

**INTERNATIONAL BATTERY METALS LTD.**  
**(the “Company”)**

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN** that an annual general and special meeting (the “**Meeting**”) of the shareholders of the Company will be held at Suite 704, 595 Howe Street, Vancouver, British Columbia, Canada on December 29, 2020 at 11:00 a.m. (PDT), or any adjournment thereof, for the following purposes:

1. to receive the comparative audited financial statements of the Company for the year ended January 31, 2020 and the report of the auditors thereon;
2. to elect the directors of the Company for the ensuing year;
3. to appoint Davidson & Company LLP as auditors of the Company until the next annual meeting of the Company and to authorize the directors of the Company to fix their remuneration;
4. to ratify, confirm and approve the private placement between the Company, and Sorcia Minerals LLC., for the purchase of 25,000,000 common shares of the Company at a price of \$0.10 per share;
5. to ratify, confirm and approve the private placement between the Company, and EVL Holdings, LLC for the purchase of 25,000,000 common shares of the Company at a price of \$0.10 per share;
6. to ratify, confirm and approve the Company’s 10% rolling stock option plan as more particularly described in the information circular;
7. to approve, with or without variation, an ordinary resolution approving the Company’s Restricted Share Unit Plan; and
8. to transact such other business as may properly be brought before the Meeting.

Further information regarding the above items is set out in the management information circular (the “**Circular**”) accompanying this Notice of Annual General and Special Meeting of Shareholders. Only shareholders of record at the close of business on November 24, 2020 are entitled to notice of and to attend and vote at the Meeting or any adjournment or postponement thereof.

Shareholders who are unable to attend the Meeting in person may vote their shares by completing, signing and returning the accompanying form of proxy to the transfer agent of the Company, Computershare Investor Services Inc., no less than 48 hours (excluding Saturdays, Sundays and holidays) prior to the Meeting.

Information with respect to voting by non-registered beneficial shareholders is included in the Circular. Non-registered beneficial shareholders should seek instructions on how to vote their shares from their broker, investment dealer, bank, trust company or other intermediary.

**DATED** at Vancouver, British Columbia this 25 day of November, 2020.

**By Order of the Board of Directors of  
International Battery Metals Ltd.**

*“Logan Anderson”*

Logan Anderson  
Chief Financial Officer and Director

**MANAGEMENT INFORMATION CIRCULAR FOR  
THE ANNUAL GENERAL AND SPECIAL  
MEETING OF SHAREHOLDERS TO BE HELD  
ON  
DECEMBER 29, 2020**

**THIS MANAGEMENT INFORMATION CIRCULAR (THE “CIRCULAR”) CONTAINS INFORMATION AS AT DECEMBER 29, 2020.**

This Circular is furnished in connection with the solicitation of proxies by or on behalf of the management of International Battery Metals Ltd. (the “**Company**”) for use at the Annual General and Special Meeting of the holders (the “**Shareholders**”) of common shares in the capital of the Company (the “**Shares**”) to be held at Suite 704, 595 Howe Street, Vancouver, British Columbia, Canada on December 29, 2020 at 11:00 a.m. (PDT), or any adjournment thereof.

“**Registered Shareholders**” means Shareholders who hold Shares in their own name. “**Beneficial Shareholders**” means Shareholders who do not hold Shares in their own name and “**Intermediaries**” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

### **GENERAL PROXY INFORMATION**

#### **Solicitation of Proxies**

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers or employees of the Company without special compensation. In accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the voting Shares held on record by such persons and the Company may reimburse such persons for reasonable fees and disbursements incurred by them in so doing. All costs of this solicitation will be borne by the Company.

#### **Appointment of Proxyholders**

The individuals named in the accompanying form of proxy are directors, officers or other representatives of the Company. **A Shareholder entitled to vote at the Meeting has the right to appoint as proxyholder a person or company, who need not be a Shareholder, to attend and act for the Shareholder on the Shareholder's behalf at the Meeting, or any adjournment thereof, other than either the persons or company designated in the accompanying form of proxy, and may do so either by inserting the name of that other person or company in the blank space provided in the accompanying form of proxy or by completing and delivering another suitable form of proxy.**

## Voting by Proxyholder

The persons named in the accompanying form of proxy will vote or withhold from voting the Shares represented thereby in accordance with the instructions of the Shareholder, given in the form of proxy, on any ballot that may be called for. If the Shareholder has specified a choice with respect to any matter to be acted upon, the Shares will be voted accordingly. The proxy confers discretionary authority on the nominees named therein with respect to:

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

In respect of a matter for which a choice is not specified in the proxy, the persons named in the accompanying form of proxy will vote the Shares represented by the proxy at their own discretion for the approval of such matter.

As of the date of this Circular, management of the Company is not aware of any such amendment, variation or other matter to come before the Meeting. However, if any amendments or variations to matters identified in the accompanying notice of Meeting or any other matters which are not now known to management should properly come before the Meeting or any adjournment thereof, the Shares represented by properly executed proxies given in favour of the person(s) designated by management of the Company in the enclosed form of proxy will be voted on such matters pursuant to such discretionary authority.

## 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 choosing one of the following methods:

- (a) complete, date and sign the enclosed form of proxy and return it to the Company's transfer agent, Computershare Investor Services Inc. ("**Computershare**"), by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524, or by mail or by hand to the 8<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1;
- (b) use a touch-tone phone to transmit voting choices to a toll free number. Registered Shareholders must follow the instructions of the voice response system and refer to the enclosed proxy form for the toll free number, the holder's account number and the proxy access number; or
- (c) log onto Computershare's website at [www.investorvote.com](http://www.investorvote.com). Registered Shareholders must follow the instructions that appear on the screen and refer to the enclosed proxy form for the holder's account number and the proxy access number.

Registered Shareholders must ensure the proxy is received by Computershare at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting or any adjournment thereof, unless otherwise provided in the instructions accompanying the proxy.

### **Beneficial Shareholders**

The information set forth in this section is of significant importance to many Shareholders of the Company, as a substantial number of Shareholders do not hold Shares in their own name. Beneficial Shareholders should note that only proxies deposited by Shareholders, whose names appear on the records of the Company as the registered holders of Shares, or as set out in the following disclosure on the Record Date (as hereafter defined), can be recognized and acted upon at the Meeting.

If Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all 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 Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms).

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.

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

The Company, under NI 54-101, is availing itself to deliver proxy-related materials directly to its NOBOs. As a result NOBOs can expect to receive a Voting Instruction Form ("**VIF**") from Computershare. The VIF is to be completed and returned to Computershare at 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1 in the envelope provided or by facsimile, or a NOBO has the option to submit their proxy vote either by telephone or via the internet in the manner described on the VIF. Computershare shall tabulate the results of the voting on the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Shares represented by those VIFs.

These securityholder materials are sent to both registered and non-registered owners of the securities of the Company. If you are a non-registered owner, and the Company or its agent sent these materials directly to you, your name, address and information about your holdings of securities of the Company, were obtained in accordance with applicable securities regulatory requirements from the intermediary holding securities on your behalf.

By choosing to send these materials to you directly, the Company (and not the intermediary holding securities on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in your request for voting instructions.

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

The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is similar to the form of proxy provided to Registered Shareholders by the Company. However, its purpose is limited to instructing the Registered shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. ("**Broadridge**") in the United States and in Canada. Broadridge mails a VIF in lieu of the form of proxy provided by the Company. The VIF will name the same persons as the proxy to represent the Beneficial Shareholder at the Meeting, and that person may be the Beneficial Shareholder themselves. A Beneficial Shareholder has the right to appoint a person (who need not be a Shareholder of the Company) other than the persons designated in the VIF, to represent the Beneficial Shareholder at the Meeting. To exercise this right, the Beneficial Shareholder should insert the name of the desired representative in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Shares to be represented at the Meeting. A Beneficial Shareholder receiving a VIF from Broadridge cannot use it to vote Shares directly at the Meeting - the VIF must be returned to Broadridge, as the case may be, well in advance of the Meeting in order to have the Shares voted. Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Shares registered in the name of his broker (or agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the Registered Shareholder and vote the Shares in that capacity. Beneficial Shareholders who wish to attend at the Meeting and indirectly vote their Shares as proxyholder for the Registered Shareholder should enter their own names in the blank space on the instrument of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

Alternatively, Beneficial Shareholders may request in writing that their broker send to them a legal proxy which would enable them to attend at the Meeting and vote their Shares.

