or who does not hold Shares in the person's name;

"**Board**" means the board of directors of the Company;

"**Business Day**" means a day that is not a Saturday, Sunday, statutory holiday or any other day on which commercial banking institutions in Vancouver, British Columbia are required by applicable law to be closed;

"**Cash Consideration**" means the consideration to be received in cash by the Shareholders pursuant to the Plan of Arrangement in exchange for their Shares, being the Net Proceeds (defined below) divided by the total number of Shares as of the Effective Date after subtracting the aggregate Option Consideration and aggregate Warrant Consideration for the In-the-Money Options and In-the-Money Warrants, respectively, which Cash Consideration shall not be less than CAD$0.505 per Share;

"**Circular**" means this management information circular, including the Notice of Meeting and all appendices attached hereto and all documents incorporated by reference herein, and all amendments hereof and supplements hereto;

"**Closing Cash**" has the meaning ascribed thereto under *Sale of Subsidiary – Share Purchase Agreement – Purchase Price Adjustment;*

"**Closing Date**" means the date upon which all of the conditions to the completion of the Share Purchase Agreement as set out in Article 2 of the Share Purchase Agreement have been satisfied or waived in accordance with the provisions of Article 2 of the Share Purchase Agreement or such later date as the Company may determine in its sole discretion, and all documents agreed to be delivered thereunder have been delivered;

"**Closing Date Amount**" means the Purchase Price plus Estimated Working Capital plus Estimated Cash minus Estimated Indebtedness minus the Escrow Amount;

"**Closing Indebtedness**" has the meaning ascribed thereto under *Sale of Subsidiary – Share Purchase Agreement – Purchase Price Adjustment;*

"**Closing Time**" means the closing of the Share Purchase Agreement shall be deemed to be effective as of 11:59 p.m., Buenos Aires, Argentina time on the Closing Date;

"**Closing Working Capital**" has the meaning ascribed thereto under *Sale of Subsidiary – Share Purchase Agreement – Purchase Price Adjustment;*

"**Company**" means Lithium South Development Corporation, a company existing under the laws of the Province of British Columbia, and listed for trading on the TSXV;

"**Computershare**" and "**Depositary**" means Computershare Investor Services Inc.;

"**Court**" means the Supreme Court of British Columbia;

"**CRA**" means the Canada Revenue Agency;

"**Disposition Resolution**" means the special resolution of the Shareholders approving the Sale of Subsidiary to be considered by the Shareholders at the Meeting, the full text of which is attached to this Circular as **Appendix A**;

"**Dissent Rights**" means the rights of dissent exercisable by Registered Shareholders as of the Record Date in connection with (i) the Sale of Subsidiary (as described under *The Sale of Subsidiary – Dissent Rights with Respect to the Sale of Subsidiary* below), and (ii) the Going Private Arrangement under Division 2 of Part 8 of the BCBCA, as modified by Article 4 of the Plan of Arrangement, the Interim Order and the Final Order (as described under *Going Private Arrangement – Dissent Rights with Respect to the Going Private Arrangement* below);

"**Dissenting Shares**" means the Shares held by a Dissenting Shareholder in respect of which such Dissenting Shareholder has validly exercised Dissent Rights;

"**Dissenting Shareholder**" means a Registered Shareholder who has duly and validly exercised Dissent Rights in respect of the Disposition Resolution and/or the Arrangement Resolution in strict compliance with the Dissent Rights and who has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights;

"**DRS Statement**" means a direct registration system statement representing Shares;

"**Effective Date**" means the date upon which all of the conditions to the completion of the Going Private Arrangement as set out in Section 2.2 of the Plan of Arrangement have been satisfied or waived in accordance with the provisions of Section 2.2 of the Plan of Arrangement or such later date as the Company may determine in its sole discretion;

"**Effective Time**" means the beginning of the day (Pacific time) on the Effective Date (which is designated as 12:01 a.m. for the purposes of the BCBCA), or such other time as the Company may determine in its sole discretion, that the Going Private Arrangement becomes effective, as set out in the Plan of Arrangement;

"**Eligible Institution**" means a Canadian Schedule 1 chartered bank, a major trust company in Canada, a member of the Securities Transfer Agents Medallion Program (STAMP), a member of the Stock Exchange Medallion Program (SEMP) or a member of the New York Stock Exchange Inc. Medallion Signature Program (MSP). Members of these programs are usually members of a recognized stock exchange in Canada and the United States, members of the Canadian Investment Regulatory Organization, members of the National Association of Securities Dealers or banks and trust companies in the United States;

"**Escrow Amount**" has the meaning ascribed thereto under *Sale of Subsidiary – Share Purchase Agreement – Escrow;*

"**Estimated Cash**" has the meaning ascribed thereto under *Sale of Subsidiary – Share Purchase Agreement – Purchase Price Adjustment;*

"**Estimated Indebtedness**" has the meaning ascribed thereto under *Sale of Subsidiary – Share Purchase Agreement – Purchase Price Adjustment;*

"**Estimated Working Capital**" has the meaning ascribed thereto under *Sale of Subsidiary – Share Purchase Agreement – Purchase Price Adjustment;*

"**Fairness Opinion**" means the fairness opinion prepared by the Financial Advisor dated December 19, 2025 in respect of the Purchase Price to be received by the Company pursuant to the Share Purchase Agreement, the full text of which is attached to this Circular as **Appendix H**;

"**Final Order**" means the final order of the Court approving the Going Private Arrangement, in a form acceptable to the Company, granted pursuant to Section 291 of the BCBCA, as such order may be affirmed, amended, modified, supplemented or varied by the Court (with the consent of the Company) at any time before the Effective Date or, if appealed, as affirmed or as amended (provided that any such amendment is acceptable to the Company) on appeal unless such appeal is withdrawn, abandoned or denied;

"**Financial Advisor**" or "**Canaccord Genuity**" means Canaccord Genuity Corp.;

"**Going Private Arrangement**" means the arrangement under the provisions of Section 288, Division 5 of Part 9 of the BCBCA, on the terms and conditions set forth in the Plan of Arrangement, subject to any amendments or variations thereto made in accordance with Article 6 of the Plan of Arrangement or made at the direction of the Court in the Final Order with the consent of the Company;

"**Governmental Authority**" means any multinational, federal, provincial, territorial, state, regional, municipal, local or other government or governmental body and any division, agent, official, agency, commission, board or authority

of any government, governmental body, quasi-governmental or private body (including any stock exchange) exercising any statutory, regulatory, expropriation or taxing authority under the authority of any of the foregoing and any domestic, foreign or international judicial, quasi-judicial or administrative court, tribunal, commission, board, panel or arbitrator acting under the authority of any of the foregoing;

"**In-the-Money Option**" means an Option which has a per share exercise price of less than the Cash Consideration;

"**In-the-Money Warrant**" means a Warrant which entitles the holder thereof to purchase a Share at an exercise price less than the Cash Consideration;

"**Interim Order**" means the interim order of the Court made pursuant to Section 291 of the BCBCA, providing for, among other things, the calling and holding of the Meeting, as the same may be amended, modified, supplemented or varied by the Court with the consent of the Company;

"**Intermediaries**" means collectively, a broker, investment dealer, bank, trust company, nominee or other intermediary that own Shares on behalf of Beneficial Shareholders;

"**Letter of Transmittal**" means the letter of transmittal to be delivered by the Company to the Registered Shareholders together with this Circular for use in connection with the Going Private Arrangement and providing for the delivery of Shares to the Depositary;

"**Liens**" means any mortgage, hypothec, prior claim, lien, pledge, assignment for security, security interest, option, right of first offer or first refusal or other charge or encumbrance of any kind and adverse claim;

"**Meeting**" means the annual general and special meeting of the Securityholders scheduled to be held on Thursday, February 19, 2026, including any adjournment or postponement thereof, to be called and held in accordance with the Interim Order for the purpose of, inter alia, considering and, if thought fit, approving the Disposition Resolution and the Arrangement Resolution;

"**Net Adjustment Amount**" means (1) the amount (if any) by which Estimated Cash is less than Closing Cash minus (2) the amount (if any) by which Closing Cash is less than Estimated Cash minus (3) the amount (if any) by which Estimated Indebtedness is less than Closing Indebtedness plus (4) the amount (if any) by which Closing Indebtedness is less than Estimated Indebtedness plus (5) the amount (if any) by which Estimated Working Capital is less than Closing Working Capital minus (6) the amount (if any) by which Closing Working Capital is less than Estimated Working Capital;

"**Net Proceeds**" means the proceeds received by the Company from the Sale of Subsidiary after having deducted therefrom the amounts paid or expected to be paid to third parties by the Company on account of taxes, closing costs and other liabilities and obligations of the Company, as more particularly described in this Circular;

"**MI 61-101**" means Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*;

"**NI 43-101**" means National Instrument 43-101 *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators;

"**NI 45-106**" means National Instrument 45-106 *Prospectus Exemptions* of the Canadian Securities Administrators;

"**Notice of Dissent**" means a notice of dissent duly and validly given by a Registered Shareholder exercising Dissent Rights as contemplated in the Interim Order and as described in Article 4 of the Plan of Arrangement;

"**Notice of Meeting**" means the notice of Meeting accompanying this Circular;

"**Option Consideration**" has the meaning ascribed thereto in the Plan of Arrangement;

"**Option**" means an option to acquire a Share granted pursuant to the Stock Option Plan, which is outstanding and unexercised, whether or not vested;

"**Optionholder**" means a holder of one or more Options;

"**person**" is broadly interpreted and includes:

(i) a natural person, whether acting in their own capacity, or in their capacity as executor, trustee, administrator, or legal representative, and the heirs, executors, administrators, or other personal or legal representatives of a natural person;

(ii) a corporation or a company of any kind, a partnership of any kind, a sole proprietorship, a trust, a joint venture, an association, an unincorporated association, an unincorporated syndicate, an unincorporated organization or any other association, organization, or entity of any kind; and

(iii) a Governmental Authority;

"**Plan of Arrangement**" means the plan of arrangement, substantially in the form of **Appendix C,** including any appendices thereto, and any amendments, modifications or supplements thereto made from time to time in accordance with the terms thereof or made at the direction of the Court in the Final Order, with the consent of the Company;

"**Proxy**" means the forms of proxy accompanying this Circular, which include a Proxy for Shareholders, a Proxy for Optionholders and a Proxy for Warrantholders;

"**Purchase Price**" means the USD$65,000,000 purchase price for all of the Subsidiary Shares;

"**RCI Capital**" means RCI Capital Group Inc., strategic advisor to the Board in connection with the Sale of Subsidiary;

"**Record Date**" means the record date for determining the Securityholders entitled to receive notice of and to vote at the Meeting, being the close of business on January 5, 2026 (Pacific time) pursuant to the Interim Order;

"**Registered Shareholder**" means a registered holder of the Shares as recorded in the central securities register of the Company;

"**Registrar**" means the British Columbia Registrar of Companies under the BCBCA;

"**Regulation S**" means Regulation S promulgated under the U.S. Securities Act;

"**Regulatory Approvals**" means those sanctions, rulings, consents, orders, exemptions, permits and other approvals (including the waiver or lapse, without objection, of a prescribed time under a statute or regulation that states that a transaction may be implemented if a prescribed time lapses following the giving of notice without an objection being made) of Governmental Entities;

"**Rule 144**" means Rule 144 promulgated under the U.S. Securities Act;

"**Sale of Subsidiary**" means the sale of all or substantially all of the undertaking of the Company, pursuant to the Share Purchase Agreement;

"**Securities**" means, collectively, the Shares, Options and Warrants;

"**Securities Act**" means the *Securities Act* (British Columbia) and the rules, regulations and published policies made thereunder, as now in effect and as they may be promulgated or amended from time to time;

"**Securities Laws**" means the Securities Act, together with all other applicable Canadian provincial securities laws, and the rules and regulations and published policies of the securities authorities thereunder, as now in effect and as they may be promulgated or amended from time to time, and includes the rules and policies of the TSXV;

"**Securityholders**" means the Shareholders, Optionholders and Warrantholders;

"**SEDAR+**" means the system for the transmission of documents known as the System for Electronic Data Analysis and Retrieval + described in National Instrument 13-103 of the Canadian Securities Administrators and available for public view at www.sedarplus.ca;

"**Share Purchase Agreement**" means the Share Purchase Agreement dated December 5, 2025 between the Company and POSCO, pursuant to which the Company agreed to sell, and POSCO agreed to purchase, 100% of the issued and outstanding Subsidiary Shares for the Purchase Price, subject to the terms and conditions set forth therein;

"**Shareholder**" means a holder of one or more Shares;

"**Shares**" means the common shares without par value in the authorized share structure of the Company;

"**Stock Option Plan**" means the stock option plan of the Company dated September 13, 2022;

"**Subsidiary**" means NRG Metals Argentina S.A., a wholly-owned subsidiary of the Company;

"**Subsidiary Shares**" means the issued and outstanding shares of the Subsidiary;

"**Tax Act**" means the *Income Tax Act* (Canada), R.S.C. 1995, c. 1, and all regulations made thereunder, as now in effect and as they may be amended or replaced from time to time;

"**Transactions**" means, collectively, the Sale of Subsidiary and the Going Private Arrangement;

"**TSXV**" means the TSX Venture Exchange;

"**Warrant Consideration**" has the meaning ascribed thereto in the Plan of Arrangement;

"**Warrant**" means a common share purchase warrant of the Company to acquire a Share, which are outstanding and unexercised;

"**Warrantholder**" means a holder of one or more Warrants;

"**Working Capital**" means current assets minus current liabilities;

"**Withholding Tax**" has the meaning ascribed thereto under *Sale of Subsidiary – Share Purchase Agreement – Withholding Tax;* and

"**Withholding Tax Amount**" has the meaning ascribed thereto under *Sale of Subsidiary – Share Purchase Agreement – Withholding Tax.*

LITHIUM SOUTH DEVELOPMENT CORPORATION

MANAGEMENT INFORMATION CIRCULAR

(Containing information as at January 16, 2026 unless indicated otherwise)

GENERAL PROXY INFORMATION

Solicitation of Proxies

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 and special meeting of Securityholders of the Company (defined in the Glossary as the holders of Shares, Options and/or Warrants, of the Company) (and any adjournment thereof) to be held on Thursday, February 19, 2026 (the "**Meeting**") at the time and place and for the purposes set forth in the accompanying Notice of Meeting.

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors or officers of the Company. The Company will bear all costs of this solicitation. The Company has arranged for Intermediaries to forward the Meeting Materials, as defined below, to Beneficial Shareholders held of record by those Intermediaries and the Company will reimburse the Intermediaries for their fees and disbursements in that regard. The contents and the sending of this Circular have been approved by the Board.

Unless the context otherwise requires, capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Glossary of Terms in this Circular.

Appointment of Proxyholder

The individual(s) named in the accompanying form of Proxy are management's representatives. **If you are a Securityholder entitled to vote at the Meeting, you have the right to appoint a person or company other than the person(s) designated in the Proxy, who need not be a Securityholder of the Company, to attend and act for you and 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 proper proxy and, in either case, delivering the completed Proxy to the office of Computershare, Proxy Dept., 320 Bay Street, 14th Floor, Toronto, Ontario, M5H 4A6, or vote via telephone or internet (online) as specified in the proxy form.**

A Proxy will not be valid unless the completed form of Proxy is received by Computershare no later than 9:00 a.m. (Pacific Time) on Tuesday, February 17, 2026, unless the Chair of the Meeting elects to exercise his discretion to accept proxies received subsequently.

Voting by Proxyholder

The person(s) named in the Proxy will vote or withhold from voting the Securities 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 Securities will be voted accordingly. The Proxy confers discretionary authority on the person(s) 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.

As at the date hereof, the Board knows of no such amendments, variations or other matters to come before the Meeting, other than the matters referred to in the Notice of Meeting. However, if other matters should properly come before the Meeting, the Proxy will be voted on such matters in accordance with the best judgment of the person(s) voting the Proxy.

Who Can Vote at the Meeting

Only Registered Shareholders, Optionholders, Warrantholders, as at the close of business on the Record Date, or duly appointed proxy holders are permitted to vote at the Meeting. Shareholders will vote on all resolutions presented. Securityholders as a class will vote only on the Arrangement Resolution. If a Securityholder does not specify a choice and the Securityholder has appointed one of the management proxyholders as proxyholder, the management proxyholder will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.

In respect of a matter for which a choice is not specified in the Proxy, the person(s) named in the Proxy will vote the Securities represented by the Proxy for the approval of such matter.

Registered Shareholders

Registered Shareholders may wish to vote by Proxy whether or not they are able to attend the Meeting in person. Registered Shareholders electing to submit a Proxy may do so by completing, dating and signing the enclosed form of Proxy and returning it to Computershare by mail to 320 Bay Street, 14th Floor, Toronto, Ontario M5H 4A6, or vote via telephone or internet (online) as specified in the Proxy, no later than 9:00 a.m. (Pacific Time) on Tuesday, February 17, 2026.

Beneficial Shareholders

The following information is of significant importance to the Securityholders who do not hold Securities 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 the Securities). Most shareholders are "non-registered" shareholders because the shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the shares. Shares beneficially owned by a non-registered shareholder are registered either: (i) in the name of an Intermediary that the non-registered shareholder deals with in respect of their shares (Intermediaries include, among others, banks, trust companies, securities dealers, or brokers and trustees or administrators of self-administered RRSP, RRIFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as the Canadian Depositary for Securities Limited or the Depositary Trust & Clearing Corporation) of which the Intermediary is a participant.

If Shares are listed in an account statement provided to a shareholder by a broker, then in almost all such cases those Shares will not be registered in the shareholder's name on the records of the Company. Such 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 Shares are registered under the name of CDS & Co. as nominee for The Depository Trust Company (which acts as depositary 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).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every Intermediary has its own mailing procedures and provides its own return instructions to clients.

If you are a Beneficial Shareholder

There are two kinds of Beneficial Shareholders: 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 their name being made known to the issuers of the securities which they own (called "**NOBOs**" for non–objecting beneficial owners).

The Company is taking advantage of those provisions of National Instrument 54–101 *Communication of Beneficial Owners of Securities* of the Canadian Securities Administrators, which permits it to deliver proxy–related materials directly to its NOBOs. As a result, NOBOs can expect to receive a scannable voting instruction form ("**VIF**"). These VIFs are to be completed and returned to Endeavor in the envelope provided or by facsimile to the number provided

in the VIF. In addition, Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Shares represented by the VIFs it receives.

This Circular, with related material, is being sent to both Registered and Beneficial Shareholders, and the Securityholders, if applicable. If you are a Beneficial Shareholder and the Company or its agent has sent the Meeting Materials directly to you, your name and address and information about your Shares have been obtained in accordance with applicable securities regulatory requirements from the Intermediary who holds your Shares on your behalf. Please return your VIF as specified in your request for voting instructions that you receive.

Beneficial Shareholders who are OBOs should carefully follow the instructions of their Intermediary in order to ensure that their Shares are voted at the Meeting.

The form of proxy that will be supplied to Beneficial Shareholders by the Intermediaries will be 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 behalf of the Beneficial Shareholder. Most Intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. in the United States and Broadridge Financial Solutions Inc., Canada, in Canada (collectively "**BFS**"). BFS mails a VIF in lieu of a Proxy provided by the Company. The VIF will name the same person(s) as the Proxy to represent Beneficial Shareholders at the Meeting. Beneficial Shareholders have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), other than the person(s) designated in the VIF, to represent them at the Meeting. To exercise this right, Beneficial Shareholders should insert the name of the desired representative in the blank space provided in the VIF. The completed VIF must then be returned to BFS in the manner specified and in accordance with BFS' instructions. BFS then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Aegis Shares to be represented at the Meeting.

If you receive a VIF from BFS, you cannot use it to vote Shares directly at the Meeting. The VIF must be completed and returned to BFS in accordance with its instructions, well in advance of the Meeting in order to have the Shares voted.

Although as a Beneficial Shareholder you may not be recognized directly at the Meeting for the purposes of voting Shares registered in the name of your Intermediary, you, or a person designated by you, may attend at the Meeting as proxy holder for your Intermediary and vote your Shares in that capacity. If you wish to attend the Meeting and indirectly vote your Shares as proxy holder for your Intermediary, or have a person designated by you to do so, you should enter your own name, or the name of the person you wish to designate, in the blank space on the VIF provided to you and return the same to your Intermediary in accordance with the instructions provided by such Intermediary, 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 the Meeting and vote your Shares.

With respect to OBOs, in accordance with applicable securities law requirements, the Company will have distributed copies of the Notice of Meeting, Circular, the form of Proxy and the supplemental mailing list (the "**Meeting Materials**") to request to the clearing agencies and Intermediaries for distribution to non-registered shareholders.

Intermediaries are required to forward the Meeting Materials to non-registered shareholders unless a non-registered shareholder has waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to non-registered shareholders.

Beneficial Shareholders (non-registered shareholders) should carefully follow the instructions of their Intermediary, including those regarding when and where the Proxy or voting instruction form is to be delivered.

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:

(a) 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 Registered 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 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 date of the Meeting or, if the Meeting is adjourned or postponed, the last Business Day that precedes any reconvening thereof, or to the Chair of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or

(b) personally attending the Meeting and voting the Registered Shareholder's Shares.

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

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company is authorized to issue an unlimited number of common shares without par value. As of the Record Date, there were 127,315,312 Shares issued and outstanding, each carrying the right to one vote, 2,645,000 Options and 25,920,030 Warrants issued and outstanding. 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 Shares.

To the knowledge of the directors and executive officers of the Company, 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

An affirmative vote of $66^{2/3}$% of the votes cast in person or by proxy at the Meeting is required to pass the special resolutions described herein. A simple majority of affirmative votes cast at the Meeting is required to pass the ordinary 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.

THE SALE OF SUBSIDIARY

General

The Company, through the Subsidiary, owns 100% of the HMN Project located in the Salta and Catamarca Provinces, Argentina, in the heart of the lithium triangle. The Salar del Hombre Muerto, in which the HMN Project is located, has a history of lithium production. The HMN Project is adjacent to a U.S. billion-dollar lithium development by POSCO (Korea), now in lithium production. Exploration work to date has delineated a NI 43-101 compliant Lithium Carbonate Equivalent (LCE) resource estimate (effective date: September 5, 2023) with a total brine volume of 404,100 x 10^3 m^3 with an average concentration of 736 milligrams per liter lithium ("mg/L Li"), and with 1,463,000 tonnes of lithium carbonate mass[1] in the measured category and 120,000 tonnes of lithium carbonate mass in the indicated category, at a cutoff grade of 500 mg/l Li on the Alba Sabrina, Natalia Maria, and Tramo claim blocks, three of five non-contiguous blocks that make up the HMN Project (please refer to the report titled "NI 43-101 Preliminary Economic Assessment – Hombre Muerto North Lithium Project, Salta, Argentina, effective date: March 4, 2024 and report date: April 24, 2024 filed on SEDAR+ at www.sedarplus.ca (the "**PEA**")). The PEA delineates potential to develop a 15,600 tonne per year lithium carbonate project.

The Company has entered into the Share Purchase Agreement dated December 5, 2025 with POSCO, an arm's length party, pursuant to which, subject to the terms and conditions set forth therein, the Company agreed to sell and POSCO

[1] Lithium carbonate mass calculated as lithium mass multiplied by the equivalency factor (5.323).

agreed to purchase 100% of the shares of the Subsidiary, which holds 100% ownership of the Company's HMN Project, for the Purchase Price of USD$65,000,000 payable in cash. At Closing, POSCO shall deliver to the Company the Closing Date Amount minus the Withholding Tax Amount.

In connection with the Sale of Subsidiary, Canaccord Genuity acted as Financial Advisor and RCI Capital acted as strategic advisor.

The HMN Project is comprised of the Sophia I, II and III claims and the recently acquired Hydra X and XI claims located in the Salta and Catamarca Provinces, Argentina and is described as follows: a) Mina Tramo, expediente 18.993; b) Mina Natalia Maria, expediente 18.830; c) Mina Gaston Enrique, expediente 18.824; d) Mina Norma Edit, expediente 18.829, e) Mina Alba Sabrina, expediente 18.823, f) Mina Viamonte, expediente 13.408; and g) Servidumbre para Mina Viamonte, expediente 13.849; all registered at the Juzgado de Minas y Comercial de Registro (Provincial Mining Court) in the Province of Salta. The HMN Project covers 3,286.65 hectares.

The Sale of Subsidiary will be completed pursuant to the terms and conditions of the Share Purchase Agreement, including satisfaction of customary closing conditions, including the but not limited to, the Company receiving approval of the Court, the TSXV, and the approval of the Disposition Resolution from the Shareholders at the Meeting.

Shareholders will be entitled to exercise Dissent Rights in respect of the Disposition Resolution. See *The Sale of Subsidiary – Dissent Rights with Respect to the Sale of Subsidiary* in this Circular, and be paid the fair value of their shares in accordance with the applicable provisions of the BCBCA.

Reasons for the Sale of Subsidiary

The Board and management have undertaken a rigorous, multi-year review of strategic alternatives with the objective of maximizing shareholder value. This process included evaluating a range of potential transactions, including mergers, acquisitions, joint ventures, strategic partnerships, and financing options, in addition to continued stand-alone development of the HMN Project. Each alternative was assessed in light of the Company's competitive position, growth prospects, the prevailing conditions in the lithium market and actionability of the various alternatives.

Since acquiring the HMN Project in 2017, the Company has advanced the asset through exploration and development despite significant market fluctuations. While lithium prices surged to record highs in 2022, the subsequent decline created a challenging environment for securing development capital on terms that would not result in substantial Shareholder dilution. The HMN Project is currently at the Preliminary Economic Assessment (PEA) stage, and advancing it to a full Feasibility Study and construction-ready status would require substantial additional capital; an option the Board determined would entail considerable execution risk and significant Shareholder dilution to attract capital given prevailing market conditions.

Recognizing these challenges, management actively pursued strategic partnerships and joint ventures with credible industry participants. Over the course of this process, the Company executed 27 Non-Disclosure Agreements with potential counterparties, including major automotive manufacturers and leading mining companies. Despite these efforts, no actionable alternative transaction materialized that could deliver comparable value to Shareholders as the Sale of Subsidiary.

In early 2024, the Company successfully negotiated a cooperative development agreement with POSCO for certain overlapping claim blocks, establishing a constructive and professional relationship with one of the world's leading lithium producers.

Building on this relationship, discussions evolved throughout 2025 into a broader strategic dialogue regarding the HMN Project. Initially, POSCO expressed interest in a joint development arrangement; however, after extensive negotiations and counterproposals, the parties agreed to shift focus to a full acquisition of the HMN Project. Following this process, POSCO presented a final offer of the Purchase Price, which represented a significant premium to the Company's market capitalization at the time.

At a Board meeting held on December 4, 2025, after careful consideration of all available alternatives, including continued project development and further financing, the Board unanimously concluded that the negotiated transaction with POSCO represents the most attractive and certain path to maximize Shareholder value. The Sale of Subsidiary provides immediate liquidity and value certainty at an attractive valuation, avoids the risks and dilution associated with further development financing, and reflects the culmination of a thorough, multi-year strategic review process.

Recommendation of the Board and Reasons for the Recommendation of the Board

The Board evaluated the Company's financial position, the market conditions for junior exploration companies, the prospects for selling the HMN Project to a third party and any additional options available to the Company. The Board also engaged the Financial Advisor to prepare and deliver the Fairness Opinion in respect of the Purchase Price to be received by the Company pursuant to the Share Purchase Agreement, the full text of which is attached to this Circular as **Appendix H**. The Board also engaged RCI Capital to act as strategic advisor to the Company. The Board held a meeting on December 4, 2025 to consider the terms of the Share Purchase Agreement and the Sale of Subsidiary, and to review other relevant information.

The Board, having undertaken a thorough review of the terms of the Share Purchase Agreement, in consultation with management of the Company, strategic advisor RCI Capital, legal advisors and the Financial Advisor, and having considered such other matters as it considered relevant, unanimously determined that the execution, delivery and performance of the Share Purchase Agreement was fair to and in the best interests of the Company and that the terms and conditions thereof, and all matters contemplated therein, were approved and the Company was authorized to enter into the Share Purchase Agreement and perform its obligations thereunder. Accordingly, the Board recommends that the Shareholders vote FOR the Disposition Resolution approving the Sale of Subsidiary, the full text of which is attached to this Circular as **Appendix A**.

In the course of its evaluation of the Sale of Subsidiary, the Board consulted with the Company's senior management, reviewed a significant amount of information and considered numerous factors, including, among others, the following:

(a) The Purchase Price to be received by the Company pursuant to the Sale of Subsidiary is all cash, which provides certainty of value when compared to consideration involving the issuance of securities.

(b) The Company does not have any other comparative offers for the purchase of the HMN Project.

(c) The financial condition, historical results of operations, competitive position and business and strategic objectives of the Company, as well as the risk involved in achieving those objectives.

(d) The Company has undertaken a lengthy process of evaluating opportunities to finance its operations through equity offerings, which would result in substantial dilution to existing Shareholders and would have pushed the timeline for potential financial returns off a significant time period.

(e) The likelihood that the Sale of Subsidiary will be consummated, considering the experience, reputation and financial capabilities of POSCO and its management, and the absence of significant closing conditions other than customary closing conditions.

(f) The Fairness Opinion of the Financial Advisor, stating to the effect that, as of the date of such opinion, and based upon and subject to the assumptions, limitations and qualifications set forth therein, the Purchase Price to be received by the Company pursuant to the Share Purchase Agreement is fair, from a financial point of view, to the Company. See *The Going Private Arrangement – Fairness Opinion* in this Circular for further details.

