

CRUZ BATTERY METALS CORP.

2905 - 700 West Georgia Street
Vancouver, British Columbia
V7Y 1K8

**NOTICE OF ANNUAL GENERAL MEETING OF
SHAREHOLDERS**

to be held on Wednesday, June 21, 2023

and

MANAGEMENT INFORMATION CIRCULAR

Dated as of May 8, 2023

This document requires immediate attention. If you are in doubt as to how to deal with the documents or matters referred to in this Management Information Circular, you should immediately contact your professional advisors.

CRUZ BATTERY METALS CORP.

2905 - 700 West Georgia Street
Vancouver, British Columbia V7Y 1K8
Tel: 1-855-599-9150 Fax: (604) 689-1733

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN THAT the annual general meeting (the “**Meeting**”) for the financial year ended July 31, 2022 of the Shareholders of Cruz Battery Metals Corp. (the “**Company**” or “**Cruz**”) will be held at the offices of Clark Wilson LLP, at Suite 900 - 885 West Georgia Street, Vancouver, British Columbia, on:

Wednesday, June 21, 2023, at 10:00 a.m. (Pacific Time) for the following purposes:

1. to receive the consolidated financial statements of the Company, together with the auditor's report thereon, for the financial year ended July 31, 2022;
2. to appoint Davidson & Company LLP, Chartered Professional Accountants, as the Company’s auditor until the next annual meeting and to authorize the directors to set their remuneration;
3. to determine and set the number of directors of the Company at four (4) until the next annual meeting;
4. to elect directors of the Company to hold office until the next annual meeting; and
5. to transact such further or other business as may properly come before the Meeting or any adjournment or postponement thereof.

The Company is sending proxy related materials to its registered and beneficial Shareholders using “notice-and-access”, as defined under National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*. Notice-and-access is a set of rules for reducing the volume of materials that must be physically mailed to Shareholders by allowing issuers to post their information circular and additional materials online. Instead of receiving paper copies of meeting materials, Shareholders receive a “notice-and-access notice” containing prescribed information, as well as a form of proxy or voting information form, as applicable.

Shareholders with existing instructions on their account to receive paper materials will receive a paper copy of the meeting materials.

The meeting materials will be available on Cruz’s profile on SEDAR at www.sedar.com and on Cruz’s website at www.cruzbattery.com as of May 15, 2023. Meeting materials are also available upon request, **without charge**, by e-mail to nancy@cococapital.ca or by calling toll-free at 1-855-599-9150 (in North America) or at +1-604-899-9150 (outside North America), or can be accessed online on SEDAR at www.sedar.com as of May 15, 2023.

The Company’s board of directors (the “**Board**”) has fixed May 8, 2023 as the record date for the determination of Shareholders entitled to notice of and to vote at the Meeting or at any adjournment or postponement thereof. Each registered Shareholder at the close of business on that date is entitled to such notice and to vote at the Meeting in the circumstances set out in the Circular.

Registered Shareholders are entitled to vote at the Meeting in person or by proxy. Registered Shareholders who are unable to attend the Meeting, or any adjournment thereof, in person, are requested to read, complete, sign and return the form of proxy accompanying this Notice in accordance with the instructions set out in the form of proxy and in the Circular accompanying this Notice. Unregistered Shareholders who received the form of proxy accompanying this Notice through an intermediary must deliver the proxy in accordance with the instructions given by such intermediary.

DATED at Vancouver, British Columbia as of this 8th day of May, 2023.

By Order of the Board of Directors

CRUZ BATTERY METALS CORP.

"James Nelson"

James Nelson
President, Chief Executive Officer,
Secretary and Director

CRUZ BATTERY METALS CORP.
2905 - 700 W. Georgia Street
Vancouver, British Columbia V7Y 1K8
Tel: 1-855-599-9150
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MANAGEMENT INFORMATION CIRCULAR

(As at May 8, 2023, except as indicated)

INTRODUCTION

Cruz Battery Metals Corp. (the “**Company**” or “**Cruz**”) is providing this management information circular (the “**Circular**”) and a form of proxy in connection with the management’s solicitation of proxies for use at the annual general meeting (the “**Meeting**”) of the Company to be held at the offices of Clark Wilson LLP, 900 – 885 West Georgia Street, Vancouver, British Columbia, on Wednesday, June 21, 2023 at 10:00 a.m. (Pacific Time), or at any adjournment or postponement thereof, for the purposes set forth in the accompanying notice of meeting (the “**Notice**”).

