

LI-METAL CORP.

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**Meeting**”) of the holders (the “**Shareholders**”) of common shares (“**Common Shares**”) of Li-Metal Corp. (the “**Corporation**”) will be held at the offices of CP LLP located at 77 King Street West, TD North Tower, Suite 700, Toronto, ON M5K 1G8, at 11:00 a.m. (Eastern time) on October 23, 2023 and virtually via live audio webcast at <https://virtual-meetings.tsxtrust.com/1555> using password: lim2023, for the following purposes:

1. to receive and consider the audited annual financial statements of the Corporation for the year ended March 31, 2023, together with the notes thereto and the report of the independent auditor thereon;
2. to set the number of directors of the Corporation at five and to elect the directors of the Corporation to serve from the close of the Meeting until the close of the next annual meeting of shareholders of the Corporation or their successors are elected or appointed, all as the case may be, unless his or her office is earlier vacated in accordance with the by-laws of the Corporation or the provisions of the *Business Corporations Act* (Ontario);
3. to re-appoint Grant Thornton LLP, Chartered Accountants, as auditors of the Corporation, to hold office until the next annual meeting of the shareholders of the Corporation and to authorize the directors of the Corporation to fix the auditor’s remuneration; and
4. to transact any other business as may properly be brought before the Meeting or any adjournment(s) or postponement thereof.

The details of all matters proposed to be put before the Shareholders at the Meeting are set forth in the information circular of the Corporation (“**Information Circular**”) accompanying this Notice of Annual General Meeting.

The record date for determination of the Shareholders entitled to receive notice of and to vote at the Meeting is September 15, 2023 (the “**Record Date**”). No person who becomes a shareholder of the Corporation after the Record Date will be entitled to vote or act at the Meeting or any adjournment thereof. If you wish to be represented by proxy at the Meeting or any adjournment thereof, you must deposit a completed, dated and signed form of proxy with the Corporation’s transfer agent, TSX Trust Company, by mail at 301 – 100 Adelaide St W Toronto, ON M5H 4H1 or by voting online at www.voteproxyonline.com prior to 11:00 a.m. (Toronto time) on October 19, 2023 or, if the Meeting is adjourned or postponed, not less than 48 hours (other than a Saturday, Sunday or holiday) prior to the start of the adjourned or postponed meeting. Notwithstanding the foregoing, the Chair of the Meeting has the discretion to accept proxies received after such deadline.

Registered Shareholders and duly appointed proxyholders can also attend the Meeting online at <https://virtual-meetings.tsxtrust.com/1555> password: lim2023 (case sensitive) where they can participate, vote, or submit questions during the Meeting’s live webcast.

If you are a non-registered holder of Common Shares and have received these materials from your broker or another intermediary, please complete and return the voting instruction form or other authorization form provided to you by your broker or intermediary in accordance with the instructions provided. Failure to do so may result in your Common Shares not being eligible to be voted at the Meeting.

The form of proxy confers discretionary authority with respect to: (i) amendments or variations to the matters of business to be considered at the Meeting; and (ii) other matters that may properly come before the Meeting. As of the date hereof, management of the Corporation knows of no amendments, variations or other matters to come before the Meeting other than the matters set forth in this Notice of Annual General Meeting.

Shareholders who are planning on returning the accompanying form of proxy are encouraged to review the Information Circular carefully before submitting the proxy form.

DATED this September 19, 2023.

BY ORDER OF THE BOARD OF DIRECTORS OF Li-METAL CORP.

(Signed) "*Srini Godavarthy*"

Name: Srini Godavarthy
Title: Chief Executive Officer

LI-METAL CORP.

MANAGEMENT INFORMATION CIRCULAR
SEPTEMBER 19, 2023

INFORMATION REGARDING CONDUCT OF MEETING

Solicitation of Proxies

This management information circular (“Circular”) is furnished in connection with the solicitation by the management of Li-Metal Corp. (“Li-Metal” or the “Corporation”) of proxies to be used at the annual general meeting (the “Meeting”) of holders of common shares (“Shareholders”) of the Corporation to be held on October 23, 2023 at 11:00 a.m. (Toronto time) and at any postponement(s) or adjournment(s) thereof for the purposes set forth in the accompanying notice of meeting (“Notice of Meeting”). References in this Circular to the “Meeting” include references to any postponement(s) or adjournment(s) thereof. It is expected that the solicitation will be primarily by mail but proxies may also be solicited through other means by employees, consultants and agents of the Corporation. The cost of solicitation by management will be borne by the Corporation.

The board of directors of the Corporation (the “Board of Directors”) has by resolution fixed the close of business on September 15, 2023 as the record date for the meeting (the “Record Date”) being the date for the determination of the registered holders of common shares of the Corporation (the “Common Shares”) entitled to notice of and to vote at the Meeting and any adjournment(s) or postponement(s) thereof. The Board of Directors has by resolution fixed 11:00 a.m. (Toronto time) on October 19, 2023, or 48 hours (excluding Saturdays, Sundays and holidays) before any adjournment(s) or postponement(s) of the Meeting, as the time by which proxies to be used or acted upon at the Meeting or any adjournment(s) or postponement(s) thereof shall be deposited with the Corporation’s transfer agent. The time limit for deposit of proxies may be waived or extended by the chair of the Meeting at his or her discretion without notice.

The Corporation shall make a list of all persons who are registered holders of Common Shares on the Record Date and the number of Common Shares registered in the name of each person on that date. Each Shareholder is entitled to one vote on each matter to be acted on at the Meeting for each Common Share registered in his name as it appears on the list.

Voting at the Meeting will only be available for registered Shareholders and duly appointed proxyholders. Non-Registered Shareholders who have not appointed themselves may attend the Meeting by clicking “I am a guest” and completing the online registration form.

Unless otherwise stated, the information contained in this Circular is as of September 19, 2023. All dollar amount references, unless otherwise indicated, are expressed in Canadian dollars.

ONLY REGISTERED SHAREHOLDERS AND/OR THEIR APPOINTEES MAY ATTEND THE MEETING IN PERSON. IN ADDITION, WE ENCOURAGE ALL SHAREHOLDERS TO VOTE THEIR SHARES BY COMPLETING AND RETURNING THE ENCLOSED FORM OF PROXY, AS DESCRIBED BELOW.

Electronic copies of the Meeting materials may be obtained at <https://www.sedarplus.ca>.

VOTING AT THE VIRTUAL MEETING

The Meeting will be hosted virtually via live audio webcast at <https://virtual-meetings.tsxtrust.com/1555> using password: lim2023.

Registered Shareholders entitled to vote at the Meeting may attend and vote at the Meeting virtually by following the steps listed below:

1. Type in <https://virtual-meetings.tsxtrust.com/1555> on your browser at least 15 minutes before the Meeting starts.
2. Click on “**I have a control number/ meeting access number**”.
3. Enter your 12-digit control number (on your proxy form) as your Username.
4. Enter the password: **lim2023** (case sensitive).
5. When the polls are opened, click on the “Voting” icon. To vote, simply select your voting direction from the options shown on screen and click **Submit**. A confirmation message will appear to show your vote has been received.