(g) Registered Shareholders will be provided with the right to exercise Dissent Rights in connection with the Sale of Subsidiary.

(h) Under the Share Purchase Agreement, the Board, in certain circumstances, is able to consider, accept and enter into a definitive agreement with respect to a superior proposal and terminate the Share Purchase Agreement.

In the course of its deliberations, the Board also identified and considered a variety of risks and potentially negative factors, including, but not limited to, the following:

(a) There can be no assurance that it will be able to find a party willing to pay an equivalent or more attractive price than the Purchase Price to be paid pursuant to the Sale of Subsidiary.

(b) Whether or not the Sale of Subsidiary is completed, the Company will continue to face many of the risks that it currently faces with respect to its business and affairs, including the current economic conditions and the price of lithium.

(c) If the Sale of Subsidiary is not approved by Shareholders, or the Sale of Subsidiary is otherwise not completed, the market price of the Shares may decline and there can be no assurance that the Board will be able to find a party to pay an equivalent or more attractive price than the Purchase Price to be paid to pursuant to the Share Purchase Agreement.

(d) A number of Shareholders could exercise their right to dissent in respect of the Sale of Subsidiary.

(e) Closing of the Sale of Subsidiary may be delayed, may be completed on different terms or may not occur at all.

(f) The Company will incur costs even if the Sale of Subsidiary is not completed and may have to pay a termination fee of 5% of the Purchase Price to POSCO if the Company terminates the Share Purchase Agreement, in certain circumstances.

The foregoing summary of the information and factors considered by the Board is not intended to be exhaustive of the factors considered by the Board in reaching its conclusion and making its recommendation, but does include the material information, factors and analysis considered by the Board in reaching its conclusion and recommendation. The Board evaluated the various factors summarized above in light of its own knowledge of the business and the industry and the prospects o the Company. Ultimately, the Board concluded that overall, the anticipated benefits of the Sale of Subsidiary to the Company and the Shareholders outweigh these risks and negative factors.

In view of the numerous factors considered in connection with the Board's evaluation of the Sale of Subsidiary, the Board did not find it practical to, and did not, quantify or otherwise attempt to fix relative weight to specific factors in reaching its decision. Individual Board members may have given different weight to different factors. The conclusion and unanimous recommendation of the Board was made after considering all of the information and factors involved.

Fairness Opinion

Canaccord Genuity was formally engaged by the Board through an agreement between the Board and Canaccord Genuity (the "**Engagement Agreement**") dated June 2, 2023. The Engagement Agreement provides the terms upon which Canaccord Genuity has agreed to act as a financial advisor to the Board in connection with its review of strategic alternatives for the Company during the term of the Engagement Agreement, and to provide the Fairness Opinion.

In deciding to approve the Sale of Subsidiary, the Board considered, among other things, the Fairness Opinion.

Canaccord Genuity provided the Fairness Opinion to the Board for its exclusive use only in consideration of the Share Purchase Agreement and the Sale of Subsidiary. The Fairness Opinion may not be relied upon by any other Person (including, without limitation, Securityholders, creditors or other constituencies of the Company), or for any other purpose, or published, or in any other circumstance. The Fairness Opinion is not intended to be, and does not constitute, a recommendation as to how the Board or any Securityholder should vote or act in connection with the Sale of Subsidiary, or any other matter relating to the Transactions, or

whether to proceed with the Sale of Subsidiary or the Going Private Arrangement or any related transaction. The Fairness Opinion was one of a number of factors taken into consideration by the Board in making its recommendation that Shareholders vote for the Disposition Resolution approving the Sale of Subsidiary. The Fairness Opinion addresses only the fairness, from a financial point of view, of the Purchase Price to be received by the Company pursuant to the Share Purchase Agreement and does not address any other aspect of the Transactions or any related transaction, including any legal, tax, accounting or regulatory aspects of the Transactions that may be relevant to the Company. The Fairness Opinion does not address, nor does Canaccord Genuity offer an opinion as to, the terms of the Going Private Arrangement or the Cash Consideration to be received by Securityholders pursuant thereto. The Fairness Opinion does not address the relative merits of the Sale of Subsidiary as compared to any other strategic alternatives that may be available to the Company.

This summary is qualified in its entirety by reference to the full text of the Fairness Opinion which is attached to this Circular as **Appendix H**. The Board urges Shareholders to read the Fairness Opinion in its entirety.

Pursuant to the Fairness Opinion, Canaccord Genuity determined that, as of the date of such opinion, and based upon and subject to the assumptions, limitations and qualifications set forth therein, the Purchase Price to be received by the Company pursuant to the Share Purchase Agreement is fair, from a financial point of view, to the Company.

Canaccord Genuity's Engagement and Qualification

Canaccord Genuity is an independent investment bank which provides a full range of corporate finance, merger and acquisition, financial restructuring, sales and trading, and equity research services. Canaccord Genuity was formally appointed as financial advisor to the Board pursuant to the Engagement Agreement. Canaccord Genuity has advised the Board that, as of the date of the Fairness Opinion, among other things, (i) neither Canaccord Genuity nor any of its affiliates was an insider, associate or affiliate (as such terms are defined in the Securities Act), of the Company or the Purchasers, and (ii) the fees paid to Canaccord Genuity did not give Canaccord Genuity a financial incentive in respect of either the conclusions reached in the Fairness Opinion or the outcome of the Transactions. Details regarding Canaccord Genuity's credentials and independence are set forth under the headings "Credentials of Canaccord Genuity" and "Relationship with Interested Parties" in the Fairness Opinion.

Fees Payable to Canaccord Genuity

The terms of the Engagement Agreement provide that Canaccord Genuity is to be paid certain fees for its services as financial advisor, including a fixed fee due upon delivery of the Fairness Opinion to the Board (no part of which is contingent upon the Fairness Opinion being favourable or dependent upon the successful completion of the Share Purchase Agreement or any alternative transaction) and a significant portion of which are contingent on completion of the Share Purchase Agreement or certain specified strategic transactions and a fee payable in the event the Share Purchase Agreement is not completed and a break-up fee or termination fee is paid to the Company or any affiliate thereof. In addition, the Company has agreed to reimburse Canaccord Genuity for its reasonable out-of-pocket third party expenses and to indemnify Canaccord Genuity in respect of certain liabilities that might arise in connection with its engagement.

The Share Purchase Agreement

The Company entered into the Share Purchase Agreement with POSCO dated December 5, 2025. The terms of the Share Purchase Agreement are the result of arm's length negotiations conducted between representatives of the Company and POSCO. The following is a summary of the material provisions of the Agreement. This summary does not purport to be complete and reference should be made to the full text of the Share Purchase Agreement, a copy of which has been filed under the Company's profile on SEDAR+ at www.sedarplus.ca. In this section, capitalized terms have the meaning set out in the Glossary of Terms or are otherwise defined in the Share Purchase Agreement.

Purchase and Sale

The Company has agreed to sell the Subsidiary Shares, which represent substantially all of the undertaking of the Company, to POSCO in consideration for the Purchase Price payable in cash. At Closing, POSCO shall deliver to the Company the Closing Date Amount minus the Withholding Tax Amount.

Shareholder Meeting and Approval

The Share Purchase Agreement requires the Company to call and hold a meeting of Shareholders as soon as reasonably practicable. At the Meeting, the Company will seek the approval of at least $66^{2/3}\%$ of the votes cast by Shareholders on the Disposition Resolution to approve the Sale of Subsidiary. Subject to the compliance by the directors and officers of the Company with their fiduciary duties, the Company will use its commercially reasonable efforts to solicit proxies in favour of the approval of the Sale of Subsidiary. The Company shall provide notice to POSCO of the Meeting and allow POSCO's representatives to attend the Meeting.

Material Terms

The Purchase Price for the Subsidiary Shares is USD$65,000,000 payable to the Company from POSCO in cash. At Closing, POSCO shall deliver to the Company the Closing Date Amount minus the Withholding Tax Amount.

The closing of the Sale of Subsidiary, including the purchase and sale of the Subsidiary Shares shall take place at the offices of Beccar Varela, located at Tucumán 1, 5th Floor, City of Buenos Aires, Argentina, on the day that is the last Business Day following satisfaction or waiver of the conditions precedents set forth in Section 2.03 of the Share Purchase Agreement, or such other date as the Parties may mutually agree; provided, however, that in no event shall the Closing occur earlier than February 27, 2026 as of 1:00 pm Buenos Aires, Argentina time.

Purchase Price Adjustment

No later than five business days prior to the Closing Date, the Subsidiary shall prepare and deliver to POSCO the estimated closing statement, which shall contain the Company's reasonable good faith estimate of the amount of the estimated closing cash as of the Closing Time (the "**Estimated Cash**"), the estimated closing indebtedness as of the Closing Time (the "**Estimated Indebtedness**"), the estimated closing working capital as of the Closing Time (the "**Estimated Working Capital**").

Within 30 days after the Closing Date, POSCO shall prepare and deliver to the Company a statement, setting forth (i) cash as of the Closing Time (the "**Closing Cash**"), including the amount of Closing Cash held in US Dollars as of the Closing Time, (ii) Working Capital as of the Closing Date (the "**Closing Working Capital**"), (iii) the outstanding principal and accrued interest of all indebtedness as of the Closing Date (the "**Closing Indebtedness**"), and (iv) the Net Adjustment Amount. If the Net Adjustment Amount is positive, POSCO shall, within 3 business days after the statement becomes final and binding on the parties in accordance with the provisions of the Share Purchase Agreement, pay to the Company the Net Adjustment Amount, together with interest thereon at a rate equal to 10%, calculated on the basis of the actual number of days elapsed divided by 365, from the Closing Date to the date of payment. If the Net Adjustment Amount is negative, the Company shall, within 3 business days after the statement becomes final and binding on the parties, pay to POSCO the absolute value of the Net Adjustment Amount, together with interest thereon at a rate equal to 10%, calculated on the basis of the actual number of days elapsed divided by 365, from the Closing Date to the date of payment. POSCO shall be entitled to recover any amount payable pursuant to this section from the Escrow Amount and to the extent it is insufficient, directly from Company.

Escrow

On the Closing Date, POSCO shall cause the amount of US$250,000 (the "**Escrow Amount**") to be delivered to Fideicomisos y Mandatos S.A. as escrow agent, pursuant to an escrow agreement by and among POSCO, the Company and the escrow agent. The Escrow Amount shall be held by the escrow agent for a period of thirty days following the Closing, after which any remaining balance shall be released to the Company.

Withholding Tax

POSCO shall be entitled to deduct and withhold from amounts payable in respect of the Shares by POSCO to the Company, such amounts as are required to be deducted or withheld with respect to the making of such payment under the Argentine capital gains tax provided under Article 98, of the Income Tax Law, as amended, regulated by General Resolution 4227/2018 of the Tax Authority, as amended (the "**Withholding Tax**"). POSCO shall remit the Withholding Tax Amount to the appropriate governmental authority in accordance with applicable law and shall provide the Company with evidence of such remittance (including the relevant tax payment receipt and any applicable tax certificate) within five business days of such payment. At least five business days before the Closing Date, Company shall inform POSCO of the amounts POSCO shall withhold in respect of the transfer of the Shares pursuant to applicable law (the "**Withholding Tax Amount**"), and shall include the description of the cost basis used for the calculation of the withholding and the supporting documentation related to determine the cost basis together with an accountant certification of the calculation issued any of PWC, EY, KMG and Deloitte; provided that, if the Company does not inform POSCO of any Withholding Tax Amount at such time, it will be understood that POSCO shall withhold an amount equivalent to 13.5% of the Closing Date Amount, and for purposes of the Share Purchase Agreement, the Withholding Tax Amount will be deemed to be such amount. POSCO may, at least three business days prior to the Closing Date, inform the Company in writing if POSCO determine in good faith that any adjustments should be made to the Withholding Tax Amount informed by the Company pursuant to applicable law, in which case the parties shall use reasonable best efforts to reach an agreement prior to the Closing Date; provided, that if POSCO do not deliver such notice to the Company it shall be understood that the amounts to be withheld by POSCO at the Closing Date will be the amounts as determined by the Company. If POSCO and the Company fail to reach an agreement prior to the Closing Date, POSCO shall withhold the amounts as determined in good faith by POSCO pursuant and such amount shall be deemed the Withholding Tax Amount.

Mutual Closing Conditions

The respective obligations of the Parties to complete the Sale of Subsidiary are subject to the satisfaction or waiver in writing by the Parties of the following conditions at or prior to the Closing Time:

(i) The Company receiving Shareholder Approval to the Sale of Subsidiary, such approval shall not be rescinded or amended in a manner unacceptable to the Company or POSCO, acting reasonably;

(ii) No Governmental Authority will have enacted, issued, promulgated, enforced or entered any law or Order (whether temporary, preliminary or permanent), injunction or other prohibition under any Applicable Law, which shall restrain, enjoin, make illegal or otherwise prohibit the consummation of the Sale of Subsidiary;

(iii) No Action, initiated, pending or threatened, brought before any Governmental Authority which makes it illegal or otherwise directly or indirectly restrains, enjoins or prohibits the completion of the Sale of Subsidiary; or results or could reasonably be expected to result in a judgment, Order, decree or assessment of damages, directly or indirectly, relating to the Sale of Subsidiary; and

(iv) The Purchaser having made a voluntary Investment Canada Act filing and the prescribed period for giving notice under the Investment Canada Act shall have expired (which filing has been made by the Purchaser).

Closing Conditions of the Company

The obligation of the Company to consummate the Sale of Subsidiary is subject to the satisfaction, or waiver by the Company, at or before the Closing Time, of the following conditions, which are for the sole benefit of the Company and which may be waived, in whole or in part, by the Company at any time without prejudice to the Company's right to rely on any other condition precedent:

(i) The representations and warranties of POSCO set forth in the Share Purchase Agreement shall be true and correct in all material respects as of the Effective Date as though made on and as of the Effective Date (except for representations and warranties made as of a specified date, the accuracy

of which shall be determined as of that specified date, and except in each case, for those representations and warranties that are subject to a materiality qualification, which must be true and correct in all respects);

(ii) All covenants of POSCO under the Share Purchase Agreement to be performed on or before the Closing Time shall have been duly performed by POSCO in all material respects;

(iii) The Company's Board shall have received a Fairness Opinion from the Financial Advisor that the Purchase Price to be received by the Company pursuant to the Share Purchase Agreement is fair, from a financial point of view, to the Company, and the Financial Advisor shall have not withdrawn its opinion;

(iv) The Company receiving conditional approval from the TSXV to the Sale of Subsidiary, subject only to such conditions, including the filing of documentation, as are acceptable to the Company and POSCO, acting reasonably; and

(v) POSCO delivering to the Company all documents reasonably necessary to document its compliance with Section 2.04(a) of the Share Purchase Agreement.

Closing Conditions of POSCO

The obligation of POSCO to consummate the Sale of Subsidiary is subject to the satisfaction, or waiver by POSCO, at or before the Closing Time, of the following conditions, which are for the sole benefit of POSCO and which may be waived, in whole or in part, by POSCO at any time at their sole and absolute discretion, without prejudice to POSCO's right to rely on any other condition precedent:

(i) The representations and warranties of the Company set forth in the Share Purchase Agreement shall be true and correct in all material respects, on and as of the Effective Date and as of the Closing Time, with the same effect as though such representations and warranties had been made on and as of such date and time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date), and to the extent that such representations and warranties contain a materiality qualifier, they shall be true and correct in all respects;

(ii) All covenants of the Company and the Subsidiary under the Share Purchase Agreement to be performed on or before the Closing Time shall have been duly performed by the Company and the Subsidiary in all material respects;

(iii) From the Effective Date to the Closing Date, there shall not have occurred any event, change, occurrence or state of facts that, either individually or in the aggregate, have or could reasonably be expected to have a material adverse effect upon the Subsidiary (of the type defined in the Share Purchase Agreement);

(iv) All corporate acts set forth in Schedule B of the Share Purchase Agreement shall have been duly registered with the Public Registry of Mendoza (Dirección de Personas Jurídicas y Registro Público de la Provincia de Mendoza) in accordance with the Applicable Laws;

(v) The Company shall have delivered to POSCO evidence satisfactory to POSCO that (A) the mining rights purchase agreements executed between the original owners of the Sophia I, Sophia II, Sophia III, and Hydra X and Hydra XI mining claims and the Company have been duly executed, and (B) the corresponding administrative applications for the transfer of title to the Company have been duly filed with the Salta Mining Court, together with proof of such filings;

(vi) The Company and POSCO shall have delivered the respective Offtake Agreement notifications to Chengdu Chemphys Chemical Industry Co. Ltd. in accordance with Section 6.12(a) and Section 6.12(b) of the Share Purchase Agreement;

(vii) The Company delivering to POSCO a written agreement, duly executed by each attorney who has been engaged by the Subsidiary at any time prior to the Closing Date, pursuant to which each such attorney shall irrevocably and unconditionally waive any and all claims, rights, or entitlements that they may have against the Subsidiary or any of its successors in respect of any fees, costs, expenses, or other amounts owed to them for services rendered to the Subsidiary prior to the Closing Date;

(viii) The Company will approve the capitalization of the Subsidiary´s debt to the Company or its related parties and such capitalization shall have been registered with the Public Registry of Mendoza (Dirección de Personas Jurídicas y Registro Público de la Provincia de Mendoza); and

(ix) The Company shall have delivered to POSCO a copy of a fully executed representation and warranty insurance policy providing coverage in an amount of USD$5,000,000 for a period of not less than 12 (twelve) months from the Closing Date, subject to the terms and conditions set forth in this Section 2.03(c)(ix) ("**R&W Insurance Policy**"). The R&W Insurance Policy shall (A) name POSCO and all POSCO's Indemnified Persons as the insureds and beneficiaries, B) be issued by an internationally recognized and reputable insurance company, subject to the Purchasers' prior written approval, (C) be issued on terms and conditions reasonably satisfactory to POSCO, including but not limited to the scope of coverage, exclusions, deductibles, and claims procedures; and (D) provide coverage from any and all Losses suffered, incurred or paid, by any such POSCO's Indemnified Persons as a result of, in connection with: (a) any misrepresentation or breach of any representation or warranty of the Seller set forth in this Agreement or in any certificate delivered by POSCO pursuant to the Share Purchase Agreement; (b) any breach or nonfulfillment of any covenant, agreement or other obligation of POSCO set forth in the Share Purchase Agreement; (c) any Liability (including without limitation, any Tax Liability or any Environmental Liability) incurred or suffered by the Subsidiary or arising in respect of the Subsidiary with respect to any period on or before the Closing Date; (d) any Losses arising out of the Royalty Agreement, (e) any Losses arising out of the Offtake Agreement. The R&W Insurance Policy shall be for the sole benefit of POSCO and POSCO shall have the right, in their sole discretion, to reject such policy if it does not comply with the requirements set forth herein.

Termination Provisions

The Share Purchase Agreement may be terminated at any time prior to the Closing Time:

(i) by mutual written consent of the Company and POSCO;

(ii) by either the Company or POSCO upon notice by either one to the other if any final and non-appealable Applicable Law shall be effected by a Governmental Authority of competent jurisdiction that makes the consummation of the Sale of Subsidiary illegal or otherwise prohibits or enjoins any of the Parties from consummating the Sale of Subsidiary;

(iii) by POSCO in the event that POSCO receives notice under Subsection 25.2(1) or 25.3(2) of the Investment Canada Act within the periods prescribed in the Investment Canada Act after making the Voluntary ICA Filing;

(iv) by the Company if the Closing shall not have occurred on or prior to April 3, 2026, provided, that if such date is not a Business Day, not later than the first Business Day following such date (the "Outside Date"); provided, further that (A) the right to terminate this Agreement under this Section 9.02(a)(iii) shall not be available to the Seller if such party has breached in any material respect its obligations, representations and warranties under this Agreement in any manner that shall have proximately contributed to the failure of the Closing to have occurred on or prior to the Outside Date or the conditions precedent set forth in Section 2.03(c) shall have not been satisfied on or before the Outside Date for any reason whatsoever; and (B) the Purchasers shall have the exclusive right, in their sole discretion, to extend the Outside Date for any additional period or periods of time they consider reasonable, by providing written notice to the Seller prior to the expiration of the initial Outside Date, in the event that any of the conditions set forth in Section 2.03(c) have not been

satisfied by the Seller for any reason whatsoever on or before the Outside Date. Any such extension shall be effective upon delivery of such written notice, and the Outside Date shall be deemed automatically extended for the specified additional period;

(v) by POSCO if the Closing shall not have occurred on or prior to Outside Date; provided, that the right to terminate the Share Purchase Agreement under Section 9.02(a)(v) shall not be available to POSCO if it has breached in any material respect its obligations, representations and warranties under the Share Purchase Agreement in any manner that shall have proximately contributed to the failure of the Closing to have occurred on or prior to the Outside Date; or

(vi) by the Company or POSCO if there has been a breach of any covenant or a breach of any representation or warranty by either the Company or POSCO, respectively, which breach would cause the failure of any condition precedent set forth in Section 2.03(a), Section 2.03(b) and Section 2.03(c) of the Share Purchase Agreement as the case may be, provided, that any such breach of a covenant or representation or warranty has not been cured within [twenty (20)] Business Days following receipt by the breaching party of written notice of such breach; provided, further, that neither the Company nor POSCO shall be entitled to terminate pursuant to Section 9.02(a)(ii)(C) if the Company or POSCO, is or are, as applicable, then in material breach of any of its or their representations, warranties, covenants or agreements hereunder;

(vii) by POSCO if there has been a Company Material Adverse Effect;

(viii) by the Company upon acceptance of a Superior Proposal as permitted under Section 11.01 of the Share Purchase Agreement; provided that POSCO has not elected to deliver a First Refusal Notice in the terms and conditions set forth in Section 11.01 the Share Purchase Agreement; or

(ix) by POSCO upon the breach by the Company of any of the provisions of Section 11.01 of the Share Purchase Agreement.

Regulatory Acceptance and Shareholder Approval by Special Resolution

The sale of the Subsidiary Shares to POSCO represents the sale of more than 50% of the Company's assets and may constitute the sale of all or substantially all of the undertaking of the Company. As a result, the Sale of Subsidiary constitutes a "Reviewable Disposition" under Section 5.9 of TSXV Policy 5.3 *Acquisitions and Dispositions of Non-Cash Assets* ("**TSXV Policy 5.3**"), and Section 5.14(c) of TSXV Policy 5.3 requires the Company to seek and obtain Shareholder approval for the Sale of Subsidiary by way of an ordinary resolution. In addition, section 301(1) of the BCBCA requires the Company to obtain Shareholder approval of the Sale of Subsidiary by way of a special resolution to proceed with such sale.

The Company has obtained conditional acceptance if the TSXV for the Sale of Subsidiary and will apply to obtain final approval of the Sale of Subsidiary following closing of the same.

At the Meeting, the Shareholders will be asked to approve the Disposition Resolution. To be passed, the Disposition Resolution must be approved by at least 66⅔% of the votes cast by the Shareholders (other than Dissenting Shareholders) present either in person or represented by proxy at the Meeting.

The Board has unanimously approved the Disposition Resolution and recommends that Shareholders vote *FOR* the Disposition Resolution. The full text of the Disposition Resolution is attached to the Circular as Appendix A.

Dissent Rights with Respect to the Sale of Subsidiary

A Registered Shareholder is entitled to dissent in respect of the Disposition Resolution ("**Dissent Rights**") and require the Company to purchase all of the Registered Shareholder's Shares in consideration of the fair value that the Shares had immediately before the passing of the Disposition Resolution in accordance with Section 245 of the BCBCA, if such Registered Shareholder dissents in respect of the Disposition Resolution and complies with the strict procedures set out in Division 2 of Part 8 of the BCBCA.

The following is a summary of the provisions of the BCBCA relating to the Dissent Rights in respect of the Disposition Resolution. Such summary is not a comprehensive statement of the procedures to be followed by a Registered Shareholder who wishes to duly and validly exercise their Dissent Rights ("**Dissenting Shareholder**") and seek payment of the fair value of its Shares ("**Dissent Shares**") and the following summary is qualified in its entirety by reference to the full text of Division 2 of Part 8 of the BCBCA (the "**Dissent Procedures**").

The statutory provisions dealing with the right of dissent are technical and complex. Any Dissenting Shareholder should seek independent legal advice, as failure to comply strictly with the provisions of Division 2 of Part 8 of the BCBCA, which are attached to this Circular as **Appendix F**, may result in the loss of all Dissent Rights. Each Dissenting Shareholder is entitled to be paid the fair value (determined immediately before passing of the Disposition Resolution) of all but not less than all, of the holder's Shares, provided that the holder duly dissents to the Disposition Resolution and the Sale of Subsidiary becomes effective.

In many cases, Shares beneficially owned by a holder are registered either (a) in the name of an intermediary that the beneficial Shareholder deals with in respect of such shares, such as, among others, banks, trust companies, securities brokers, trustees and other similar entities, or (b) in the name of a depositary, such as CDS & Co., of which the intermediary is a participant. Accordingly, a Beneficial Shareholder will not be entitled to exercise such Shareholder's rights of dissent directly (unless the Shares are re-registered in the Beneficial Shareholder's name).

In order for a Shareholder to dissent, a written objection (a "**Notice of Dissent**") to the Sale of Subsidiary must be received by the Company at 2300-550 Burrard Street, Vancouver, British Columbia, V6C 2B5, Attention: Tara Amiri, no later than 9:00 a.m. (Pacific time) on February 17, 2026 or the date that is two days prior to the date of any adjournment or postponement of the Meeting. Such Notice of Dissent must strictly comply with the requirements of Section 242 of the BCBCA. Any failure by a Registered Shareholder to fully comply with the provisions of the BCBCA may result in the loss of that holder's Dissent Rights.

To exercise Dissent Rights, a Registered Shareholder must prepare a separate Notice of Dissent for such Shareholder, if dissenting on such Shareholder's own behalf, and for each other Beneficial Shareholder who beneficially owns Shares registered in the Shareholder's name and on whose behalf the Shareholder is dissenting; and must dissent with respect to all of the Shares registered in such Shareholder's name or if dissenting on behalf of a Beneficial Shareholder, with respect to all of the Shares registered in such Shareholder's name and beneficially owned by the Beneficial Shareholder on whose behalf the Shareholder is dissenting. The Notice of Dissent must set out the number of Shares in respect of which the Dissent Rights are being exercised (the "**Notice Shares**") and: (a) if such Shares constitute all of the Shares of which the Shareholder is the registered and beneficial owner and the Shareholder owns no other Shares beneficially, a statement to that effect; (b) if such Shares constitute all of the Shares of which the Shareholder is both the registered and beneficial owner, but the Shareholder owns additional Shares beneficially, a statement to that effect and the names of the registered Shareholders, the number of Shares held by each such Registered Shareholder and a statement that written Notices of Dissent are being or have been sent with respect to such other Shares; or (c) if the Dissent Rights are being exercised by a Registered Shareholder who is not the beneficial owner of such Shares, a statement to that effect and the name of the Beneficial Shareholder and a statement that the Registered Shareholder is dissenting with respect to all Shares of the Beneficial Shareholder registered in such registered holder's name.

If the Disposition Resolution receives Shareholder approval, and the Company notifies a Registered Shareholder of Notice Shares of the Company's intention to act upon the Disposition Resolution pursuant to Section 243 of the BCBCA, in order to exercise Dissent Rights such Registered Shareholder must, within one month after the Company gives such notice, send to the Company a written notice that such holder requires the purchase of all of the Notice Shares in respect of which such holder has given Notice of Dissent. Such written notice must be accompanied by the share certificate or certificates representing those Notice Shares (including a written statement prepared in accordance with Section 244(1)(c) of the BCBCA if the dissent is being exercised by the Registered Shareholder on behalf of a Beneficial Shareholder), whereupon, subject to the provisions of the BCBCA relating to the termination of Dissent Rights, the Registered Shareholder becomes a Dissenting Shareholder, and is bound to sell and the Company is bound to purchase those Shares. Such Dissenting Shareholder may not vote, or exercise or assert any rights of a Shareholder in respect of such Notice Shares, other than the rights set forth in Division 2 of Part 8 of the BCBCA.

The BCBCA does not provide, and the Company will not assume, that a vote against the Disposition Resolution or an abstention constitutes a Notice of Dissent. A Dissenting Shareholder need not vote such Dissenting Shareholder's Shares against the Disposition Resolution in order to dissent but must not vote (in person or by way of proxy) any Shares held in favour of the Disposition Resolution.

The Dissenting Shareholders who:

- ultimately are entitled to be paid fair value for their Shares which fair value shall be the fair value of such Shares immediately before the passing by the Shareholders of the Disposition Resolution, shall be paid an amount in cash equal to such fair value; and

- ultimately are not entitled, for any reason, to be paid fair value for such Shares shall be deemed to have participated in the Sale of Subsidiary on the same basis as a non-Dissenting Shareholder of Shares.

If a Dissenting Shareholder is ultimately entitled to be paid for their Dissent Shares, such Dissenting Shareholder may enter into an agreement for the fair value of such Dissent Shares. If such Dissenting Shareholder does not reach an agreement, such Dissenting Shareholder, or the Company, may apply to the Court, and the Court may determine the payout value of the Dissent Shares and make consequential orders and give directions as the Court considers appropriate.

There is no obligation on the Company to make an application to the Court. The Dissenting Shareholder will be entitled to receive the fair value of the Shares (determined immediately before passing of the Disposition Resolution). After a determination of the fair value of the Dissent Shares, the Company must then promptly pay that amount to the Dissenting Shareholder.

