

**Form 51-102F3**  
**MATERIAL CHANGE REPORT**

**1. Name and Address of the Issuer**

Free Battery Metal Limited (the “**Company**” or “**Free Battery**”)  
1 Adelaide Street East, Suite 801  
Toronto, Ontario M5C 2V9

**2. Date of Material Change**

January 10, 2025.

**3. News Release**

A press release disclosing the material change was issued by the Company through Newsfile on January 13, 2025, and filed on [www.sedarplus.ca](http://www.sedarplus.ca).

**4. Summary of Material Change**

The Company entered into a binding term sheet effective January 10, 2025, with Snow Lake Resources Ltd. (NASDAQ: LITM) d/b/a Snow Lake Energy (“**Snow Lake**”), an arm’s length party, (the “**Term Sheet**”, and the transactions contemplated therein, the “**Transaction**”) pursuant to which Snow Lake can earn up to an 80% interest in Free Battery’s Mound Lake Property (as defined hereinafter).

The mound lake property encompasses 243 single-cell unpatented mineral claims covering over 4,800 hectares in a prolific mining district (the “**Mound Lake Property**”). The northern part of the property, near the contact between the Mound Lake Pluton and metasedimentary country rocks, has demonstrated consistent, elevated gallium values. These results coincide with elevated levels of other critical metals, including beryllium (Be), lithium (Li), and rubidium (Rb), near the Larson Creek and Mound Creek faults.

**5. Full Description of Material Change**

Pursuant to the terms and conditions of the Transaction,

- (i) **First Option Interest:** on or before the first anniversary of the effective date of a definitive agreement to replace the Term Sheet (the “**Definitive Agreement**”), Snow Lake, a 10% owner of the Mound Lake Property, shall have the right to acquire (the “**First Option**”) an additional 41% interest in the Mound Lake Property (for an aggregate 51% interest) upon Snow Lake (x) having made work expenditures of at least C\$1,000,000 and (y) paying C\$500,000 to Free Battery; and
- (ii) **Second Option Interest:** on or before the second anniversary of the effective date of the Definitive Agreement, Snow Lake shall have the right to acquire an additional 29% interest in the Mound Lake Property (for an aggregate 80% interest) upon Snow Lake (x) having made additional work expenditures of C\$1,000,000 (for aggregate work expenditures of C\$2,000,000 (the “**Work Commitment**”)) and (y) paying an additional C\$1,000,000 to Free Battery (for aggregate cash payments of C\$1,500,000). Shortfalls in work expenditures below the Work Commitment may be paid by Snow Lake to Free Battery as cash in lieu to satisfy the work expenditures’ requirement.

Prior to the completion of a pre-feasibility study on the Mound Lake Property, Snow Lake will be the operator of the Mound Lake Property and be responsible for all costs and expenses associated with the exploration and development of the Mound Lake Property. Following the completion of a pre-feasibility study on the Mound

Lake Property, the parties shall diligently and in good faith negotiate the terms of a joint venture arrangement to advance development of the Mound Lake Property. Such arrangement will include, among other things, (i) a mechanism by which expenditures on the Mound Lake Property will be funded on a pro rata basis, based upon the respective parties proportionate interest in the Mound Lake Property; (ii) in the event any one party declines to fund the expenditures in proportion to their interest, their respective interest in the joint venture shall be reduced accordingly, subject to the Dilution Conversion (as defined hereinafter); (iii) a mechanism for preparing and approving a budget and work program in respect of the Mound Lake Property; and (iv) the ongoing management of the joint venture.

Following the exercise of the First Option, in the event that either party's interest in the Mound Lake Property falls below 10%, such party's interest shall be converted into a 1% net smelter return royalty on the Mound Lake Property, which shall not be subject to a right of first refusal or any other pre-emptive rights in favour to such party (the "**Dilution Conversion**").

**6. Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable.

**7. Omitted Information**

No significant facts have been omitted from this report.

**8. Executive Officer**

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Chief Executive Officer  
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**9. Date of Report**

January 21, 2025.