Beneficial Shareholders entitled to vote at the Meeting may vote at the Meeting virtually by following the steps listed below:

1. Appoint yourself as proxyholder by writing your name in the space provided on the form of proxy or VIF.
2. Sign and send it to your intermediary, following the voting deadline and submission instructions on the VIF.
3. Obtain a control number by contacting TSX Trust Company by emailing tsxtrustproxyvoting@tmx.com the "Request for Control Number" form, which can be found here <https://tsxtrust.com/resource/en/75>.
4. Type in <https://virtual-meetings.tsxtrust.com/1555> on your browser at least 15 minutes before the Meeting starts.
5. Click on “**I have a control number/ meeting access number**”.
6. Enter the control number provided by tsxtrustproxyvoting@tmx.com
7. Enter the password: **lim2023** (case sensitive).
8. When the polls are opened, click on the “Voting” icon. To vote, simply select your voting direction from the options shown on screen and click **Submit**. A confirmation message will appear to show your vote has been received.

If you are a registered shareholder and you want to appoint someone else (other than the Management nominees) to vote online at the Meeting, you must first submit your proxy indicating who you are appointing. You or your appointee must then register with TSX Trust in advance of the Meeting by emailing tsxtrustproxyvoting@tmx.com the "Request for Control Number" form, which can be found here <https://tsxtrust.com/resource/en/75>.

If you are a non-registered shareholder and want to vote online at the Meeting, you must appoint yourself as proxyholder and register with TSX Trust in advance of the Meeting by emailing tsxtrustproxyvoting@tmx.com the "Request for Control Number" form, which can be found here <https://tsxtrust.com/resource/en/75>.

Guests can also listen to the Meeting by following the steps below:

1. Type in <https://virtual-meetings.tsxtrust.com/1555> on your browser at least 15 minutes before the Meeting starts. Please do not do a Google Search.
2. Click on “**I am a Guest**”.

If you have any questions or require further information with regard to voting your Shares, please contact TSX Trust Company toll-free in North America at 1-866-600-5869 or by email at tsxtis@tmx.com.

Appointment and Revocation of Proxies

The persons named in the enclosed form of proxy are officers and/or directors of the Corporation. **A Shareholder desiring to appoint some other person or company to represent him or her at the Meeting may do so** by inserting such person's name in the blank space provided in that form of proxy or by completing another proper form of proxy and, in either case, depositing the completed proxy at the office of the transfer agent of the Corporation indicated on the enclosed envelope not later than the times set out above.

In addition to revocation in any other manner permitted by law, a Shareholder may revoke a proxy given pursuant to this solicitation by depositing an instrument in writing (including another proxy bearing a later date) executed by the Shareholder or by an attorney authorized in writing at 90 Riviera Drive Markham, ON L3R 5M1 at any time up to and including the last business day preceding the day of the Meeting.

Voting of Proxies

Common Shares represented by properly executed proxies in favour of persons designated in the printed portion of the enclosed form of proxy **will be voted for each of the matters to be voted on by Shareholders as described in this Circular or withheld from voting or voted against if so indicated on the form of proxy and in accordance with the instructions of the Shareholder. In the absence of such election, the proxy will confer discretionary authority to be voted in favour of each matter set out in the form of proxy for which no choice has been specified.** The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting or other matters that may properly come before the Meeting. At the time of printing this Circular, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters that are not now known to management should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgement of the named proxies.

Non-Registered Holders

Only registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, shares beneficially owned by a holder who is not a registered Shareholder (a “Non-Registered Holder”) are registered either: (i) in the name of an intermediary with whom the Non-Registered Holder deals in respect of the Common Shares such as, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans (an “Intermediary”); or (ii) in the name of a clearing agency (such as The Canadian Depository for Securities Limited of which the Intermediary is a participant). In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Corporation will distribute copies of the Notice of Meeting, form of proxy and this Circular to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are then required to forward the materials to the appropriate Non-Registered Holders. Non-Registered Holders will be given, in substitution for the proxy otherwise contained in proxy-related materials, a request for voting instructions (the “Voting Instructions Form”) which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary, will constitute voting instructions which the Intermediary must follow.

The purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Holder who receives the voting instructions form wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should so indicate in the place provided for that purpose in the Voting Instructions Form and a form of legal proxy will be sent to the Non-Registered Holder. In any event, Non-Registered Holders should carefully follow the instructions of their Intermediary set out in the Voting Instructions Form.

Voting Securities and Principal Holder Thereof

The authorized capital of the Corporation consists of an unlimited number of Common Shares and an unlimited number of preferred shares. As of the Record Date, the Corporation had 154,953,828 Common Shares issued and outstanding and no preferred shares issued and outstanding.

To the knowledge of the directors and officers of the Corporation, as at the Record Date, no person or company beneficially owns, directly or indirectly, or exercises control or direction over securities carrying more than 10% of the voting rights attached to the Common Shares.

Interest of Persons in Matters to be Acted Upon

No director or executive officer of the Corporation, nor any person who had held such a position since the beginning of the last completed financial year end of the Corporation, no nominee for election as a director of the Corporation (a “**Nominee**”) nor any respective associates or affiliates of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise in any matter to be acted upon at this Meeting other than the election of directors or the appointment of auditors.

MATTERS TO BE CONSIDERED

Financial Statements

The financial statements for the year ended March 31, 2023, together with the auditor’s report thereon, will be presented to Shareholders for review at the Meeting and were mailed to Shareholders with the Notice of Meeting and this Circular. No vote by the Shareholders is required with respect to this matter.

Election of Directors

Under the constating documents of the Corporation, the Corporation is to have a minimum of one director and a maximum of ten directors, the number of which may be fixed from time to time by a resolution of the board. The Corporation currently has six directors, being Maciej Jastrzebski, Mark Wellings, Anthony Tse, Tim Johnston, Ernie Ortiz and Colin Farrell.

The Shareholders are asked to set the number of directors at five and approve the election of the following nominees to the board: Srinu Godavarthy, Anthony Tse, Tim Johnston, John Walsh and Colin Farrell (collectively, the “**Nominees**”) to hold office until the next annual general meeting of Shareholders or until their successors are elected or appointed, unless such office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (Ontario). Shareholders can vote for all of the proposed directors set forth herein, vote for some of them and withhold for others, or withhold for all of them. Management does not contemplate that the Nominees will be unable to serve as directors, however, if before the Meeting, any Nominee becomes unable to serve as a director for any reason, the persons named in the accompanying proxy reserve the right to vote for another nominee in their discretion.

The following sets forth the name of each of the persons proposed to be nominated for election as a director of the Corporation and each such Nominee’s principal occupation, business or employment, the period of time during which each has been a director of the Corporation, as applicable, the number of Common Shares of the Corporation beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at the date hereof.

Unless authority to do so is withheld, the persons named in the accompanying proxy intend to vote for the election of all of the Nominees. If prior to the Meeting any of such Nominees is unable to or unwilling to serve, the persons named in the accompanying form of proxy will vote for another nominee or nominees in their discretion if additional nominations are made at the Meeting. Each nominee elected will hold office until their successor is elected at the next annual meeting of the Corporation, or any postponement(s) or adjournment(s) thereof, or until his successor is elected or appointed.