In no circumstances will the Company or any other person be required to recognize a person as a Dissenting Shareholder: (i) if such person has voted or instructed a proxy holder to vote such Notice Shares in favour of the Disposition Resolution; or (ii) unless such person has strictly complied with the Dissent Procedures for exercising Dissent Rights set out in Division 2 of Part 8 of the BCBCA and does not withdraw such Notice of Dissent prior to the Effective Date.

Dissent Rights with respect to Notice Shares will terminate and cease to apply to the Dissenting Shareholder if, before full payment is made for the Notice Shares, the Sale of Subsidiary in respect of which the Notice of Dissent was sent is abandoned or by its terms will not proceed, a court permanently enjoins or sets aside the corporate action approved by the Disposition Resolution, or the Dissenting Shareholder withdraws the Notice of Dissent with the Company's written consent. If any of these events occur, the Company must return the share certificates or DRS Statements representing the Shares to the Dissenting Shareholder and the Dissenting Shareholder regains the ability to vote and exercise such Dissenting Shareholder's rights as a Shareholder.

The above is only a summary of the Dissent Procedures which are technical and complex. If you are a Registered Shareholder and wish to exercise your Dissent Rights, you should seek your own legal advice as failure to strictly comply with the Dissent Procedures, will result in the loss of your Dissent Rights. Also see Dissent Rights attached to this Circular as **Appendix F**.

THE GOING PRIVATE ARRANGEMENT

Reasons for the Going Private Arrangement

In planning for completion of the Sale of Subsidiary, the Board was searching for an efficient and expedient mechanism to distribute the Net Proceeds of the Sale of Subsidiary, being all of the assets of the Company, to the Shareholders. In addition, following the completion of the Sale of Subsidiary, the Company will no longer meet the TSXV continuous listing requirements. Upon review of the various alternatives available to the Company to distribute the Net Proceeds of the Sale of Subsidiary to its Securityholders and after consultation with its legal and financial advisors, the Board unanimously determined to complete the Going Private Arrangement.

The following table discloses the Net Proceeds expected to be distributed to the Shareholders:

Item	CAD$
Gross proceeds from Sale of Subsidiary	**$90,090,000**[1][2]
Property payments for Hydra X and XI claim blocks[3]	2,783,700
Taxes on Sale of Subsidiary	8,323,263
Indemnification R&W Insurance Policy	575,000
Closing costs[4]	8,938,853
Change of control payment to related parties per management contracts[5]	1,189,400
Payment and settlement of accounts payable	2,074,939
Costs associated with maintaining the Company post-closing of the Sale of Subsidiary as a private B.C. company for a minimum of 12 months and to fulfill post-closing obligations entered into in the Share Purchase Agreement and winding down[6]	430,897
	24,696,302
Net Proceeds from Sale of Subsidiary	**65,773,948**
Anticipated proceeds from exercise of Options and Warrants	12,641,030[7]
Net Proceeds to be distributed to Shareholders	**$78,414,978**
Anticipated fully diluted Common Shares of Company	155,355,342
Redemption per Share	**$0.505**[8]

(1) This number is an estimate and is calculated based on the Bank of Canada Exchange rate of USD$1.3860 to CAD$ as of December 5, 2025 (the date the Share Purchase Agreement was executed).

(2) The Sale of the Subsidiary is the sale of all of the undertaking of the Company and the Company does not have any other assets.

(3) Pursuant to the Company's news release dated July 23, 2025, the Company entered into a purchase option of these claim blocks, payable upon the commencement of construction of the HMN Project or the sale of the HMN Project.

(4) Includes the following fees: legal, Meeting, printing and mailout, TSXV, Financial Advisor, Share repurchase and going private, audit and other related costs.

(5) See *Particulars of Other Matters to be Acted Upon - Compensation of Directors and Named Executive Officers – Employment, Consulting and Management Agreements* in this Circular.

(6) Includes the following fees of legal, audit, accounting, financial advisor fees and other costs to maintain the Company in good standing while it is wound up.

(7) Assumes exercise of all of the In-the-Money-Options and In-the-Money Warrants of the Company prior to the Effective Date of the Arrangement. As of the Record Date $4,705,855 has been received by the Company as a result of exercise of In-the-Money-Options and In-the-Money Warrants.

(8) Minimum expected per Share Cash Consideration to Shareholders.

Pursuant to the Going Private Arrangement, all of the issued and outstanding Shares of the Company will be repurchased by the Company in consideration for the Cash Consideration, other than Dissent Shares which will be deemed to be transferred to the Company for cancellation in accordance with the Dissent Rights. In addition all holders of In-the-Money Options and In-the-Money Warrants will also receive the Option Consideration or Warrant Consideration, respectively. All Options and Warrants will thereafter be canceled. As the final step of the Plan of Arrangement, Adrian Hobkirk, the current President, CEO and a director of the Company will be issued one (1) Share of the Company. This will allow the Company to have at least one Shareholder after closing of the Transactions to effect the post-closing matters of the Transactions and the Company's ongoing obligations for a minimum period of 12 months at which time the Company may then be wound up.

Following the closing of the Going Private Arrangement, the Company will then immediately apply to voluntarily delist from the TSXV, as the Company will not meet the TSXV's continuous listing requirements, and also to cease to be a reporting issuer in the Provinces of British Columbia, Alberta and Ontario.

The following summarizes the transactions which will occur under the Plan of Arrangement on the Effective Date, if all conditions to the completion of the Going Private Arrangement have been satisfied or waived. The following description of transactions is qualified in its entirety by reference to the full text of the Plan of Arrangement, attached to this Circular as **Appendix C** and available under the Company's SEDAR+ profile at www.sedarplus.ca. In this section, capitalized terms have the meaning set out in the Glossary of Terms or are otherwise defined the Plan of Arrangement.

(a) notwithstanding any vesting or exercise or other provisions to which an In-the-Money Option might otherwise be subject (whether by contract, the conditions of grant, applicable Law or the terms of the Company Stock Option Plan), each In-the-Money Option (whether vested or unvested) outstanding immediately prior to the Effective Time shall, without any further action by or on behalf of the holder thereof, be surrendered and transferred by the holder thereof, free and clear of any Liens, to the Company, and the holder thereof shall be entitled to receive in exchange therefor a cash payment from the Company equal to the amount by which the Cash Consideration exceeds the per share exercise price of such In-the-Money Option (the "**Option Consideration**");

(b) notwithstanding any vesting or exercise or other provisions to which an Option that is not an In-the-Money Option might otherwise be subject (whether by contract, the conditions of grant, applicable Law or the terms of the Company Stock Option Plan), each such Option (whether vested or unvested) outstanding immediately prior to the Effective Time shall be cancelled without any payment or other consideration therefor;

(c) each Option shall be cancelled and the name of each Optionholder prior to the transfers or cancellations referred to in Sections 3.1(a) or (b) shall be removed from the stock option register of the Company, and the Stock Option Plan and all agreements relating to the Options shall be terminated and shall be of no further force and effect;

(d) notwithstanding any exercise or other provisions to which an In-the-Money Warrant might otherwise be subject (whether by contract, the conditions of grant, applicable Law or the terms of the warrant certificate), each In-the-Money Warrant outstanding immediately prior to the Effective Time shall, without any further action by or on behalf of the holder thereof, be surrendered and transferred by the holder thereof, free and clear of any Liens, to the Company, and the holder thereof shall be entitled to receive in exchange therefor a cash payment from the Company equal to the amount by which the Cash Consideration exceeds the per share exercise price of such In-the-Money Warrant, and each such In-the-Money Warrant shall be immediately cancelled and the name of such Warrantholder shall be removed from the warrant register of the Company, and the warrant certificate and all agreements relating to the In-the-Money Warrants shall be terminated and shall be of no further force and effect (the "**Warrant Consideration**");

(e) each Warrant that is not an In-the-Money Warrant will, without any further action by or on behalf of the Company or the Warrantholder thereof, be cancelled without any payment and the name of such Warrantholder shall be removed from the warrant register of the Company, and the warrant certificate and all agreements relating to the Warrants shall be terminated and shall be of no further force and effect;

(f) each Dissent Share held by a Dissenting Shareholder in respect of which such Dissenting Shareholder has exercised Dissent Rights (and the right of such Dissenting Shareholder to dissent with respect to such Common Share has not terminated or ceased to apply with respect to such Common Share) will, without any further action by or on behalf of the Dissenting Shareholder, be deemed to be transferred and assigned by the Dissenting Shareholder to the Company (free and clear of any Liens), and

(i) such Dissenting Shareholder will cease to be a holder of Common Shares and will cease to have any rights as a holder in respect of such Common Shares other than pursuant to Dissent Rights;

(ii) the name of such Dissenting Shareholder will be removed from the applicable securities register of the Company with respect to Common Shares; and

(iii) the Dissenting Shareholder will be deemed to have executed and delivered all consents, releases, assignments, and waivers, statutory or otherwise, required to effect the transfer thereof;

(g) each Common Share (other than any Common Shares that are Dissent Shares) will, without any further action by or on behalf of the holder thereof, be, and will be deemed to be, repurchased and acquired by the Company and transferred and assigned by such holder to the Company (free and clear of any Liens) in exchange for the Cash Consideration payable by the Company for each such Common Share, and

(iv) such holder will cease to be the holder thereof;

(v) the name of any such holder will be removed from the central securities register maintained by or on behalf of the Company in respect of the Common Shares;

(vi) such holder will be deemed to have executed and delivered all consents, releases, assignments, and waivers, statutory or otherwise, required to effect the transfer hereof;

(vii) the Shareholder will cease to have any rights as a Shareholder other than the right to receive the aggregate Cash Consideration such Shareholders are entitled to receive in accordance with this Section (g) and any dividends or other distributions declared on the Common Shares prior to the Effective Date but not yet paid as of the Effective Time, in each case less any amounts required to be withheld; and

(viii) each Common Share transferred and assigned to the Company pursuant to this Section (g) will be, and will be deemed to be, cancelled; and

(h) Adrian Hobkirk, the current President, CEO and a director of the Company, will, without any further action by or on behalf of himself, and will be deemed to, subscribe for one Common Share at a price of $1.00 and the name of Adrian Hobkirk will be added to the central securities register maintained by or on behalf of the Company in respect of Common Shares as the holder thereof.

Conditions Precedent

Subject to the approvals by the Securityholders at the Meeting, the Court and the TSXV, the Plan of Arrangement will become effective at the Effective Time and shall be binding upon the Company, the Securityholders and the Depositary. The implementation of the Plan of Arrangement is conditional upon the satisfaction or waiver, at or before the Effective Time, of the following conditions precedent:

(a) the Arrangement Resolution shall have been approved by the Securityholders at the Meeting in accordance with the requirements of the Interim Order;

(b) the sale of Subsidiary Shares to POSCO pursuant to the Share Purchase Agreement shall have been: (i) approved at the Meeting by way of special resolution of the Shareholders; and (ii) completed in accordance with the provisions of the Share Purchase Agreement;

(c) the Final Order shall have been obtained in form and substance satisfactory to the Company, acting reasonably, and shall not have been set aside or modified in a manner unacceptable to the Company on appeal or otherwise;

(d) there shall not exist any prohibition under applicable law against the completion of the Going Private Arrangement; and

(e) there shall not be in force any order or decree restraining or enjoining or materially modifying or imposing material conditions on the consummation of the Going Private Arrangement or under the Plan of Arrangement and there shall be no proceeding, whether of a judicial or administrative nature or otherwise brought by a Governmental Authority that relates to or results from the Going Private Arrangement that would, if successful, result in an order or ruling that would preclude completion of, or materially modify or impose material conditions on, the Going Private Arrangement or under the Plan of Arrangement.

The foregoing conditions may be waived, in whole or in part, by the Company. If any of the foregoing conditions are not satisfied or waived on or before the Effective Date, or such other date as may be agreed, then the Company may terminate the Plan of Arrangement.

Regulatory Acceptance and Securityholder Approval by Special Resolution

At the Meeting, If the Disposition Resolution is approved by the Shareholders, then, the Securityholders will be asked to consider and vote on a special resolution (the "**Arrangement Resolution**") approving the Going Private Arrangement.

To be passed at the Meeting, the Arrangement Resolution must be approved by: (i) $66^{2/3}$% of the votes cast on the Arrangement Resolution by Shareholders (other than a Dissenting Shareholder) present in person or represented by proxy and entitled to vote at the Meeting; and (ii) 66⅔% of the votes cast on the Arrangement Resolution by Securityholders present in person or represented by proxy and entitled to vote at the Meeting, voting as a single class.

Dissent Rights are available to Registered Shareholders with respect to the Going Private Arrangement. See *The Going Private Arrangement - Dissent Rights with Respect to the Going Private Arrangement* in this Circular.

The Board has unanimously approved the terms of the Going Private Arrangement and unanimously recommends that the Securityholders vote *FOR* the Arrangement Resolution. The full text of the Arrangement Resolution is attached to the Circular as Appendix B.

In addition, the Company has received conditional acceptance of the TSXV for the Going Private Arrangement and will seek final acceptance of the TSXV for the Going Private Arrangement as well.

Following the completion of the Going Private Arrangement, the Company will immediately apply to voluntarily delist the Shares from the TSXV as it will not meet the TSXV's continuous listing requirements and will also apply to cease to be a reporting issuer in the Provinces of British Columbia, Alberta and Ontario. Delisting of the Company from the TSXV will be subject to approval of the TSXV.

Court Approval and Completion of the Going Private Arrangement

The Going Private Arrangement is proposed to be carried out pursuant to Section 288 of the BCBCA. In addition to obtaining the approval of Securityholders at the Meeting and the satisfaction or waiver of the other conditions as set out in the Plan of Arrangement, the Court must grant the Final Order approving the Going Private Arrangement in order for the Going Private Arrangement to become effective.

Subject to the approval of the Arrangement Resolution by Securityholders at the Meeting, the hearing in respect of the Final Order is currently scheduled to take place at 800 Smithe Street, Vancouver, British Columbia on Wednesday, February 25, 2026 at 10:00 a.m. (Pacific time) or as soon thereafter as reasonably practicable. Any Shareholder, Director, auditor or other interested party with leave of the Court who wishes to appear, or to be represented, and to present evidence or arguments at the hearing must file and deliver by 4:00 p.m. on Friday, February 20, 2026, a response to petition ("**Response to Petition**") and any evidence or material they intend to present to the Court as set out in the Interim Order. At the hearing, the Court will consider, among other things, the fairness of the terms and conditions of the Going Private Arrangement to those to whom securities will be issued. The Court may approve the Going Private Arrangement in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court deems fit.

It is presently contemplated that the Effective Date will be on or about March 16, 2026. In the event that the hearing is adjourned, subject to further order of the Court, only those persons having previously filed and delivered a Response to Petition will be given notice of the adjournment. The Going Private Arrangement requires approval by the Court. Prior to the mailing of this Circular, the Company filed a Petition to the Court and obtained the Interim Order providing for the calling and holding of the Meeting and other procedural matters. A copy of the Interim Order is attached to this Circular as **Appendix D**. The Notice of Hearing of Petition applying for the Final Order is also attached to this Circular as **Appendix E**.

Dissent Rights with Respect to the Going Private Arrangement

The Interim Order provides that each Registered Shareholder may exercise Dissent Rights with respect to the Going Private Arrangement. Registered Shareholders who wish to dissent should take note that strict compliance with the Dissent Procedures is required.

A Shareholder is not entitled to dissent with respect to such holder's Shares if such holder votes any of those Shares in favour of the Arrangement Resolution.

The following is a summary of the provisions of the BCBCA relating to a Shareholder's dissent and appraisal rights in respect of the Arrangement Resolution. It is not a comprehensive statement of such rights and procedures and is qualified in its entirety by the reference to the full text of Division 2 of Part 8 of the BCBCA, which is attached to this Circular as **Appendix F**, as modified by the Plan of Arrangement, the Interim Order (which are attached to this Circular as **Appendix C** and **Appendix D**, respectively) and any other order of the Court. The Court hearing the application for the Final Order has the discretion to alter the Dissent Rights described herein based on the evidence presented at such hearing.

Notwithstanding Subsection 242(2) of the BCBCA, the written notice of dissent to the Arrangement Resolution referred to in Subsection 242(2) of the BCBCA must be received by the Company not later than 9:00 a.m. (Pacific time) on the date which is two days immediately before the date of the Meeting. The notice of dissent should be received by the Company at 2300-550 Burrard Street, Vancouver, British Columbia, V6C 2B5, Attention: Tara Amiri. After the Arrangement Resolution is approved by Shareholders and within one month after the Company notifies the Dissenting Shareholder of the Company's intention to act upon the Arrangement Resolution pursuant to Section 243 of the BCBCA, the Dissenting Shareholder must send to the Company a written notice that such holder requires the purchase of all of the Shares in respect of which such holder has given notice of dissent, together with the share certificates or DRS Statements representing those Shares (including a written statement prepared in accordance with Subsection 244(1)(c) of the BCBCA if the dissent is being exercised by the Shareholder on behalf of a Beneficial Shareholder). If a Dissenting Shareholder does not strictly comply with the Dissent Procedures or, for any other reason, is not entitled to be paid fair value for his, her or its Dissent Shares, the Company will return to the Dissenting Shareholder the shares certificates or DRS Statements representing the Dissent Shares that were delivered to the Company, if any, and, if the Going Private Arrangement is completed, that Dissenting Shareholder will be deemed to have participated in the Going Private Arrangement on the same basis as non-Dissenting Shareholders.

Any Dissenting Shareholder who has duly complied with Section 244(1) of the BCBCA or the Company may apply to the Court, and the Court may determine the fair value of the Dissent Shares and make consequential orders and give directions as the Court considers appropriate. There is no obligation on the Company to apply to the Court. The Dissenting Shareholder will be entitled to receive the fair value of the Dissent Shares (determined immediately before passing of the Arrangement Resolution). Failure to comply strictly with the provisions of the BCBCA, as modified by the Interim Order and the Final Order, and to adhere to the procedures established therein may result in the loss of all rights thereunder.

The Court, upon hearing the application for the Final Order has the discretion to alter the Dissent Rights described herein based on the evidence presented at such hearing.

Pursuant to the Interim Order, holders of Shares may exercise Dissent Rights under Division 2 of Part 8 of the BCBCA, as the same may be modified by the Interim Order and the Final Order, with respect to Shares in connection with the Going Private Arrangement, provided that the written notice of dissent to the Arrangement Resolution

contemplated by Section 242 of the BCBCA must be sent to Shareholders who wish to dissent at least two days before the Meeting or any date to which the Meeting may be postponed or adjourned and provided further that Shareholders who exercise such Dissent Rights and who:

(a) ultimately are entitled to be paid fair value for their Shares which fair value shall be the fair value of such Shares immediately before the passing by the Shareholders of the Arrangement Resolution, shall be paid an amount in cash equal to such fair value; and

(b) are ultimately not entitled, for any reason, to be paid fair value for their Shares shall be deemed to have participated in the Going Private Arrangement, as of the Effective Time, on the same basis as a non-Dissenting Shareholder of Shares and shall be entitled to receive only the Consideration contemplated under the Plan of Arrangement that such holder would have received pursuant to the Going Private Arrangement if such holder had not exercised Dissent Rights,

but in no case shall the Company, Depository or any other person be required to recognize a Dissenting Shareholder as a Registered Shareholder or Beneficial Shareholder at or after the Effective Time, and the names of such Dissenting Shareholders shall be deleted from the central securities register of Shares at the Effective Time.

In many cases, Shares beneficially owned by a holder are registered either (a) in the name of an intermediary that the Beneficial Shareholder deals with in respect of such shares, such as, among others, banks, trust companies, securities brokers, trustees and other similar entities, or (b) in the name of a depositary, such as CDS & Co., of which the intermediary is a participant. Accordingly, a Beneficial Shareholder will not be entitled to exercise such Shareholder's rights of dissent directly (unless the Shares are re-registered in the Beneficial Shareholder's name).

The foregoing summary does not purport to provide a comprehensive statement of the procedures to be followed by a Dissenting Shareholder who seeks payment of the fair value of the Shares held and is qualified in its entirety by reference to Sections 237 to 247 of the BCBCA, as modified by the Interim Order, the Final Order and the Plan of Arrangement. A copy of the Interim Order is attached to this Circular as **Appendix D**. Sections 237 to 247 of the BCBCA are reproduced and attached to this Circular as **Appendix F**. The Dissent Procedures must be strictly adhered to and any failure by a Shareholder to do so may result in the loss of that holder's Dissent Rights. **Accordingly, each Shareholder who wishes to exercise Dissent Rights should carefully consider and comply with the Dissent Procedures and consult such holder's legal advisers.**

Procedure for Receipt of Cash Consideration

1. Letter of Transmittal

A Letter of Transmittal is enclosed with this Circular for use by Registered Shareholders (other than a Dissenting Shareholder) alongside the surrender of their share certificates and/or DRS Statements representing their Shares. The details for the surrender of such share certificates and/or DRS Statements to the Depositary and the addresses of the Depositary are set out in the Letter of Transmittal.

In order to receive the Cash Consideration, a Registered Shareholder (other than a Dissenting Shareholder) must first deliver to the Depositary the Letter of Transmittal duly completed and executed in accordance with the instructions on such form or in otherwise acceptable form and such other documents as the Depositary may reasonably require, if any.

If a Letter of Transmittal is signed by the registered owner(s) of the Shares represented by the accompanying share certificate(s) and/or DRS Statement(s), such signature(s) on the Letter of Transmittal must correspond with the name(s) as registered or as written on the face of such share certificate(s) and/or DRS Statement(s) without any change whatsoever, and the share certificate(s) need not be endorsed. If the Shares represented by such deposited share certificate(s) and/or DRS Statement(s) are owned of record by two or more joint owners, all such owners must sign the Letter of Transmittal.

If a Letter of Transmittal is signed by a person other than the registered owner(s) of the Shares, or if the payment is to be made in a name other than the registered owner(s), or sent to an address other than the address of the registered

owner(s) as shown on the central securities register of the Company, such signature must be guaranteed by an Eligible Institution, or in some other manner satisfactory to the Depositary (except that no guarantee is required if the signature is that of an Eligible Institution).

Provided that a Shareholder has delivered and surrendered to the Depositary a duly completed Letter of Transmittal and the share certificates or DRS Statement representing the Shares, together with such other additional documents and instruments as provided for in the Letter of Transmittal duly executed and completed as the Depositary may reasonably require, the Company shall cause the Depositary to send a cheque in respect of the Cash Consideration that the Shareholder is entitled to receive, by first class mail as soon as practicable after the Effective Date, unless the Shareholder indicates to the Company that he or she wishes to pick-up the cheque the Shareholder is entitled to receive, in which case the cheque will be made available at the office of the Depositary for pick-up.

Consideration will be paid to Shareholders once the Depositary has confirmed that the Shareholder has surrendered to the Depositary a duly completed Letter of Transmittal and the share certificate(s) and/or DRS Statement representing the Shares, together with such other additional documents and instruments as provided for in the Letter of Transmittal duly executed and completed as the Depositary may reasonably require.

In all cases, payment for Shares deposited will be made only after timely receipt by the Depositary of the share certificate(s) and/or DRS Statement(s) representing Shares, together with a properly completed and duly executed Letter of Transmittal in the form accompanying the Circular, relating to such Shares, with signatures guaranteed if so required in accordance with the instructions in the Letter of Transmittal, and any other required documents.

All questions as to validity, form, eligibility (including timely receipt) and acceptance of any Shares deposited pursuant to the Going Private Arrangement will be determined by the Company in its sole discretion acting reasonably. Depositing Shareholders agree that such determination shall be final and binding. The Company reserves the absolute right to reject any and all deposits which the Company determines not to be in proper form or which may be unlawful for it to accept under the laws of any jurisdiction. The Company reserves the absolute right to waive any defect or irregularity in the deposit of any Shares. There shall be no duty or obligation on the Company, the Depositary, or any other person to give notice of any defect or irregularity in any deposit of Shares and no liability shall be incurred by any of them for failure to give such notice. The Company's interpretation of the terms and conditions of the Circular and the Letter of Transmittal will be binding on the Shareholders of the Company.

If the Going Private Arrangement is not completed, the surrendered share certificates and/or DRS Statements will be returned by the Depositary.

2. Lost Certificates

A Registered Shareholder who has lost or misplaced the Registered Shareholder's share certificate(s) should complete the Letter of Transmittal as fully as possible and forward it, together with letter describing the loss, to the Depositary. The Depositary will assist in making arrangements for the necessary affidavit (which may include a bonding requirement) for payment of the Cash Consideration in accordance with the Going Private Arrangement.

3. Method of Delivery

The method of delivery of share certificates and/or DRS Statements representing Shares, the Letter of Transmittal and all other required documents is at the option and risk of the person delivering them. The Company recommends that such documents be delivered by hand to the Depositary, at the office noted in the Letter of Transmittal, and a receipt obtained therefor, or if mailed, that registered mail, with return receipt requested, be used, and that proper insurance be obtained.

4. Payment and Delivery of the Cash Consideration

(a) Following receipt of the Final Order and prior to the Effective Time, the Company shall deposit in escrow, or cause to be deposited in escrow, with the Depositary, for the benefit of the Securityholders, the aggregate amount of cash payable to the Company Securityholders pursuant to the Plan of Arrangement.

(b) On or as soon as practicable after the Effective Date, the Depositary shall pay or cause to be paid, on behalf of the Company, to each In-the-Money Optionholder and In-the-Money Warrantholder, as reflected on the applicable register maintained by or on behalf of the Company in respect thereof (in each case less any amounts withheld pursuant to the Plan of Arrangement, if any) the consideration to which such Securityholder has the right to receive under the Plan of Arrangement for their In-the-Money Options or In-the-Money Warrants, as applicable, by cheque or similar means.

(c) Upon surrender to the Depositary for cancellation of a share certificate or a DRS Statement which immediately prior to the Effective Time represented one or more Shares that were transferred under the Going Private Arrangement, together with a properly completed Letter of Transmittal and such other documents and instruments as would have been required to effect the transfer of the Shares or DRS Statements under the BCBCA and the articles of the Company and such other documents and instruments as the Depositary may reasonably require, the holder of the Shares represented by such surrendered share certificate or DRS Statement shall be entitled to receive in exchange therefor, and the Depositary shall deliver to such holder (in each case less any amounts withheld pursuant to the Plan of Arrangement, if any), the applicable Cash Consideration that such holder has the right to receive, and the share certificate or DRS Statement so surrendered shall forthwith be cancelled.

(d) After the Effective Time, no Optionholder or Warrantholder will be entitled to receive any consideration with respect to such holder's Options or In-the-Money Warrants, as applicable, other than any cash payment of the consideration to which such holder is entitled to receive in accordance with Sections 3.1(a) and 3.1(b) as applicable, of the Plan of Arrangement, less any amounts withheld pursuant to Section 5.3 of the Plan of Arrangement.

(e) Under no circumstances shall interest accrue or be paid by the Company, the Depositary or any other Person to any Securityholder or other Persons depositing share certificates or DRS Statements pursuant to this Plan of Arrangement in respect of any securities of the Company outstanding immediately prior to the Effective Time.

5. Extinction of Rights

Any share certificate or DRS Statement which immediately prior to the Effective Time represented outstanding Shares that were exchanged pursuant to the Plan of Arrangement that is not deposited with all other instruments required by the Plan of Arrangement, and any payment made by the Depositary pursuant to the Plan of Arrangement that has not been deposited or has been returned to the Depositary or that otherwise remains unclaimed, in each case, on or prior to the second (2^{nd}) anniversary of the Effective Date, shall cease to represent a claim or interest of any kind or nature as a Securityholder of the Company. On such date, the consideration to which the former holder of the share certificate or DRS Statement referred to in the preceding sentence was ultimately entitled under the Plan of Arrangement shall be deemed to have been surrendered for no consideration to the Company. None of the Company or the Depositary shall be liable to any person in respect of any amount delivered to a public official pursuant to any applicable abandoned property, escheat or similar law.

6. Non-Registered Holders

Shareholders holding Shares which are registered in the name of a broker, investment dealer, bank, trust company or other nominee must contact their nominee holder to arrange for the surrender of their Shares.

7. Withholding Rights

The Company and the Depositary, as applicable, will be entitled to deduct or withhold from any consideration payable or otherwise deliverable to any person under the Plan of Arrangement (including any payment to Dissenting Shareholders) such amounts as the Company or the Depositary may be required or permitted to deduct and withhold with respect to such payment under the Tax Act, the *U.S. Internal Revenue Code of 1986*, as amended, and the rules and regulations promulgated thereunder, or any provision of any provincial, state, local, or foreign tax law. For the purposes hereof, all such withheld amounts shall be treated as having been paid to the person in respect of which such

deduction or withholding was made on account of the obligation to make payment to such person hereunder, provided that such deducted or withheld amounts are actually remitted to the appropriate Governmental Authority by or on behalf of the Company or the Depositary, as the case may be.

Plans for the Company Following Completion of the Transactions

Following the Completion of the Sale of Subsidiary and giving effect to the Going Private Arrangement, the Company will have one (1) Shareholder, being Adrian Hobkirk, the current President, CEO and a director of the Company, holding one (1) Share of the Company issued and outstanding. The Company will then immediately apply to voluntarily delist the Shares from the TSXV as it will not meet the TSXV's continuous listing requirements and will also apply to cease to be a reporting issuer in the Provinces of British Columbia, Alberta and Ontario. Delisting from the TSXV will be subject to approval of the TSXV.