### **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 either executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the Registered Shareholder or the Registered Shareholder's authorized attorney in writing, or, if the Shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to Computershare at 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1 or at the address of the registered office of the Company at Suite 704, 595 Howe Street, Vancouver, B.C. V6C 2T5, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the Chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law. In addition, a proxy may be revoked by the Registered Shareholder personally by 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.

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

None of the directors or executive officers of the Company, nor any person who has held such a position since the beginning of the last completed financial year end of the Company, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors and as set out herein.

## VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The board of directors of the Company (the “**Board**”) has fixed November 24, 2020 as the record date (the “**Record Date**”) for determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Shares voted at the Meeting.

As of November 24, 2020, the Company had outstanding 88,971,166 fully paid and non-assessable Shares without par value, each carrying the right to one vote.

To the knowledge of the directors and executive officers of the Company, as at November 24, 2020 no person beneficially owned, directly or indirectly, or exercised control or direction over 10% or more of the voting rights attached to the outstanding Shares of the Company, other than as set out below:

Name	Number of Common Shares Beneficially Owned	Percentage of Issued Share Capital
CDS & Co	39,453,228	44.34%
Sorcica Minerals LLC	25,000,000	28.10%

## FINANCIAL STATEMENTS

The comparative audited financial statements of the Company for the year ended January 31, 2019 and the report of the auditor thereof will be placed before the Meeting. The audited financial statements, the report of the auditor, together with the management's discussion and analysis can be found on [www.sedar.com](http://www.sedar.com).

## VOTES NECESSARY TO PASS RESOLUTIONS

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

## ELECTION OF DIRECTORS

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

Subject to the BCA and the Company's Articles (the "**Articles**"), only persons who are nominated in accordance with the advance notice provisions (the "**Advance Notice Provisions**") of the Articles will be eligible to stand for election as directors of the Company. Nominations of persons for election to the Board may be made at any annual general and special meeting of shareholders, or at any special general meeting of shareholders if one of the purposes for which the special general meeting was called was the election of directors: (a) by or at the direction of the Board, including pursuant to a notice of meeting; (b) pursuant to a proposal made in accordance with the provisions of the BCA, or a requisition made in accordance with the provisions of the BCA; or (c) by any person (a "**Nominating Shareholder**"): (A) who, at the close of business on the date of the giving of the notice provided for in the Advance Notice Provisions (a "**Notice of Nominee**") and who at the close of business on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (B) who complies with the notice procedures set forth in the Advance Notice Provisions.

In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the President or CEO, and Secretary of the Company at the principal executive offices of the Company.

To be timely, a Notice of Nominee sent by a Nominating Shareholder must be: (a) in the case of an annual meeting of shareholders, given not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date (the Notice Date) on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and (b) in the case of a special general meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), given not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special general meeting of shareholders was made. Unless otherwise directed by the Board, any adjournment, rescheduling or postponement of a meeting of shareholders or the announcement thereof will not result in the commencement of a new time period for the giving of a Nominating Shareholder's notice as described above.

The Chairman of any general meeting will have the power and duty to determine whether any nomination made at that meeting was made in accordance the Advance Notice Provisions and, if any proposed nomination is not in compliance with the Advance Notice Provisions, the Chairman may declare that such nomination was not validly made, may be disregarded and not submitted to a vote at such meeting.

Notwithstanding any other provision of the Advance Notice Provisions, notice given to the Company pursuant to the Advance Notice Provisions may only be given by personal delivery or facsimile transmission and shall be deemed to have been given at the time of personal delivery to the President or CEO, and Secretary of the Company at the address of the principal executive

offices of the Company, or if sent by facsimile transmission at the time of confirmed transmission, provided however, that if transmitted after 5:00 p.m. (Vancouver time) then such notice shall be deemed to have been given on the next day that is a business day.

Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement of the Advance Notice Provisions.

The following table sets out the names of management's nominees for election as directors, all major offices and positions with the Company and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment for the five preceding years for new director nominees, the period of time during which each has been a director of the Company and the number of Shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at September 19, 2019.

Name, Positions Held, Residence	Present Occupation and if not elected director Occupation for past 5 years	# of Shares Beneficially Owned, Directly or Indirectly, or Over which Control of Direction is Exercised at the date of this Circular
John Burba <i>President, CEO, Chairman and Director</i> Colorado, United States	President, CEO, Chairman and Director of the Company since April 2018. CEO and President of Simbol, Inc., a sustainable materials technology company, from March, 2013 to March, 2016; and CTO and EVP of MolyCorp Minerals, LLC, a rare earth minerals company, since December 8, 2009.	1,566,667 Common Shares
Logan Anderson <sup>(1)</sup> <i>CFO, Director</i> British Columbia, Canada	Director of the Company since May 2017. CFO of the Company since April 2018. Previously served as President and CEO of the Company. Director of InsuraGuest Technologies Inc.(formerly, Manado Gold Corp.) since August 2010 and CEO since June 2011; Director of Ovation Science Inc. since July 18, 2017. President of Ovation Science Inc. from July 18, 2017 to October 4, 2017. CFO of Ovation Science Inc. since October 4, 2017; CFO and director of Scotch Creek Ventures Inc. since January 17, 2017; CFO and Secretary of Aloro Mining Corp. (formerly, Wolverine Minerals Corp., "Aloro"), a Canadian gold exploration company, since August 2006; Director of Aloro since June 2004, former President of Aloro from June 2004 to August 2006; and Principal and President of Amteck Financial Corp. (and its predecessor Amteck Financial Services Company), a private consulting company, since 1993.	85,000 Common Shares
Rodger Cree <sup>(1)</sup> <i>Director</i> Colorado, United States	Director of the Company since May 2019; CEO of High Plains Computing since June 2017; Director of Infinite Harvest, Inc. since February 2016; Principal and Owner of Tacking	Nil

Name, Positions Held, Residence	Present Occupation and if not elected director Occupation for past 5 years	# of Shares Beneficially Owned, Directly or Indirectly, or Over which Control of Direction is Exercised at the date of this Circular
	Innovations since June 2014; and previously held positions at Microsoft from January 2001 to January 2017.	
David Ryan <i>Director</i> British Columbia, Canada	Director of the Company since August 2019; Previously served as a Director of the Company from August 2018 to April 2019; Self-employed consultant since 1998; Director of GlobeX Data Ltd. since March 17, 2017; President, Secretary and Director of Canna-V-Cell Sciences Inc. since April 13, 2013; Director, President, Secretary and Vice President Finance of Yaterra Ventures Corp. from September 2011 to April 24, 2014; Director and CEO of Scotch Creek Ventures Inc. since January 17, 2017; Director and VP Corporate Communications of Manado Gold Corp. since August 2010 and Chief Financial Officer since November 11, 2016. Director of Ovation Science Inc. since October 4, 2017	Nil

- (1) Members of the Audit Committee are David Scott, Rodger Cree and Logan Anderson  
 (2) Proposed member of the Audit Committee are David Ryan, Rodger Cree and Logan Anderson

Unless instructions are given to abstain from voting with respect to the election of directors, the persons named as proxy holders in the enclosed form of proxy intend to vote **FOR** the election of management's nominees. If, for any reason, any of the above proposed nominees are unable or unwilling to stand for election or to serve as directors, the Company may nominate such alternative nominees as it may see fit.

If there are more nominees for election as directors 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 elected.

**Cease Trade Orders, Bankruptcies, Penalties or Sanctions:**

Within one year of John Burba ceasing to act as the Chief Executive Officer and President, Simbol, Inc. ("**Simbol**") ceased operations and certain of Simbol's creditors filed claims in California resulting in the company being placed into receivership. Simbol's assets, under the supervision of a receiver, were later sold to a third party pursuant to the terms of an asset purchase agreement.

On January 8, 2013, Yaterra Ventures Corp. ("**Yaterra**") was cease traded by the British Columbia Securities Commission for failure to file its financial statements. At the time of the cease trade order David Ryan acted as a director of Yaterra. On April 24, 2014 Mr. Ryan resigned as a director of the company. On April 30, 2014, within one year of Mr. Ryan ceasing to act as a director of the company, Yaterra filed a note of deregistration with the United States Securities and Exchange Commission.

Other than as set out above, no proposed director (including any personal holding company of a proposed director), is:

- (1) as at the date of the Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:
  - (a) was the subject of a cease trade order (including a management cease trade order which applies to directors or executive officers), an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days, that was issued while such person was acting in the capacity as director, chief executive officer or chief financial officer; or
  - (b) was subject to an order that was issued after such person ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer;
- (2) is, as at the date of this Circular, or has been within 10 years before the date of the Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
- (3) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; or
- (4) has been subject to:
  - (a) any penalties or sanctions imposed by a court relation to securities legislation or by a securities regular authority or has entered into a settlement agreement with a securities regulatory authority since December 31, 2000 the disclosure of which would likely be important to a reasonable security holder in deciding whether to vote for a proposed director; or
  - (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director. No proposed director is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and executive officers of the Company acting solely in such capacity.