The Nominees

Name and Municipality of Residence	Principal Occupation	Director Since	Number of Common Shares Beneficially Owned or Over which Control is Exercised ⁽²⁾
Srin Godavarthy, Katy, Texas	Chief Executive Officer of Li-Metal; prior thereto, •	N/A	Nil
Anthony Tse, Director Tai Po, New Territories, Hong Kong ⁽¹⁾	Executive Director of Li-Metal; prior thereto, the former Managing Director and Chief Executive Officer of Galaxy Resources, a global leading lithium producer listed on the Australian Securities Exchange	October, 2021	3,181,832
Tim Johnston, Director Toronto, Ontario	Co-founder and Executive Chairman of Li-Metal, Co-founder and Non-Executive Chairman of Li-Cycle Corp. and Co-founder and Director of Lacero Solutions	October, 2021	14,841,020
John Walsh, Director ⁽¹⁾ Toronto, Ontario	General Counsel & Chief Compliance Officer of Timbercreek Investment Management Services and SVP Legal and Compliance of Timbercreek Capital. Prior thereto, Managing Director and General Counsel at OPTrust	N/A	Nil
Colin Farrell, Director ⁽¹⁾ Hong, Kong	Retired since 2018; prior thereto, partner at PwC Hong Kong	January, 2022	1,219,868

Notes:

- (1) Member of the Audit Committee.
- (2) Information as to shares beneficially owned, directly or indirectly, not being within the knowledge of the Corporation, has been furnished by the respective proposed directors individually.

Board Nominees

Srini Godavarthy

Dr. Srini Godavarthy, an experienced lithium executive, joined Li-Metal as Chief Executive Officer in May 2023, bringing with him more than 20 years of commercial and operational experience, with a global leadership background in specialty chemicals and lithium battery materials. Prior to joining Li-Metal, Dr. Godavarthy held the role of SVP of Portfolio Management at PTT Global Chemical (“PTTGC”), a multi-billion dollar publicly listed chemical company, where he was responsible for the identification, acquisition, integration and divestiture of companies that supported PTTGC’s sustainability and growth strategy. Before joining PTTGC, Dr. Godavarthy led the lithium metals and specialty salts business at Albemarle Corp, where his team was responsible for the commercial and technology development efforts for lithium metal, solid-state electrolytes and lithium metal anodes. He holds a Bachelor of Technology in Chemical Engineering from the University of Madras, a Ph.D. in Chemical Engineering from Oklahoma State University and an MBA in Finance from Colorado State University.

Tim Johnston

Mr. Johnston is a founder and Director of Li-Metal. With more than 15 years of experience, Mr. Johnston has overseen the development and operation of batteries, metals, industrial minerals, and large infrastructure assets. As the Co-Founder and Chairman of Li-Cycle Corp. and the Co-Founder and Director of Lacero Solutions, Mr. Johnston brings a wealth of knowledge to Li-Metal. Prior to Li-Metal, Mr. Johnston worked as a Senior Consultant for Hatch Ltd., specializing in project management and transactional analysis for their global lithium business. While there, Mr. Johnston managed the development of projects across the lithium-ion battery value chain for companies such as SQM, Rockwood Lithium (Albemarle), Bacanora Minerals, AMG-NV, Rio Tinto, Galaxy Resources, and other key developers.

Anthony Tse

Mr. Tse is a Non-Executive Director of Li-Metal. He has over 25 years of corporate private and public company experience in numerous high-growth industries such as technology, media and telecoms, as well as resource and commodities. This has predominantly been in senior management, corporate finance and M&A roles across Greater China, Asia Pacific, North and South American markets. He is an Executive Director, as well as the former Managing Director and Chief Executive Officer, of Galaxy Resources, a global leading lithium producer listed on the Australian Securities Exchange, with hard rock and brine lithium assets across three continents in Australia, Argentina and Canada, serving the lithium battery sector customers in China, Japan and Korea. He is also a Non-Executive Director of Li-Cycle Corp., which is the largest lithium battery recycler in North America, with growth initiatives planned to expand into Europe and across Asia - the company recently announced a go-public transaction to list on the New York Stock Exchange by way of a business combination with Peridot Acquisition Corp.

John Walsh, Director

John Walsh has over 25 years experience as a private markets investor and a legal and governance advisor to large institutions.

Mr. Walsh is the General Counsel & Chief Compliance Officer of Timbercreek Investment Management Services and SVP Legal and Compliance of Timbercreek Capital, and is responsible for all corporate and investment-related compliance obligations, as well as overseeing Timbercreek’s corporate legal activities, including fund formation and launches, ongoing capital markets activities, and general corporate operations.

Mr. Walsh was most recently the Managing Director, General Counsel, at OPTrust where he led the strategic planning for a cutting-edge pension innovation lab, and created and led transaction-based legal, governance, ERM, compliance and privacy teams for the Trust. Prior to his senior management role Mr. Walsh spent a decade helping create and lead the Private Markets Group (private equity and infrastructure) at OPTrust.

Prior to OPTrust, Mr. Walsh practiced M&A law for 10 years at both Osler, Hoskin & Harcourt LLP, and Davies Ward & Beck (as it then was).

Mr. Walsh currently serves as a Director with several international infrastructure investment organizations in addition to serving as a Governor at North York General Hospital.

Mr. Walsh obtained his B.A. History from Roberts Wesleyan College, his M.A. Political Science from Carleton University, and his LL.B. from Osgoode Hall Law School.

Colin Farrell, Director

Mr. Farrell is a Non-Executive Director of Li-Metal. He has over 40 years of wide professional experience, commercial as well as technical and policy, plus leadership. Mr. Farrell serially successfully started up and led several tax and non-tax teams. He also had leadership and start-up involvement in Hong Kong and China human resources, corporate recovery, and cross-discipline teams. Mr. Farrell has a broad range of client experience, including a wide range of non-tax consulting and execution matters such as market entry, e-commerce strategy, human resources, board information needs and property disposals. Other work experience includes secondments to government and industry, deal experience, and leading system design and implementation projects cross-territory and other major change management leadership. Until his retirement from PwC in 2018, he was member of PwC's Hong Kong and China disruption and investment group; PwC's Tax Policy Panel; PwC's China/Hong Kong advisory committee on insurance and human resources matters; PwC Hong Kong's Foundation and PwC Hong Kong/China's Corporate Responsibility committee; and on a major multinational corporation's global tax advisory council. He was also a member of PwC China/Hong Kong's Future of Tax committee.

See "Corporate Governance Policies – Board of Directors" for additional biographical information for the current directors of the Corporation.

Cease Trade Orders or Bankruptcies

No proposed director of the Corporation is, or within ten years prior to the date hereof has been, (a) a director, chief executive officer or chief financial officer of any company (including the Corporation) that, (i) was subject to a cease trade order, an order similar to a cease trade order or an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; (b) no proposed director of the Corporation (i) is, or within ten years prior to the date hereof has been, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (ii) has, within ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; and (c) no proposed director has been subject to (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

Appointment of Auditors

Unless authority to do so is withheld, the persons named in the accompanying proxy intend to vote for the appointment of Grant Thornton LLP of Toronto, Ontario as auditors of the Corporation until the close of the next annual meeting of shareholders of the Corporation and to authorize the directors to fix their remuneration. Grant Thornton LLP have been the auditors for the Corporation since November 1, 2021.

Management of the Corporation and the Board of Directors unanimously recommend that Shareholders vote in favour for the appointment of Grant Thornton LLP and the authorization of the Board of Directors to fix their remuneration. Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the appointment of Grant Thornton LLP and the authorization of the Board of Directors to fix their remuneration Consolidation.

EXECUTIVE COMPENSATION DISCLOSURE

Oversight and Description of Director and Named Executive Officer Compensation

Named Executive Officers:

For the financial year ended March 31, 2023, the objectives of Li-Metal's compensation strategy was to ensure that compensation for its Named Executive Officers (as defined below) is sufficiently attractive to recruit, retain and motivate high performing individuals to assist the Corporation in achieving its goals, that include, but are not limited to, successfully completing a going public transaction and growing the business of the Corporation.