MULTILATERAL INSTRUMENT 61-101

The Company is a reporting issuer in the Provinces of British Columbia, Alberta and Ontario and, accordingly, is subject to MI 61-101, which is intended to regulate certain transactions to ensure equality of treatment among security holders, generally requiring enhanced disclosure, approval by a majority of security holders excluding interested parties and/or, in certain instances, independent valuation and approval of and oversight of the transaction by a special committee of independent directors. The protections of MI 61-101 generally apply to "business combinations" (as defined in MI 61-101), that terminate the interests of security holders without their consent.

A "collateral benefit" (as defined in MI 61-101), includes any benefit that a related party of the Company (which includes the directors and senior officers) is entitled to receive, directly or indirectly, as a result of the Transactions, including, without limitation, an increase in salary, a lump sum payment, a payment for surrendering securities or other enhancement in benefits related to past or future services as an employee, director or consultant of the Company. However, such a benefit will not constitute a "collateral benefit" provided that certain conditions are satisfied.

Under MI 61-101, a benefit received by a related party of the Company is <u>not</u> considered to be a "collateral benefit" if the benefit is received solely in connection with the related party's services as an employee, director or consultant of the Company or an affiliated entity and (i) the benefit is not conferred for the purpose, in whole or in part, of increasing the value of the consideration paid to the related party for securities relinquished under the Transactions, (ii) the conferring of the benefit is not, by its terms, conditional on the related party supporting the Transactions in any manner, (iii) full particulars of the benefit are disclosed in the disclosure document for the Transactions, and (iv) either (A) at the time the Transactions were entered into and agreed to, the related party and its associated entities beneficially owned or exercised control or direction over less than 1% of the outstanding Shares, or (B) (x) the related party discloses to an independent committee of the Company the amount of consideration that the related party expects it will be beneficially entitled to receive, under the terms of the Going Private Arrangement, in exchange for the Shares beneficially owned by the related party, (y) the independent committee, acting in good faith, determines that the value of the benefit, net of any offsetting costs to the related party, is less than 5% of the value referred to in (B) (x), and (z) the independent committee's determination is disclosed in this Circular.

If a "related party' receives a "collateral benefit" as a result of the Transactions, then the Disposition Resolution and the Arrangement Resolution will also require "minority approval" in accordance with MI 61-101. If "minority approval" is required, the Disposition Resolution and the Arrangement Resolution must also be approved by a majority of the votes cast, excluding those votes beneficially owned, or over which control or direction is exercised, by the "related parties" of the Company who receive a "collateral benefit" in connection with the Transactions.

As of December 5, 2025 (the date the Share Purchase Agreement was executed), the directors and senior officers of the Company beneficially own, control or direct, directly or indirectly, an aggregate of 936,241 Shares. As of the Record Date, the directors and senior officers of the Company beneficially own, control or direct, directly or indirectly, an aggregate of 1,236,241 Shares that will be entitled to be voted at the Meeting representing approximately 0.97% of the issued and outstanding Shares as of the Record Date. See *Particulars of Other Matters to be Acted Upon - Election of Directors - Common Shares Beneficially Owned or Controlled* in this Circular.

All of the Shares owned or controlled by such directors and senior officers of the Company will be treated in the same manner under the Arrangement as Shares held by any other Shareholder.

If the Transactions are completed and assuming the Cash Consideration is $0.505, the directors and senior officers of the Company will receive, as a group, in exchange for such Shares, an aggregate of $624,301.71 of Cash Consideration.

Certain of the directors and senior officers of the Company hold Options and Warrants. If the Transactions are completed, all Options and Warrants will be cancelled and surrendered and holders of In-the-Money Options and In-the Money-Warrants, including any directors and senior officers holding In-the-Money Options and In-the Money-Warrants, will receive a cash payment equal to the Option Consideration and Warrant Consideration, respectively in exchange for the In-the-Money Options and In-the Money-Warrants, at the Effective Time. As at the Record Date, none of the directors and senior officers of the Company hold any In-the-Money Options or In-the-Money Warrants.

In addition, consulting agreements with the senior officers and directors provide that, if the agreement is terminated or if there is a change of control of the Company (which includes the Sale of Subsidiary), the senior officer or director would be entitled to receive compensation. See *Particulars of Other Matters to be Acted Upon - Compensation of Directors and Named Executive Officers – Employment, Consulting and Management Agreements* in this Circular.

Pursuant to the foregoing consulting agreements, if the Transactions are completed and the entitlements are triggered as described above following the completion of the Transactions on the Effective Date, the above-mentioned senior officers and directors would be entitled to receive in the aggregate approximately $1,189,400.

The compensation payable pursuant to the Consulting Agreements may be considered to be "collateral benefits" received by the applicable directors and senior officers of the Company for the purposes of MI 61-101. See *Particulars of Other Matters to be Acted Upon - Compensation of Directors and Named Executive Officers – Employment, Consulting and Management Agreements* in this Circular.

Each of Adrian Hobkirk, Christopher P. Cherry and Fernando Erik Villarroel Alcocer, by virtue of his respective role as a senior officer of the Company, and Gordon Neil and Alison Xiao Tian Dai, by virtue of his or her respective role as a director of the Company, is a "related party" of the Company (the "**Company Executives**").

With respect to the compensation that is expected to be received by the Company Executives in connection with termination of their respective consulting agreements as noted above, as each the Company Executives beneficially owns, or exercises control or direction over, less than 1% of the outstanding Shares (calculated in accordance with MI 61-101), the compensation that is expected to be received by such Company Executive does not constitute a "collateral benefit" under MI 61-101. As a result of the foregoing analysis, the Transactions do not constitute a "business combination" under MI 61-101 and the minority approval requirements of MI 61-101 will not apply in connection with the Transactions. In addition, since the Transactions do not constitute a business combination, no formal valuation of the Company is required for the Transactions under MI 61-101.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is, as of the date hereof, a general summary of the principal Canadian federal income tax considerations under the Tax Act that are generally applicable to a Shareholder in respect of the Going Private Arrangement described in this Circular.

This summary is based on the provisions of the Tax Act in force as of the date hereof and counsel's understanding of the current published administrative policies of the Canada Revenue Agency (the "**CRA**") publicly available prior to the date hereof. This summary also takes into account all specific proposals to amend the Tax Act that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**") and assumes that the Tax Proposals will be enacted in the form proposed, although no assurance can be given that the Tax Proposals will be enacted in the form proposed, or at all. This summary is not exhaustive of all possible Canadian federal income tax considerations and, except for the Tax Proposals, does not otherwise take into account or anticipate any other changes in law, whether by judicial, governmental or legislative decision or action or changes in the

administrative policies of the CRA, nor does it take into account provincial, territorial, or foreign income tax legislation or considerations, which may differ from the Canadian federal income tax considerations discussed below.

This summary is generally applicable to a Shareholder who, for purposes of the Tax Act, (a) deals at arm's length with the Company; (b) is not and will not be affiliated with the Company; (c) holds their Shares as the beneficial owner thereof, and (d) holds their Shares and will hold their Shares as capital property (each such beneficial owner, a "**Holder**"). Generally, Shares will be capital property to a Holder for purposes of the Tax Act, provided that the Holder does not use or hold, and is not deemed to use or hold, such Shares in the course of carrying on a business and has not acquired such Shares 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: (a) that is a "financial institution" (as defined in the Tax Act for the purposes of the mark-to-market rules in the Tax Act); (b) that is a "specified financial institution" (as defined in the Tax Act); (c) an interest in which is or would constitute a "tax shelter investment" (as defined in the Tax Act); (d) that reports its "Canadian tax results" in a currency other than the Canadian currency, (e) that is a partnership for Canadian federal income tax purposes; (f) that is exempt from tax under Part I of the Tax Act; (g) that has entered into or will enter into a "synthetic disposition agreement" or a "derivative forward agreement" (each as defined in the Tax Act) with respect to the Shares; (h) that receives dividends on its Shares under or as part of a "dividend rental arrangement" (as defined in the Tax Act); (i) that acquired or will acquire any of their Shares under an equity-based employment compensation arrangement (including in connection with the exercise, surrender or transfer of awards under the Company's equity incentive plan); or (j) in respect of which the Company would at any time be a "foreign affiliate" for any purpose of the Tax Act after the Going Private Arrangement. All such Holders should consult with their own tax advisors to determine the tax consequences to them of the Going Private Arrangement.

For clarity, this summary is not applicable to Optionholders or Warrantholders. All Optionholders and Warrantholders should consult with their own tax advisors to determine the tax consequences to them of the Going Private Arrangement including, without limitation, the tax consequences to them of the surrender, transfer and cancellation of their Options and Warrants, whether for the Option Consideration, the Warrant Consideration, or otherwise.

This summary is of a general nature only and is not exhaustive of all possible Canadian federal income tax considerations. This summary is not, and is not intended to be, nor should it be construed to be, legal, business, or tax advice to any particular Shareholder and no representation with respect to the tax consequences to any particular Shareholder is made. Accordingly, Shareholders should consult their own tax advisors regarding the Canadian federal income tax consequences of the Going Private Arrangement applicable to their particular circumstances, and any other consequences to them of such transactions under Canadian federal, provincial, local, and foreign tax laws.

Currency Conversion

Subject to certain exceptions that are not discussed herein, for the purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of securities (including dividends, adjusted cost base and proceeds of disposition) must be expressed in Canadian dollars. Amounts denominated in foreign currency must be converted into Canadian dollars, generally based on the rate quoted by the Bank of Canada for the exchange of the foreign currency on the date such amounts arise, or such other rate of exchange as is acceptable to the Minister of National Revenue (Canada).

Holders Resident in Canada

The following summary is only applicable to Holders who are resident in Canada for purposes of the Tax Act (a "**Resident Shareholder**").

Deemed Dividends on Shares Pursuant to the Going Private Arrangement

A Resident Shareholder (other than a Dissenting Resident Shareholder) will be deemed to transfer their Shares to the Company in exchange for the Cash Consideration pursuant to the Plan of Arrangement at the Effective Time. Such Resident Shareholder will be deemed to have received a taxable dividend equal to the amount by which the Cash

Consideration for such Shares exceeds the paid-up capital of such Shares for purposes of the Tax Act immediately before the Effective Time.

In the case of a Resident Shareholder who is an individual, such deemed dividend will be included in computing the Resident Shareholder's income and will be subject to the gross-up and dividend tax credit rules normally applicable to taxable dividends received from taxable Canadian corporations.

In the case of a Resident Shareholder who is an individual (including certain trusts), such deemed dividend may result in the individual paying minimum tax under the Tax Act. Resident Shareholders to whom these rules may apply should consult their own tax advisors having regard to their own particular circumstances.

In the case of a Resident Shareholder that is a corporation, such deemed dividend will be included in computing the Resident Shareholder's income and generally will be deductible in computing taxable income, subject to certain restrictions and special rules under the Tax Act. In certain circumstances, a taxable dividend received or deemed to be received by a Resident Shareholder that is a corporation may be recharacterized under subsection 55(2) of the Tax Act as proceeds of disposition or a capital gain. Resident Shareholders that are corporations should consult their own tax advisors with respect to the application of subsection 55(2) of the Tax Act having regard to their own particular circumstances.

A Resident Shareholder which is a "private corporation" or a "subject corporation" (as such terms are defined in the Tax Act) may be liable to pay a refundable tax under Part IV of the Tax Act in respect of such deemed dividend to the extent such deemed dividend is deductible in computing the Resident Shareholder's taxable income for the year.

A Resident Shareholder that is throughout the relevant taxation year a "Canadian-controlled private corporation" (as defined in the Tax Act) or, at any time in the year, a "substantive CCPC" (as defined in the Tax Act) may also be liable to pay an additional tax, refundable in certain circumstances, on its "aggregate investment income" for the year, which is defined in the Tax Act to include dividends received or deemed to be received on the Shares to the extent such dividends are not deductible in computing the dividend recipient's taxable income.

Capital Gains and Losses on Shares Pursuant to the Going Private Arrangement

A Resident Shareholder (other than a Dissenting Resident Shareholder) who is deemed to transfer their Shares to the Company in exchange for the Cash Consideration pursuant to the Plan of Arrangement at the Effective Time will also realize a capital gain (or incur a capital loss) equal to the amount, if any, by which the Cash Consideration for such Shares exceeds (or is exceeded by) the total of (i) the adjusted cost base (as defined in the Tax Act) to the Resident Shareholder of such Shares immediately before the Effective Time; (ii) the Resident Shareholder's reasonable costs of disposition of such Shares; and (iii) the amount of the deemed dividend arising on such Shares as described above.

Generally, one-half of any such capital gain (a "**taxable capital gain**") realized by a Resident Shareholder on their Shares will be included in the Resident Shareholder's income for the taxation year in which the disposition occurs. Subject to and in accordance with the provisions of the Tax Act, one-half of any such capital loss (an "**allowable capital loss**") realized by a Resident Shareholder on their Shares must generally be deducted from taxable capital gains realized by the Resident Shareholder in the taxation year in which the disposition occurs. Allowable capital losses in excess of taxable capital gains of the Resident Shareholder for the taxation year of disposition generally may be carried back up and deducted in the three preceding taxation years or carried forward and deducted in any subsequent year against net taxable capital gains realized in such years, to the extent and in the circumstances provided in the Tax Act.

In the case of a Resident Shareholder that is a corporation, the amount of any such capital loss on their Shares otherwise determined may in certain circumstances be reduced by the amount of dividends previously received or deemed to have been received by the Resident Shareholder on the Shares in accordance with the detailed provisions of the Tax Act in that regard. Similar rules may apply where a corporation is, directly or indirectly through a trust or partnership, a member of a partnership or a beneficiary of a trust which owns a Share. Resident Shareholders to which these rules may apply should consult their own tax advisors having regard to their own particular circumstances.

Capital gains realized by a Resident Shareholder who is an individual (including certain trusts) may result in the individual paying minimum tax under the Tax Act. Resident Shareholders to whom these rules may apply should consult their own tax advisors having regard to their own particular circumstances.

A Resident Shareholder that is throughout the relevant taxation year a "Canadian-controlled private corporation" or, at any time in the year, a "substantive CCPC" may also be liable to pay an additional tax, refundable in certain circumstances, on its "aggregate investment income" for the year, which is defined in the Tax Act to include an amount in respect of taxable capital gains.

Dissenting Resident Shareholders

A Dissenting Shareholder that is a Resident Shareholder who validly exercises Dissent Rights (a "**Dissenting Resident Shareholder**") in respect of their Shares ("**Dissenting Shares**") will be deemed to have transferred such Dissenting Shares to the Company pursuant to the Plan of Arrangement at the Effective Time.

Such a Dissenting Resident Shareholder will be deemed to have received a taxable dividend equal to the amount by which the amount received by the Dissenting Resident Shareholder for its Dissenting Shares (other than the portion that is in respect of interest, if any, awarded by the Court) exceeds the paid-up capital of such Dissenting Shares for purposes of the Tax Act immediately before the Effective Time.

The income tax consequences described above under "*Holders Resident in Canada – Deemed Dividends on Shares Pursuant to the Going Private Arrangement*" will generally apply to a Dissenting Resident Shareholder in respect of such deemed dividend on their Dissenting Shares.

A Dissenting Resident Shareholder who is deemed to transfer its Dissenting Shares to the Company pursuant to the Plan of Arrangement at the Effective Time will also generally realize a capital gain (or capital loss) on that disposition of such Dissenting Shares equal to the amount, if any, by which the proceeds of disposition of such Dissenting Shares exceed (or are less than) the total of the adjusted cost base to such Dissenting Resident Shareholder of such Dissenting Shares and any reasonable costs of disposition. For purposes of determining a Dissenting Resident Shareholder's capital gain (or capital loss) on that disposition, the Dissenting Resident Shareholder's proceeds of disposition will be equal to the amount received by the Dissenting Resident Shareholder for such Dissenting Shares less the amount of any deemed dividend arising on such Dissenting Shares, as described above, and less the amount of interest, if any, awarded by the Court.

Interest, if any, awarded to a Dissenting Resident Shareholder by the Court will be included in the Dissenting Resident Shareholder's income for purposes of the Tax Act.

Resident Shareholders should consult with, and rely on, their own tax advisors for advice regarding the tax consequences of exercising Dissent Rights.

Non-Resident Shareholders

The following portion of this summary is only applicable to a Holder who, at all relevant times, for purposes of the Tax Act and any applicable income tax treaty, (i) has not been, is not and will not be resident or deemed to be resident in Canada, and (ii) does not, will not and will not be deemed to use or hold their Shares in carrying on a business in Canada (a "**Non-Resident Shareholder**"). Special considerations, which are not discussed in this summary, may apply to a Non-Resident Shareholder that carries on an insurance business in Canada and elsewhere or an authorized foreign bank (as defined in the Tax Act). Such Non-Resident Shareholders should consult their own tax advisors.

Disposition of Shares Pursuant to the Going Private Arrangement

A Non-Resident Shareholder (other than a Dissenting Non-Resident Shareholder) will be deemed to transfer their Shares to the Company in exchange for the Cash Consideration pursuant to the Plan of Arrangement at the Effective Time. Such a Non-Resident Shareholder will be deemed to have received a taxable dividend equal to the amount by which the Cash Consideration for such Shares exceeds the paid-up capital of such Shares for purposes of the Tax Act immediately before the Effective Time.

Subject to an applicable income tax treaty or convention, such deemed dividend will be subject to Canadian withholding tax under the Tax Act at the rate of 25% of the gross amount of such deemed dividend. Non-Resident Shareholders should consult their own tax advisors to determine their entitlement to benefits under any applicable income tax treaty or convention based on their particular circumstances.

A Non-Resident Shareholder (other than a Dissenting Non-Resident Shareholder) who is deemed to transfer their Shares to the Company in exchange for the Cash Consideration pursuant to the Plan of Arrangement at the Effective Time will also realize a capital gain (or incur a capital loss) equal to the amount, if any, by which the Cash Consideration for such Shares exceeds (or is exceeded by) the total of (i) the adjusted cost base (as defined in the Tax Act) to the Non-Resident Shareholder of such Shares immediately before the Effective Time; (ii) the Non-Resident Shareholder's reasonable costs of disposition of such Shares; and (iii) the amount of the deemed dividend arising on such Shares as described above.

A Non-Resident Shareholder will generally not be subject to tax under the Tax Act in respect of any capital gain realized by such Non-Resident Shareholder on such a disposition of their Shares pursuant to the Plan of Arrangement, unless the Shares constitute "taxable Canadian property" (as defined in the Tax Act) of the Non-Resident Shareholder at the time of the disposition and the Non-Resident Shareholder is not entitled to relief under an applicable income tax convention between Canada and the country in which the Non-Resident Shareholder is resident at the time of the disposition.

Generally, a Share will not be taxable Canadian property of a Non-Resident Shareholder at a particular time provided that the Share is listed on a "designated stock exchange" (as defined in the Tax Act) (which currently includes the TSXV), unless at any time during the 60-month period immediately preceding the disposition the following two conditions are met concurrently: (i) the Non-Resident Shareholder, persons with whom the Non-Resident Shareholder did not deal at arm's length, partnerships whose members include, either directly or indirectly through one or more partnerships, the Non-Resident Shareholder or persons which do not deal at arm's length with the Non-Resident Shareholder, or any combination of them, owned 25% or more of the issued shares of any class or series of shares of the capital stock of the Company, and (ii) more than 50% of the fair market value of the shares of the Company was derived directly or indirectly from one or any combination of: (a) real or immovable property situated in Canada, (b) "Canadian resource properties" or "timber resource properties" (each as defined in the Tax Act) or (c) options in respect of, or interests in, or for civil law rights in, any property described in (a) or (b), whether or not such property exists. Notwithstanding the foregoing, in certain circumstances, a Share may also be deemed to be taxable Canadian property for the purposes of the Tax Act in certain circumstances.

If the Shares are, or are deemed to be, taxable Canadian property to a Non-Resident Shareholder, and if any capital gain resulting from such a disposition of the Shares is not exempt from tax under the Tax Act or pursuant to an applicable income tax treaty or convention, the income tax consequences described above under "*Holders Resident in Canada - Capital Gains and Losses on Shares Pursuant to the Going Private Arrangement*" will generally apply to the Non-Resident Shareholder.

Non-Resident Shareholders whose Shares may constitute taxable Canadian property should consult their own tax advisors regarding the tax and compliance considerations that may be relevant to them.

Dissenting Non-Resident Shareholders

A Dissenting Shareholder that is a Non-Resident Shareholder who validly exercises Dissent Rights (a "**Dissenting Non-Resident Shareholder**") in respect of their Shares ("**Dissenting Shares**") will be deemed to have transferred such Dissenting Shares to the Company pursuant to the Plan of Arrangement at the Effective Time.

Such a Dissenting Non-Resident Shareholder will be deemed to have received a taxable dividend equal to the amount by which the amount received by the Dissenting Non-Resident Shareholder for its Dissenting Shares (other than the portion that is in respect of interest, if any, awarded by the Court) exceeds the paid-up capital of such Dissenting Shares for purposes of the Tax Act immediately before the Effective Time.

Such a Dissenting Non-Resident Shareholder will also generally realize a capital gain (or capital loss) on that disposition of such Dissenting Shares to the Company equal to the amount, if any, by which the proceeds of disposition

of such Dissenting Shares exceed (or are less than) the total of the adjusted cost base to such Dissenting Non-Resident Shareholder of the such Dissenting Shares and any reasonable costs of disposition. For purposes of determining a Dissenting Non-Resident Shareholder's capital gain (or capital loss) on the that disposition, the Dissenting Non-Resident Shareholder's proceeds of disposition will be equal to the amount received by the Dissenting Non-Resident Shareholder for the such Dissenting Shares less the amount of any deemed dividend arising on such Dissenting Shares, as described above, and less the amount of interest, if any, awarded by the Court.

The income tax consequences described above under "*Non-Resident Shareholders – Disposition of Shares Pursuant to the Going Private Arrangement*" will generally apply to a Dissenting Non-Resident Shareholder in respect of any such deemed dividend or capital gain realized on their Dissenting Shares.

Interest, if any, awarded to a Dissenting Non-Resident Shareholder by the Court should generally not be subject to Canadian withholding tax under the Tax Act.

RISK FACTORS

In evaluating the Transactions, Securityholders should carefully consider, in addition to the other information contained in this Circular, the risk factors associated with the Company. These risk factors are not a definitive list of all risk factors associated with the Company and its business.

Risk Factors Relating to the Transactions

Level of shareholder approval required

To be effective, the Disposition Resolution and the Arrangement Resolution must be approved by at least 66⅔% of the votes cast by the Shareholders of the Company, present at the Meeting, either in person or by proxy and least 66⅔% of the votes cast by the Securityholders of the Company, present at the Meeting, either in person or by proxy, respectively.

There can be no certainty, nor can the Company provide any assurance, that the requisite Securityholder approvals of the Transactions will be obtained. There is no assurance that there will not be Dissenting Shareholders. If the Transactions are not completed, the Company will continue to face the significant risks that it currently faces with respect to its affairs, business and operations and future prospects. Such risk factors are set forth and described in the section entitled "Financial and Capital Risk Management" in the Company's Interim Management's Discussion and Analysis for the three and nine months ended September 30, 2025, which can be found on the Company's profile on SEDAR+ at www.sedarplus.ca.

There can be no certainty that all conditions precedent to the Sale of Subsidiary or the Going Private Arrangement will be satisfied

Each of the completion of the Transactions is subject to a number of conditions precedent, certain of which are outside the control of the Company, including the receipt of Shareholder, Court and TSXV approvals, as applicable. There can be no certainty, nor can the Company provide any assurance, that all conditions precedent will be satisfied or waived, nor can there be any certainty or assurance as to the timing of their satisfaction or waiver. If the conditions to the Transactions are not satisfied or waived and the Sale of Subsidiary or the Going Private Arrangement is not completed, the market price of the Shares may be adversely affected. If the Sale of Subsidiary or the Going Private Arrangement is not completed and the Board seeks an alternative transaction, there can be no assurance that it will be able to find a party willing to pay an equivalent price as the consideration to be paid under the terms of the Sale of Subsidiary or the Going Private Arrangement.

The Share Purchase Agreement may be terminated in certain circumstances

Each of the parties to the Share Purchase Agreement has the right to terminate the Share Purchase Agreement in certain circumstances. Accordingly, there is no certainty, nor can the Company provide any assurance, that the Share Purchase Agreement will not be terminated before completion of the Sale of Subsidiary.

Failure to complete the Sale of Subsidiary could negatively impact the Company's ability to monetize its assets

There are a number of material risks that the Company is subject to should the Sale of Subsidiary not be completed, including: (i) certain costs relating to the Sale of Subsidiary (such as legal, accounting and tax) will be payable by the Company, even if the Sale of Subsidiary is not completed; and (ii) the Company may be unable to secure an alternative buyer for its assets at a similar price, or at any price. Any delay or deferral of the Sale of Subsidiary could further jeopardize the value of the Company's assets.

Additional Risks

Additional risks and uncertainties including those currently unknown or considered immaterial by the Company may also adversely affect the business of the Company after completion of the Transactions.

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

RECEIPT OF FINANCIAL STATEMENTS

The audited financial statements for the year ended December 31, 2024, report of the auditor and related management discussion and analysis were filed under the Company's SEDAR+ profile at www.sedarplus.ca on April 30, 2025, and are specifically incorporated by reference into, and forms an integral part of, this Circular. The directors will place before the Meeting the audited financial statements for the financial year ended December 31, 2024, together with the auditor's report thereon.

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) or alternatively, if the Disposition Resolution is approved at the Meeting, to fix the number of directors at three (3). Shareholders will be asked to approve an ordinary resolution to fix the number of directors for the ensuing year at five (5) or alternatively, if the Disposition Resolution is approved at the Meeting, to fix the number of directors for the ensuing year at three (3).

ELECTION OF DIRECTORS

The Board presently consists of five (5) directors, all of whose terms of office expire at the Meeting. As disclosed above under *Setting Number of Directors*, the Board wishes to elect the below noted five (5) directors for the ensuing year or alternatively, if the Disposition Resolution is approved at the Meeting, to elect three (3) directors, being the Post-Disposition Board (defined in footnote (5) to the table below), at the Meeting.

The persons named below will be presented for election at the Meeting as management's nominees and the persons named in the accompanying form of proxy intend to vote for: (i)the election of the Post-Disposition Board as directors should the Disposition Resolution presented at the Meeting pass, or alternatively (ii) the election of the full Board if the Disposition Resolution presented at the Meeting not pass. Management does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until the next annual general meeting of the Company or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the Articles of the Company or the provisions of the BCBCA.

In the following table and notes thereto is stated the name of each person proposed to be nominated by management for election as a director, the country in which he is ordinarily resident, all offices of the Company now held by him, his principal occupation, the period of time for which he has been a director of the Company, and the number of Shares beneficially owned by him, directly or indirectly, or over which he exercises control or direction, as at the Record Date.

Name of Nominee; Current Position with the Company, Province and Country of Residence	Occupation, Business or Employment[1]	Period as a Director of the Company	Common Shares Beneficially Owned or Controlled[1]
Adrian Hobkirk[2][3][5][6] Washington, USA *President, CEO and Director*	Business Executive; President and CEO of the Company.	October 20, 2004	871,199 (0.69%)
Christopher P. Cherry[2][4][5][6] British Columbia, Canada *CFO and Director*	Chartered Accountant and Certified General Accountant, Cherry Consulting Ltd.; self-employed management consultant providing management and accounting consulting services to public companies.	December 22, 2017	279,938 (0.22%)[4]
Gordon Neal[2][3][5][6] British Columbia, Canada *Director*	Business Executive. Founder of Neal McInerney Investor Relations. VP Corporate Development for Silvercorp Metals Inc. and director of various resource companies.	June 13, 2017	Nil (0%)
Fernando Erik Villarroel Alcocer[6] Salta, Argentina *COO, Director, VP, Business Development and Director of Project Development*	Industrial engineer and self-employed management consultant and project manager focused on lithium process development.	March 3, 2017	85,104 (0.07%)
Alison Xiao Tian Dai[3][6] United Kingdom *Director*	General Manager and Director, Chengdu Chemphys Chemical Industry Co. Ltd.	December 22, 2017	Nil (0%)

(1) The information as to principal occupation, business or employment and 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 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 if footnote (5) below is in effect.

(3) Member of Audit Committee if footnote (6) below is in effect.

(4) Of these 279,938 Shares, 125,771 Shares are held directly by Mr. Cherry and 154,167 Shares are held indirectly through Cherry Consulting Ltd., a company owned and operated by Mr. Cherry.

(5) Only Adrian Hobkirk, Christopher P. Cherry and Gordon Neal (collectively, the "**Post- Disposition Board**") will be nominated at the Meeting by management of the Company for election as directors should the Disposition Resolution pass at the Meeting.

(6) In addition to Messrs. Hobkirk, Cherry and Neal, Mr. Villarroel and Ms. Dai will also be nominated at the Meeting by management of the Company for election should the Disposition Resolution not pass at the Meeting.

CORPORATE CEASE TRADE ORDERS OR BANKRUPTCIES

Except as disclosed below, none of the proposed directors of the Company (or any of their personal holding companies):

(a) is, as at the date of this Circular or, has been within ten years before the date of this Circular, a director, CEO or CFO of any company, including the Company, that:

(i) was subject to an order that was issued while the proposed director was acting in the capacity as director, CEO or CFO; or

(ii) was subject to an order that was issued after the proposed director ceased to be a director, CEO or CFO and which resulted from an event that occurred while the proposed director was acting in the capacity as director, CEO or CFO;

(b) is, as at the date of this Circular or has been within ten years before the date of this Circular, a director or executive officer, of any company, including the Company, that while the proposed director was acting in that capacity or within a year of the proposed director 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

(c) has, within the ten years preceding the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that proposed individual.