## CORPORATE GOVERNANCE DISCLOSURE

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the Shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day to day management of the Company. The Board is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making.

National Policy 58-201 - *Corporate Governance Guidelines* establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company's practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. The Company will continue to review and implement corporate governance guidelines as the business of the Company progresses and becomes more active in operations. National Instrument 58-101 *Disclosure of Corporate Governance Practices* mandates disclosure of corporate governance practices in Form 58-101F2, which disclosure is set out below.

### 1. Board of Directors

The mandate of the Board is to supervise the management of the Company and to act in the best interests of the Company. The Board acts in accordance with:

- (a) the *Business Corporations Act* (British Columbia);
- (b) the Company's articles of incorporation;
- (c) the charters of the Board and the Board committees; and
- (d) other applicable laws and Company policies.

The Board approves all significant decisions that affect the Company before they are implemented. The Board supervises their implementation and reviews the results.

Of the Company's proposed slate of four (4) directors, two (2) would be considered independent. The definition of independence used by the Board is that used by the Canadian Securities Exchange (the "**CSE**"). A director is independent if he has no "**material relationship**" with the Company. A "**material relationship**" is a relationship which could, in view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgement. Certain types of relationships are by their nature considered to be material relationships.

The Board has determined that Mr. Cree and Mr. Ryan are independent directors. Mr. Burba is not considered independent because he is the President and Chief Executive Officer ("**CEO**") of the Company and Mr. Anderson is not considered independent because he is the Chief Financial Officer (the "**CFO**") of the Company.

The Board is responsible for determining whether or not each director is an independent director. The President, CEO, CFO and Secretary and any other officer are not considered independent. None of the other directors work in the day-to-day operations of the Company, are party to any material contracts with the Company, or receive any fees from the Company except as disclosed in this Circular.

The Board is actively involved in the Company's strategic planning process. The Board discusses and reviews all materials relating to the strategic plan with management. The Board is responsible for reviewing and approving the strategic plan. At least one Board meeting each year is devoted to discussing and considering the strategic plan, which takes into account the risks and opportunities of the business. Management must seek the Board's approval for any transaction that would have a significant impact on the strategic plan.

The Board periodically reviews the Company's business and implementation of appropriate systems to manage any associated risks, communications with investors and the financial community and the integrity of the Company's internal control and management information systems. The Board also monitors the Company's compliance with its timely disclosure obligations and reviews material disclosure documents prior to distribution. The Board periodically discusses the systems of internal control with the Company's external auditor.

The Board is responsible for choosing the President and CEO and appointing senior management and for monitoring their performance and developing descriptions of the positions for the Board, including the limits on management's responsibilities and the corporate objectives to be met by the management.

The Board approves all the Company's major communications, including annual and quarterly reports, financing documents and press releases. The Company communicates with its stakeholders through a number of channels including its website. The Board approved the Company's communication policy that covers the accurate and timely communication of all important information. It is reviewed annually. This policy includes procedures for communicating with analysts by conference calls.

The Board, through its audit committee (the "**Audit Committee**"), examines the effectiveness of the Company's internal control processes and management information systems. The Board consults with the external auditor and management of the Company to ensure the integrity of these systems. The external auditor submits a report to the Audit Committee each year on the quality of the Company's internal control processes and management information systems.

## 2. Directorships

The following table sets forth the directors of the Company who currently hold directorships on other reporting issuers:

<b>Name of Director</b>	<b>Name of Reporting Issuer</b>	<b>Exchange</b>
John Burba	None	Not Applicable
Logan Anderson	Ovation Science Inc. Aloro Mining Corp. Scotch Creek Ventures Inc. InsuraGuest Technologies Inc..	CSE TSXV CSE TSXV
David Ryan	Scotch Creek Ventures Inc. InsuraGuest Technologies Inc. BioHarvest Sciences Inc. GlobeX Data Ltd. Ovation Science Inc.	CSE TSXV CSE CSE CSE
Rodger Cree	None	Not Applicable

### 3. Orientation and Continuing Education

The Board briefs all new directors with the policies of the Board, and other relevant corporate and business information.

### 4. 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.

Under corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and disclose to the board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction. The director must then abstain from voting on the contract or transaction unless the contract or transaction (i) relates primarily to their remuneration as a director, officer, employee or agent of the Company or an affiliate of the Company, (ii) is for indemnity or insurance for the benefit of the director in connection with the Company, or (iii) is with an affiliate of the Company. If the director abstains from voting after disclosure of their interest, the directors approve the contract or transaction and the contract or transaction was reasonable and fair to the Company at the time it was entered into, the contract or transaction is not invalid and the director is not accountable to the Company for any profit realized from the contract or transaction. Otherwise, the director must have acted honestly and in good faith, the contract or transaction must have been reasonable and fair to the Company and the contract or transaction be approved by the shareholders by a special resolution after receiving full disclosure of its terms in order for the director to avoid such liability or the contract or transaction being invalid.

### 5. Nomination of Directors

The Board is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual meeting of shareholders.

New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, show support for the Company's mission and strategic objectives, and a willingness to serve.

### 6. Compensation

The Board conducts reviews with regard to Directors' compensation once a year. To make its recommendation on Directors' compensation, the Board takes into account the types of compensation and the amounts paid to directors of comparable publicly traded Canadian companies and aligns the interests of Directors with the return to shareholders. The Board decides the compensation of the Company's officers, based on industry standards and the Company's financial situation.

## 7. Other Board Committees

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

## 8. 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.

# AUDIT COMMITTEE

## The Audit Committee Charter

The Audit Committee's mandate and charter can be described as follows:

1. Each member of the Audit Committee shall be a member of the Board, in good standing, and the majority of the members of the Audit Committee shall be independent in order to serve on this committee.
2. At least one of the members of the Audit Committee shall be financially literate.
3. Review the Audit Committee's charter annually, reassess the adequacy of this charter, and recommend any proposed changes to the Board. Consider changes that are necessary as a result of new laws or regulations.
4. The Audit Committee shall meet at least four times per year, and each time the Company proposes to issue a press release with its quarterly or annual earnings information. These meetings may be combined with regularly scheduled meetings, or more frequently as circumstances may require. The Audit Committee may ask members of the management or others to attend the meetings and provide pertinent information as necessary.
5. Conduct executive sessions with the outside auditors, outside counsel, and anyone else as desired by the Audit Committee.
6. The Audit Committee shall be authorized to hire outside counsel or other consultants as necessary (this may take place any time during the year).
7. Approve any non-audit services provided by the independent auditors, including tax services. Review and evaluate the performance of the independent auditors and review with the full Board any proposed discharge of the independent auditors.
8. Review with the management the policies and procedures with respect to officers' expense accounts and perquisites, including their use of corporate assets, and consider the results of any review of these areas by the independent auditor.
9. Consider, with the management, the rationale for employing accounting firms rather than the principal independent auditors.
10. Inquire of the management and the independent auditors about significant risks or exposures facing the Company; assess the steps the management has taken or proposes to take to minimize such risks to the Company; and periodically review compliance with such steps.

11. Review with the independent auditor, the audit scope and plan of the independent auditors. Address the coordination of the audit efforts to assure the completeness of coverage, reduction of redundant efforts, and the effective use of audit resources.
12. Inquire regarding the “**quality of earnings**” of the Company from a subjective as well as an objective standpoint.
13. Review with the independent accountants: (a) the adequacy of the Company's internal controls including computerized information systems controls and security; and (b) any related significant findings and recommendations of the independent auditors together with the Management's responses thereto.
14. Review with the management and the independent auditor the effect of any regulatory and accounting initiatives, as well as off-balance-sheet structures, if any.
15. Review with the management the annual financial reports before they are filed with the regulatory authorities.
16. Review with the independent auditor that performs an audit: (a) all critical accounting policies and practices used by the Company; and (b) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with the management of the Company, the ramifications of each alternative and the treatment preferred by the Company.
17. Review all material written communications between the independent auditors and the management.
18. Review with the management and the independent auditors: (a) the Company's annual financial statements and related footnotes; (b) the independent auditors' audit of the financial statements and their report thereon; (c) the independent auditor's judgments about the quality, not just the acceptability, of the Company's accounting principles as applied in its financial reporting; (d) any significant changes required in the independent auditors' audit plan; and (e) any serious difficulties or disputes with the management encountered during the audit.
19. Review the procedures for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters that may be submitted by any party internal or external to the organization. Review any complaints that might have been received, current status, and resolution if one has been reached.
20. Review procedures for the confidential, anonymous submission by employees of the organization of concerns regarding questionable accounting or auditing matters. Review any submissions that have been received, the current status, and resolution if one has been reached.
21. The Audit Committee will perform such other functions as assigned by law, the Company's articles, or the Board.