The process for determining executive compensation is relatively informal, in view of the size and early stage of the Corporation and its operations. Executive officers are involved in the process and make recommendations to the Board of Directors and the compensation committee, which considers for approval the discretionary components (e.g. cash bonuses) of the annual compensation of senior management. Except as otherwise described below, the Corporation does not maintain specific performance goals or use benchmarks in determining the compensation of executive officers. The Board of Directors and the compensation committee may at its discretion award either a cash bonus or stock options for high achievement or for accomplishments that the Board of Directors deem as worthy of recognition.

Compensation for the Named Executive Officers is composed primarily of three components: base fees, performance bonuses and stock based compensation. In establishing the levels of base fees, performance bonuses and the award of stock options, Li-Metal takes into consideration a variety of factors, including the financial and operating performance of the Corporation, and each Named Executive Officer's individual performance and contribution towards meeting corporate objectives, responsibilities and length of service.

Salary

Amounts paid to executive officers as base salary, including merit salary increases, are determined in accordance with an individual's performance and salaries in the marketplace for comparable positions. However, certain Named Executive Officers provide their services in similar capacities to other companies, including reporting issuers, in addition to Li-Metal. There is no mandatory framework that determines which of these factors may be more or less important and the emphasis placed on any of these factors may vary among the executive officers. The determination of base salaries relies principally on negotiations between the respective Named Executive Officer and the Corporation and is therefore heavily discretionary.

Bonus

Li-Metal's cash bonus awards are designed to reward an executive for the direct contribution that he has made to the Corporation. Named Executive Officers are entitled to receive discretionary bonuses from time to time as determined or approved by the Board of Directors or the Chief Executive Officer, as applicable.

The Corporation does not currently prescribe a set of formal objective measures to determine discretionary bonus entitlements. Rather the Corporation uses informal goals which may include an assessment of an individual’s current and expected future performance, level of responsibilities and the importance of his position and contribution to the Corporation. Precise goals or milestones are not pre-set by the Board of Directors.

Incentive Award Grants

Stock options and other Incentive Awards (as defined below under the heading “Summary of Incentive Plan”) are granted pursuant to the Corporation’s omnibus equity incentive plan (the “**Incentive Plan**”) and in accordance with the rules of the Canadian Securities Exchange (the “**CSE**”). The Incentive Plan is administered by the Board of Directors, which has authority to amend the Incentive Plan and the terms of the outstanding options, subject to applicable regulatory and shareholder approvals and provided that no amendment may materially impair the rights of existing option holders in respect of options outstanding prior to the amendment.

Directors

Compensation of directors in the financial year ended March 31, 2023 was determined on a case-by-case basis with reference to the role that each director provides to the Corporation; however, no compensation to directors was paid during this period. The following information details compensation paid in the recently completed financial year. Directors may receive cash bonuses from time to time, which the Corporation awards to directors for serving in their capacity as a member of the Board of Directors. In addition, directors are entitled to participate in the Incentive Plan, which is designed to give each option holder an interest in preserving and maximizing shareholder value in the longer term. Individual grants are determined by an assessment of an individual’s current and expected future performance, level of responsibilities and the importance of his position and contribution to the Corporation.

Table of Compensation Excluding Compensation Securities

The following table sets forth the compensation paid or awarded to the directors and the following executive officers of the Corporation for the two most recently completed financial years: (i) the Chief Executive Officer; (ii) the Chief Financial Officer; and (iii) the three most highly compensated individuals whose total compensation will be more than C\$150,000 (each, a “**NEO**”).

Table of Compensation Excluding Compensation Securities							
Name & position	Year	Salary, Consulting Fee, Retainer or Commission (C\$)	Bonus (C\$)	Committee or meeting fees (C\$)	Value of Perquisites (C\$)	Value of all other compensation (C\$)	Total compensation (C\$)
Maciej Jastrzebski (Chief Executive Officer and Director)	2022	\$225,000	\$153,600	Nil	Nil	Nil	\$378,600
	2021	\$143,831	\$100,000	Nil	Nil	Nil	\$243,831

Table of Compensation Excluding Compensation Securities							
Name & position	Year	Salary, Consulting Fee, Retainer or Commission (C\$)	Bonus (C\$)	Committee or meeting fees (C\$)	Value of Perquisites (C\$)	Value of all other compensation (C\$)	Total compensation (C\$)
Carlos Pinglo (Chief Financial Officer)	2022	\$150,000	\$75,600	Nil	Nil	Nil	\$225,600
	2021	\$62,500	Nil	Nil	Nil	Nil	\$62,500
Dean Frankel (Chief Commercial Officer)	2022	\$211,680	\$37,594	Nil	Nil	Nil	\$249,274
	2021	\$162,500	\$17,500	Nil	Nil	Nil	\$180,000
Kunal Phalpher (President)	2022	\$166,150	\$84,480	Nil	Nil	Nil	\$250,630
Mark Wellings (Chairman)	2022	\$37,500	N/A	\$12,500	Nil	Nil	\$50,000
	2021	\$18,750	N/A	\$6,250	Nil	Nil	\$25,000
Tim Johnston (Director)	2022	\$37,500	Nil	Nil	Nil	Nil	\$37,500
	2021	\$50,250	Nil	Nil	Nil	Nil	\$50,250
Anthony Tse (Director)	2022	\$37,500	Nil	\$5,000	Nil	Nil	\$42,500
	2021	\$37,500	Nil	\$5,000	Nil	Nil	\$42,500
Ernie Ortiz (Director)	2022	\$37,500	Nil	\$5,000	Nil	Nil	\$42,500

Table of Compensation Excluding Compensation Securities							
Name & position	Year	Salary, Consulting Fee, Retainer or Commission (C\$)	Bonus (C\$)	Committee or meeting fees (C\$)	Value of Perquisites (C\$)	Value of all other compensation (C\$)	Total compensation (C\$)
	2021	\$37,500	Nil	\$5,000	Nil	Nil	\$42,500
Colin Farrell (Director)	2022	\$37,500	Nil	\$40,000	Nil	Nil	\$77,500
	2021	\$9,375	Nil	\$10,000	Nil	Nil	\$19,375

Stock Options and Other Compensation Securities

The following table provides information regarding the compensation securities granted or issued to each NEO and director of the Corporation during the year ended March 31, 2023.

Compensation Securities

Name and Position	Type of Compensation Security	Number of Compensation Securities, Number of Underlying Securities, and Percentage of Class	Date of Issue or Grant	Issue, Conversion or Exercise Price (\$)	Closing Price of Security or Underlying Security on Date of Grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date
Kunal Phalpher (President)	Options	1,383,029 ⁽¹⁾	October 31, 2022	0.41	0.41	0.295	October 31, 2027
	Restricted Share Units (RSU)	1,383,029 ⁽¹⁾	October 31, 2022	N/A	N/A	N/A	October 31, 2026

Note:

- (1) Granted pursuant to the provisions of the Corporation's Incentive Plan as further described herein in the section entitled "Incentive Plan."

Compensation Securities Exercised

During the year ended March 31, 2023 no directors and NEO's of the Corporation exercised compensation securities of the Corporation.