Christopher P. 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 ("**BCSC**") issued a cease trade order ("**CTO**") against these companies, their directors, officers and insiders for failure to file financial statements and management's discussion and analysis (together, the "**Financial Materials**") for the year ended July 31, 2016. The BCSC also issued deficiency notices to each of 1040440 BC Ltd. and Genix Pharmaceutical Corp. for failure to file first quarter financial statements and management's discussion & analysis 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 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**") from October 2018 to May 21, 2021. 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 March 29, 2020, the BCSC issued a revocation order for NetCents and the CTO was lifted. On June 17, 2020, the BCSC issued a revocation order for NetCents and the MCTO was lifted.

On June 9, 2020, at the request of management of the Company, 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. Adrian Hobkirk, Christopher P. Cherry, Fernando Erik Villarroel Alcocer and Gordon Neal, directors and officers of the Company, were all subject to the MCTO for the Company.

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 was the CFO of Mojave Brads Inc. and was the subject of a CTO from January 18, 2016 to April 5, 2016 for failure to file financial statements. Documents were filed and the CTO was lifted.

Mr. Cherry is the CFO and a director 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 Aegis Critical Energy Defence Corp. (formerly Energy Plug Technologies Corp. and formerly VPN Technologies Inc.) ("**QESS**"). On November 5, 2020, the BCSC and Ontario Securities Commission (the "**OSC**") issued a CTO against QESS 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 for QESS and the CTO was lifted. Also on November 4, 2021, the BCSC issued a CTO against QESS 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 QESS for trading.

Mr. Cherry was the former CFO of Blackwell Intelligence Inc. ("**Blackwell**"). On May 9, 2022, the BCSC issued a CTO against Blackwell and its insiders 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 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 is the CFO and a director of Lynx Global Digital Finance Corp. and is currently subject to a CTO as a result of not filing its financial statements for the year ended December 31, 2021 and 2022. This CTO was issued on May 9, 2022.

Mr. Cherry is the Interim CEO and CFO of Eon Lithium Corp. (formerly, Angel Gold 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. On May 6, 2025, the BCSC issued a CTO against EON and its insiders for failure to file the Financial Materials for the year ended December 31, 2024, and on May 9, 2025, the BCSC issued a revocation order and the CTO was lifted.

On March 24, 2017, the Court of Queen's Bench of Alberta granted an application of the Wellstar Energy Corp. ("**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 Wellstar and Nexxtep during the period of its appointment. Mr. Cherry resigned as CFO effective March 24, 2017 and as a director in May 2017.

Mr. Cherry is the CFO of Global Hemp Group Inc. ("**Global Hemp**"). On January 29, 2025, at the request of management, Global Hemp submitted an application to the BCSC for a MCTO for the postponement of filing its Financial Materials for the year ended September 30, 2024. This MCTO remains in effect. On April 15, 2025, the BCSC issued a CTO against Global Hemp for failure to file its Financial Materials for the interim period ended December 31, 2024. This MCTO remains in effect.

Within the last ten years, none of the proposed directors of the Company (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 regulatory body which would likely be considered important to a reasonable securityholder of the Company in deciding whether to vote for a proposed director.

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 was first appointed the auditor of the Company on December 11, 2012.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

National Instrument 52-110 *Audit Committees* of the Canadian Securities Administrators ("**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 ("**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. A copy of the Audit Committee Charter is attached as **Appendix G** to 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 or her responsibilities as an Audit Committee member:

Gordon Neal brings over 30 years of management experience spanning the metals and mining sector, capital markets, corporate governance, and investor relations. He began his career in the resource industry as Vice President of Corporate Development at MAG Silver Corp., followed by a similar role at Silvercorp Metals Inc. He later served as President of New Pacific Metals and currently holds the position of CEO at World Copper Ltd.

Throughout his career, Mr. Neal has been instrumental in raising over $750 million for various resource companies and has held board positions across several mining and exploration firms. In addition to his corporate achievements, he is the Chair of Cape Breton University's Viola Desmond Chair in Social Justice and the nephew of civil rights pioneer Viola Desmond.

Mr. Neal holds a Bachelor of Science (Chemistry) from Dalhousie University, where he also served on both the Board of Governors and the University Senate.

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 15 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 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

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

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit* Services), on the exemption in subsection 6.1.1(4) of NI 52-110 (*Circumstances Affecting the Business or Operations of the Venture Issuer*), on the exemption in subsection 6.1.1(5) of NI 52-110 (*Events Outside Control of Member*), on the exemption subsection 6.1.1(6) (*Death, Incapacity or Resignation*), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

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 for audit and non-audit services in the last two financial years:

Nature of Services	Fees Paid to Auditor in Year Ended December 31, 2024	Fees Paid to Auditor in Year Ended December 31, 2023
Audit Fees[1]	$65,000	$75,000
Audit-Related Fees[2]	794	Nil
Tax Fees[3]	Nil	Nil
All Other Fees[4]	Nil	Nil
Total:	**$65,793**	**$75,000**

(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.

Exemption

The Company has relied upon the exemption provided by section 6.1 of National Instrument 52-110 *Audit Committees* ("**NI 52-110"**) which exempts venture issuers from the requirement to comply with the restrictions on the composition of its audit committee and the disclosure requirements of its audit committee in an annual information form as prescribed by NI 52-110.

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 and Alison Xiao Tian 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 Erik Villarroel Alcocer, the COO, 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 current director of Critical Reagent Processing Corp. and Gold Port Corporation.

Christopher P. Cherry

Mr. Cherry is a current director of AI Artificial Intelligence Ventures Inc., American Biofuels Inc., Anquiro Ventures Ltd., CloudMD Software & Services Inc., Critical Reagent Processing Corp., Eon Lithium Corp., Gold Port Corporation, Icanic Brands Company Inc., Infinity Stone Ventures Corp., Medbright AI Investments Inc. and Treatment.com International Inc.

Gordon Neal

Mr. Neal is a current director of Aeonian Resources Corp., Eon Lithium Corp., Lithium One Metals Inc. and Wealth Minerals Ltd.

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 DIRECTORS AND NAMED EXECUTIVE OFFICERS

Named Executive Officers

In this section "Named Executive Officer" ("**NEO**") means the CEO, the CFO, individuals performing similar functions to the CEO or 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.

Director and Named Executive Officer Compensation, Excluding Options and Compensation Securities

The following table sets forth all compensation other than compensation securities paid to the Company's directors and NEOs during the financial years ended December 31, 2024 and 2023:

Table of Compensation, Excluding Compensation Securities

Name and Positions	Year[1]	Salary, Consulting Fee, Retainer or Commission ($)[2]	Bonus ($)[2]	Committee or Meeting Fees ($)[2]	Value of Perquisites ($)[2]	Value of All Other Compensation ($)[2]	Total Compensation ($)[2]
Adrian Hobkirk[2] President and CEO	2024 2023	506,333 498,849	Nil Nil	Nil Nil	Nil Nil	Nil Nil	506,333 498,849
Christopher P. Cherry[3] CFO	2024 2023	315,000 315,000	Nil Nil	Nil Nil	Nil Nil	N/A 196,675	315,000 315,000
Fernando Erik Villarroel Alcocer[4] COO, VP, Business Development and Director, Project Development	2024 2023	246,591 242,946	Nil Nil	Nil Nil	Nil Nil	Nil Nil	246,591 242,946
Alison Xiao Tian Dai[5] Director	2024 2023	52,518 54,162	Nil Nil	Nil Nil	Nil Nil	Nil Nil	52,518 54,162
Yi Hua Dai[6] Former Director	2024 2023	Nil 40,491	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil 40,491
Gordon Neal[7] Director	2024 2023	30,000 7,500	Nil Nil	Nil Nil	Nil Nil	Nil Nil	30,000 7,500

(1) For the financial years ended December 31
(2) Mr. Hobkirk has served as President, CEO and a director of the Company since October 20, 2014.
(3) Mr. Cherry has served as CFO and a director of the Company since November 26, 2014.
(4) Mr. Alcocer has served as the VP, Business Development of the Company since November 9, 2018, the Director of Project Development since April 12, 2021 and the COO since February 2020.
(5) Ms. Dai has served as a director of the Company since December 22, 2017.
(6) Mr. Dai served as a director of the Company from June 30, 2021 until August 30, 2024.
(7) Mr. Neal has served as a director of the Company since October 6, 2023.

External Management Companies

Except as set out below, there are no arrangements with external management companies by either the Company or any of its subsidiaries.

On January 1, 2023, the Company entered into a consulting agreement with Cherry Consulting Ltd., a company owned and operated by Christopher P. Cherry, the CFO and a director of the Company to provide services to the Company as CFO of the Company for a fee of $18,750 per month, plus applicable taxes. For further details, refer to *Employment, Consulting and Management Agreements* below.

Stock Options and Other Compensation Securities

The Company currently has its Stock Option Plan which is a 10% rolling plan pursuant to which the Company may grant Options to eligible persons. The Board approved the adoption of the Stock Option Plan on September 13, 2022. For further details and summary of the Stock Option Plan, see *Compensation Plans* below.

The following table discloses all compensation securities granted or issued to each director and NEO by the Company or one of its subsidiaries in the most recently completed financial year ended December 31, 2024 for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries.

Compensation Securities							
Name and Positions	**Type of Compensation**	**Number of Compensation Securities, Number of Underlying Securities and Percentage of Class**	**Grant Date**	**Conversion or Exercise Price ($)**	**Closing Price of Security or Underlying Security on Grant Date ($)**	**Closing Price of Security or Underlying Security at Year End ($)**	**Expiry Date**
Adrian Hobkirk President and CEO	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Christopher P. Cherry CFO	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fernando Erik Villarroel Alcocer COO, VP, Business Development and Director, Project Development	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Alison Xiao Tian Dai Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Yi Hua Dai Former Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Gordon Neal Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Jan Urata Corporate Secretary	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Compensation Securities Exercised

The following table sets out all compensation securities of the Company exercised during the financial year ended December 31, 2024 for each director and NEO of the Company.

Compensation Securities Exercised by Directors and NEOs							
Name and Positions	**Type of Compensation**	**Number of Underlying Securities Exercised**	**Exercise Price per Security ($)**	**Exercise Date**	**Closing Price of Security or Underlying Security on Exercise Date ($)**	**Difference Between Exercise Price and Closing Price on Exercise Date ($)**	**Total Value on Exercise Date ($)**
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Compensation Plans

The Company currently has one compensation plan, being the Stock Option Plan. As of the Record Date, there were 2,645,000 Options outstanding under the Stock Option Plan. Pursuant to the policies of the TSXV, the Stock Option Plan requires Shareholder approval for continuation at every annual meeting of the Company by ordinary resolution.

The Stock Option Plan provides incentive to qualified parties to increase their proprietary interest in the Company and thereby encourages their continuing association with the Company. Management of the Company proposes grants of all Options to the Board based on such criteria as performance, previous grants, and hiring incentives. All Option grants require approval of the Board.

The Stock Option Plan is administered by the Board and provides that Options will be granted to directors, officers, employees or consultants of the Company or a subsidiary of the Company.

For the summary of the material terms of the Stock Option Plan see *Particulars of Other Matters to be Acted Upon – Re-Approval of Rolling Stock Option Plan* in this Circular.

Employment, Consulting and Management Agreements

Except as disclosed below, there are no compensatory plans or arrangements with respect to any NEO resulting from the resignation, retirement or any other termination of employment of the officer's employment or from a change of an NEO's responsibilities following a change in control.

On January 1, 2023, the Company entered into consulting agreements with each of Adrian Hobkirk, the President, CEO and a director of the Company (the "**Hobkirk Agreement**"), Cherry Consulting Ltd., a company owned and operated by Christopher P. Cherry, the CFO and a director of the Company, (the "**Cherry Agreement**"), Gordon Neal, a director of the Company (the "**Neal Agreement**"), Fernando Erik Villarroel Alcocer, the COO, VP, Business Development, Director, Project Development and a director of the Company (the "**Alcocer Agreement**"), and Alison Xiao Tian Dai, a director of the Company (the "**Dai Agreement**"). Also see *The Going Private Arrangement – Securities Held by Directors and Senior Officers of the Company* in this Circular.

Hobkirk Agreement

Pursuant to the Hobkirk Agreement, Mr. Hobkirk has agreed to provide certain services in his capacity as the President, CEO and a director 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, as defined in the Hobkirk Agreement, 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.

Cherry Agreement

Pursuant to the Cherry Agreement, Mr. Cherry has agreed to provide certain services in his capacity as CFO and a director 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, as defined in the Cherry Agreement, 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.

Neal Agreement

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, as defined in the Neal Agreement, 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.

Alcocer Agreement

Pursuant to the Alcocer Agreement, Mr. Alcocer has agreed to provide certain services in his capacity as the COO and 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, as defined in the Alcocer Agreement, 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.

Dai Agreement

Pursuant to the Dai 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 Dai 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.

Oversight and Description of Director and NEO Compensation

The Board of the Company has not appointed a formal 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. The Board receives independent competitive market information on compensation levels for executives.

The compensation for executives includes four components: (i) base consulting fees, (ii) bonus (if applicable), (iii) 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 determining and approving the base salary for each NEO, the Board takes into consideration available market data.

In compensating its senior management, the Company has encouraged equity participation and in furtherance thereof employs its Stock Option Plan.

Equity Participation

The Company believes that encouraging its NEO 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 Stock Option Plan. Options are granted to NEOs and consultants of the Company taking 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 in consultation with management of the Company.

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.

Pension Disclosure

The Company does not provide a pension to its directors or NEOs.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No individual who is or who at any time during the last completed financial year, being December 31, 2024, 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, being January 1, 2024, 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.

RE-APPROVAL OF ROLLING STOCK OPTION PLAN

Compensation Plan

TSXV policy requires listed companies to have a stock option plan if a company intends to grant Options. Pursuant to the policies of the TSXV, the Stock Option Plan requires Shareholder approval for continuation at every annual meeting of the Company by ordinary resolution. The Shareholders of the Company re-approved the Stock Option Plan of the Company at the annual general meeting held on August 30, 2024. As of the Record Date, there were 2,645,000 Options outstanding under the Stock Option Plan.

The Stock Option Plan is a rolling plan, and a maximum of 10% of the issued and outstanding Shares of the Company at the time an Option is granted, less Shares reserved for issuance on exercise of Options then outstanding under the Stock Option Plan, are reserved for Options to be granted at the discretion of the Board to eligible optionees (an "**Optionee**").

The Stock Option Plan provides incentive to qualified parties to increase their proprietary interest in the Company and thereby encourages their continuing association with the Company. Management of the Company proposes grants of all Options to the Board based on such criteria as performance, previous grants, and hiring incentives. All Option grants require approval of the Board.

The Stock Option Plan is administered by the Board and provides that Options will be granted to directors, officers, employees or consultants of the Company or a subsidiary of the Company.

Summary of Stock Option Plan

The Stock Option Plan is a rolling plan, and a maximum of 10% of the issued and outstanding Shares of the Company at the time an Option is granted, less Shares reserved for issuance on exercise of Options then outstanding under the Stock Option Plan, are reserved for Options to be granted at the discretion of the Board.

Capitalized terms not otherwise defined herein have the meanings assigned to them in the Stock Option Plan.

Eligibility

Persons who are Service Providers to the Company or its affiliates, or who are providing services to the Company or its affiliates, are eligible to receive grants of Options under the Stock Option Plan. Service Providers that are not individuals will be required to undertake in writing not to effect or permit any transfer of ownership or option of any of its securities, or to issue more of its securities (so as to indirectly transfer the benefits of an Option), as long as such Option remains outstanding, unless the written permission of the TSXV and the Company is obtained.

Restrictions

The Stock Option Plan is subject to the following restrictions:

(a) no Investor Relations Service Provider can be granted an Option if that Option would result in the total number of Options granted to the all Investor Relations Service Providers in the previous 12 months exceeding 2% of the Outstanding Shares, calculated at the time of grant;

(b) no Consultant can be granted an Option if that Option that would result in the total number of Options, together with all other Share Compensation Arrangements granted to such Consultant in the previous 12 months, exceeding 2% of the Outstanding Shares, calculated at the time of grant; and

(c) the only security-based compensation that may be granted to Investor Relations Service Providers are Options.

Amendments Requiring Disinterested Shareholder Approval

The Company will be required to obtain Disinterested Shareholder Approval for the following:

(a) the aggregate number of common shares reserved for issuance to Insiders at any time exceeding 10% of the Outstanding Shares,

(b) the aggregate number of common shares reserved for issuance to Insiders (as a group) within a one-year period exceeding 10% of the Outstanding Shares, calculated at the time of grant,

(c) the aggregate number of common shares reserved for issuance to any one Optionee, within a 12-month period, of a number of common shares exceeding 5% of the Outstanding Shares, calculated at the time of grant,

(d) any reduction in the exercise price of an Option granted to an Insider,

(e) any amendment to the Stock Option Plan that would result in a benefit to an Insider, and

(f) any extension of an Option granted to individuals that are Insiders at the time of the proposed amendment.

Amendments Requiring Shareholder Approval

The Company will be required to obtain Shareholder approval where such amendment would amend the:

(a) Service Providers who may be granted Options under the Stock Option Plan;

(b) method for determining the exercise price of an Option;

(c) maximum term of an Option;

(d) expiry and termination provisions relating to the Options under the Stock Option Plan;

(e) limitations under the Stock Option Plan on the number of Options that may be granted to any one person or category of persons, including insiders, as set out in the Stock Option Plan;

(f) maximum number or percentage, as the case may be, of shares that may be reserved under the Stock Option Plan for issuance pursuant to the exercise of the Options;

(g) the Stock Option Plan to include a Net Exercise provision;

(h) the method or formula for calculating prices, values or amounts under the Plan that may result in a benefit to a Participant, including but not limited to the formula for calculating the appreciation of a Stock Appreciation Right, as that term is defined in the TSXV Policies;

(i) the vesting provisions of an Option granted hereunder, subject to prior written approval of the TSXV, if applicable;

(j) the termination provision of an Option granted hereunder which does not entail an extension beyond the original Expiry Date of such Option or 12 months from termination; and

(k) if the Company becomes listed or quoted on a stock exchange or stock market senior to the TSXV, it may make such amendments as may be required by the policies of such senior stock exchange or stock market.

Material Terms of the Stock Option Plan

The following is a summary of the material terms of the Stock Option Plan:

(l) Options granted under the Stock Option Plan are non-assignable and non-transferable and are issuable for a period of up to 10 years;

(m) For Options granted to Service Providers, the Company must ensure that the proposed Optionee is a bona fide Service Provider of the Company or its affiliates;

(n) An Option granted to directors and officers will expire 90 days and to all others will expire 30 days (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the Option), after the date the Optionee ceases to be employed by or provide services to the Company, but only to the extent that such Option was vested at the date the Optionee ceased to be so employed by or to provide services to the Company;

(o) If an Optionee dies, any vested Option held by him or her at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such Option;

(p) In the case of an Optionee being dismissed from employment or service for cause, such Optionee's Options, whether or not vested at the date of dismissal, will immediately terminate without right to exercise same;

(q) The exercise price of each Option will be set by the Board on the effective date of the Option and will not be less than the Discounted Market Price;

(r) Subject to §2.10(b) of the Stock Option Plan, the Exercise Price of an Option may be amended only if at least six (6) months have elapsed since the later of the date of commencement of the term of the Option, the date the Common Shares commenced trading on the TSXV, or the date of the last amendment of the Exercise Price;

(s) An Option must be outstanding for at least one year before the Company may extend its term, subject to the limits contained in Section 3.2 of the Stock Option Plan;

(t) Any proposed amendment to the terms of an Option must be approved by the TSXV prior to the exercise of such Option;

(u) Vesting of Options shall be at the discretion of the Board, and will generally be subject to: (i) the Service Provider remaining employed by or continuing to provide services to the Company or its affiliates, as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or its affiliates during the vesting period; or (ii) the Service Provider remaining as a director of the Company or its affiliates during the vesting period;

(v) Vesting of Options granted to Investor Relations Service Providers must vest (i) period of not less than 12 months as to 25% on the date that is three months from the date of grant, and a further 25% on each successive date that is three months from the date of the previous vesting; or (ii) such longer vesting periods as the Board may determine;

(w) If a Take Over Bid is made to the Shareholders generally then the Company shall immediately upon receipt of notice of the Take Over Bid, notify each Optionee currently holding an Option of the Take Over Bid,with full particulars thereof whereupon such Option may, notwithstanding §3.6 and §3.7 or any vesting requirementsset out in the Stock Option Agreement, be immediately exercised in whole or in part by the Optionee, subject to approval of the TSXV (or the NEX, as the case may be) for vesting requirements imposed by the TSXV Policies. There can be no acceleration of the vesting requirements applicable to Option grants to an Investor Relations Service Provider without the prior written approval of the TSXV;

(x) If the Expiry Date for an Option falls within a Blackout Period, such Expiry Date shall, subject to approval of the TSXV (or the NEX, as the case may be), be automatically extended without any further act or formality to that day which isthe tenth (10th) Business Day after the end of the Blackout Period, such tenth Business Day to be considered the Expiry Date for such Option for all purposes under the Plan. Notwithstanding Section 2.8

of the Stock Option Plan, the tenth Business Day period referred to in Section 3.9 of the Stock Option Plan may not be extended by the Board;

(y) Options granted to Consultants or Employees may be terminated immediately at the discretion of the Board and the Company is not required to provide notice, written or otherwise, to the Consultant or Employee ofsuch termination;

(z) The Board reserves the right in its absolute discretion to amend, suspend, terminate or discontinue the Stock Option Plan with respect to all Plan shares in respect of Options which have not yet been granted under the Stock Option Plan; and

(aa) Any adjustment made to an Option granted or issued (except in relation to a consolidation or share split) is subject to the prior acceptance of the TSXV.

The Board has determined that, in order to reasonably protect the rights of participants, as a matter of administration, it is necessary to clarify when amendments to the Stock Option Plan may be made by the Board without further Shareholder approval. Accordingly, the Board proposes that the Stock Option Plan also provide the following:

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

(a) it may make amendments which are of a typographical, grammatical or clerical nature only;

(b) amendments of housekeeping nature; and

(c) it may make such amendments as reduce, and do not increase, the benefits of the Stock Option Plan to Service Providers.

Shareholder Approval

At the Meeting, Shareholders will be asked to consider and vote on the ordinary resolution to approve the Stock Option Plan, with or without variation, as follows:

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

1. The 10% rolling stock option plan (the "**Stock Option Plan**") of the Company dated for reference September 13, 2022, as more particularly described in the management information circular of the Company dated January 16, 2026 (the "**Circular**"), be ratified, confirmed and approved.

2. To the extent permitted by law, the Company be authorized to abandon all or any part of the Stock Option Plan if the board of directors deems it appropriate and in the best interests of the Company to do so.

3. The Company be authorized to grant stock options pursuant and subject to the terms and conditions of the Stock Option Plan.

4. 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 Stock 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.

A Shareholder may obtain a copy of the Stock Option Plan by contacting the Company. See *Additional Information* in this Circular.

ELIGIBILITY FOR INVESTMENT

The Company intends to voluntarily delist the Shares from the TSXV on or shortly after the Effective Date. If the Shares cease to be listed on any designated stock exchange (which includes the TSXV) for purposes of the Tax Act, the Shares may no longer be qualified investments under the Tax Act for a trust governed by a registered retirement savings plan, registered retirement income fund, registered disability savings plan, deferred profit sharing plan, registered education savings plan, first home savings account, or tax-free savings account (collectively, the "**Deferred Plans**"). If the Plan of Arrangement becomes effective, Resident Shareholders will be deemed to transfer their Shares to the Company at the Effective Time and thereafter will cease to be the holders of those Shares. Shareholders that are trusts governed by Deferred Plans should consult their own tax advisors with respect to the tax consequences to them (and to the annuitants, beneficiaries or subscribers thereunder) of holding Shares if such shares are not qualified investments.

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

Other than as set forth in this Circular, no director or executive officer of the Company, or any person who has held such a position since the incorporation of the Company, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth in this Circular, no informed person of the Company, proposed director of the Company or any associate or affiliate of an informed person or proposed director, has any material interest, direct or indirect, in any transaction since the incorporation of the Company or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

MANAGEMENT CONTRACTS

Certain management functions of the Company are performed by the directors or executive officers of the Company through private companies that are controlled by such directors or executive officers, and not to any substantial degree by any other person with whom the Company has contracted.

A copy of this Circular is posted for public access under the Company's SEDAR+ profile at www.sedarplus.ca, or, alternatively, can be obtained upon written request to the Company at Suite 400 – 1681 Chestnut Street, Vancouver, British Columbia V6J 4M6.

LEGAL PROCEEDINGS

There are no pending legal proceedings to which the Company is or is likely to be a party or of which any of its properties are, or to the best of knowledge of management of the Company are likely to be subject.

ADDITIONAL INFORMATION

Management of the Company is not aware of any other matter to come before the Meeting other than as set forth in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the Shares represented thereby in accordance with their best judgment on such matter.

The audited financial statements of the Company for the financial year ended December 31, 2024 and the related management's discussion and analysis (the "**Financial Materials**") were filed on SEDAR+ on April 30, 2025 at www.sedarplus.ca, and are specifically incorporated by reference into, and forms an integral part of, this Circular, and will be placed before the Meeting.

Shareholders may request copies of the Financial Materials and the Stock Option Plan without charge from the Company at Suite 400 – 1681 Chestnut Street, Vancouver, British Columbia V6J 4M6, telephone: 604.737.2303; fax: 604.737.1140. The Company may require payment of a reasonable charge from any person or company who is not a Shareholder of the Company, who requests a copy of any such document.

BOARD APPROVAL

The undersigned hereby certifies that the contents and the sending of this Circular to the Securityholders have been approved by the Board.

Dated at Vancouver, British Columbia this 16th day of January, 2026.

LITHIUM SOUTH DEVELOPMENT CORPORATION

"*Adrian Hobkrik*"

Adrian Hobkirk,
President, CEO and Director

CONSENT OF CANACCORD GENUITY CORP.

January 16, 2026

We refer to the fairness opinion of our firm dated December 19, 2025 (the "**Canaccord Genuity Fairness Opinion**"), attached as Appendix H to the management information circular dated January 16, 2026 (the "**Circular**") of Lithium South Development Corporation (the "**Company**"), which we prepared for the exclusive benefit and use of the Board of Directors of the Company (the "**Board**") in connection with its consideration of the Purchase Price to be received by the Company pursuant to the Share Purchase Agreement (as such terms are defined in the Circular).

In connection with the Share Purchase Agreement, we hereby consent to the inclusion of the Canaccord Genuity Fairness Opinion as Appendix H to the Circular, to the filing of the Canaccord Genuity Fairness Opinion with the applicable securities regulatory authorities in the provinces and territories of Canada, and to the inclusion of a summary of the Canaccord Genuity Fairness Opinion, and the reference thereto, in the Circular. The Canaccord Genuity Fairness Opinion was given as at December 19, 2025 and remains subject to the assumptions, qualifications and limitations contained therein. In providing our consent, we do not intend that any person other than the Board shall be entitled to rely upon the Canaccord Genuity Fairness Opinion.

(signed) **["*Canaccord Genuity Corp.*"]**

CANACCORD GENUITY CORP.

APPENDIX A -
DISPOSITION RESOLUTION

Special Resolution of the Shareholders

"UPON MOTION DULY MADE, IT WAS RESOLVED AS A SPECIAL RESOLUTION OF THE SHAREHOLDERS THAT:

1. In accordance with Section 301(1) of the *Business Corporations Act* (British Columbia), the sale of all of the shares held by the Company in NRG Metals Argentina S.A., a wholly-owned subsidiary of the Company, which holds 100% ownership of the Company's Hombre Muerto North Lithium Project, comprising the Sophia I, II and III claims and Hydra X and XI claims located in the Salta and Catamarca Provinces, Argentina (the "**HMN Project**"), to Posco Argentina S.A.U., a sole shareholder corporation organized and existing under the laws of Argentina, and Posco Holdings Inc., a company registered in Argentina (together, the "**Purchaser**"), arm's length parties to the Company, as provided for in the share purchase agreement (the "**Share Purchase Agreement**") dated December 5, 2025 between the Company and the Purchaser, as may be amended from time to time, which transaction will constitute a sale of all or substantially all of the Company's undertaking, all as more particularly described in the management information circular of the Company dated January 16, 2026 (as may be amended from time to time), be and is hereby authorized, confirmed and approved (the "**Sale of Subsidiary**").

2. The execution of the Share Purchase Agreement and the performance by the Company of the obligations thereunder, are hereby authorized, confirmed and approved.

3. Any one director or officer of the Company is authorized, on behalf of the Company, to execute and deliver any documents and instruments and take any such action as such director or officer may determine to be necessary or desirable to implement these resolutions and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such documents or instruments and the taking of any such action.

4. Any one director or officer of the Company is authorized and directed, on behalf of the Company, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things that may be necessary or desirable to give effect to these resolutions.

5. Any one director or officer of the Company is hereby authorized to do all things and to execute and deliver all such documents, agreements and instruments, under seal or otherwise, and to do all such other acts and things which he, in consultation with counsel for the Company, considers necessary or desirable to give effect to the foregoing transactions as such director or officer may determine appropriate."