## **Composition of the Audit Committee**

The members of the Audit Committee are Logan Anderson, David Scott and Rodger Cree, a majority of which are independent and at least one member of which is financially literate. The proposed members of the Audit Committee are Logan Anderson, David Ryan and Rodger Cree, a majority of which are independent and at least one member of which is financially literate..

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 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**

Each member has an understanding of the business in which the Company is engaged and has an appreciation of the financial issues and accounting principles that are relevant in assessing the Company's financial disclosures and internal control systems.

**Logan Anderson** – Mr. Anderson is a graduate of Otago University, New Zealand, with a Bachelors Degree of Commerce in Accounting and Economics (1977). From 1977 to 1982, Mr. Anderson was employed as an associate chartered accountant with Coopers & Lybrand in New Zealand (1977 to 1980) and Canada (1980 to 1982). From 1982 to 1992, Mr. Anderson was comptroller of Corhart Management Group Inc., a management services company which was responsible for the management of a number of private and publicly traded companies. Since 1993, Mr. Anderson has been the President and a principal of Amteck Financial Corp., a private financial consulting services company (“**Amteck**”). Over the years, Mr. Anderson has also acted as a director and/or officer of a number of publicly traded companies, including PLC Systems, Inc. and 3D Systems Inc.

**Rodger Cree** – Mr. Cree has been leading technology innovation for 25 years, running large organizations to implement and operationalize cutting edge technologies across industries. His experience in building teams, organizational structure, and financial modeling has led to significant corporate growth and profitability. Mr. Cree has been an early stage investor and advisor to many start ups and growth companies. He has publicly spoken on the business and financial impacts of Cloud Computing adoption, Block Chain, as well as using Artificial Intelligence and Machine Learning for risk identification. Mr. Cree has also been responsible for P and L reporting, planning and budgeting in numerous projects and companies, and evaluation of technologies and capabilities assessments for Mergers and Acquisitions. Mr. Cree is currently the Chief Operating Officer at HPC Solutions, a Board Director at Infinite Harvest, and has held senior positions at Microsoft, Raytheon, and Space Imaging.

**David Ryan** – Mr. Ryan has extensive experience in investment and public markets. For the past 20 years, he has been part of bringing multiple initial public offerings to market. He has helped raise both equity and debt financings for numerous public companies, in both primary and secondary financings, as well as served on the board of public companies and in various roles from president to director.

## 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 (currently, Davidson & Company LLP) not adopted by the Board

## Reliance on Certain Exemptions

During the most recently completed financial year, the Company has not relied on the exemptions contained in sections 2.4 or 8 of National Instrument 52-110 *Audit Committees*. Section 2.4 provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of all the non-audit services not pre-approved is reasonably expected to be no more than 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided, the Company did not recognize the services as non-audit services at the time of engagement, and the services are promptly brought to the attention of the Audit Committee and approved prior to the completion of the audit by the Audit Committee.

Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of the Instrument, in whole or in part.

## Pre-Approval Policies and Procedures

Formal policies and procedures for the engagement of non-audit services have yet to be formulated and adopted. Subject to the requirements of National Instrument 52-110 *Audit Committees*, the engagement of non-audit services is considered by, as applicable, the Board and the Audit Committee, on a case by case basis.

## External Auditor Service Fees

The Audit Committee has reviewed the nature and amount of the non-audited services provided by Davidson & Company LLP to the Company to ensure auditor independence. Fees incurred with Davidson & Company LLP for audit and non-audit services in the last two fiscal years for audit fees are outlined in the following table:

Nature of Services	Fees Paid to Auditor in Year ended January 31, 2020	Fees Paid to Auditor in Year ended January 31, 2019
Audit Fees <sup>(1)</sup>	\$32,000	\$40,400
Audit-Related Fees <sup>(2)</sup>	Nil	Nil
Tax Fees <sup>(3)</sup>	\$8,000	Nil
All Other Fees <sup>(4)</sup>	Nil	\$2,790
Total	\$40,000	\$43,190

(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 fees for 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 is relying upon the exemption in section 6.1 of National Instrument 52-110 in respect of the composition of its Audit Committee and in respect of its reporting obligations under NI 52-110.

## **APPOINTMENT OF AUDITOR**

Davidson & Company LLP will be nominated at the Meeting for reappointment as auditor of the Company at a remuneration to be fixed by the directors. Davidson & Company LLP was first appointed as auditor of the Company on April 12, 2017.

## **COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS**

The Compensation Discussion and Analysis section explains the compensation program for the fiscal year ended January 31, 2020 for the Company's Named Executive Officers (as that term is defined under applicable securities legislation).

## **COMPENSATION DISCUSSION AND ANALYSIS**

Director and Named Executive Officer Compensation

### ***Named Executive Officers***

Set out below are particulars of compensation paid to the following persons (the "**Named Executive Officers**" or "**NEOs**"):

(a) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer ("CEO");

(b) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer ("CFO");

(c) in respect of the Company and its subsidiaries, the most highly compensated executive officer (other than the CEO and CFO) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with applicable securities rules, for that financial year; and

(d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was not an executive officer of the Company, and not acting in a similar capacity, at the end of that financial year.

During the financial year ended January 31, 2020, the Company had two Named Executive Officers, John Burba, the Company's Chairman, President and Chief Executive Officer and Logan B. Anderson, the Company's Chief Financial Officer and Secretary. No other individuals in the Company, other than John Ashburn received total compensation in excess of \$150,000 during the most recently completed financial year.



Name and Principal Position	Year	Salary (\$)	Share Based Awards (\$)	Option Based Awards (\$)	Non Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long Term Incentive Plans (\$)			
Logan Anderson CFO & Secretary Director	2020	180,000	-	-	-	-	-	12,000	192,000
	2019	180,000	-	-	-	-	-	62,000	242,000
	2018	135,000	-	-	-	-	-	3,000	138,000
Rodger Cree Director	2020	-	-	-	-	-	-	8,000	8,000
	2019	-	-	-	-	-	-	-	-
	2018	-	-	-	-	-	-	-	-
David Ryan Director	2020	-	-	-	-	-	-	8,000	8,000
	2019	-	-	-	-	-	-	6,000	6,000
	2018	-	-	-	-	-	-	-	-
David Scott Former Director	2020	-	-	-	-	-	-	9,000	9,000
	2019	124,500	-	-	-	-	-	23,200	147,700
	2018	4,000	-	-	-	-	-	1,000	5,000
Jeremy Ross Former Director	2020	-	-	-	-	-	-	-	-
	2019	5,000	-	-	-	-	-	7,000	12,000
	2018	-	-	-	-	-	-	3,000	3,000
Scott Young Former Director	2020	-	-	-	-	-	-	3,000	3,000
	2019	-	-	-	-	-	-	6,000	12,000
	2018	-	-	-	-	-	-	-	-
Fred J. Bonner Former Director	2020	-	-	-	-	-	-	-	-
	2019	-	-	-	-	-	-	2,800	2,800
	2018	28,857	-	-	-	-	-	3,000	31,857
Paul Pederson Former Director	2020	-	-	-	-	-	-	-	-
	2019	-	-	-	-	-	-	40,000	40,000
	2018	-	-	-	-	-	-	28,857	28,857
Charles Golding Former Director	2020	-	-	-	-	-	-	-	-
	2019	-	-	-	-	-	-	-	-
	2018	-	-	-	-	-	-	3,000	3,000

**COMPENSATION SECURITIES  
(FOR THE FISCAL YEAR END OF JANUARY 31, 2020)**

The table below proves share based and option-based awards to the Named Executive Officers and Directors as at the fiscal year ended January 31, 2020.