Summary of Incentive Plan

On October 11, 2022, the Shareholders approved a new Incentive Plan of the Corporation, the principal terms of which are described below. The Incentive Plan allows the Corporation to grant equity-based incentive awards (together, the “**Incentive Awards**”) in the form of incentive stock options, restricted share units (“**RSUs**”), performance share units (“**PSUs**”), deferred share units (“**DSUs**”) and stock appreciation rights (“**SARs**”). The following is a summary of the Incentive Plan, which is qualified in its entirety by the full text of the Incentive Plan which is available under the profile for Li-Metal on SEDAR found at www.sedarplus.ca.

The purpose of the Incentive Plan is to, among other things: (i) provide the Corporation with an equity-related mechanism to attract, retain and motivate qualified directors, officers, employees and consultants of the Corporation, including its subsidiaries, (ii) reward directors, officers, employees and consultants that have been granted awards under the Incentive Plan for their contributions toward the long-term goals and success of the Corporation, and (iii) enable and encourage such directors, officers, employees and consultants to acquire Common Shares as long-term investments in the Corporation.

Participation is limited to employees, consultants and directors providing services to the Corporation.

The number of Common Shares, the exercise price per Incentive Award, the vesting period and other terms and conditions of Incentive Awards granted pursuant to the Incentive Plan, from time to time, are determined by the board of directors of the Corporation at the time of the grant, subject to the defined parameters of the Incentive Plan and compliance with applicable laws, including the policies of the CSE. In accordance with the rules of the CSE, the Incentive Award Plan must be re- approved by the Shareholders by October 11, 2025.

Subject to regulatory approvals, the maximum number of Common Shares which may be reserved and set aside for issue under the Incentive Plan pursuant to the exercise of options to purchase Common Shares is equal to an unallocated pool of 10% of the issued and outstanding Common Shares.

The Incentive Plan is administered by the board of directors of the Corporation, which has the authority thereunder to delegate its administration and operation to a committee of directors appointed from time to time by the board of directors. The number of Common Shares which can be issued under the Incentive Plan in any one-year period: (a) to any one director or officer shall not exceed 5% of the issued and outstanding Common Shares; (b) to any one consultant shall not exceed 2% of the issued and outstanding Common Shares; and (c) to all participants, in the aggregate, as compensation for providing Investor Relations Activities (as defined in CSE Policy 1 – *Interpretation and General Provisions*) shall not exceed 1% of the issued and outstanding Common Shares.

If the Common Shares are listed on the CSE, the exercise price of any Incentive Award cannot be less than the greater of the closing market prices of the underlying securities on (a) the trading day prior to the date of grant of the stock options; and (b) the date of grant of the stock options.

The exercise period cannot exceed 10 years. Options will terminate on either the date of expiration specified or on such earlier date as set out in the Incentive Plan, including:

- in the case of termination of continuous service of the grantee for any reason other than for cause, 30 days after the termination;
- in the case of termination for cause, immediately upon notification of such termination to the grantee;
- in the case of death of the grantee, one year after the death of the grantee;
- in the case of retirement of the grantee, three years after the retirement of the grantee; and
- in the case of voluntary resignation, the unvested options will terminate immediately upon the resignation, and the vested options shall terminate 30 days after the resignation.

Aside from 10% of the existing Common Shares reserved for issuance on a rolling basis upon the exercise of stock options, the Incentive Plan is a hybrid plan that, subject to the adjustment provisions provided for therein (including a subdivision or consolidation of Common Shares), provides that the aggregate maximum number of DSUs, RSUs, SARs and PSUs shall not exceed that may be reserved for issuance under the Incentive Plan, at any time, shall not exceed 15,495,383. Notwithstanding the foregoing, to the extent any awards under the Incentive Plan are terminated or cancelled for any reason prior to exercise in full, the Common Shares subject to such awards (or any portion(s) thereof) shall be added back to the number of Common Shares reserved for issuance under the Incentive Plan.

Employment, Consulting and Management Agreements

Other than as disclosed below, the Corporation does not have any contracts, agreements, plans or arrangements that provide for payments to a NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Corporation or a change in an NEO's responsibilities.

Tim Johnston

Termination without cause: 1 year base fees (US\$6,400 per month) and bonus (the latter calculated on the basis of past three years' bonus). Just cause is defined in the agreement to include, but is not limited to the following: dishonesty or fraud; theft; breach of fiduciary duties; negligence; being guilty of bribery or attempted bribery; or gross mismanagement.

Change of Control: 36 months base fees and bonus from past 36 months. All options vest. "Change of Control" is defined in the agreement as: (1) the acquisition by any person or group of persons of: (A) shares or rights to acquire shares of Li-Metal such that after the completion of such acquisition such person would be entitled to exercise 25% or more of the votes entitled to be cast at a meeting of the shareholders of Li-Metal (or of the material subsidiary); (B) shares or rights of any material subsidiary of Li-Metal such that after the completion of such acquisition such person would be entitled to exercise 25% or more of the votes entitled to be cast a meeting of the shareholders of the material subsidiary; or (C) more than 25% of the material assets of Li-Metal (or of a material subsidiary); or (2) as a result of or in connection with: (A) a contested election of directors; or (B) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisitions involving Li-Metal or any of its affiliates and another corporation or other entity, the nominees named in the most recent management information circular of Li-Metal for election to Li-Metal's board of directors do not constitute a majority of Li-Metal's board of directors.

Srini Godavarthy

Termination without cause: nine months base salary (US\$30,417 per month) plus any lost bonus. Just cause is defined in the agreement to include, but is not limited to the following: dishonesty or fraud; theft; breach of fiduciary duties; negligence; being guilty of bribery or attempted bribery; or failure to perform his duties in a competent and diligent manner .

Change of Control: 36 months base fees and bonus from past 36 months. All options vest. "Change of Control" is defined in the agreement as: (1) the acquisition by any person or group of persons of: (A) shares or rights to acquire shares of Li-Metal such that after the completion of such acquisition such person would be entitled to exercise 25% or more of the votes entitled to be cast at a meeting of the shareholders of Li-Metal (or of the material subsidiary); (B) shares or rights of any material subsidiary of Li-Metal such that after the completion of such acquisition such person would be entitled to exercise 25% or more of the votes entitled to be cast a meeting of the shareholders of the material subsidiary; or (C) more than 25% of the material assets of Li-Metal (or of a material subsidiary); or (2) as a result of or in connection with: (A) a contested election of directors; or (B) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisitions involving Li-Metal or any of its affiliates and another corporation or other entity, the nominees named in the most recent management information circular of Li-Metal for election to Li-Metal's board of directors do not constitute a majority of Li-Metal's board of directors.

Securities Authorized for Issuance Under Equity Compensation Plans

The table below sets out the outstanding options under the Incentive Plan, being the Corporation's only compensation plan under which Common Shares are authorized for issuance, as of March 31, 2023.

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available under equity compensation plans (excluding securities reflected in column (a)) as of March 31, 2023
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by security holders - options	14,459,523	\$0.328	1,035,860
Equity compensation plans approved by security holders - RSU	1,383,029	N/A	14,112,354
Equity compensation plans not approved by security holders	Nil	Nil	Nil
TOTAL	10,184,697	\$0.29	5,174,094

Pension, Defined Benefit or Actuarial Plan

The Corporation does not currently have a pension, defined benefit or actuarial plan under which benefits are determined primarily by final compensation (or average final compensation) and years of services.