APPENDIX B -
ARRANGEMENT RESOLUTION

Special Resolution of the Securityholders

"UPON MOTION DULY MADE, IT WAS RESOLVED AS A SPECIAL RESOLUTION OF THE SECURITYHOLDERS OF THE COMPANY, BEING THE HOLDERS OF COMMON SHARES, OPTIONS AND WARRANTS, AS A SINGLE CLASS, THAT:

1. The Plan of Arrangement, a copy of which is attached as Appendix C to the Circular, as may be amended, varied or supplemented from time to time (the "**Plan of Arrangement**"), including all payments and other distributions by the Company to Securityholders (as defined in the Plan of Arrangement), and the actions of the directors of the Company in executing and delivering the Plan of Arrangement and causing the performance by the Company of its obligations under the Plan of Arrangement and its performance of the matters authorized by these resolutions be and are hereby confirmed, ratified, authorized and approved.

2. The arrangement (as may be amended or varied, the "**Arrangement**") under Section 288 of the *Business Corporations Act (*British Columbia) involving the Company and its Securityholders, as more particularly described and set forth in the Plan of Arrangement and all transactions contemplated thereby, be and is hereby authorized, approved and adopted.

3. Notwithstanding that this resolution has been passed (and the Arrangement authorized, approved and adopted) by the Securityholders of the Company or that the Arrangement has been approved by the Supreme Court of British Columbia (the "**Court**"), the board of directors of the Company be and are hereby authorized and empowered without further approval of the Securityholders of the Company (a) to amend the Plan of Arrangement to the extent permitted by the Plan of Arrangement, and (b) not to proceed with the Arrangement at any time prior to the Effective Time (as defined in the Plan of Arrangement).

4. Any one director or officer of the Company be and is hereby authorized, empowered and instructed, acting for, in the name and on behalf of the Company, to execute or cause to be executed, under the seal of the Company or otherwise, and to deliver or to cause to be delivered, all such other documents and to do or to cause to be done all such other acts and things as in such person's opinion may be necessary or desirable in order to carry out the intent of the foregoing paragraphs of this resolution and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document or the doing of such act or thing."

APPENDIX C -
PLAN OF ARRANGEMENT

PLAN OF ARRANGEMENT

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Plan of Arrangement, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the respective meanings set out below and grammatical variations of those terms shall have corresponding meanings:

(a) "**Arrangement**" means the arrangement under the provisions of Section 288, Division 5 of Part 9 of the BCBCA, on the terms and conditions set out in this Plan of Arrangement, subject to any amendments or variations thereto made in accordance with Article 6 of this Plan of Arrangement or made at the direction of the Court in the Final Order with the consent of the Company;

(b) "**Arrangement Resolution**" means the special resolution of the Securityholders approving the Arrangement to be considered at the Company Meeting;

(c) "**BCBCA**" means the *Business Corporations Act* (British Columbia) including all regulations made thereunder;

(d) "**Business Day**" means a day other than a Saturday, a Sunday or any other day on which commercial banking institutions in Vancouver, British Columbia are required by applicable law to be closed;

(e) "**Common Shares**" means the common shares without par value in the authorized share structure of the Company;

(f) "**Company**" means Lithium South Development Corporation, a company existing under the laws of the Province of British Columbia and listed for trading on the TSXV;

(g) "**Company Meeting**" means the annual general and special meeting of Securityholders, including any adjournment or postponement thereof, to be called and held in accordance with the Interim Order for the purpose of, inter alia, considering and, if thought fit, approving the Arrangement Resolution;

(h) "**Court**" means the Supreme Court of British Columbia;

(i) "**Depositary**" means Computershare Investor Services Inc.;

(j) "**Dissent Rights**" has the meaning ascribed thereto in Section 4.1;

(k) "**Dissenting Shareholder**" means a registered holder of Common Shares who has duly and validly exercised the Dissent Rights in respect of the Arrangement Resolution in strict compliance with the Dissent Rights and who has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights;

(l) "**Dissenting Shares**" means the Common Shares held by a Dissenting Shareholder in respect of which such Dissenting Shareholder has validly exercised Dissent Rights;

(m) "**Effective Date**" means the date upon which all of the conditions to the completion of the Arrangement as set out in Section 2.2 have been satisfied or waived in accordance with the provisions of Section 2.2 or such later date as the Company may determine in its sole discretion;

(n) "**Effective Time**" means the beginning of the day Vancouver time on the Effective Date (which is designated as 12:01 a.m. for purposes of the BCBCA), or such other time as the Company may determine in its sole discretion;

(o) "**Final Order**" means the order of the Court approving the Arrangement, in a form acceptable to the Company, granted pursuant to Section 291 of the BCBCA, as such order may be affirmed, amended, modified, supplemented or varied by the Court (with the consent of the Company) at any time prior to the Effective Date or, if appealed, as affirmed or amended (provided that any such amendment is acceptable to the Company) on appeal unless such appeal is withdrawn, abandoned or denied;

(p) "**Governmental Authority**" means any multinational, federal, provincial, territorial, state, regional, municipal, local or other government or governmental body and any division, agent, official, agency, commission, board or authority of any government, governmental body, quasi-governmental or private body (including any stock exchange) exercising any statutory, regulatory, expropriation or taxing authority under the authority of any of the foregoing and any domestic, foreign or international judicial, quasi-judicial or administrative court, tribunal, commission, board, panel or arbitrator acting under the authority of any of the foregoing;

(q) "**holder**", when used with reference to any securities of the Company, means the holder of such securities shown from time to time in any register of securities maintained by or on behalf of the Company in respect of such securities;

(r) "**In-the-Money Option**" means an Option which has a per share exercise price of less than the Share Consideration;

(s) "**In-the-Money Warrant**" means a Warrant which entitles the holder thereof to purchase a Common Share at an exercise price less than the Share Consideration;

(t) "**Interim Order**" means the interim order of the Court to be issued following the application therefor, in a form acceptable to the Company, made pursuant to Section 291 of the BCBCA, providing for, among other things, the calling and holding of the Company Meeting, as such order may be amended, modified, supplemented or varied by the Court with the consent of the Company;

(u) "**Letter of Transmittal**" means the letter of transmittal to be delivered by the Company to the registered Shareholders for use in connection with the Arrangement and providing for the delivery of Common Shares to the Depositary;

(v) "**Liens**" means any mortgage, hypothec, prior claim, lien, pledge, assignment for security, security interest, option, right of first offer or first refusal or other charge or encumbrance of any kind and adverse claim;

(w) "**Net Proceeds**" means the proceeds received by the Company from the Sale of Subsidiary after having deducted therefrom the amounts paid or expected to be paid to third parties by the Company on account of taxes, closing costs and other liabilities and obligations of the Company as more particularly described in the Management Information Circular of the Company dated January 16, 2026;

(x) "**Notice of Dissent**" means a notice of dissent duly and validly given by a registered holder of Common Shares exercising Dissent Rights as contemplated in the Interim Order and as described in Article 4;

(y) "**Option Consideration**" has the meaning ascribed thereto in Section 3.1(a);

(z) "**Option**" means an option to acquire a Common Share granted pursuant to the Stock Option Plan which are outstanding and unexercised, whether or not vested;

(aa) "**Optionholder**" means a holder of one or more Options;

(bb) "**Person**" will be broadly interpreted and includes:

(i) a natural person, whether acting in their own capacity, or in their capacity as executor, trustee, administrator, or legal representative, and the heirs, executors, administrators, or other personal or legal representatives of a natural person;

(ii) a corporation or a company of any kind, a partnership of any kind, a sole proprietorship, a trust, a joint venture, an association, an unincorporated association, an unincorporated syndicate, an unincorporated organization or any other association, organization, or entity of any kind; and

(iii) a Governmental Authority;

(cc) "**Plan of Arrangement**" means this plan of arrangement, including any appendices hereto, and any amendments, modifications or supplements hereto made from time to time in accordance with the terms hereof or made at the direction of the Court in the Final Order, with the consent of the Company;

(dd) "**Sale of Subsidiary**" means the sale of all of the shares of NRG Metals Argentina S.A, the Company's wholly-owned subsidiary, to Posco Argentina S.A.U and Posco Holdings Inc. pursuant to the SPA, which sale constitutes the sale of all or substantially all undertaking of the Company;

(ee) "**Securities Consideration**" means collectively, the Share Consideration, the Option Consideration and the Warrant Consideration;

(ff) "**Securityholders**" means the Shareholders, Optionholders and Warrantholders;

(gg) "**Share Consideration**" means the consideration to be received in cash by the Shareholders pursuant to this Plan of Arrangement in exchange for their Common Shares, being the Net Proceeds divided by the total number of Common Shares as of the Effective Date after subtracting the aggregate Option Consideration and aggregate Warrant Consideration for the In-the-Money Options and In-the-Money Warrants, respectively, which Share Consideration shall not be less than C$0.505 per Common Share;

(hh) "**Shareholder**" means a holder of one or more Common Shares;

(ii) "**SPA**" means the Share Purchase Agreement dated December 5, 2025 between the Company, NRG Metals Argentina S.A, the Company's wholly-owned subsidiary, Posco Argentina S.A.U and Posco Holdings Inc.;

(jj) "**Stock Option Plan**" means the Stock Option Plan of the Company, dated September 13, 2022;

(kk) "**Tax Act**" means the *Income Tax Act* (Canada) including all regulations thereunder;

(ll) "**TSXV**" means the TSX Venture Exchange;

(mm) "**Warrant Consideration**" has the meaning ascribed thereto in Section 3.1(b);

(nn) "**Warrant**" means a common share purchase warrant of the Company to acquire a Common Share, which are outstanding and unexercised; and

(oo) "**Warrantholder**" means a holder of one or more Warrants.

Words and phrases used herein and defined in the BCBCA and not otherwise defined herein shall have the same meaning herein as in the BCBCA unless the context otherwise requires.

1.2 Interpretation Not Affected by Headings, etc.

The division of this Plan of Arrangement into Articles, Sections, paragraphs and other portions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof. Unless otherwise indicated, all references to an "Article", "Section" or "paragraph" followed by a number and/or a letter refer to the specified Article, Section or paragraph of this Plan of Arrangement.

1.3 Number

In this Plan of Arrangement, unless the context otherwise requires, words used herein importing the singular include the plural and vice versa.

1.4 Date of Any Action

In the event that any date on which any action is required to be taken hereunder by any of the Parties is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

1.5 Time

Time shall be of the essence in every matter or action contemplated hereunder. All times expressed herein or in the Letter of Transmittal are local time (Vancouver, British Columbia) unless otherwise stipulated herein or therein.

1.6 Currency

Unless otherwise stated, all references in this Plan of Arrangement to sums of money are expressed in lawful money of Canada.

ARTICLE 2
EFFECT OF THE ARRANGEMENT

2.1 Steps of Arrangement

The transactions comprising the Arrangement shall occur in the order set forth herein.

2.2 Binding Effect and Conditions Precedent

This Plan of Arrangement will become effective at the Effective Time and shall be binding upon the Company, the Securityholders, and the Depositary, in each case without any further act or formality required on the part of any Person or the part of the Court, except as expressly provided herein. The implementation of the Plan of Arrangement shall be conditional upon the satisfaction or waiver, at or before the Effective Time, of the following conditions precedent:

(a) the Arrangement Resolution shall have been approved by Securityholders at the Meeting in accordance with the requirements of the Interim Order;

(b) the Sale of Subsidiary shall have been: (i) approved at the Company Meeting by way of special resolution of the Shareholders; and (ii) completed in accordance with the provisions of the SPA;

(c) the Final Order shall have been obtained in form and substance satisfactory to the Company, acting reasonably, and shall not have been set aside or modified in a manner unacceptable to the Company on appeal or otherwise;

(d) there shall not exist any prohibition under applicable law against the completion of the Arrangement;

(e) there shall not be in force any order or decree restraining or enjoining or materially modifying or imposing material conditions on the consummation of the Arrangement or under the Plan of Arrangement and there shall be no proceeding, whether of a judicial or administrative nature or otherwise brought by a Governmental Authority that relates to or results from the Arrangement that would, if successful, result in an order or ruling that would preclude completion of, or materially modify or impose material conditions on, the Arrangement or under the Plan of Arrangement.

The foregoing conditions may be waived, in whole or in part, by the Company. If any of the foregoing conditions are not satisfied or waived on or before the Effective Date, or such other date as may be agreed, then the Company may terminate the Plan of Arrangement.

ARTICLE 3
ARRANGEMENT

3.1 The Arrangement

Commencing at the Effective Time, each of the transactions set out below shall occur and be deemed to occur in the following sequence, in each case without any further authorization, act or formality of or by the Company or any other Person:

(a) notwithstanding any vesting or exercise or other provisions to which an In-the-Money Option might otherwise be subject (whether by contract, the conditions of grant, applicable Law or the terms of the Company Stock Option Plan), each In-the-Money Option (whether vested or unvested) outstanding immediately prior to the Effective Time shall, without any further action by or on behalf of the holder thereof, be surrendered and transferred by the holder thereof, free and clear of any Liens, to the Company, and the holder thereof shall be entitled to receive in exchange therefor a cash payment from the Company equal to the amount by which the Share Consideration exceeds the per share exercise price of such In-the-Money Option (the "**Option Consideration**");

(b) notwithstanding any vesting or exercise or other provisions to which an Option that is not an In-the-Money Option might otherwise be subject (whether by contract, the conditions of grant, applicable Law or the terms of the Company Stock Option Plan), each such Option (whether vested or unvested) outstanding immediately prior to the Effective Time shall be cancelled without any payment or other consideration therefor;

(c) each Option shall be cancelled and the name of each Optionholder prior to the transfers or cancellations referred to in Sections 3.1(a) or (b) shall be removed from the stock option register of the Company, and the Stock Option Plan and all agreements relating to the Options shall be terminated and shall be of no further force and effect;

(d) notwithstanding any exercise or other provisions to which an In-the-Money Warrant might otherwise be subject (whether by contract, the conditions of grant, applicable Law or the terms of the a warrant certificate), each In-the-Money Warrant outstanding immediately prior to the Effective Time shall, without any further action by or on behalf of the holder thereof, be surrendered and transferred by the holder thereof, free and clear of any Liens, to the Company, and the holder thereof shall be entitled to receive in exchange therefor a cash payment from the Company equal to the amount by which the Share Consideration exceeds the per share exercise price of such In-the-Money Warrant (the "**Warrant Consideration**"), and each such In-the-Money Warrant shall be immediately cancelled and the name of such Warrantholder shall be removed from the warrant

register of the Company, and the warrant certificate and all agreements relating to the In-the-Money Warrants shall be terminated and shall be of no further force and effect;

(e) each Warrant that is not an In-the-Money Warrant will, without any further action by or on behalf of the Company or the Warrantholder thereof, be cancelled without any payment and the name of such Warrantholder shall be removed from the warrant register of the Company, and the warrant certificate and all agreements relating to the Warrants shall be terminated and shall be of no further force and effect;

(f) each Dissenting Share held by a Dissenting Shareholder in respect of which such Dissenting Shareholder has exercised Dissent Rights (and the right of such Dissenting Shareholder to dissent with respect to such Common Share has not terminated or ceased to apply with respect to such Common Share) will, without any further action by or on behalf of the Dissenting Shareholder, be deemed to be transferred and assigned by the Dissenting Shareholder to the Company (free and clear of any Liens), and

(i) such Dissenting Shareholder will cease to be a holder of Common Shares or have any rights as a holder in respect of such Common Shares (other than the right to be paid by the Company the fair value of such Common Shares determined and payable in accordance with Article 4);

(ii) the name of such Dissenting Shareholder will be removed from the applicable securities register of the Company with respect to Common Shares; and

(iii) the Dissenting Shareholder will be deemed to have executed and delivered all consents, releases, assignments, and waivers, statutory or otherwise, required to effect the transfer thereof;

(g) each Common Share (other than any Common Shares that are Dissenting Shares) will, without any further action by or on behalf of the holder thereof, be, and will be deemed to be, repurchased and acquired by the Company and transferred and assigned by such holder to the Company (free and clear of any Liens) in exchange for the Share Consideration payable by the Company for each such Common Share, and

(i) such holder will cease to be the holder thereof;

(ii) the name of any such holder will be removed from the central securities register maintained by or on behalf of the Company in respect of the Common Shares;

(iii) such holder will be deemed to have executed and delivered all consents, releases, assignments, and waivers, statutory or otherwise, required to effect the transfer hereof;

(iv) the Shareholder will cease to have any rights as a Shareholder other than the right to receive the aggregate Share Consideration such Shareholders are entitled to receive in accordance with this Section 3.1(g) and any dividends or other distributions declared on the Common Shares prior to the Effective Date but not yet paid as of the Effective Time, in each case less any amounts required to be withheld in accordance with Section 5.3; and

(v) each Common Share transferred and assigned to the Company pursuant to this 3.1(g) will be, and will be deemed to be, cancelled; and

(h) Adrian Hobkirk, the current President, CEO and a director of the Company, will, without any further action by or on behalf of himself, and will be deemed to, subscribe for one Common Share at a price of $1.00 and the name of Adrian Hobkirk will be added to the central securities register maintained by or on behalf of the Company in respect of Common Shares as the holder thereof.

The exchanges, issuance, delivery, and cancellations contemplated by this Section 3.1 will be deemed to occur on the Effective Date, notwithstanding that certain of the procedures related thereto are not completed until after the Effective Time or after the Effective Date.

ARTICLE 4
DISSENT RIGHTS

4.1 Rights of Dissent

(a) Pursuant to the Interim Order, each registered Shareholder may exercise rights of dissent ("**Dissent Rights**") under Division 2 of Part 8 of the BCBCA as modified by this Article 4 as the same may be modified by the Interim Order or the Final Order in respect of the Arrangement, provided that the written objection to the Arrangement Resolution contemplated by Section 242 of the BCBCA must be sent to and received by the Company at least two days before the Company Meeting. Shareholders who duly exercise such rights of dissent and who:

(a) are ultimately determined to be entitled to be paid fair value from the Company, for the Dissenting Shares in respect of which they have exercised Dissent Rights, will be deemed to have irrevocably transferred such Dissenting Shares to the Company pursuant to Section (f) in consideration of such fair value; or

(b) are ultimately not entitled, for any reason, to be paid fair value for the Dissenting Shares in respect of which they have exercised Dissent Rights, will be deemed to have participated in the Arrangement on the same basis as a Shareholder who has not exercised Dissent Rights, as at the Effective Time and be entitled to receive only the consideration set forth in Section (f);

(b) but in no case will the Company or any other Person be required to recognize such holders as holders of Dissenting Shares after the completion of the steps set forth in Section (f) and each Dissenting Shareholder will cease to be entitled to the rights of a Shareholder in respect of the Dissenting Shares in relation to which such Dissenting Shareholder has exercised Dissent Rights and the central securities register of the Company will be amended to reflect that such former holder is no longer the holder of such Common Shares, as and from the completion of the steps in Section (f).

(c) For greater certainty, in addition to any other restrictions in the Interim Order and under Section 238 of the BCBCA, none of the following Persons shall be entitled to exercise Dissent Rights: (i) a holder of any Options or Warrants, in respect of such holder's Options or Warrants, as applicable; (ii) Shareholders who vote or have instructed a proxyholder to vote such Common Shares in favour of the Arrangement Resolution; and (iii) any other Person who is not a registered Shareholder as of the record date for the Company Meeting.

ARTICLE 5
DELIVERY OF CONSIDERATION

5.1 Deposit and Payment of Securities Consideration

(a) Following receipt of the Final Order and prior to the Effective Time, the Company shall deposit in escrow, or cause to be deposited in escrow, with the Depositary, for the benefit of the Securityholders, the aggregate amount in cash of Securities Consideration payable to the Securityholders pursuant to Sections 3.1(a), , 3.1(d), 3.1(f) and3.1(g).

(b) On or as soon as practicable after the Effective Date, the Depositary shall pay or cause to be paid, on behalf of the Company, to each holder of In-the-Money Options or In-the-Money Warrants, as reflected on the applicable register maintained by or on behalf of the Company in respect thereof (in each case less any amounts withheld pursuant to Section 5.3, if any), the consideration to which such Securityholder has the right to receive under this Plan of Arrangement for their In-the-Money Options or In-the-Money Warrants, as applicable, by cheque or similar means.

(c) Upon surrender to the Depositary for cancellation of a certificate or a DRS Advice which immediately prior to the Effective Time represented one or more Common Shares that were transferred under the Arrangement, together with a properly completed Letter of Transmittal and such other documents and instruments as would have been required to effect the transfer of the Common Shares or DRS Advices under the BCBCA and the articles of the Company and such other documents and instruments as the Depositary may reasonably require, the holder of the Common Shares represented by such surrendered certificate or DRS Advice shall be entitled to receive in exchange therefor, and the Depositary shall deliver to such holder (in each case less any amounts withheld pursuant to Section 5.3, if any), the applicable Share Consideration that such holder has the right to receive, and the certificate or DRS Advice so surrendered shall forthwith be cancelled.

(d) After the Effective Time, no Optionholder or Warrantholder will be entitled to receive any consideration with respect to such holder's In-the-Money Options or In-the-Money Warrants, as applicable, other than any cash payment of the consideration to which such holder is entitled to receive in accordance with Sections 3.1(a) and 3.1(d) as applicable, less any amounts withheld pursuant to Section 5.3.

(e) In the event of a transfer of ownership of Common Shares which was not registered in the transfer records of the Company, a cheque for the Share Consideration may, subject to Section 5.2, be issued to the transferee if the certificate or DRS Advice which immediately prior to the Effective Time represented Common Shares that were exchanged for the Share Consideration under the Arrangement is presented to the Depositary, accompanied by all documents reasonably required to evidence and effect such transfer.

(f) Until surrendered for cancellation as contemplated by Section 5.1(c), each certificate or DRS Advice which immediately prior to the Effective Time represented one or more Common Shares that were exchanged for cash pursuant to Section 5.1(c) shall be deemed at all times after the Effective Time to represent only the right to receive such cash, less any amounts withheld pursuant to Section 5.3, upon such surrender.

5.2 Loss of Certificates

In the event any certificate which immediately prior to the Effective Time represented any outstanding Common Shares has been lost, stolen or destroyed, upon the making of an affidavit of that fact by the former holder of such Common Shares, the Depositary will pay the Share Consideration (less any withholding pursuant to Section 5.3) which the former holder of such Common Shares is entitled to receive pursuant to Sections 3.1. When authorizing such payment in relation to any lost, stolen or destroyed certificate, the former holder of such Common Shares will, as a condition precedent to the delivery thereof, give a bond satisfactory to the Company and the Depositary in such sum as the Company may direct or otherwise indemnify the Company in a manner satisfactory to the Company against any claim that may be made against the Company with respect to the certificate alleged to have been lost, stolen or destroyed.

5.3 Withholding Rights

The Company and the Depositary, as applicable, will be entitled to deduct or withhold from any consideration payable or otherwise deliverable to any Person under this Plan of Arrangement (including any payment to Dissenting Shareholders) such amounts as the Company or the Depositary may be required or permitted to deduct and withhold with respect to such payment under the Tax Act, the *U.S. Internal Revenue Code of 1986*, as amended, and the rules and regulations promulgated thereunder, or any provision of any provincial, state, local, or foreign tax law. For the purposes hereof, all such withheld amounts shall be treated as having been paid to the Person in respect of which such deduction or withholding was made on account of the obligation to make payment to such Person hereunder, provided that such deducted or withheld amounts are actually remitted to the appropriate Governmental Authority by or on behalf of the Company or the Depositary, as the case may be.

5.4 Extinction of Rights

Any certificate or DRS Advice which immediately prior to the Effective Time represented outstanding Common Shares that were exchanged pursuant to Section 3.1 that is not deposited with all other instruments required by Section 5.1, and any payment made by the Depositary pursuant to this Plan of Arrangement that has not been deposited or has been returned to the Depositary or that otherwise remains unclaimed, in each case, on or prior to the second (2^{nd}) anniversary of the Effective Date, shall cease to represent a claim or interest of any kind or nature as a securityholder of the Company. On such date, the Securities Consideration to which the former holder of the certificate or DRS Advice referred to in the preceding sentence was ultimately entitled under this Plan of Arrangement shall be deemed to have been surrendered for no consideration to the Company. None of the Company or the Depositary shall be liable to any Person in respect of any amount delivered to a public official pursuant to any applicable abandoned property, escheat or similar law.

5.5 Interest

Under no circumstances shall interest accrue or be paid by the Company, the Depositary or any other Person to any securityholder of the Company or other Persons depositing certificates or DRS Advices pursuant to this Plan of Arrangement in respect of any securities of the Company outstanding immediately prior to the Effective Time.

ARTICLE 6
AMENDMENTS

6.1 Paramountcy

From and after the Effective Time (a) this Plan of Arrangement shall take precedence and priority over any and all rights related to the Common Shares, Options, and Warrants issued prior to the Effective Time, and (b) the rights and obligations of the Securityholders, the Depositary and any trustee or transfer agent therefor in relation thereto, and any other Person having any right, title or interest in or to Common Shares, Options and Warrants, shall be solely as provided for in this Plan of Arrangement.

6.2 Amendments to Plan of Arrangement

(a) The Company reserves the right to amend, modify or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment, modification or supplement must be (i) set out in writing, (ii) filed with the Court and, if made following the Company Meeting, approved by the Court and (iii) communicated to or approved by the Securityholders if and as required by the Court.

(b) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by the Company at any time prior to the Company Meeting with or without any other prior notice or communication and, if so proposed and accepted by the Securityholders voting at the Company Meeting (other than as may be required under the Interim Order), will become part of this Plan of Arrangement for all purposes.

(c) Any amendment, modification or supplement to this Plan of Arrangement that is approved or directed by the Court following the Company Meeting will be effective only if such amendment, modification or supplement (i) is consented to by the Company and (ii) if required by the Court or applicable law, is consented to by Securityholders voting in the manner directed by the Court.

6.3 Termination

This Plan of Arrangement may be withdrawn prior to the Effective Time in accordance with the terms of the Arrangement Agreement. Upon the termination of this Plan of Arrangement pursuant to the Arrangement Agreement,

no Party shall have any liability or further obligation to any other Party or Person hereunder other than as set out in the Arrangement Agreement.

6.4 Further Assurances

Notwithstanding that the transactions and events set out herein will occur and be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, the Company will make, do and execute, or cause to be made, done and executed, any such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order to further document or evidence any of the transactions or events set out herein.

APPENDIX D -
INTERIM ORDER

See attached.

No. S-260280
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF SECTION 288 OF
THE *BUSINESS CORPORATIONS ACT*, S.B.C. 2002, c. 57, AS AMENDED

AND

IN THE MATTER OF AN ARRANGEMENT INVOLVING
LITHIUM SOUTH DEVELOPMENT CORPORATION AND ITS SECURITYHOLDERS

RE: LITHIUM SOUTH DEVELOPMENT CORPORATION

PETITIONER

ORDER MADE AFTER APPLICATION
(INTERIM ORDER)

BEFORE ASSOCIATE JUDGE Robertson) January 16, 2026

ON THE APPLICATION of the Petitioner, Lithium South Development Corporation ("**LIS**" or the "**Petitioner**"), in connection with an arrangement involving the Petitioner, the holders (the "**Shareholders**") of the common shares of the Petitioner (the "**Common Shares**"), the holders (the "**Optionholders**") of incentive stock options ("the "**Options**") of the Petitioner and the holders (the "**Warrantholders**", and collectively with the Shareholders and the Optionholders, the "**Securityholders**") of common share purchase warrants (the "**Warrants**") of the Petitioner, coming on for hearing WITHOUT NOTICE before me, at the Courthouse at 800 Smithe Street, Vancouver, British Columbia, on January 16, 2026; AND ON HEARING Jonathan Ross, lawyer for the Petitioner; AND ON READING the Affidavit #1 of Christopher P. Cherry made on January 14, 2026 (the "**Cherry Affidavit**");

THIS COURT ORDERS THAT:

The Meeting

1. The Petitioner be permitted to convene, hold and conduct an annual general and special

meeting (the "**Meeting**") of the Securityholders to *inter alia*:

(a) consider and, if deemed advisable, pass with or without variation, a special resolution of the Securityholders (the "**Arrangement Resolution**") authorizing, approving and adopting, an arrangement (the "**Arrangement**") involving the Petitioner and the Securityholders as set forth in the plan of arrangement implementing the Arrangement (the "**Plan of Arrangement**"), substantially in the form attached as Exhibit "A" to the Cherry Affidavit; and

(b) transact such other business as is contemplated in the management information circular (the "**Circular**") of the Petitioner, which is attached as Exhibit "B" to the Cherry Affidavit, or that may properly come before the Meeting or any adjournment thereof.

2. The Meeting shall be called, held and conducted on, Thursday, February 19, 2026, in accordance with the provisions of the *Business Corporations Act*, S.B.C. 2002, c. 57, as amended, (the "**BCBCA**"), the notice of articles and articles of the Petitioner, the notice of meeting for the Meeting (the "**Notice of Meeting**"), the Circular, and applicable securities laws, or such other date as may be permitted under this Interim Order, and subject to the terms of this Interim Order and any further Order of this Court, and the rulings and directions of the chairperson of the Meeting (the "**Chair of the Meeting**"), such rulings and directions not to be inconsistent with this Interim Order, and to the extent of any inconsistency or discrepancy between this Interim Order and the terms of any instrument creating or governing or collateral to the Common Shares or to which such shares are collateral, or the articles of the Petitioner, this Interim Order shall govern.

Amendments

3. The Petitioner is authorized to make, in the manner contemplated by and subject to the Plan of Arrangement, such amendments, revisions or supplements to the Plan of Arrangement, or Circular as it may determine without any additional notice to the Securityholders or any further Order of this Court. The Plan of Arrangement as so amended, revised or supplemented shall be the Plan of Arrangement submitted to the Meeting, and the subject of the Arrangement Resolution.