Name and Position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class <sup>(1)(2)</sup>	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date
John Burba <i>Chairman, CEO, President &amp; Director</i>	Stock Options	800,000	28 Aug 18	\$ 0.19	\$ 0.19	\$ 0.145	28 Aug 23

Logan Anderson <i>CFO and Director</i>	Stock Options	300,000 <sup>(3)</sup> Exercised 300,000 225,000 600,000	30 Jun 17 23 Oct 17 08 Mar 18 28 Aug 18	\$ 0.33 \$ 0.62 \$ 0.36 \$ 0.19	\$ 0.33 \$ 0.62 \$ 0.36 \$ 0.19	\$ 0.145	30 Jun 22 23 Oct 22 08 Mar 21 28 Aug 23
Rodger Cree <i>Director</i>	Nil	Nil	N/A	N/A	N/A	N/A	N/A
David Ryan <i>Director</i>	Stock Options	100,000 <sup>Expired</sup>	28 Aug 18	\$ 0.19	\$ 0.19	\$ 0.145	28 Aug 23
David Scott <i>Former Director</i>	Stock Options	300,000 <sup>Expired</sup> 225,000 <sup>Expired</sup> 400,000 <sup>Expired</sup>	23 Oct 17 08 Mar 18 28 Aug 23	\$ 0.62 \$ 0.36 \$ 0.19	\$ 0.62 \$ 0.36 \$ 0.19	\$ 0.145	23 Oct 22 08 Mar 21 28 Aug 23
Jeremy Ross <i>Former Director</i>	Stock Options	130,000 <sup>Expired</sup> 100,000 <sup>Expired</sup>	23 Oct 17 08 Mar 18	\$ 0.62 \$ 0.36	\$ 0.62 \$ 0.36	\$ 0.145	23 Oct 22 08 Mar 21
Fred J. Bonner <i>Former Director</i>	Stock Options	105,000 <sup>(4)</sup> Exercised 45,000 <sup>Expired</sup> 30,000 <sup>Expired</sup>	30 Jun 17 30 Jun 17 23 Oct 17	\$ 0.33 \$ 0.33 \$ 0.62	\$ 0.33 \$ 0.33 \$ 0.62	\$ 0.145	30 Jun 22 30 Jun 22 23 Oct 22
Paul Pedersen <i>Former Director</i>	Stock Options	100,000 <sup>Exercised</sup> 30,000 <sup>Expired</sup> 50,000 <sup>Expired</sup>	30 Jun 17 23 Oct 17 08 Mar 18	\$ 0.33 \$ 0.62 \$ 0.36	\$ 0.33 \$ 0.62 \$ 0.36	\$ 0.145	30 Jun 22 23 Oct 22 08 Mar 21

(1) All options granted fully vested.

(2) The total amount of compensation securities, and underlying securities, held by each named executive officer or director on the last day of the most recently completed financial year end.

(3) Options granted to Amteck, a company owned and controlled by Logan Anderson.

(4) Options granted to Eduterra Consulting a company owned and controlled by Fred J. Bonner

## PENSION PLAN BENEFITS

The Company does not have a pension plan or provide any benefits following or in connection with retirement.

## TERMINATION AND CHANGE OF CONTROL BENEFITS

Except as set out herein, neither the Company or any of its subsidiaries has any plan or arrangement with respect to compensation to its directors or executive officers which would result from the resignation, retirement or any other termination of employment of the executive officers' employment with the Company and its subsidiaries or from a change of control of the Company or any subsidiary of the Company or a change in the executive officers' responsibilities following a change in control.

**EQUITY COMPENSATION PLAN INFORMATION (FOR THE FISCAL YEAR ENDED  
JANUARY 31, 2020)**

	Number of securities to be issued upon exercise of outstanding options, warrants and rights (#)	Weighted-average exercise price of outstanding options, warrants and rights (\$)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by securityholders	2,675,000	\$0.30	3,662,116
Equity compensation plans <i>not</i> approved by securityholders	-	-	-
<b>Total</b>	<b>2,675,000</b>	<b>\$0.30</b>	<b>3,662,116</b>

**EQUITY COMPENSATION PLANS**

Stock Option Plan

The Board has adopted and the Shareholders have approved the Stock Option Plan. The following is a summary of the material terms of the Stock Option Plan:

- (a) directors, officers, employees and consultants of the Company, or to person engaged in investor relations activities on behalf of the Company or any of its subsidiaries are eligible to receive grants of options under the Stock Option Plan;
- (b) a number of Shares equal to ten (10%) percent of the issued and outstanding Shares in the capital stock of the Company from time to time are reserved for the issuance of stock options;
- (c) the exercise price of any options granted is determined by the Board in its sole discretion as of the date the Board grants the options, and shall not be less than the last closing price of the Shares traded through the facilities of the CSE prior to the grant of the options, less any discount permitted by the CSE, or such other price as may be required by the CSE;
- (d) options granted under the Stock Option Plan are non-assignable and non-transferable and are issuable for a period of up to ten (10) years;
- (e) an optionee's options expire 90 days (or such other time, not to exceed one year, as shall be determined by the Board) after the date the optionee ceases to be eligible to receive options; and
- (f) notwithstanding the foregoing, if an optionee dies, any vested options 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.

Under the Stock Option Plan, the number of Shares which may be reserved for issue: (i) to any

one optionee who is an insider and any associates of such insider, shall not exceed 5% of the outstanding issue; and (ii) to all persons who undertake investor relations activities, shall not exceed 2% of the outstanding issue. "Outstanding issue" is determined on the basis of the number of Shares that are outstanding immediately prior to the Share issuance in question.

### Restricted Share Unit Plan

On November 25, 2020, the Board adopted a Restricted Share Unit Plan (the "RSU Plan"). and is seeking Shareholder approval. A copy of the RSU Plan is attached as Schedule "A" to this Information Circular. The RSU plan is designed to provide certain directors, officers, consultants and other employees of the Company with an opportunity to acquire restricted share units ("RSUs") of the Company. Following approval of the RSU Plan, the Board will appoint a committee to be responsible for administering the RSU Plan. Capitalized terms used below but not defined have the meanings ascribed to them in the RSU Plan.

The RSU Plan allows the Company to grant RSUs awarding up to a maximum number of Shares equal to ten (10%) percent of the issued and outstanding Shares in the capital stock of the Company, under and subject to the terms and conditions of the RSU Plan, which RSUs may be exercised by any holder of RSUs to receive an Award Payout of either: (a) one Common Share of the Company for each whole vested RSU; or (b) a cash amount equal to the Vesting Date Value as at the Trigger Date of such vested RSU. Fractional Shares will not be issued pursuant to the RSU Plan; instead an RSU Plan Recipient entitled to a fractional Share is entitled to receive payment from the Company of cash value equal to the Vesting Date Value of such fractional Share.

There will be no RSUs granted prior to shareholder approval of the RSU Plan.

At the Meeting, the Shareholders will be asked to approve, with or without variation, the following ordinary resolution approving the Company's RSU Plan.

### **RESOLVED THAT:**

1. the restricted share unit plan (the "RSU Plan") of the Company attached as Schedule "A" to the management information circular of the Company dated November 25, 2020 is hereby ratified, confirmed and approved;
2. any one director or officer of the Company be and is hereby authorized and directed, for and on behalf of the Company, to do all things and to execute and deliver all documents and instruments as may be necessary or advisable to give effect to the true intent of these resolutions; and
3. notwithstanding that this resolution has been passed by the shareholders of the Company, the directors of the Company are hereby authorized and empowered to amend the form of the RSU Plan in order to satisfy the requirements or requests of any regulatory authority without requiring further approval of the shareholders of the Company or to revoke this resolution, without any further approval of the shareholders of the Company, at any time if such revocation is considered necessary or desirable by the directors."

### **EMPLOYMENT, CONSULTING AND MANAGEMENT AGREEMENTS**

Except as set out herein, there are no employment contracts between either the Company or its subsidiaries and the above directors and NEOs other than disclosed herein or in the financial

statements.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Other than as disclosed hereunder, no Directors, proposed nominees for election as Directors, executive officers or their respective associates or affiliates, or other management of the Company were indebted to the Company as of the end most recently completed financial year or as at the date hereof.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

For purposes of the following discussion, “**Informed Person**” means (a) a Director or executive officer of the Company; (b) a director or executive officer of a person or company that is itself an Informed Person or a subsidiary of the Company; (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company or a combination of both carrying more than 10 percent of the voting rights attached to all outstanding voting securities of the Company, other than the voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Company itself it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

Except as disclosed below, elsewhere herein or in the notes to the Company's financial statements for the financial year ended January 31, 2019, none of:

- (a) the Informed Persons of the Company;
- (b) the proposed nominees for election as a Director of the Company; or
- (c) any associate or affiliate of the foregoing persons,

has any material interest, direct or indirect, in any transaction since the commencement of the last financial year of the Company or in a proposed transaction which has materially affected or would materially affect the Company or any subsidiary of the Company.