Indebtedness of Directors and Executive Officers

As at the date of this Circular and during the financial year ended March 31, 2023, no director or executive officer or employee of the Corporation, former director or executive officer or employee or the Corporation or Nominee (and each of their associates and/or affiliates) was indebted, including under any securities purchase or other program, to (i) the Corporation or its subsidiaries, or (ii) any other entity which is, or was at any time during the financial year ended March 31, 2023, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or its subsidiaries.

Directors' and Officers' Insurance and Indemnification

The Corporation maintains insurance for the benefit of its directors and officers against liability in their respective capacities as directors and officers. The Corporation has purchased in respect of directors and officers an aggregate of US\$3,850,000 (CAD\$ 5,000,000) in coverage. The approximate amount of premiums paid by the Corporation in the financial year ended March 31, 2023 in respect of such insurance was US\$ 36,000 (CAD46,800).

Interest of Informed Persons in Material Transactions

No informed person (as such term is defined under applicable securities laws) of the Corporation or Nominee (and each of their associates or affiliates) has had any direct or indirect material interest in any transaction involving the Corporation since April 1, 2023 or in any proposed transaction which has materially affected or would materially affect the Corporation or its subsidiaries.

CORPORATE GOVERNANCE POLICIES

The Corporation and the Board of Directors recognize the importance of corporate governance to the effective management of the Corporation and to the protection of its stakeholders, particularly Shareholders. The Corporation's approach to significant issues of corporate governance is designed with a view to ensuring that the business and affairs of the Corporation are effectively managed so as to enhance shareholder value. The Board of Directors fulfills its mandate directly and through its committees at regularly scheduled meetings or as required. The directors are kept informed of the Corporation's operations at regular meetings and through reports and discussions with management on matters within their particular areas of expertise.

The Corporation believes that its corporate governance practices are in compliance with applicable Canadian requirements. The Corporation has considered the applicable requirements and believes that its approach is appropriate and works effectively for the Corporation and its shareholders.

Board of Directors

Pursuant to National Instrument 58-101, a director is independent if the director has no direct or indirect relationship with the issuer that could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of a member's independent judgment. Certain directors are deemed to have a material relationship with the issuer by virtue of their position or relationship with the Corporation. The Board of Directors is currently comprised of six members and each of Mr. Wellings, Mr. Tse, Mr. Ortiz and Mr. Farrell have been determined to be independent of the Corporation. Mr. Jastrzebski and Mr. Johnston are, respectively, the Chief Technical Officer and the Executive Chairman of the Corporation and are therefore not considered independent. In assessing whether a director is independent for these purposes, the circumstances of each director have been examined in relation to a number of factors.

Other Public Corporation Directorships

Name	Directorships and or Officer Positions with Other Reporting Issuers
Srini Godavarthy	N/A
Anthony Tse	Li-Cycle Holdings Corp. NYSE: LICY Non-Executive Director
Tim Johnston	Li-Cycle Holdings Corp. NYSE: LICY Executive Chairman.
John Walsh	Timbercreek Financial Corp. TSX: TF, Corporate Secretary
Colin Farrell	N/A

Orientation and Continuing Education

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

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

Ethical Business Conduct

The Board of Directors is apprised of the activities of the Corporation and ensures that it conducts such activities in an ethical manner. The Board of Directors had not adopted a written code of business conduct and ethics, however, the Board of Directors encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations; providing guidance to consultants, officers and directors to help them recognize and deal with ethical issues; promoting a culture of open communication, honesty and accountability; and ensuring awareness of disciplinary actions for violations of ethical business conduct. In particular, the Board of Directors ensure that directors exercise independent judgement in considering transactions and certain activities of the Corporation by holding in camera sessions of independent directors, when applicable, and by having each director declare his or her interest in a particular transaction and abstaining from voting on such matters, where applicable.

Nomination of Directors

The Board of Directors is largely responsible for identifying new candidates for nomination to the Board of Directors. The process by which candidates are identified is through recommendations presented to the Board of Directors, which establishes and discusses qualifications based on corporate law and regulatory requirements as well as education and experience related to the business of the Corporation.

Compensation

The Board of Directors, along with the compensation committee, is responsible for determining the compensation of the directors and Chief Executive Officer of the Corporation. The process for determining executive compensation is relatively informal, in view of the size and early stage of the Corporation and its operations. The Corporation does not maintain specific performance goals or use benchmarks in determining the compensation of executive officers. The Board of Directors may at its discretion award either a cash bonus or stock options for high achievement or for accomplishments that the Board of Directors deem as worthy of recognition.

Compensation Committee

The Corporation also has a compensation committee of the Board of Directors reviews and discusses proposals received by the Chief Executive Officer of the Corporation regarding the compensation of management and the directors.

Board Assessments

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

Audit Committee

The purposes of the Audit Committee are to assist the Board of Directors' oversight of: the integrity of the Corporation's financial statements; the Corporation's compliance with legal and regulatory requirements; the

qualifications and independence of the Corporation's independent auditors; and the performance of the independent auditors and the Corporation's internal audit function.

National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators (the “Instrument”) governs the composition and function of audit committees of every listed company, including the Corporation. The Instrument requires the Corporation to have a written audit committee Charter and to make the disclosure required by Form 52-110F2, which includes disclosure of the text of the audit committee charter in the management information circular of the Corporation wherein management solicits proxies from the security holders of the Corporation for the purpose of electing directors to the Board.

Please see Schedule “A” of this Circular for the Audit Committee Charter.

Composition of the Audit Committee

The Corporation's audit committee is currently comprised of three directors: Messrs. Farrell, Wellings and Tse. Each member of the audit committee is financially literate and independent, as such term is defined in the Instrument.

It is anticipated that the composition of the Audit Committee, and other committees of the Board of Directors, will be reconstituted upon the election of new directors to consist of Messrs. Walsh, Farrell and Tse. Each proposed member of the audit committee is financially literate and independent, as such term is defined in the Instrument.

Relevant Education and Experience

John Walsh- Independent Director

Director John Walsh is a lawyer and has over 25 years experience as a private markets investor and a legal and governance advisor to large institutions.

Mr. Walsh is the General Counsel & Chief Compliance Officer of Timbercreek Investment Management Services and SVP Legal and Compliance of Timbercreek Capital, and is responsible for all corporate and investment-related compliance obligations, as well as overseeing Timbercreek's corporate legal activities, including fund formation and launches, ongoing capital markets activities, and general corporate operations.

In addition, Mr. Walsh was the Managing Director, General Counsel, at OPTrust where he led the strategic planning for a cutting-edge pension innovation lab, and created and led transaction-based legal, governance, ERM, compliance and privacy teams for the Trust. Prior to his senior management role Mr. Walsh spent a decade helping create and lead the Private Markets Group (private equity and infrastructure) at OPTrust.

Colin Farrell- Independent Director

Director Farrell has over 40 years of wide professional experience, commercial as well as technical and policy, plus leadership. Mr. Farrell serially successfully started up and led several tax and non-tax teams. He also had leadership and start-up involvement in Hong Kong and China human resources, corporate recovery, and cross-discipline teams. Mr. Farrell has a broad range of client experience, including a wide range of non-tax consulting and execution matters such as market entry, e-commerce strategy, human resources, board information needs and property disposals. Other work experience includes secondments to government and industry, deal experience, and leading system design and implementation projects cross-territory and other major change management leadership. Until his retirement from PwC in 2018, he was member of PwC's Hong Kong and China disruption and investment group; PwC's Tax Policy Panel; PwC's China/Hong Kong advisory committee on insurance and human resources matters; PwC Hong Kong's Foundation and PwC Hong Kong/China's Corporate Responsibility committee; and on a major multinational corporation's global tax advisory council.