Adjournments and Postponements

4. Notwithstanding the provisions of the BCBCA and the articles of the Petitioner, and subject to the terms of the Plan of Arrangement, the Board of Directors of the Petitioner by resolution shall be entitled to adjourn or postpone the Meeting on one or more occasions without the necessity of first convening the Meeting or first obtaining any vote of the Securityholders respecting the adjournment or postponement and without the need for approval of the Court. Notice of any such adjournment shall be given by news release, newspaper advertisement, or by notice sent to the Securityholders by one of the methods specified in paragraph 6 of this Interim Order, as determined to be the most appropriate method of communication by the Board of Directors of the Petitioner.

Record Date

5. The record date (the "**Record Date**") for determining Securityholders entitled to receive notice of and attend at the Meeting is the close of business on January 5, 2026 as previously approved by the Board of Directors of the Petitioner, or such other date as the Board of Directors of the Petitioner may determine and as disclosed to the Securityholders in the manner they see fit.

Notice of the Meeting

6. The following information:

   (a) the Circular (which includes the CEO letter to Securityholders and the Notice of Meeting);

   (b) the Plan of Arrangement;

   (c) the Notice of Hearing of Petition;

   (d) the forms of proxy for use by the Shareholders, Optionholders and Warrantholders, as applicable; and

   (e) this Interim Order,

   where applicable, in substantially the form contained in the Exhibits to the Cherry Affidavit (collectively, the "**Meeting Materials**") with such amendments and inclusions thereto as counsel for the Petitioner may deem necessary or desirable, provided that

such amendments and inclusions are not inconsistent with the terms of this Interim Order, shall be sent to:

(I) the Shareholders (including intermediaries and registered nominees) as they appear on the securities registers of the Petitioner on the Record Date, such Meeting Materials to be sent at least twenty-one (21) days prior to the date of the Meeting, excluding the date of mailing, by Canada Post Lettermail, prepaid mail, courier or the equivalent addressed to the Shareholder at his, her, or its address as it appears on the applicable securities registers of the Petitioner as at the Record Date; by delivery in person; or by email or electronic transmission to any Shareholder who identifies itself to the satisfaction of the Petitioner, acting through its representatives, who requests such email or electronic transmission;

(II) the Optionholders and Warrantholders as they appear on the securities registers of the Petitioner on the Record Date, such Meeting Materials to be sent at least twenty-one (21) days prior to the date of the Meeting, excluding the date of mailing, by Canada Post Lettermail, prepaid mail, courier or the equivalent addressed to such securityholder at his, her, or its address as it appears on the applicable securities registers of the Petitioner as at the Record Date; by delivery in person; or by email or electronic transmission to any such securityholder who identifies itself to the satisfaction of the Petitioner, acting through its representatives, who requests such email or electronic transmission;

(III) the directors and auditors of the Petitioner by mailing the Meeting Materials by Canada Post Lettermail, prepaid mail, courier, electronic transmission or the equivalent, to such persons at least twenty-one (21) days prior to the date of the Meeting, excluding the date of mailing or transmittal;

(III) in the case of non-registered Shareholders, by providing copies of the Meeting Materials to intermediaries and registered nominees for sending to beneficial owners in accordance with National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators at least three (3)

business days prior to the twenty-first (21st) day prior to the date of the Meeting.

7. Substantial compliance with the delivery of the Meeting Materials as ordered herein shall constitute compliance with the requirements of Section 290(1)(a) of the BCBCA.

8. The sending of the Meeting Materials, as herein described to the Securityholders, directors and auditors of the Petitioner, shall constitute good and sufficient service of the Notice of Hearing of Petition upon all who may wish to appear in these proceedings, and no other service need be made and no other material need be served on persons in respect of these proceedings.

9. The accidental delay, failure or omission to give notice of the Meeting or to deliver the Meeting Materials to, or the non-receipt of such notices or materials by, or any failure or omission to give such notice as a result of events beyond the reasonable control of the Petitioner (including, without limitation, any inability to use postal services including due to a postal strike) to any one or more of the persons specified herein shall not constitute a breach of this Interim Order, or in relation to notice to the Securityholders, a defect in the calling of the Meeting, and shall not invalidate any resolution passed or proceeding taken at the Meeting, but if any such failure or omission is brought to the attention of the Petitioner then it shall use reasonable best efforts to rectify it by the method and in the time most reasonably practicable in the circumstances.

10. The Petitioner is at liberty to give notice of this application to persons outside the jurisdiction of this Court in the manner specified herein.

Deemed Receipt of Notice

11. The Meeting Materials shall be deemed, for the purposes of this Interim Order, to have been received:

    (a) in the case of mailing or couriering, the day, Saturdays and holidays excepted, following the date of mailing or couriering;

    (b) in the case of delivery in person, the day following personal delivery or the day following delivery to the person's address in paragraph 6 above;

(c) in the case of any means of transmitted, recorded or electronic communication, when dispatched or delivered for dispatch;

(d) in the case of advertisement, at the time of publication of the advertisement; and

(e) in the case of electronic filing on the System for Electronic Document Analysis and Retrieval (SEDAR+), upon the transmission thereof.

Updating Meeting Materials

12. Notice of any amendments, updates or supplement to any of the information provided in the Meeting Materials may be communicated to the Securityholders or others entitled to receive notice by press release, newspaper advertisement, or by notice sent to the Securityholders by any of the means set forth in paragraph 6 herein, as determined to be the most appropriate method of communication by the Board of Directors of the Petitioner.

Conduct of the Meeting

13. The Chair of the Meeting shall be the CEO of the Petitioner or such other person as may be appointed by the Securityholders for that purpose.

14. The Chair of the Meeting is at liberty to call on the assistance of legal counsel to the Petitioner at any time and from time to time, as the Chair of the Meeting may deem necessary or appropriate, during the Meeting, and such legal counsel is entitled to attend the Meeting for this purpose.

15. The only persons entitled to attend or speak at the Meeting shall be the Securityholders, their proxyholders, the auditors of the Petitioner, the officers and directors of the Petitioner, employees and agents of the Petitioner's transfer agent, Computershare Investor Services Inc., the advisors to the Petitioner (including legal and financial advisors), and such other persons with the permission of the Chair of the Meeting.

16. The Chair of the Meeting, and if so directed by the Meeting, must adjourn the Meeting and the Meeting shall be reconvened at a place and time to be designated by the Chair of the Meeting to a date which is not more than 30 days thereafter except for the reason of a lack of quorum.

Quorum and Voting

17. The quorum for the transaction of business at the Meeting is one shareholder present in person or represented by proxy.

18. If no quorum of Shareholders is present within one-half hour from the time set for the holding of the Meeting, the Meeting shall stand adjourned to the same day in the next week at the same time and place and if at such adjourned meeting a quorum is not present within one-half hour from the time set for the holding of the Meeting, the meeting shall be terminated.

19. Each Shareholder shall be entitled to one vote for each Common Share held by such Shareholder on all matters presented at the Meeting. Each Optionholder is entitled to one vote for each Option held by such Optionholder only on the Arrangement Resolution. Each Warrantholder is entitled to one vote for each Warrant held by such Warrantholder only on the Arrangement Resolution.

20. The vote required to pass the Arrangement Resolution shall be the affirmative vote of: (i) 66⅔% of the votes cast on the Arrangement Resolution by the Shareholders (other than Dissenting Shareholders) present in person or represented by proxy and entitled to vote at the Meeting; and (ii) 66⅔% of the votes cast on the Arrangement Resolution by Securityholders present in person or represented by proxy and entitled to vote at the Meeting, voting as a single class.

21. The only persons entitled to vote at the Meeting or any adjournment(s) thereof either in person or by proxy shall be the registered holders of the Common Shares as at the close of business on the Record Date. If a Shareholder holds its shares through a broker, bank or other nominee, such Shareholder must provide its broker, bank or nominee with instructions on how to vote its shares or, if such Shareholder wishes to attend the Meeting and vote in person, it must first obtain a proxy from its broker, bank or nominee in order to vote at the Meeting. Such persons and the directors and auditors of the Petitioner shall also be entitled to notice of the Meeting.

Scrutineers

22. A representative of the Petitioner's registrar and transfer agent (or any agent thereof) is authorized to act as a scrutineer for the Meeting.

Solicitation of Proxies

23. The Petitioner may in its discretion waive generally the time limits for deposit of proxies by Securityholders if the Petitioner deems it reasonable to do so. The Petitioner is authorized, at its expense, to solicit proxies, directly and through its officers, directors and employees, and through such agents or representatives as it may retain for that purpose, and by mail or such other forms of personal or electronic communication as it may determine.

24. The procedure for the use of proxies at the Meeting shall be as set out in the Meeting Materials.

Dissent Rights

25. Each registered Shareholder be accorded the rights of dissent with respect to the Arrangement Resolution approving the Arrangement, as set out in Division 2 of Part 8 of the BCBCA, as modified by the Interim Order and the Final Order, if applicable.

26. In order for a registered Shareholder to exercise such rights of dissent (the "**Dissent Right**"):

    (a) such dissenting Shareholder must deliver a written notice of dissent to the Petitioner at its registered address, Suite 2300, 550 Burrard Street, Vancouver, BC, V6C 2B5, Attention: Tara Amiri, no later than 4:00 p.m. (Vancouver time) on the business day that is two days preceding the Meeting or on the business day that is two days preceding any date to which the Meeting may be postponed or adjourned;

    (b) such dissenting Shareholder must not have voted his, her or its Common Shares at the Meeting, either by proxy or in person, in favour of the Arrangement Resolution;

    (c) such dissenting Shareholder must dissent with respect to all of the Common Shares held by such person; and

(d) the exercise of such Dissent Right must otherwise comply with the requirements of Division 2 of Part 8 of the BCBCA as modified by the Plan of Arrangement, the Interim Order and the Final Order.

27. Notice to the Shareholders of their Dissent Right with respect to the Arrangement Resolution will be given by including information with respect to the Dissent Right in the Circular to be sent to Shareholders in accordance with the Interim Order.

28. Subject to the further order of this Court, the rights available to the Shareholders under the BCBCA and the Plan of Arrangement to dissent from the Arrangement will constitute full and sufficient Dissent Rights for the Shareholders with respect to the Arrangement.

Application for the Final Order

29. Unless the directors of the Petitioner by resolution determine to abandon the Arrangement, upon the approval, with or without variation by the Securityholders of the Arrangement Resolution, in the manner set forth in this Interim Order, the Petitioner may apply to this Court for an order (being the Final Order):

(a) pursuant to Section 291(4)(c) of the BCBCA, declaring that the Arrangement, including the terms and conditions thereof and the distributions, issuances, exchanges or adjustments of securities contemplated therein, is fair and reasonable to the Securityholders of the Petitioner; and

(b) pursuant to Section 291(4)(a) of the BCBCA, approving the Arrangement, including the terms and conditions thereof and the distributions, issuances, exchanges, reduction of capital or adjustments of securities contemplated therein,

and the application for the Final Order (the "**Final Application**") shall be set down for hearing before the presiding Judge in Chambers at the Courthouse at 800 Smithe Street, Vancouver, British Columbia, on February 25, 2026, or such other date as the directors of the Petitioner may by resolution decide, and the hearing of the Final Application pursuant to the Petition is hereby adjourned to February 25, 2026.

30. Any Securityholder of the Petitioner, any director or auditor of the Petitioner, or any other interested party with leave of the Court may appear and make submissions at the Final Application provided that such person must file a Response to Petition, in the form prescribed by the *Supreme Court Civil Rules*, with this Court and deliver a copy of the filed Response to Petition, together with a copy of all material on which such person intends to rely at the Final Application, including an outline of such person's proposed submissions, to the solicitors for the Petitioner at Gowling WLG (Canada) LLP, 550 Burrard Street, Suite 2300, Vancouver, BC V6C 2B5, Attention: Jonathan B. Ross, at or before 4:00 p.m. (Vancouver time) on Tuesday, February 20, 2026, or as the Court may otherwise direct.

31. The only persons entitled to notice of any further proceedings herein, including any hearing to sanction and approve the Arrangement, and to appear and be heard thereon, shall be the solicitors for the Petitioner and persons who have delivered a Response to Petition in accordance with this Interim Order.

32. Subject to other provisions in this Interim Order, no material other than this Interim Order, the Notice of Hearing of Petition and the Circular need be served on any persons in respect of these proceedings and, in particular, service of the Petition herein and the accompanying Cherry Affidavit and additional affidavits as may be filed is dispensed with.

33. If the Final Application is adjourned, only those persons who have filed and delivered a Response to Petition in accordance with this Order need to be served and provided with notice of the adjourned date and any filed materials.

34. The Petitioner shall be entitled, at any time, to apply to vary this Interim Order.

35. The provisions of Rules 8-1 and 16-1 of the *Supreme Court Civil Rules* be hereby dispensed with for the purposes of any further application to be made pursuant to this Petition.

36. The Petitioner shall have liberty to apply for such further orders as may be appropriate.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

Signature of lawyer for the Petitioner
Jonathan B. Ross

BY THE COURT

Registrar

CHECKED

No. _____
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF SECTION 288 OF
THE *BUSINESS CORPORATIONS ACT*, S.B.C. 2002, c. 57, AS AMENDED

AND

IN THE MATTER OF AN ARRANGEMENT INVOLVING
LITHIUM SOUTH DEVELOPMENT CORPORATION AND ITS SECURITYHOLDERS

RE: LITHIUM SOUTH DEVELOPMENT CORPORATION

PETITIONER

ORDER MADE AFTER APPLICATION

(INTERIM ORDER)

GOWLING WLG (CANADA) LLP
Barristers & Solicitors
Bentall 5, Suite 2300,
550 Burrard Street
Vancouver, BC V6C 2B5
Attention: Jonathan B. Ross

Tel: 604.683.6498 Fax: 604.683.3558

File No. G10024238 JBR/msh

APPENDIX E -
NOTICE OF HEARING OF PETITION

See attached.

No. S260280
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF SECTION 288 OF
THE *BUSINESS CORPORATIONS ACT*, S.B.C. 2002, c. 57, AS AMENDED

AND

IN THE MATTER OF AN ARRANGEMENT INVOLVING
LITHIUM SOUTH DEVELOPMENT CORPORATION AND ITS SECURITYHOLDERS

RE: LITHIUM SOUTH DEVELOPMENT CORPORATION (PETITIONER)

NOTICE OF HEARING OF PETITION

TAKE NOTICE that the petition of Lithium South Development Corporation (the "**Petitioner**" or "**LIS**"), dated January 14, 2026, for approval of a plan of arrangement (the "**Arrangement**"), pursuant to the *Business Corporations Act* (British Columbia), S.B.C. 2002, c. 57, as amended, and for an Order (the "**Final Order**") determining that the Arrangement, including the terms and conditions thereof and the distributions, issuances, exchanges and/or adjustments of securities contemplated therein, is procedurally and substantively fair and reasonable to the holders of the common shares of the Petitioner (the "**Shareholders**"), the holders of incentive stock options of the Petitioner (the "**Optionholders**") and the holders of common share purchase warrants of the Petitioner (the "**Warrantholders**", and collectively with the Shareholders and the Optionholders, the "**Securityholders**") and is approved by the Court, will be heard at the courthouse at 800 Smithe Street, Vancouver, BC V6Z 2E1 on February 25, 2026 at 10:00 a.m. or as soon thereafter as counsel may be heard (the "**Final Application**").

AND NOTICE IS FURTHER GIVEN that by an Order Made After Application of the Supreme Court of British Columbia, pronounced January 16, 2026, the Court has given directions as to the calling of the annual general and special meeting of the Securityholders for the purpose of, among other things, considering and voting upon the Arrangement and approving the Arrangement.

IF YOU WISH TO BE HEARD, any Securityholder, any director or auditor of the Petitioner, or any other interested party with leave of the Court, may appear and make submissions at the hearing

of the Final Application provided that such person first files a Response to Petition, in the form prescribed by the Supreme Court Civil Rules and delivers a copy of a filed Response to Petition, together with a copy of all material on which such person intends to rely at the Final Application, including an outline of such person's proposed submissions, on or before 4:00 p.m. (Vancouver time) on Friday, February 25, 2026, or as the Court may otherwise direct, to the solicitors for the Petitioner at:

Gowling WLG (Canada) LLP
550 Burrard Street, Suite 2300
Vancouver, British Columbia V6C 2B5
Attention: Jonathan B. Ross

IF YOU WISH TO BE NOTIFIED OF ANY ADJOURNMENT OF THE FINAL APPLICATION, YOU MUST GIVE NOTICE OF YOUR INTENTION by filing and delivering a Response to Petition, as aforesaid.

AT THE HEARING OF THE FINAL APPLICATION, the Court may approve the Arrangement as presented, or may approve it subject to such terms and conditions as the Court deems fit.

IF YOU DO NOT FILE A RESPONSE TO PETITION and attend either in person or by counsel at the time of such hearing, the Court may approve the Arrangement, as presented, or may approve it subject to such terms and conditions as the Court shall deem fit, all without any further notice to you. If the Arrangement is approved, it will significantly affect the rights of the Securityholders.

Date: January 16, 2026

"Jonathan B. Ross"
Signature of lawyer for Petitioner
Jonathan B. Ross

APPENDIX F -
DISSENT RIGHTS

Pursuant to the Interim Order, Registered Shareholders have the right to dissent in respect of the Going Private Arrangement. Such right of dissent is described in the Management Information Circular. The full text of Division 2 (Dissent Proceedings) of Part 8 (Proceedings) of the BCBCA is set forth below.

Division 2 — Dissent Proceedings

Definitions and application

237 (1) In this Division:

"dissenter" means a shareholder who, being entitled to do so, sends written notice of dissent when and as required by section 242;

"notice shares" means, in relation to a notice of dissent, the shares in respect of which dissent is being exercised under the notice of dissent;

"payout value" means,

(a) in the case of a dissent in respect of a resolution, the fair value that the notice shares had immediately before the passing of the resolution,

(b) in the case of a dissent in respect of an arrangement approved by a court order made under section 291 (2) (c) that permits dissent, the fair value that the notice shares had immediately before the passing of the resolution adopting the arrangement,

(c) in the case of a dissent in respect of a matter approved or authorized by any other court order that permits dissent, the fair value that the notice shares had at the time specified by the court order, or

(d) in the case of a dissent in respect of a community contribution company, the value of the notice shares set out in the regulations,

excluding any appreciation or depreciation in anticipation of the corporate action approved or authorized by the resolution or court order unless exclusion would be inequitable.

(2) This Division applies to any right of dissent exercisable by a shareholder except to the extent that

(a) the court orders otherwise, or

(b) in the case of a right of dissent authorized by a resolution referred to in section 238(1)(g), the court orders otherwise or the resolution provides otherwise.

Right to dissent

238 (1) A shareholder of a company, whether or not the shareholder's shares carry the right to vote, is entitled to dissent as follows:

(a) under section 260, in respect of a resolution to alter the articles

(i) to alter restrictions on the powers of the company or on the business the company is permitted to carry on,

(ii) without limiting subparagraph (i), in the case of a community contribution company, to alter any of the company's community purposes within the meaning of section 51.91; or

(iii) without limiting subparagraph (i), in the case of a benefit company, to alter the company's benefit provision;

(b) under section 272, in respect of a resolution to adopt an amalgamation agreement;

(c) under section 287, in respect of a resolution to approve an amalgamation under Division 4 of Part 9;

(d) in respect of a resolution to approve an arrangement, the terms of which arrangement permit dissent;

(e) under section 301 (5), in respect of a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertaking;

(f) under section 309, in respect of a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia;

(g) in respect of any other resolution, if dissent is authorized by the resolution;

(h) in respect of any court order that permits dissent.

(1.1) A shareholder of a company, whether or not the shareholder's shares carry the right to vote, is entitled to dissent under section 51.995(5) in respect of a resolution to alter its notice of articles to include or to delete the benefit statement.

(2) A shareholder wishing to dissent must

(a) prepare a separate notice of dissent under section 242 for

(i) the shareholder, if the shareholder is dissenting on the shareholder's own behalf, and

(ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is dissenting,

(b) identify in each notice of dissent, in accordance with section 242 (4), the person on whose behalf dissent is being exercised in that notice of dissent, and

(c) dissent with respect to all of the shares, registered in the shareholder's name, of which the person identified under paragraph (b) of this subsection is the beneficial owner.

(3) Without limiting subsection (2), a person who wishes to have dissent exercised with respect to shares of which the person is the beneficial owner must

(a) dissent with respect to all of the shares, if any, of which the person is both the registered owner and the beneficial owner, and

(b) cause each shareholder who is a registered owner of any other shares of which the person is the beneficial owner to dissent with respect to all of those shares.

Waiver of right to dissent

239 (1) A shareholder may not waive generally a right to dissent but may, in writing, waive the right to dissent with respect to a particular corporate action.

(2) A shareholder wishing to waive a right of dissent with respect to a particular corporate action must

(a) provide to the company a separate waiver for

(i) the shareholder, if the shareholder is providing a waiver on the shareholder's own behalf, and

(ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is providing a waiver, and

(b) identify in each waiver the person on whose behalf the waiver is made.

(3) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on the shareholder's own behalf, the shareholder's right to dissent with respect to the particular corporate action terminates in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and this Division ceases to apply to

(a) the shareholder in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and

(b) any other shareholders, who are registered owners of shares beneficially owned by the first mentioned shareholder, in respect of the shares that are beneficially owned by the first mentioned shareholder.

(4) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on behalf of a specified person who beneficially owns shares registered in the name of the shareholder, the right of shareholders who are registered owners of shares beneficially owned by that specified person to dissent on behalf of that specified person with respect to the particular corporate action terminates and this Division ceases to apply to those shareholders in respect of the shares that are beneficially owned by that specified person.

Notice of resolution

240 (1) If a resolution in respect of which a shareholder is entitled to dissent is to be considered at a meeting of shareholders, the company must, at least the prescribed number of days before the date of the proposed meeting, send to each of its shareholders, whether or not their shares carry the right to vote,

(a) a copy of the proposed resolution, and

(b) a notice of the meeting that specifies the date of the meeting, and contains a statement advising of the right to send a notice of dissent.

(2) If a resolution in respect of which a shareholder is entitled to dissent is to be passed as a consent resolution of shareholders or as a resolution of directors and the earliest date on which that resolution can be passed is specified in the resolution or in the statement referred to in paragraph (b), the company may, at least 21 days before that specified date, send to each of its shareholders, whether or not their shares carry the right to vote,

(a) a copy of the proposed resolution, and

(b) a statement advising of the right to send a notice of dissent.

(3) If a resolution in respect of which a shareholder is entitled to dissent was or is to be passed as a resolution of shareholders without the company complying with subsection (1) or (2), or was or is to be passed as a directors' resolution without the company complying with subsection (2), the company must, before or within 14 days after the passing of the resolution, send to each of its shareholders who has not, on behalf of every person who beneficially owns shares registered in the name of the shareholder, consented to the resolution or voted in favour of the resolution, whether or not their shares carry the right to vote,

(a) a copy of the resolution,

(b) a statement advising of the right to send a notice of dissent, and

(c) if the resolution has passed, notification of that fact and the date on which it was passed.

(4) Nothing in subsection (1), (2) or (3) gives a shareholder a right to vote in a meeting at which, or on a resolution on which, the shareholder would not otherwise be entitled to vote.

Notice of court orders

241 If a court order provides for a right of dissent, the company must, not later than 14 days after the date on which the company receives a copy of the entered order, send to each shareholder who is entitled to exercise that right of dissent

(a) a copy of the entered order, and

(b) a statement advising of the right to send a notice of dissent.

Notice of dissent

242 (1) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (a), (b), (c), (d), (e) or (f) or (1.1) must,

(a) if the company has complied with section 240 (1) or (2), send written notice of dissent to the company at least 2 days before the date on which the resolution is to be passed or can be passed, as the case may be,

(b) if the company has complied with section 240 (3), send written notice of dissent to the company not more than 14 days after receiving the records referred to in that section, or

(c) if the company has not complied with section 240 (1), (2) or (3), send written notice of dissent to the company not more than 14 days after the later of

(i) the date on which the shareholder learns that the resolution was passed, and

(ii) the date on which the shareholder learns that the shareholder is entitled to dissent.

(2) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1)(g) must send written notice of dissent to the company

(a) on or before the date specified by the resolution or in the statement referred to in section 240 (2)(b) or (3)(b) as the last date by which notice of dissent must be sent, or

(b) if the resolution or statement does not specify a date, in accordance with subsection (1) of this section.

(3) A shareholder intending to dissent under section 238 (1)(h) in respect of a court order that permits dissent must send written notice of dissent to the company

(a) within the number of days, specified by the court order, after the shareholder receives the records referred to in section 241, or

(b) if the court order does not specify the number of days referred to in paragraph (a) of this subsection, within 14 days after the shareholder receives the records referred to in section 241.

(4) A notice of dissent sent under this section must set out the number, and the class and series, if applicable, of the notice shares, and must set out whichever of the following is applicable:

(a) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner and the shareholder owns no other shares of the company as beneficial owner, a statement to that effect;

(b) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner but the shareholder owns other shares of the company as beneficial owner, a statement to that effect and

(i) the names of the registered owners of those other shares,

(ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and

(iii) a statement that notices of dissent are being, or have been, sent in respect of all of those other shares;

(c) if dissent is being exercised by the shareholder on behalf of a beneficial owner who is not the dissenting shareholder, a statement to that effect and

(i) the name and address of the beneficial owner, and

(ii) a statement that the shareholder is dissenting in relation to all of the shares beneficially owned by the beneficial owner that are registered in the shareholder's name.

(5) The right of a shareholder to dissent on behalf of a beneficial owner of shares, including the shareholder, terminates and this Division ceases to apply to the shareholder in respect of that beneficial owner if subsections (1) to (4) of this section, as those subsections pertain to that beneficial owner, are not complied with.

Notice of intention to proceed

243 (1) A company that receives a notice of dissent under section 242 from a dissenter must,

(a) if the company intends to act on the authority of the resolution or court order in respect of which the notice of dissent was sent, send a notice to the dissenter promptly after the later of

(i) the date on which the company forms the intention to proceed, and

(ii) the date on which the notice of dissent was received, or

(b) if the company has acted on the authority of that resolution or court order, promptly send a notice to the dissenter.

(2) A notice sent under subsection (1)(a) or (b) of this section must

(a) be dated not earlier than the date on which the notice is sent,

(b) state that the company intends to act, or has acted, as the case may be, on the authority of the resolution or court order, and

(c) advise the dissenter of the manner in which dissent is to be completed under section 244.

Completion of dissent

244 (1) A dissenter who receives a notice under section 243 must, if the dissenter wishes to proceed with the dissent, send to the company or its transfer agent for the notice shares, within one month after the date of the notice,

(a) a written statement that the dissenter requires the company to purchase all of the notice shares,

(b) the certificates, if any, representing the notice shares, and

(c) if section 242 (4)(c) applies, a written statement that complies with subsection (2) of this section.

(2) The written statement referred to in subsection (1)(c) must

(a) be signed by the beneficial owner on whose behalf dissent is being exercised, and

(b) set out whether or not the beneficial owner is the beneficial owner of other shares of the company and, if so, set out

(i) the names of the registered owners of those other shares,

(ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and

(iii) that dissent is being exercised in respect of all of those other shares.

(3) After the dissenter has complied with subsection (1),

(a) the dissenter is deemed to have sold to the company the notice shares, and

(b) the company is deemed to have purchased those shares, and must comply with section 245, whether or not it is authorized to do so by, and despite any restriction in, its memorandum or articles.

(4) Unless the court orders otherwise, if the dissenter fails to comply with subsection (1) of this section in relation to notice shares, the right of the dissenter to dissent with respect to those notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares.

(5) Unless the court orders otherwise, if a person on whose behalf dissent is being exercised in relation to a particular corporate action fails to ensure that every shareholder who is a registered owner of any of the shares beneficially owned by that person complies with subsection (1) of this section, the right of shareholders who are registered owners of shares beneficially owned by that person to dissent on behalf of that person with respect to that corporate action terminates and this Division, other than section 247, ceases to apply to those shareholders in respect of the shares that are beneficially owned by that person.

(6) A dissenter who has complied with subsection (1) of this section may not vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, other than under this Division.

Payment for notice shares

245 (1) A company and a dissenter who has complied with section 244(1) may agree on the amount of the payout value of the notice shares and, in that event, the company must

(a) promptly pay that amount to the dissenter, or

(b) if subsection (5) of this section applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(2) A dissenter who has not entered into an agreement with the company under subsection (1) or the company may apply to the court and the court may

(a) determine the payout value of the notice shares of those dissenters who have not entered into an agreement with the company under subsection (1), or order that the payout value of those notice shares be established by arbitration or by reference to the registrar, or a referee, of the court,

(b) join in the application each dissenter, other than a dissenter who has entered into an agreement with the company under subsection (1), who has complied with section 244(1), and

(c) make consequential orders and give directions it considers appropriate.

(3) Promptly after a determination of the payout value for notice shares has been made under subsection (2)(a) of this section, the company must

(a) pay to each dissenter who has complied with section 244 (1) in relation to those notice shares, other than a dissenter who has entered into an agreement with the company under subsection (1) of this section, the payout value applicable to that dissenter's notice shares, or

(b) if subsection (5) applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(4) If a dissenter receives a notice under subsection (1)(b) or (3)(b),

(a) the dissenter may, within 30 days after receipt, withdraw the dissenter's notice of dissent, in which case the company is deemed to consent to the withdrawal and this Division, other than section 247, ceases to apply to the dissenter with respect to the notice shares, or

(b) if the dissenter does not withdraw the notice of dissent in accordance with paragraph (a) of this subsection, the dissenter retains a status as a claimant against the company, to be paid as soon as the company is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the company but in priority to its shareholders.