On March 4, 2018, the Company entered into a Royalty Agreement (the “**Royalty Agreement**”) with North American Lithium, Inc. (“**NA Lithium**”), a company wholly owned by John Burba, Christina Borgese (the Company’s former Executive Vice President Research and Development) and Marc Privitera (the Company’s former Executive Vice President Engineering and Operations) and with an address of 6190 Yardley Lane, San Ramon, California, United States, pursuant to which the Company agreed to pay a five percent (5%) royalty to NA Lithium on (a) the proceeds received by the Company from the sale of any saleable material (the “**Product**”), less (b) the production costs used to produce such materials (the “**Royalty Payment**”). The Royalty Payment will be paid on a quarterly basis, with no Royalty Payment being made if the Company has receive no income from the sale of the Product.

## **MANAGEMENT CONTRACTS**

There are no management functions of the Company which are to any substantial degree performed by a person or company other than the Directors or senior officers of the Company.

## **PRIVATE PLACEMENTS**

### **1. Sorcia Minerals LLC Private Placement**

On September 22, 2020, the Company entered into a private placement agreement with Sorcia Minerals LLC (“Sorcia”) for the purchase of 25,000,000 common shares at a price of \$0.10 per share for total proceeds of \$2,500,000. Sorcia is a subsidiary of Ensorcia Metals Corporation which is a licensee of the Company’s lithium extraction technology. The transaction is exempt from the minority approval requirement of multilateral instrument 61-101 as the fair market value of the transaction does not exceed \$2,500,000, two-thirds of the directors of the Company, who are independent in respect of the transaction and are not employees of the Company have approved the transaction and the Company does not trade on certain designated exchanges.

The private placement completed on October 21, 2020 with the Company issuing 25,000,000 common shares at a price of CAD \$0.10 per share for total proceeds of \$2,500,000. The proceeds are being used for fabrication of the Company’s first lithium extraction unit and for general corporate purposes.

### **2. EVL Holdings, LLC Private Placement**

On November 2, 2020, the Company announced a private placement with EVL Holdings, LLC (“EVL”) for the purchase of 25,000,000 common shares at a price of CAD \$0.10 per share for total proceeds of \$2,500,000. The proceeds will be used to continue fabrication of the Company’s first lithium extraction unit and for general corporate purpose.

## **ADDITIONAL INFORMATION**

Additional information relating to the Company is included in the Company's audited comparative financial statements for the year ended January 31, 2020 and the prior fiscal year, the auditor's report and related management discussion and analysis. Copies of such statements and the Company's most current interim financial statements and related management discussion and analysis, and additional copies of this proxy circular, may be obtained from SEDAR at [www.sedar.com](http://www.sedar.com) and upon written request to the Company's Secretary at 1140 – 625 Howe Street, Vancouver, B.C. V6C 2T6.

**OTHER MATTERS**

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

**DATED** November 25, 2020.

BY ORDER OF THE BOARD OF DIRECTORS

*"Logan Anderson"*

Logan Anderson  
CFO and Director

## SCHEDULE "A"

### RESTRICTED SHARE UNIT PLAN

#### PART 1

#### GENERAL PROVISIONS

##### Establishment and Purpose

1.1 The Company hereby establishes a restricted share unit plan known as the "International Battery Metals Ltd. Restricted Share Unit Plan".

1.2 The purpose of this Plan (defined below) is to allow for certain discretionary bonuses and similar awards as an incentive and reward for selected Eligible Persons related to the achievement of long-term financial and strategic objectives of the Company and the resulting increases in shareholder value. This Plan is intended to promote a greater alignment of interests between the shareholders of the Company and the selected Eligible Persons by providing an opportunity to participate in increases in the value of the Company.

##### Definitions

1.3 In this Plan:

- (a) **Affiliate** means a Company that is affiliated with another company. A Company is an "Affiliate" of another Company if:
  - (i) one of them is the subsidiary of the other, or
  - (ii) each of them is controlled by the same Person;
- (b) **Applicable Withholding Tax** has the meaning set forth in §3.7;
- (c) **Award** means an agreement evidencing the grant of a Restricted Share Unit;
- (d) **Award Payout** means the applicable Share issuance or cash payment in respect of a vested Restricted Share Unit pursuant and subject to the terms and conditions of this Plan and the applicable Award;
- (e) **Blackout Period** means the period of time when, pursuant to any policies of the Company or any resolution of the Board, any Shares may not be traded by certain persons as designated by the Company, including a holder of any Restricted Share Unit;
- (f) **Board** means the board of directors of the Company;
- (g) **Change of Control** means:

- (i) any Merger and Acquisition Transaction in which voting securities of the Company possessing more than fifty percent (50%) of the total combined voting power of the Company's outstanding securities are to be transferred to a Person or Persons (other than any of its Affiliates) different from the Persons holding those securities immediately prior to such transaction and the composition of the Board following such transaction is to be such that such directors prior to the transaction constitute less than fifty percent (50%) of the directors of the Company following the transaction;
- (ii) any Merger or Acquisition Transaction, directly or indirectly, by any Person or related group of Persons (other than the Company or a Person that directly or indirectly controls, is controlled by, or is under common control with, the Company and other than by any or its Affiliates) involving a change in the beneficial ownership of voting securities of the Company possessing more than fifty percent (50%) of the total combined voting power of the Company's outstanding securities;
- (iii) any acquisition, directly or indirectly, by a Person or related group of Persons of the right to appoint a majority of the directors of the Company or otherwise directly or indirectly control the management, affairs and business of the Company (other than any or its Affiliates);
- (iv) any Merger or Acquisition Transaction involving the disposition of all or substantially all of the assets of the Company; and
- (v) a complete liquidation or dissolution of the Company;

provided however, that a Change in Control shall not be deemed to have occurred if such Change in Control results solely from the issuance, in connection with a *bona fide* financing or series of financings by the Company or any of its Affiliates, of voting securities of the Company or any of its Affiliates or any rights to acquire voting securities of the Company or any of its Affiliates which are convertible into voting securities;

- (h) **Committee** means the Board or, if the Board so determines in accordance with §1.5, the committee of the Board authorized to administer the Plan which includes any compensation committee of the Board;
- (i) **Company** means International Battery Metals Ltd., and includes any successor company thereto;
- (j) **Consultant** means an individual who:
  - (i) is engaged to provide, on an ongoing bona fide basis, consulting, technical, management or other services to the Company or any Subsidiary other than services provided in relation to a "distribution" (as that term is described in the *Securities Act*);
  - (ii) provides the services under a written contract between the Company or any Subsidiary and the individual or a Consultant Entity (as defined below);

- (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or any Subsidiary; and
- (iv) has a relationship with the Company or any Subsidiary that enables the individual to be knowledgeable about the business and affairs of the Company or is otherwise permitted by applicable Regulatory Rules to be granted Options as a Consultant or as an equivalent thereof, and includes:
  - (i) a corporation of which the individual is an employee or shareholder or a partnership of which the individual is an employee or partner (a “**Consultant Entity**”); or
  - (ii) an RRSP or RRIF established by or for the individual under which he or she is the beneficiary.
- (k) **CSE** means the Canadian Securities Exchange;
- (l) **Director** means a member of the Board or of the board of directors of a Related Entity;
- (m) **Eligible Person** means any person who is a Director, Employee, Officer or Consultant;
- (n) **Employee** means an employee of the Company or of a Related Entity;
- (o) **Expiry Date** means September 30 of the third calendar year after the Grant Date, or such earlier date as may be established by the Board in respect of an Award at the time of grant of the Award;
- (p) **Fair Market Value** means, as at a particular date, for the purpose of calculating the applicable Vesting Date Value and Award Payout,
  - (i) if the Shares are listed on the CSE, the greater of: (i) the weighted average of the trading price per Share on the CSE for the last five trading days ending on that date; and (ii) the closing price of the Shares on the day before that date,
  - (ii) if the Shares are not listed on the CSE, the value established by the Board based on the volume weighted average price per Share traded on any other public exchange on which the Shares are listed over the same period, or
  - (iii) if the Shares are not listed on any public exchange, the value per Share established by the Board based on its determination of the fair value of a Share;
- (q) **Grant Date** means the date of grant of any Restricted Share Unit;