Anthony Tse – Independent Director

Director Anthony Tse has over 25 years of corporate private and public company experience in numerous high-growth industries such as technology, media and telecoms, as well as resource and commodities. This has predominantly been in senior management, corporate finance and M&A roles across Greater China, Asia Pacific, North and South American markets. He is an Executive Director, as well as the former Managing Director and Chief Executive Officer, of Galaxy Resources, a global leading lithium producer listed on the Australian Securities Exchange, with hard rock and brine lithium assets across three continents in Australia, Argentina and Canada, serving the lithium battery sector customers in China, Japan and Korea. He is also a Non-Executive Director of Li-Cycle Corp., which is the largest lithium battery recycler in North America.

Audit Committee Oversight

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

Reliance on Certain Exemptions

At no time since the commencement of the Corporation’s most recently completed financial year has the Corporation relied on either (a) an exemption in section 2.4 of the Instrument; or (b) an exemption from the Instrument, in whole or in part, granted under Part 8 (*Exemptions*) of the Instrument. As the Corporation is listed on the CSE, it is relying on the exemption provided in section 6.1 of the Instrument with respect to Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations).

Pre-Approval Policies and Procedures

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

External Auditor Service Fees

Grant Thornton LLP are the external auditors of the Corporation. The aggregate fees billed and estimated to be billed by the external auditors for the last fiscal year is set out in the table below. “Audit Fees” includes fees for audit services including the audit services completed for the Corporation and its subsidiaries. “Audit Related Fees” includes fees for assurance and related services by the Corporation’s external auditor that are reasonably related to the performance of the audit or review of the Corporation’s financial statements and not reported under Audit Fees including the review of interim filings and travel related expenses for the annual audit. “Tax Fees” includes fees for professional services rendered by the external auditor for tax compliance, tax advice, and tax planning. “All Other Fees” includes all fees billed by the external auditors for services not covered in the other three categories.

<u>Year</u>	<u>Audit Fees</u>	<u>Audit Related Fees</u>	<u>Related Fees</u>	<u>Tax Fees</u>	<u>All Other Fees</u>
<u>2022</u>	<u>\$80,000</u>	<u>\$15,500</u>		<u>\$8,250</u>	<u>\$14,475</u>
<u>2021</u>	<u>\$55,000</u>	<u>\$60,000</u>		<u>\$5,000</u>	<u>\$120,000</u>

Additional Information

Additional information relating to the Corporation may be found under the profile of the Corporation on SEDAR at www.sedarplus.ca. Additional financial information is provided in the Corporation's audited financial statements and related management’s discussion and analysis for the year ended March 31, 2023, which can be found under the profile of the Corporation on SEDAR. Shareholders may also request these

documents from the President of the Corporation by email at s.ilyas@li-metal.com or by telephone at 647-209-9200.

Board of Directors Approval

The contents of this Circular and the sending thereof to the Shareholders of the Corporation have been approved by the Board of Directors.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) “*Srini Godavarthy*”

Srini Godavarthy
Chief Executive Officer

Toronto, Ontario
September 19, 2023

SCHEDULE “A”

Audit Committee Charter

LI-METAL CORP.

(The “Company”)

CHARTER OF THE AUDIT COMMITTEE

1. Purpose

The Audit Committee (the “Audit Committee”) is a committee of directors appointed by the Board of Directors of the Company (the “Board”). The Audit Committee’s mandate is to provide assistance to the Board in fulfilling its financial reporting and control responsibility to the shareholders and the investment community. The Committee is, however, independent of the Board and the Company and in carrying out their role shall have the ability to determine its own agenda and any additional activities that the Audit Committee shall carry out.

2. Composition

The Committee will be comprised of at least three directors of the Company, all of whom, subject to any exemptions set out in Multilateral Instrument 52-110 *Audit Committees* (“MI 52-110”) will be independent and financially literate. In addition, at least one member of the Audit Committee shall have accounting or related financial expertise as such qualifications are interpreted by the Board. An “independent” director is a director who has no direct or indirect material relationship with the Company. A “material relationship” is a relationship which could, in the view of the Board of Directors, be reasonably expected to interfere with the exercise of the director’s independent judgement or a relationship deemed to be a material relationship pursuant to Sections 1.4 and 1.5 of MI 52-110, as set out in Appendix “A” hereto. A “financially literate” director is a director who has the ability to read and understand a set of financial instruments 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 financial statements of the Company.

3. Responsibilities

Responsibilities of the Audit Committee generally include, but are not limited to, the undertaking of the following tasks:

- Selecting and determining the compensation of the external auditors, subject to approval of the shareholders of the Company, to be nominated for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company. In making such determination and recommendation to the shareholders, the Audit Committee will:
 - confirm the independence of the auditors and report to the Board its conclusions on the independence of the auditors and the basis for these conclusions;
 - meet with the auditors and financial management to review the scope of the proposed audit for the current year, and the audit procedures to be used; and
 - obtain from the external auditors confirmation that they are participants in good standing in the Canadian Public Accountability Board oversight program and, if applicable, in compliance with the provisions of the Sarbanes-Oxley Act of 2002

(U.S.) and other legal or regulatory requirements with respect to the audit of the financial statements of the Company.

- Overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting. In overseeing such work, the Audit Committee will:
 - review with the external auditors any audit problems or difficulties and management's response;
 - at least annually obtain and review a report prepared by the external auditors describing (i) the auditors' internal quality-control procedures; and (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the auditors, and reviewing any steps taken to deal with such issues;
 - serve as an independent and objective party to monitor the Company's financial reporting process and internal control system and overseeing management's reporting on internal control;
 - provide open lines of communication among the external auditors, financial and senior management, and the Board for financial reporting and control matters;
 - make inquires of management and the external auditors to identify significant business, political, financial and control risks and exposures and assess the steps management has taken to minimize such risks to the Company;
 - establish procedures to ensure that the Audit Committee meets with the external auditors on a regular basis in the absence of management;
 - ensure that the external auditors prepare and deliver annually a detailed report covering (i) critical accounting policies and practices to be used; (ii) material alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the external auditors; (iii) other material written communications between the external auditors and management such as any management letter or schedule of unadjusted differences; and (iv) such other aspects as may be required by the Audit Committee or legal or regulatory requirements;
- consider any reports or communications (and management's responses thereto) submitted to the Audit Committee by the external auditors, including reports and communications related to:
 - deficiencies noted following the audit of the design and operation of internal controls;
 - consideration of fraud in the audit of the financial statement;
 - detection of illegal acts;
 - the external auditors responsibility under generally accepted auditing standards;
 - significant accounting policies;

- management judgements and accounting estimates;
 - adjustments arising from the audit;
 - the responsibility of the external auditors for other information in documents containing audited financial statements;
 - disagreements with management;
 - consultation by management with other accountants;
 - major issues discussed with management prior to retention of the external auditors;
 - difficulties encountered with management in performing the audit;
 - the external auditors judgements about the quality of the entity's accounting principles; and
 - any reviews of unaudited interim financial information conducted by the external auditors;
 - review the form of opinion the external auditors propose to render to the Audit Committee, the Board and shareholders; and
 - discuss significant changes to the Company's auditing and accounting principles, policies, controls, procedures and practices proposed or contemplated by the external auditors or management, and the financial impact thereof.
- Pre-approving all non-audit services to be provided to the Company or its subsidiaries by the Company's external auditor, subject to any exemptions set out in MI 52-110. Notwithstanding the pre-approval process, the Audit Committee will ensure that the external auditors are prohibited from providing the following non-audit services and will determine which other non-audit services the external auditors are prohibited from providing:
 - bookkeeping or other services related to the accounting records or financial statements of the Company;
 - financial information systems design and implementation;
 - appraisal or valuation services, fairness opinions, or contribution-in-kind reports;
 - actuarial services;
 - internal audit outsourcing services;
 - management functions or human resources;
 - broker, dealer, investment adviser or investment banking services;
 - legal services and expert services unrelated to the audit; and
 - any other service that the Audit Committee determines to be impermissible.