(5) A company must not make a payment to a dissenter under this section if there are reasonable grounds for believing that

(a) the company is insolvent, or

(b) the payment would render the company insolvent.

Loss of right to dissent

246 The right of a dissenter to dissent with respect to notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares, if, before payment is made to the dissenter of the full amount of money to which the dissenter is entitled under section 245 in relation to those notice shares, any of the following events occur:

(a) the corporate action approved or authorized, or to be approved or authorized, by the resolution or court order in respect of which the notice of dissent was sent is abandoned;

(b) the resolution in respect of which the notice of dissent was sent does not pass;

(c) the resolution in respect of which the notice of dissent was sent is revoked before the corporate action approved or authorized by that resolution is taken;

(d) the notice of dissent was sent in respect of a resolution adopting an amalgamation agreement and the amalgamation is abandoned or, by the terms of the agreement, will not proceed;

(e) the arrangement in respect of which the notice of dissent was sent is abandoned or by its terms will not proceed;

(f) a court permanently enjoins or sets aside the corporate action approved or authorized by the resolution or court order in respect of which the notice of dissent was sent;

(g) with respect to the notice shares, the dissenter consents to, or votes in favour of, the resolution in respect of which the notice of dissent was sent;

(h) the notice of dissent is withdrawn with the written consent of the company;

(i) the court determines that the dissenter is not entitled to dissent under this Division or that the dissenter is not entitled to dissent with respect to the notice shares under this Division.

Shareholders entitled to return of shares and rights

247 If, under section 244 (4) or (5), 245 (4)(a) or 246, this Division, other than this section, ceases to apply to a dissenter with respect to notice shares,

(a) the company must return to the dissenter each of the applicable share certificates, if any, sent under section 244 (1)(b) or, if those share certificates are unavailable, replacements for those share certificates,

(b) the dissenter regains any ability lost under section 244 (6) to vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, and

(c) the dissenter must return any money that the company paid to the dissenter in respect of the notice shares under, or in purported compliance with, this Division.

APPENDIX G -
AUDIT COMMITTEE CHARTER

Purpose of the Committee

The purpose of the audit committee (the **"Audit Committee"**) of the directors of the Company (the "**Board**") is to provide an open avenue of communication between management, the Company's independent auditor and the Board and to assist the Board in its oversight of:

- the integrity, adequacy and timeliness of the Company's financial reporting and disclosure practices;
- the Company's compliance with legal and regulatory requirements related to financial reporting; and
- the independence and performance of the Company's independent auditor.

The Audit Committee shall also perform any other activities consistent with this Charter, the Company's articles and governing laws as the Audit Committee or Board deems necessary or appropriate.

The Audit Committee shall consist of at least three directors. Members of the Audit Committee shall be appointed by the Board and may be removed by the Board in its discretion. The members of the Audit Committee shall elect a Chairman from among their number. A majority of the members of the Audit Committee must not be officers or employees of the Company or of an affiliate of the Company. The quorum for a meeting of the Audit Committee is a majority of the members who are not officers or employees of the Company or of an affiliate of the Company. With the exception of the foregoing quorum requirement, the Audit Committee may determine its own procedures.

The Audit Committee's role is one of oversight. Management is responsible for preparing the Company's financial statements and other financial information and for the fair presentation of the information set forth in the financial statements in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board. Management is also responsible for establishing internal controls and procedures and for maintaining the appropriate accounting and financial reporting principles and policies designed to assure compliance with accounting standards and all applicable laws and regulations.

The independent auditor's responsibility is to audit the Company's financial statements and provide its opinion, based on its audit conducted in accordance with IFRS, that the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Company in accordance with IFRS.

The Audit Committee is responsible for recommending to the Board the independent auditor to be nominated for the purpose of auditing the Company's financial statements, preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, and for reviewing and recommending the compensation of the independent auditor. The Audit Committee is also directly responsible for the evaluation of and oversight of the work of the independent auditor. The independent auditor shall report directly to the Audit Committee.

Authority and Responsibilities

In addition to the foregoing, in performing its oversight responsibilities the Audit Committee shall:

1. Monitor the adequacy of this Charter and recommend any proposed changes to the Board.

2. Review the appointments of the Company's CFO and CEO and any other key financial executives involved in the financial reporting process.

3. Review with management and the independent auditor the adequacy and effectiveness of the Company's accounting and financial controls and the adequacy and timeliness of its financial reporting processes.

4. Review with management and the independent auditor the annual financial statements and related documents and review with management the unaudited quarterly financial statements and related documents, prior to filing or distribution, including matters required to be reviewed under applicable legal or regulatory requirements.

5. Where appropriate and prior to release, review with management any news releases that disclose annual or interim financial results or contain other significant financial information that has not previously been released to the public.

6. Review the Company's financial reporting and accounting standards and principles and significant changes in such standards or principles or in their application, including key accounting decisions affecting the financial statements, alternatives thereto and the rationale for decisions made.

7. Review the quality and appropriateness of the accounting policies and the clarity of financial information and disclosure practices adopted by the Company, including consideration of the independent auditor's judgment about the quality and appropriateness of the Company's accounting policies. This review may include discussions with the independent auditor without the presence of management.

8. Review with management and the independent auditor significant related party transactions and potential conflicts of interest.

9. Pre-approve all non-audit services to be provided to the Company by the independent auditor.

10. Monitor the independence of the independent auditor by reviewing all relationships between the independent auditor and the Company and all non-audit work performed for the Company by the independent auditor.

11. Establish and review the Company's procedures for the:

    - receipt, retention and treatment of complaints regarding accounting, financial disclosure,
    - internal controls or auditing matters; and
    - confidential, anonymous submission by employees regarding questionable accounting, auditing and financial reporting and disclosure matters.

12. Conduct or authorize investigations into any matters that the Audit Committee believes is within the scope of its responsibilities. The Audit Committee has the authority to retain independent counsel, accountants or other advisors to assist it, as it considers necessary, to carry out its duties, and to set and pay the compensation of such advisors at the expense of the Company.

13. Perform such other functions and exercise such other powers as are prescribed from time to time for the audit committee of a reporting company in Parts 2 and 4 of National Instrument 52-110 of the Canadian Securities Administrators, the *Business Corporations Act* (British Columbia) and the articles of the Company.

APPENDIX H -
FAIRNESS OPINION

See attached.

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December 19, 2025

Board of Directors
Lithium South Development Corporation
400 1681 Chestnut Street
Vancouver, British Columbia, Canada
V6J4M6

Dear Board of Directors:

Canaccord Genuity Corp. ("**Canaccord Genuity**" or "**we**") understands that Lithium South Development Corporation ("**LIS**" or the "**Company**") has entered into a share purchase agreement dated December 5, 2025 (the "**Share Purchase Agreement**") with POSCO Argentina S.A.U. and Posco Holdings Inc. (together, the "**Purchasers**"), providing for, among other things, the sale by LIS to the Purchasers of all of the issued and outstanding shares of NRG Metals Argentina S.A., a wholly-owned subsidiary of LIS that holds 100% ownership of the Hombre Muerto North Lithium Project, for aggregate cash consideration of US$65,000,000 (the "**Purchase Price**"), subject to purchase price adjustments, escrow and withholding tax provisions (as to which we express no opinion), all as further set forth in the Share Purchase Agreement and the exhibits and schedules thereto (the "**Sale of Subsidiary**").

Following completion of the Sale of Subsidiary, the Company intends to implement a going private transaction by way of a statutory plan of arrangement under the *Business Corporations Act* (British Columbia)(the "**Going Private Arrangement**"), pursuant to which all of the Company's outstanding common shares will be repurchased by the Company at a price of $0.505 per share in cash, and the Company will apply to delist from the TSX Venture Exchange, cease to be a reporting issuer in Canada. The Sale of Subsidiary and the Going Private Arrangement are collectively referred to herein as the "**Transactions**". For clarity, we express no opinion as to the fairness of the Going Private Arrangement or any consideration payable to the shareholders of the Company (the "**Company Shareholders**") thereunder.

The Company has retained Canaccord Genuity to provide advice and assistance to the board of directors of the Company (the "**Board of Directors**"), including the preparation and delivery to the Board of Directors of Canaccord Genuity's opinion (the "**Opinion**") as to the fairness to the Company, from a financial point of view, of the Purchase Price to be received by the Company for the Sale of Subsidiary pursuant to the Share Purchase Agreement. Canaccord Genuity understands that the Opinion will be for the use of the Board of Directors and will be one factor, among others, that the Board of Directors will consider in: (a) determining that the Share Purchase Agreement is fair to the Company and in the best interests of the Company, and (b) recommending that the Company Shareholders vote in favour of the special resolution of the Company Shareholders to approve the Share Purchase Agreement, as will be considered and voted on by the Company Shareholders at the special meeting of Company Shareholders on February 19, 2026 (the "**Company Meeting**").

The terms and conditions of the Transactions will be set out in more detail in the Share Purchase Agreement and will be further described in the management information circular to be mailed to Company securityholders (the "**Company Circular**"), related to the Company Meeting, to be held to consider the Share Purchase Agreement.

All dollar amounts herein are expressed in Canadian dollars, unless otherwise indicated.

Engagement of Canaccord Genuity

Canaccord Genuity was formally engaged by the Board of Directors through an agreement between the Board of Directors and Canaccord Genuity (the "**Engagement Agreement**") dated June 2, 2023. The Engagement Agreement

provides the terms upon which Canaccord Genuity has agreed to act as a financial advisor to the Board of Directors in connection with its review of potential strategic transactions for the Company during the term of the Engagement Agreement and to provide the Opinion. The terms of the Engagement Agreement provide that Canaccord Genuity is to be paid certain fees for its services as financial advisor, including a fixed fee due upon delivery of the Opinion to the Board of Directors (no part of which is contingent upon the Opinion being favourable or dependent upon the successful completion of the Share Purchase Agreement or any alternative transaction) and a significant portion of which are contingent on completion of the Share Purchase Agreement or certain specified transactions and a fee payable in the event the Share Purchase Agreement is not completed and a break-up fee or termination fee is paid to the Company or any affiliate thereof. In addition, the Company has agreed to reimburse Canaccord Genuity for its reasonable out-of-pocket third party expenses and to indemnify Canaccord Genuity in respect of certain liabilities that might arise in connection with its engagement.

Relationship with Interested Parties

Neither Canaccord Genuity nor any of its affiliates is an insider, associate or affiliate (as such terms are defined in the *Securities Act* (Ontario)), of the Company or the Purchasers. Canaccord Genuity and its affiliates have not been engaged to provide any financial advisory services, have not acted as lead or co-lead manager on any offering of securities of the Company or the Purchasers or their respective affiliates during the 24 months preceding the date on which Canaccord Genuity was first contacted by the Company in respect of the Share Purchase Agreement, other than (a) acting as a finder in connection with certain non-brokered private placements completed in 2021 and acting as financial advisor and finder in connection with a non-brokered private placement completed in June 2024, and (b) services provided under the Engagement Agreement or as otherwise described herein.

The fees paid to Canaccord Genuity pursuant to the Engagement Agreement are not, in the aggregate, financially material to Canaccord Genuity and do not give Canaccord Genuity a financial incentive in respect of either the conclusions reached in the Opinion or the outcome of the Share Purchase Agreement. There are no understandings, agreements or commitments between Canaccord Genuity and any of the Company, the Purchasers, or any of their respective associates or affiliates with respect to any future business dealings. However, Canaccord Genuity may, in the future, in the ordinary course of its business, perform financial advisory or investment banking services for the Company, the Purchasers, or any of their respective associates or affiliates.

In addition, Canaccord Genuity and its affiliates act as a trader and dealer, both as principal and agent, in major financial markets and, as such, may have had and may in the future have long or short positions in the securities of the Company, the Purchasers, or any of their respective associates or affiliates and, from time to time, may have executed or may execute transactions on behalf of such companies or clients for which it receives or may receive commission(s). As an investment dealer, Canaccord Genuity and its affiliates conduct research on securities and may, in the ordinary course of their business, provide research reports and investment advice to their clients on investment matters, including with respect to the Company, the Purchasers, and the Share Purchase Agreement. In addition, Canaccord Genuity and its affiliates may, in the ordinary course of their business, provide other financial services to the Company, the Purchasers or any of their respective associates or affiliates, including financial advisory, investment banking and capital market activities such as raising debt or equity capital. In addition, Canaccord Genuity and / or certain employees of Canaccord Genuity may currently own or may have owned securities of the Company and / or the Purchasers.

Credentials of Canaccord Genuity

Canaccord Genuity is an independent investment bank which provides a full range of corporate finance, merger and acquisition, financial restructuring, sales and trading, and equity research services. Canaccord Genuity operates in North America, the United Kingdom, Europe, Asia, and Australia.

The Opinion expressed herein represents the views and opinions of Canaccord Genuity, and the form and content of the Opinion have been approved for release by a committee of Canaccord Genuity's managing directors, each of whom is experienced in merger, acquisition, divestiture, fairness opinion, and capital markets matters.

Scope of Review

In arriving at its Opinion, Canaccord Genuity has reviewed, analysed, considered and relied upon (without attempting to independently verify the completeness or accuracy thereof) or carried out, among other things, the following:

1. the execution version of the Share Purchase Agreement (including accompanying schedules);

2. the Company's audited consolidated financial statements and associated management's discussion and analysis as at and for the years ended December 31, 2024, December 31, 2023, and December 31, 2022;

3. the Company's unaudited interim consolidated financial statements and associated management's discussion and analysis as at and for the three months ended September 30, 2025, June 30, 2025 and March 31, 2025;

4. the Company's management information circular, and all appendices and attachments thereto, dated July 23, 2024;

5. the Company's NI 43-101 Preliminary Economic Assessment for the Hombre Muerto North Lithium Project dated April 24, 2024;

6. the Company's NI 43-101 Technical Report and Mineral Resource Estimate for the Hombre Muerto North Lithium Project dated September 5, 2023;

7. POSCO Holdings Inc. audited consolidated financial statements and associated management's discussion and analysis as at and for the years ended December 31, 2024, December 31 2023 and December 31, 2022;

8. POSCO Holdings Inc. unaudited interim condensed and consolidated financial statements and associated management's discussion and analysis as at and for the three months ended June 30, 2025 and March 31 2025;

9. financial projections provided by the Company's management;

10. recent press releases, material change reports and other public documents filed by the Company on the System for Electronic Data Analysis and Retrieval + ("**SEDAR+**") at www.sedarplus.ca;

11. discussions with the Company's senior management concerning the Share Purchase Agreement;

12. certain other interim financial, operational, industry and corporate information prepared or provided by the Company's senior management;

13. publicly available information relating to the business, operations, financial performance and stock trading history with respect to other selected public companies considered by Canaccord Genuity to be relevant;

14. representations contained in a certificate, addressed to Canaccord Genuity and dated as of the date hereof, from senior officers of the Company, as to the completeness and accuracy of the information upon which this Opinion is based and certain other matters; and

15. such other corporate, industry and financial market information, investigations and analyses as Canaccord Genuity considered necessary or appropriate at the time and in the circumstances.

Canaccord Genuity has not, to the best of its knowledge, been denied access by the Company or the Purchasers to any information requested by Canaccord Genuity. Canaccord Genuity did not meet with the auditors of the Company or the Purchasers and has assumed the accuracy and fair presentation of, and has relied upon, without independent verification, the audited consolidated financial statements of each of the Company and the Purchasers and the reports of the auditors thereon, as well as the unaudited condensed consolidated interim financial statements of each of the Company and the Purchasers.

Prior Valuations

In connection with the Transactions, senior officers of the Company have represented to Canaccord Genuity, in a certificate delivered as of the date hereof, among other things, that there are no independent appraisals or valuations or material non-independent appraisals or valuations including without limitation any prior valuations (as defined in Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*) of the Company or any of its affiliates or any of their respective material assets, securities or liabilities which have been prepared as of a date within two years preceding the date hereof and which have not been provided in writing to Canaccord Genuity.

Assumptions and Limitations

The Opinion is subject to the assumptions, qualifications, explanations, limitations and other matters set forth herein.

Canaccord Genuity has not been requested to conduct and we have not conducted or prepared, nor have we relied upon, any formal valuation or independent appraisal of the Company, the Purchasers or any of their respective securities, assets or liabilities (whether accrued, absolute, contingent, derivative, off-balance sheet or otherwise), and the Opinion should not be construed as such. We have also not evaluated and do not express any opinion as to the Going Private Arrangement, the solvency of any party to the Share Purchase Agreement, or the ability of the Company or the Purchasers to pay its obligations when they become due, or as to the impact of the Transactions on such matters, under any provincial, state, federal or other laws relating to bankruptcy, insolvency or similar matters. Canaccord Genuity has, however, conducted such analyses as it considered necessary and appropriate at the time and in the circumstances. In addition, the Opinion is not, and should not be construed as, advice as to the price at which any securities of the Company may trade at any future date. We are not legal, tax or accounting experts, have not been engaged to review any legal, tax or accounting aspects of the Transactions and express no opinion concerning any legal, tax or accounting matters concerning the Transactions. Without limiting the generality of the foregoing, Canaccord Genuity has not reviewed and is not opining upon the tax treatment under the Transactions. We have also assumed that, in the course of obtaining necessary governmental, regulatory, shareholder and third-party approvals and consents for the Transactions, as applicable, that no modification, delay, limitation, restriction or condition will be imposed which would have an adverse effect on the Company or the Purchasers or be in any way meaningful to our analysis or this Opinion.

As provided for in the Engagement Agreement, Canaccord Genuity has relied upon the completeness, accuracy and fair presentation of all of the financial and other information (financial or otherwise), data, documents, advice, opinions and representations, whether in written, electronic, graphic, oral or any other form or medium, including as it relates to the Company and the Purchasers, obtained by it from public sources, or provided to it by the Company, the Purchasers and their respective associates, affiliates, agents, consultants and advisors (collectively, the "**Information**"), and we have assumed that this Information did not omit to state any material fact or any fact necessary to be stated to make such Information not misleading in light of the circumstances under which the Information was provided. The Opinion is conditional upon the completeness, accuracy and fair presentation of such Information. Subject to the exercise of our professional judgment, we have not attempted to verify independently the completeness, accuracy and fair presentation of any of the Information. With respect to the financial and other information provided to Canaccord Genuity and used in the analysis supporting the Opinion, we have assumed that such information has been reasonably prepared on bases reflecting the best currently available estimates and judgements of management of the Company and the Purchasers, as applicable, as to the matters covered thereby and which, in the opinion of the Company or the Purchasers, as applicable, are (and were at the time of preparation and continue to be) reasonable in the circumstances. By rendering the Opinion, we express no view as to the reasonableness of such financial and other information, forecasts, projections, estimates or the assumptions, as applicable, on which they are based.

In preparing the Opinion, Canaccord Genuity has made several assumptions, including that all of the conditions required to implement the Sale of Subsidiary will be met, that all of the representations and warranties contained in the Share Purchase Agreement are true and correct as of the date hereof, that the Sale of Subsidiary will be completed substantially in accordance with both the terms set forth in the execution version of the Share Purchase Agreement reviewed by us as well as all applicable laws, that the Company Circular sent to Company Shareholders in connection with the Sale of Subsidiary will disclose all material facts relating thereto and will satisfy all applicable legal requirements, and that the Company will otherwise disclose all material facts relating to the Sale of Subsidiary to

Company Shareholders. We have also assumed that the Sale of Subsidiary will be consummated in a manner that complies with all applicable stock exchange rules and securities laws and regulations in Canada.

Senior officers of the Company have represented to Canaccord Genuity in a certificate delivered as of the date hereof, among other things, that (i) with the exception of forecasts, projections or estimates referred to in (vii) below, the information, data, documents, advice, opinions, representations and other material (financial and otherwise), whether in written, electronic, graphic, oral or any other form or medium (the "**Company Information**"), provided to Canaccord Genuity by the Company or its senior management, affiliates (as defined in the *Securities Act* (Ontario)), representatives, agents or advisors, for the purpose of preparing the Opinion (a) was, at the date the information was provided to Canaccord Genuity, and is at the date hereof, complete, true and correct in all material respects, (b) did not and does not contain any untrue statement of a material fact in respect of the Company or any of its affiliates or the Transactions, and (c) did not and does not omit to state a material fact necessary to make the Company Information or any statement contained therein not misleading in light of the circumstances under which the Company Information was provided or any statement was made; (ii) since the dates on which the Company Information was provided to Canaccord Genuity, no material change has occurred in the Company Information or any part thereof, and there has been no change in material facts, financial or otherwise, in or relating to the financial condition, assets, liabilities (whether accrued, absolute, contingent or otherwise), business, operations or prospects of the Company or any of its affiliates, in either case which would have or which would reasonably be expected to have a material effect on the Opinion; (iii) since the dates on which the Company Information was provided to Canaccord Genuity, except for the Share Purchase Agreement (a) no material transaction has been entered into by or on behalf of the Company or any of its affiliates which has not been publicly disclosed, and (b) to the best of the knowledge, information and belief of the certifying officers after due inquiry, no material transaction has been entered into by the Purchasers or any of its affiliates, or as otherwise disclosed in the Purchasers' public disclosure documents, except as have been disclosed in writing to Canaccord Genuity; (iv) the certifying officers have no knowledge of any facts or circumstances, public or otherwise, not contained in or referred to in the Company Information provided to Canaccord Genuity by the Company or its affiliates which would reasonably be expected to affect the Opinion, including the assumptions used, the procedures adopted, the scope of the review undertaken or the conclusion reached; (v) the Company has not filed any confidential material change reports or any confidential filings pursuant to the *Securities Act* (Ontario), or analogous legislation in any jurisdiction in which it is a reporting issuer or the equivalent, that remain confidential; (vi) other than as disclosed in the Company Information or the Share Purchase Agreement, neither the Company nor any of its affiliates has any material contingent liabilities (either on a consolidated or non-consolidated basis) and there are no actions, suits, claims, arbitrations, proceedings, investigations or inquiries pending or (to the best of the knowledge of the certifying officers) threatened against or affecting the Share Purchase Agreement or the Transactions, the Company or any of the Company's affiliates, at law or in equity or before or by any international, multi-national, national, federal, provincial, state, municipal or other governmental department, commission, bureau, board, agency or instrumentality or stock exchange which may in any way materially affect the Company or its affiliates or the Share Purchase Agreement or the Transactions; (vii) all financial material, documentation and other data concerning the Share Purchase Agreement, the Transactions or the Company and its affiliates, including any projections, budgets, strategic plans, financial forecasts, models, estimates and other future-oriented financial information concerning the Company and its affiliates (collectively, "**FOFI**"), provided to Canaccord Genuity were prepared on a basis consistent in all material respects with the accounting policies applied in the most recent audited consolidated financial statements of the Company, and do not contain any untrue statement of a material fact or omit to state any material fact necessary to make such financial material, documentation or other data not misleading in light of the circumstances in which such financial material, documentation and other data were provided to Canaccord Genuity; (viii) all FOFI provided to Canaccord Genuity (a) was reasonably prepared on bases reflecting reasonable estimates, assumptions, and judgements of the Company; (b) was prepared using assumptions which are (and were at the time of preparation) and continue to be, reasonable in the circumstances, having regard to the Company's industry, business, financial condition, plans and prospects, as applicable; and (c) does not contain any untrue statement of a material fact or omit to state any material fact necessary to make such FOFI (as of the date of preparation thereof) not misleading in light of the assumptions used at the time, any developments since the time of their preparation, or the circumstances in which such FOFI was provided to Canaccord Genuity; (ix) no verbal or written offers or serious negotiations for, at any one time, all or a material part of the properties and assets owned by, or the securities of, the Company or any of its affiliates have been received, made or occurred within the two years preceding the date hereof and which have not already been disclosed to Canaccord Genuity; (x) there are no agreements, undertakings, commitments or understandings (written or oral, formal or informal) materially relating to the Share Purchase Agreement or the Transactions, except as have been disclosed in writing and in complete detail to Canaccord Genuity;

(xi) the contents of any and all documents prepared or to be prepared in connection with the Share Purchase Agreement or the Transactions by the Company for filing with regulatory authorities or delivery or communication to securityholders of the Company (collectively, the "**Disclosure Documents**") have been, are and will be true and correct in all material respects and did not, does not and will not contain any misrepresentation (as defined in the *Securities Act* (Ontario)) and the Disclosure Documents have complied, comply and will comply with all requirements under applicable laws; (xii) to the best of the knowledge of the certifying officers (a) the Company has no information or knowledge of any facts, public or otherwise, not specifically provided to Canaccord Genuity relating to the Company or any of its affiliates which would be expected to affect the Opinion; (b) with the exception of financial forecasts, budgets, models, projections or estimates referred to in (d), below, the Company Information provided by or on behalf of the Company to Canaccord Genuity, in connection with the Share Purchase Agreement or the Transactions is, or in the case of Disclosure Documents or data, was, at the date of preparation, true, correct and accurate in all material respects, and no additional material, data or information would be required to make the data provided to Canaccord Genuity by or on behalf of the Company not misleading in light of circumstances in which it was prepared; (c) to the extent that any of the information in the Disclosure Documents identified in (b), above, is historical, there have been no changes in material facts or new material facts since the respective dates thereof which have not been disclosed to Canaccord Genuity or updated by more current Disclosure Documents that have been disclosed; and (d) any portions of the information in the Disclosure Documents provided to Canaccord Genuity which constitute financial forecasts, budgets, models, projections or estimates were prepared using the assumptions identified therein, which, in the reasonable opinion of the Company, are (and were at the time of preparation) reasonable in the circumstances.

The Opinion is rendered on the basis of securities markets, economic, financial and general business conditions prevailing as of the date hereof and the conditions and prospects, financial and otherwise, of the Company, the Purchasers and their respective subsidiaries and affiliates, as they were reflected in the Information and the Company Information and as they have been represented to Canaccord Genuity in discussions with management of the Company. In its analyses and in preparing the Opinion, Canaccord Genuity made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, which Canaccord Genuity believes to be reasonable and appropriate in the exercise of its professional judgement, many of which are beyond the control of Canaccord Genuity or any party involved in the Share Purchase Agreement.

The Opinion has been provided to the Board of Directors for its sole use and benefit in connection with, and for the purpose of, its consideration of the Share Purchase Agreement and the Sale of Subsidiary, and is limited to and only addresses the fairness to the Company, from a financial point of view, of the Purchase Price to be received pursuant to the Share Purchase Agreement by the Company. The Opinion may not be relied upon by any other person or entity (including, without limitation, securityholders, creditors or other constituencies of the Company) or used for any other purpose or published without the prior written consent of Canaccord Genuity, provided that Canaccord Genuity consents to the inclusion of the Opinion in its entirety and a summary thereof (provided that any such summary or reference language will be subject to our prior approval (not to be unreasonably withheld, conditioned or delayed)) in the Company Circular and to the filing thereof, as necessary, by the Company on SEDAR+, in accordance with applicable securities laws in Canada.

Canaccord Genuity has not been asked to, nor does Canaccord Genuity offer an opinion as to the terms of the Share Purchase Agreement (other than in respect of the fairness to the Company, from a financial point of view, of the Purchase Price to be received pursuant to the Share Purchase Agreement by the Company), the Going Private Arrangement or the aspects or forms of agreements or documents related to the Share Purchase Agreement or the Going Private Arrangement. The Opinion does not constitute a recommendation as to how the Board of Directors (or any director), or management or any securityholder should vote or otherwise act or elect with respect to any matters relating to the Transactions, or whether to proceed with the Transactions or any related transaction. The Opinion does not address the relative merits of the Transactions as compared to other transactions or business strategies that might be available to the Company, nor does it address the underlying business decision of the Company to enter into the Share Purchase Agreement, or any views on any other terms or aspects of the Share Purchase Agreement or the Transactions. In considering fairness from a financial point of view, Canaccord Genuity considered the Share Purchase Agreement from the perspective of Company generally and did not consider the specific circumstances of any particular Company securityholder, including with regard to tax considerations. The Opinion is given as of the date hereof, and it should be understood that (i) subsequent developments may affect the conclusions expressed in this Opinion, if this Opinion were rendered as of a later date, and (ii) Canaccord Genuity disclaims any undertaking or

obligation to advise any person of any change in any fact or matter affecting the Opinion which may come, or be brought, to the attention of Canaccord Genuity after the date hereof. Without limiting the foregoing, in the event that there is any material change in any fact or matter affecting the Opinion after the date hereof, including, without limitation, the terms and conditions of the Share Purchase Agreement or the Transactions, or if Canaccord Genuity learns that the Information and/or Company Information, as applicable, relied upon in rendering the Opinion was inaccurate, incomplete or misleading in any material respect, Canaccord Genuity reserves the right to change, modify or withdraw the Opinion after the date hereof.

Canaccord Genuity believes that its analyses must be considered as a whole and that selecting portions of the analyses or the factors considered by it, without considering all factors and analyses together, could create a misleading view of the process underlying the Opinion. The preparation of an Opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis.

Conclusion

Based upon and subject to the foregoing, and such other matters as Canaccord Genuity considered relevant, Canaccord Genuity is of the opinion that, as of the date hereof, the Purchase Price to be received by the Company pursuant to the Share Purchase Agreement is fair, from a financial point of view, to the Company.

Yours truly,

Canaccord Genuity Corp.

CANACCORD GENUITY CORP.