- (r) **IFRS** means the International Financial Reporting Standards as adopted by the Accounting Standards Board of Canada;
- (s) **Merger and Acquisition Transaction** means:
  - (i) any merger;
  - (ii) any acquisition;
  - (iii) any amalgamation;
  - (iv) any offer for Shares which if successful would entitle the offeror to acquire all of the voting securities of the Company; or
  - (v) any arrangement or other scheme of reorganization;
- (t) **Officer** means an individual who is an officer of the Company or of a Related Entity as an appointee of the Board or the board of directors of the Related Entity, as the case may be;
- (u) **Person** means an individual, body corporate, partnership, joint venture, limited liability company or trust and the heirs, beneficiaries, executors, legal representatives or administrators of an individual;
- (v) **Plan** means this International Battery Metals Ltd. Share Unit Plan, as amended from time to time;
- (w) **Recipient** means an Eligible Person who may be granted Restricted Share Units from time to time under this Plan;
- (x) **Related Entity** means a person that is controlled by the Company. For the purposes of this Plan, a person (first person) is considered to control another person (second person) if the first person, directly or indirectly, has the power to direct the management and policies of the second person by virtue of
  - (i) ownership of or direction over voting securities in the second person,
  - (ii) a written agreement or indenture,
  - (iii) being the general partner or controlling the general partner of the second person, or
  - (iv) being a trustee of the second person;
- (y) **Related Person** means:
  - (i) a Related Entity of the Company;
  - (ii) a partner, director or officer of the Company or Related Entity;

- (iii) a promoter of or person who performs Investor Relations Activities for the Company or Related Entity; and
- (iv) any person that beneficially owns, either directly or indirectly, or exercises voting control or direction over at least 10% of the total voting rights attached to all voting securities of the Company or Related Entity;
- (z) **Required Approvals** has the meaning contained in §1.7;
- (aa) **Restricted Period** means the period of time: (i) during a Black Out Period; and (ii) within five Business Days following the end of a Black Out Period;
- (bb) **Restricted Share Unit** means a right granted under this Plan to receive the Award Payout on the terms contained in this Plan as more particularly described in §3.1;
- (cc) **Retirement** means, with respect to a Recipient, the early or normal retirement of the Recipient within the meaning of the pension plan of the Company for salaried employees, whether or not such Recipient is a member of that pension plan, or, if the Company does not have such a plan, the date on which the Recipient reaches age 65;
- (dd) **Securities Act** means the *Securities Act*, R.S.B.C. 1996, c. 418, as amended from time to time;
- (ee) **Share** means a common share in the capital of the Company as from time to time constituted;
- (ff) **Share Compensation Arrangement** means any share option, share option plan, employee Share purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares to Directors, Officers or Employees of the Company;
- (gg) **Shareholder Approval** means approval by the shareholders of the Company shareholders;
- (hh) **Stock Exchange** means the CSE, or any other stock exchange on which the Shares are then listed for trading, as applicable;
- (ii) **Termination** means, with respect to a Recipient, that the Recipient has ceased to be an Eligible Person, other than as a result of Retirement, and has ceased to fulfill any other role as employee or officer of the Company or any Related Entity, including as a result of termination of employment, resignation from employment, removal as an officer, death or Total Disability;
- (jj) **Total Disability** means, with respect to a Recipient, that, solely because of disease or injury, within the meaning of the long-term disability plan of the Company, the Recipient is deemed by a qualified physician selected by the Company to be unable to work at any occupation which the Recipient is reasonably qualified to perform;

- (kk) **Trigger Date** means, with respect to a Restricted Share Unit, the date set by the Board at the time of grant, and if no date is set by the Board, then September 1 of the third calendar year following the Grant Date of the Restricted Share Unit, as such may be amended in accordance with §2.6; and
- (ll) **Vesting Date Value** means the notional value, as at a particular date, of the Fair Market Value of one Share.

### **Administration**

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

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

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

### **Delegation to Committee**

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

### **Incorporation of Terms of Plan**

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

### **Effective Date**

1.7 This Plan will be effective on shareholder approval. The Board may, in its discretion, at any time, and from time to time, issue Restricted Share Units to Eligible Persons as it determines appropriate under this Plan. However, any such issued Restricted Share Units may not be paid out in Shares in any event until receipt of the necessary Shareholder Approval of the Company, the CSE, and any other regulatory bodies (the "**Required Approvals**").

### **Shares Reserved**

1.8 The aggregate number of Shares available for issuance from treasury under this Plan, subject to adjustment pursuant to §2.9, shall be no more than 10% of the numbers of the Company issued and outstanding. Any Share which was reserved for issuance pursuant to a

Restricted Share Unit, which Restricted Share Unit has been cancelled or terminated in accordance with the terms of the Plan without being paid out as provided for in Part 3 shall also be terminated or cancelled and will no longer be available under the Plan.

### **Limitations on Restricted Share Units to any One Person and to Related Persons**

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

- (a) the maximum number of Shares which may be reserved for issuance to Related Persons (as a group) under the Plan, together with any other Share Compensation Arrangement, may not exceed 10% of the issued Shares;
- (b) the maximum number of Restricted Share Units that may be granted to Related Persons (as a group) under the Plan, together with any other Share Compensation Arrangement, within a 12-month period, may not exceed 10% of the issued Shares calculated on the Grant Date;
- (c) subject to §1.9(e), the maximum number of Restricted Share Units that may be granted to any one Eligible Person under the Plan, together with any other Share Compensation Arrangement, within a 12-month period, may not exceed 5% of the issued Shares calculated on the Grant Date;
- (d) subject to §1.9(e), the maximum number of Restricted Share Units that may be granted to a Consultant, within a 12-month period, may not result in a number of Restricted Share Units exceeding 2% of the number of Shares outstanding at the Grant Date, together with any other Share Compensation Arrangement, without the prior consent of the CSE; and
- (e) grants of Restricted Share Units under the Plan to any one Eligible Person may not exceed 1% of the issued Shares at the Grant Date and may not, in aggregate, exceed 2% of the issued Shares, within a 12-month period.

## **PART 2**

### **AWARDS UNDER THIS PLAN**

#### **Recipients**

2.1 Only Eligible Persons are eligible to participate in this Plan and receive one or more Restricted Share Units. Restricted Share Units that may be granted hereunder to a particular Eligible Person in a calendar year will (subject to any applicable terms and conditions) represent a right to a bonus or similar award to be received for services rendered by such Eligible Person to the Company or a Related Entity, as the case may be, in the Company's or the Related Entity's fiscal year ending in, or coincident with, such calendar year, as determined by the Board in its discretion.

## **Grant**

2.2 The Board may, in its discretion, at any time, and from time to time, grant Restricted Share Units to Eligible Persons as it determines is appropriate, subject to the limitations set out in this Plan. In making such grants the Board may, in its sole discretion but subject to §2.4(b)(ii), in addition to Performance Conditions set out below, impose such conditions on the vesting of the Awards as it sees fit, including imposing a vesting period on grants of Restricted Share Units.

## **Performance Conditions**

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

## **Vesting**

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

- (a) the Trigger Date; and
- (b) the date upon which the relevant Performance Condition or other vesting condition set out in the Award has been satisfied, provided that
  - (i) Restricted Share Units shall only vest on the Trigger Date to the extent that the Performance Conditions or other vesting conditions set out in an Award have been satisfied on or before the Trigger Date;
  - (ii) if the date in §2.4(a) or §2.4(b) occurs during a Restricted Period, the Vesting Date shall be extended to a date which is the earlier of: (i) one business day following the end of such Restricted Period; and (ii) the Expiry Date; and
  - (iii) no Restricted Share Unit will remain outstanding for any period which exceeds the Expiry Date of such Restricted Share Unit.

## **Forfeiture and Cancellation upon Expiry Date**

2.5 Restricted Share Units which do not vest on or before the Expiry Date of such Restricted Share Unit will be automatically cancelled, without further act or formality and without compensation.

### **Amendment of Trigger Date**

2.6 The Board of Directors may, at any time after a grant of a Restricted Share Unit, accelerate the Trigger Date of such Restricted Share Unit.

### **Account**

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

### **Dividend Equivalents**

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

- (a) multiplying the amount of the dividend per Share by the aggregate number of Restricted Share Units that were credited to the Eligible Person's account as of the record date for payment of the dividend, and
- (b) dividing the amount obtained in §2.8(a) by the Fair Market Value on the date on which the dividend is paid.

### **Adjustments and Reorganizations**

2.9 In the event of any dividend paid in shares, share subdivision, combination or exchange of shares, merger, consolidation, spin-off or other distribution of Company assets to shareholders, or any other change in the capital of the Company affecting Shares, the Board, in its sole and absolute discretion, will make, with respect to the number of Restricted Share Units outstanding under this Plan, any proportionate adjustments as it considers appropriate to reflect that change.

### **Notice and Acknowledgement**

2.10 No certificates will be issued with respect to the Restricted Share Units issued under this Plan. Each Eligible Person will, prior to being granted any Restricted Share Units, deliver to the Company a signed acknowledgement substantially in the form of Schedule "A" to this Plan.