- Ensuring that the external auditors submit annually to the Company and the Audit Committee a formal written statement of the fees billed for each of the following categories of services rendered by the external auditors: (i) the audit of the Company's annual financial statements for the most recent fiscal year and, if applicable, the reviews of the financial statements included in the Company's Quarterly Reports for that fiscal year; and (ii) all other services rendered by the external auditors for the most recent fiscal year, in the aggregate and by each service.
- Reviewing the Company's financial statements, Management's Discussion and Analysis and annual and interim earnings press releases before the Company publicly discloses the information. In connection with such review, the Audit Committee will ensure that:
 - management has reviewed the financial statements with the Audit Committee, including significant judgments affecting the financial statements;
 - the members of the Audit Committee have discussed among themselves, without management or the external auditors present, the information disclosed to the Audit Committee; and
 - the Audit Committee has received the assurance of both financial management and the external auditors that the Company's financial statements are fairly presented in conformity with Canadian GAAP in all material respects.
- Ensuring that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, other than the public disclosure referred to above, and periodically assessing the adequacy of those procedures.
- Reviewing, evaluating and monitoring any risk management program implemented by the Company, including any revenue protection program. This function should include:
 - risk assessment;
 - quantification of exposure;
 - risk mitigation measures; and
 - risk reporting.
- Reviewing the adequacy of the resources of the finance and accounting group, along with its development and succession plans.
- Establishing procedures for:
 - the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
 - the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
- Reviewing and approving the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company.
- Annually reviewing and revising this Charter as necessary with the approval of the Board and the text relating to this Charter which is required to appear in the Annual Information

Form of the Company, as more specifically set out in Form 52-110FI *Audit Committee Information Required in an AIF*.

- Reviewing and assessing the adequacy of the Code of Business Conduct and Ethics governing the officers, directors and employees of the Company and the Code of Ethics governing Financial Reporting Officers at least annually or otherwise, as it deems appropriate, and propose recommended changes to the Board.
- Reporting its activities to the Board on a regular basis and making such recommendations with respect to the above and other matters as the Audit Committee may deem necessary or appropriate.
- Reviewing and discussing with management, and approving all related party transactions.

4. Authority

The Audit Committee has the authority to:

- Engage independent counsel and other advisors as the Audit Committee determines necessary to carry out its duties;
- Set and pay the compensation for any advisors employed by the Audit Committee, in accordance with applicable corporate statutes; and
- Communicate directly with the external auditors.

5. Administrative Procedures

- The Audit Committee will meet regularly and whenever necessary to perform the duties described above in a timely manner, but not less than four times a year. Meetings may be held at any time deemed appropriate by the Audit Committee and by means of conference call or similar communications equipment by means of which all persons participating in the meeting can hear each other.
- A quorum for the transaction of business at any meeting of the Committee shall be a majority of the number of members of the Committee or such greater number as the Committee shall by resolution determine.
- Meetings of the shall be held from time to time as the Committee or the Chairman shall determine upon 48 hours notice to each of its members. The notice period may be waived by a quorum of the Committee.
- At the discretion of the Audit Committee, meetings may be held with representatives of the external auditors and appropriate members of management.
- The external auditors will have direct access to the Audit Committee at their own initiative.
- The Chairman of the Audit Committee will report periodically to the Board.

Appendix "A"

Multilateral Instrument 52-110 *Audit Committees* ("MI 52-110")

Meaning of Independence (section 1.4 of MI 52-110):

1. An audit committee member is independent if he or she has no direct or indirect material relationship with the issuer.
2. For the purposes of subsection (1), a "material relationship" is a relationship which could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of a member's independent judgment.
3. Despite subsection (2), the following individuals are considered to have a material relationship with an issuer:
 - (a) an individual who is, or has been within the last three years, an employee or executive officer of the issuer;
 - (b) an individual whose immediate family member is, or has been within the last three years, an executive officer of the issuer;
 - (c) an individual who:
 - (i) is a partner of a firm that is the issuer's internal or external auditor,
 - (ii) is an employee of that firm, or
 - (iii) was within the last three years a partner or employee of that firm and personally worked on the issuer's audit within that time;
 - (d) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:
 - (i) is a partner of a firm that is the issuer's internal or external auditor,
 - (ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or
 - (iii) was within the last three years a partner or employee of that firm and personally worked on the issuer's audit within that time;
 - (e) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the issuer's current executive officers serves or served at that same time on the entity's compensation committee; and
 - (f) an individual who received, or whose immediate family member who is employed as an executive officer of the issuer received, more than \$75,000 in direct compensation from the issuer during any 12 month period within the last three years.
4. Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because

- (a) he or she had a relationship identified in subsection (3) if that relationship ended before March 30, 2004; or
 - (b) he or she had a relationship identified in subsection (3) by virtue of subsection (8) if that relationship ended before June 30, 2005.
5. For the purposes of clauses (3)(c) and (3)(d), a partner does not include a fixed income partner whose interest in the firm that is the internal or external auditor is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior service with that firm if the compensation is not contingent in any way on continued service.
6. For the purposes of clause (3)(f), direct compensation does not include:
- (a) remuneration for acting as a member of the board of directors or of any board committee of the issuer, and
 - (b) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.
7. Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because the individual or his or her immediate family member
- (a) has previously acted as an interim chief executive officer of the issuer, or
 - (b) acts, or has previously acted, as a chair or vice-chair of the board of directors or of any board committee of the issuer on a part-time basis.
8. For the purpose of section 1.4, an issuer includes a subsidiary entity of the issuer and a parent of the issuer.

Additional Independence Requirements for Audit Committee Members (section 1.5 of MI 52-110):

1. Despite any determination made under section 1.4 of MI 52-110, an individual who
- (a) accepts, directly or indirectly, any consulting, advisory or other compensatory fee from the issuer or any subsidiary entity of the issuer, other than as remuneration for acting in his or her capacity as a member of the board of directors or any board committee, or as a part-time chair or vice-chair of the board or any board committee; or
 - (b) is an affiliated entity of the issuer or any of its subsidiary entities, is considered to have a material relationship with the issuer.
2. For the purposes of subsection (1), the indirect acceptance by an individual of any consulting, advisory or other compensatory fee includes acceptance of a fee by
- (a) an individual's spouse, minor child or stepchild, or a child or stepchild who shares the individual's home; or
 - (b) an entity in which such individual is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and

which provides accounting, consulting, legal, investment banking or financial advisory services to the issuer or any subsidiary entity of the issuer.

3. For the purposes of subsection (1), compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.