## **PART 3**

### **PAYMENTS UNDER THIS PLAN**

#### **Payment of Restricted Share Units**

3.1 Subject to the terms of this Plan and, in particular, §3.7 of this Plan, the Company, in its discretion and as may be determined by the Board of Directors, will pay out vested Restricted Share Units issued under this Plan and credited to the account of a Recipient by paying or issuing

(net of any Applicable Withholding Tax) to such Recipient, on or subsequent to the Trigger Date but no later than the Expiry Date of such Vested Restricted Share Unit, an Award Payout of either:

- (a) subject to receipt of the Required Approvals, one Share for such whole vested Restricted Share Unit. Fractional Shares shall not be issued and where a Recipient would be entitled to receive a fractional Share in respect of any fractional vested Restricted Share Unit, the Company shall pay to such Recipient, in lieu of such fractional Share, cash equal to the Vesting Date Value as at the Trigger Date of such fractional Share. Each Share issued by the Company pursuant to this Plan shall be issued as fully paid and nonassessable, or
- (b) a cash amount equal to the Vesting Date Value as at the Trigger Date of such vested Restricted Share Unit.

### **Limitation on Issuance of Shares to Related Persons**

3.2 Notwithstanding anything in this Plan, the Company shall not issue Shares under this Plan to any Eligible Person who is an Related Person of the Company where such issuance would result in:

- (a) the total number of Shares issuable at any time under this Plan to Related Persons, or when combined with all other Shares issuable to Related Persons under any other equity compensation arrangements then in place, exceeding 10% of the total number of issued and outstanding equity securities of the Company on a non-diluted basis; and
- (b) the total number of Shares that may be issued to Related Persons during any one year period under this Plan, or when combined with all other Shares issued to Related Persons under any other equity compensation arrangements then in place, exceeding 10% of the total number of issued and outstanding equity securities of the Company on a non diluted basis.

Where the Company is precluded by this §3.2 from issuing Shares to a Related Person of the Company, the Company will pay to the relevant Related Person a cash Award Payout in an amount equal to the Vesting Date Value as at the Trigger Date of the Restricted Share Unit.

### **Experts and Advisors**

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

### **Cancellation on Termination for Cause, Retirement or Voluntary Resignation**

3.4 Unless the Board at any time otherwise determines, all unvested Restricted Share Units held by any Recipient and all rights in respect thereof will be automatically cancelled, without further act or formality and without compensation, immediately in the event of a Termination arising from the termination of employment or removal from service by the Company or a Related

Entity for cause, Retirement of the Recipient or the voluntary resignation by the Recipient. In situations where the Board exercises its discretion under this §3.4, in no case shall the Restricted Share Units, subject to such discretion, be valid beyond one year from the date of Termination.

### **Total Disability, Death and Termination without Cause**

3.5 Unless the Board at any time otherwise determines, if a Recipient ceases to be an Eligible Person for any of the following reasons, unvested Restricted Share Units will immediately vest on the date the Recipient ceases to be an Eligible Person:

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

In situations where the Board exercises its discretion under this §3.5, in no case shall the Restricted Share Units, subject to such discretion, be valid beyond one year from the date of Termination.

### **Change of Control**

3.6 In the event of a Change of Control, all Restricted Share Units credited to an account of a Recipient that have not otherwise previously been cancelled pursuant to the terms of the Plan shall vest on the date on which the Change of Control occurs (the "**Change of Control Date**"). Within thirty (30) days after the Change of Control Date, but in no event later than the Expiry Date, the Participant shall receive a cash payment equal in amount to: (a) the number of Restricted Share Units that vested on the Change of Control Date; multiplied by (b) the Fair Market Value on the Change of Control Date, net of any withholding taxes and other source deductions required by law to be withheld by the Company.

### **Tax Matters and Applicable Withholding Tax**

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

## **PART 4**

### **MISCELLANEOUS**

#### **Compliance with Applicable Laws**

4.1 The issuance by the Company of any Restricted Share Units and its obligation to make any payments hereunder is subject to compliance with all applicable laws. As a condition of participating in this Plan, each Recipient agrees to comply with all such applicable laws and agrees to furnish to the Company all information and undertakings as may be required to permit compliance with such applicable laws. The Company will have no obligation under this Plan, or otherwise, to grant any Restricted Share Unit or make any payment under this Plan in violation of any applicable laws.

#### **Awards to Related Persons**

4.2 All Awards issued to Related Persons will include a legend stipulating that the Award is subject to a four-month hold period commencing the Grant Date.

#### **Non-Transferability**

4.3 Restricted Share Units and all other rights, benefits or interests in this Plan are non-transferable and may not be pledged or assigned or encumbered in any way and are not subject to attachment or garnishment, except that if a Recipient dies the legal representatives of the Recipient will be entitled to receive the amount of any payment otherwise payable to the Recipient hereunder in accordance with the provisions hereof.

#### **No Right to Service**

4.4 Neither participation in this Plan nor any action under this Plan will be construed to give any Eligible Person or Recipient a right to be retained in the service or to continue in the employment of the Company or any Related Entity, or affect in any way the right of the Company or any Related Entity to terminate his or her employment at any time.

#### **Successors and Assigns**

4.5 This Plan will enure to the benefit of and be binding upon the respective legal representatives of the Eligible Person.

#### **Plan Amendment**

4.6 Subject to any necessary approvals of the CSE, the Board may amend this Plan as it deems necessary or appropriate, subject to the requirements of applicable laws, but no amendment will, without the consent of the Recipient or unless required by law, adversely affect the rights of a Recipient with respect to Restricted Share Units to which the Recipient is then entitled under this Plan.

#### **Plan Termination**

4.7 The Board may terminate this Plan at any time, but no termination will, without the consent of the Recipient or unless required by law, adversely affect the rights of a Recipient with respect to Restricted Share Units to which the Recipient is then entitled under this Plan. In no event will a termination of this Plan accelerate the vesting of Restricted Share Units or the time at which a Recipient would otherwise be entitled to receive any payment in respect of Restricted Share Units hereunder.

### **Governing Law**

4.8 This Plan and all matters to which reference is made in this Plan will be governed by and construed in accordance with the laws of British Columbia and the federal laws of Canada applicable therein.

### **Reorganization of the Company**

4.9 The existence of this Plan or Restricted Share Units will not affect in any way the right or power of the Company or its shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, or to create or issue any bonds, debentures, Shares or other securities of the Company or to amend or modify the rights and conditions attaching thereto or to effect the dissolution or liquidation of the Company, or any amalgamation, combination, merger or consolidation involving the Company or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

### **No Shareholder Rights**

4.10 Restricted Share Units are not considered to be Shares or securities of the Company, and a Recipient who is issued Restricted Share Units will not, as such, be entitled to receive notice of or to attend any shareholders' meeting of the Company, nor entitled to exercise voting rights or any other rights attaching to the ownership of Shares or other securities of the Company, and will not be considered the owner of Shares by virtue of such issuance of Restricted Share Units.

### **No Other Benefit**

4.11 No amount will be paid to, or in respect of, a Recipient under this Plan to compensate for a downward fluctuation in the Fair Market Value or price of a Share, nor will any other form of benefit be conferred upon, or in respect of, a Recipient for such purpose.

### **Unfunded Plan**

4.12 For greater certainty, this Plan will be an unfunded plan, including for tax purposes and for purposes of the *Employee Retirement Income Security Act* (United States). Any Recipient to which Restricted Share Units are credited to his or her account or holding Restricted Share Units or related accruals under this Plan will have the status of a general unsecured creditor of the Company with respect to any relevant rights that may arise thereunder.

**SCHEDULE "A"**

**FORM OF RESTRICTED SHARE UNIT AGREEMENT**

**INTERNATIONAL BATTERY METALS LTD.** (the "**Company**") hereby confirms the grant to the undersigned Recipient of Restricted Share Units ("**Units**") described in the table below pursuant to the Company's Restricted Share Unit Plan (the "**Plan**"), a copy of which Plan has been provided to the undersigned Recipient.

No. of Units	Trigger Date	Expiry Date

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

The Company and the undersigned Recipient hereby confirm that the undersigned Recipient is a bona fide Employee or Consultant as the case may be.

DATED \_\_\_\_\_, 20\_\_\_\_.

**INTERNATIONAL BATTERY METALS LTD.**

Per: \_\_\_\_\_  
Authorized Signatory

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

DATED \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Witness (Signature)

\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Address

\_\_\_\_\_  
City, Province

\_\_\_\_\_  
Occupation

\_\_\_\_\_  
Recipient's Signature

\_\_\_\_\_  
Name of Recipient (print)