The Record Date and Currency

Only Shareholders of record at the close of business (Pacific Time) on Monday, May 8, 2023 (the “**Record Date**”) will be entitled to receive Notice of and vote at the Meeting, or any adjournment or postponement thereof. Unless otherwise stated, all amounts herein are in Canadian dollars.

PROXIES AND VOTING RIGHTS

Management Solicitation

Due to the ongoing COVID-19 pandemic and provincial and federal guidance regarding public gatherings, Shareholders and proxyholders are encouraged not to attend the Meeting in person in order to mitigate potential risks to the health and safety of Shareholders, employees, and the community. There may be strict limitations on the number of persons permitted entry to the physical meeting location and guests may not be permitted entry. We strongly recommend that all Shareholders vote by proxy or voting instruction form in advance of the Meeting date.

The solicitation of proxies by the Company will be conducted by mail and may be supplemented by telephone or other personal contact to be made without special compensation by the directors, officers and employees of the Company. The Company does not reimburse Shareholders, nominees or agents for costs incurred in obtaining from their principals authorization to execute forms of proxy, except that the Company has requested brokers and nominees who hold stock in their respective names to furnish this proxy material to their customers, and the Company will reimburse such brokers and nominees for their related out of pocket expenses. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company.

No person has been authorized to give any information or to make any representation other than as contained in this Circular in connection with the solicitation of proxies. If given or made, such information or representations must not be relied upon as having been authorized by the Company. The delivery of this Circular shall not create, under any circumstances, any implication that there has been no change in the information set forth herein since the date of this Circular. This Circular does not constitute the solicitation of a proxy by anyone in any jurisdiction in which such solicitation is not authorized, or in which the person making such solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such an offer of solicitation.

Notice-and-Access

The Company is sending proxy related materials to its registered and beneficial Shareholders using “notice-and-access”, as defined under National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*. Notice-and-access is a set of rules for reducing the volume of materials that must be physically

mailed to Shareholders by allowing issuers to post their information circular and additional materials online. Instead of receiving paper copies of meeting materials, Shareholders receive a “notice-and-access notice” containing prescribed information, as well as a form of proxy or voting information form, as applicable.

Shareholders with existing instructions on their account to receive paper materials will receive a paper copy of the meeting materials.

Appointment of Proxyholder

The purpose of a proxy is to designate persons who will vote the proxy on a Shareholder's behalf in accordance with the instructions given by the Shareholder in the proxy. The persons whose names are printed on the form of proxy are officers or directors of the Company (the "**Management Proxyholders**").

A Shareholder has the right to appoint a person other than a Management Proxyholder, to represent the Shareholder at the Meeting by striking out the names of the Management Proxyholders and by inserting the desired person's name in the blank space provided or by executing a proxy in a form similar to the form as mailed. A proxyholder need not be a Shareholder.

Voting by Proxy

Only registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Shares represented by a properly executed proxy will be voted or be withheld from voting on each matter referred to in the Notice of Meeting in accordance with the instructions of the Shareholder on any ballot that may be called for and if the Shareholder specifies a choice with respect to any matter to be acted upon, the Shares will be voted accordingly.

If a Shareholder does not specify a choice and the Shareholder has appointed one of the Management Proxyholders as proxyholder, the Management Proxyholder will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.

The form of proxy also gives discretionary authority to the person named therein as proxyholder with respect to amendments or variations to matters identified in the Notice of the Meeting and with respect to other matters which may properly come before the Meeting. At the date of this Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

Completion and Return of Proxy

Completed form of proxy must be deposited at the office of the Company's registrar and transfer agent, Computershare Investor Services Inc. (the "**Transfer Agent**") at 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, Attention: Proxy Department, before 10:00 a.m. (Pacific Time), on June 19, 2023, or no later than 48 hours (excluding Saturdays, Sundays and holidays) before any adjournment or postponement of the Meeting, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

Non-Registered Holders

Only Shareholders whose names appear on the records of the Company as the registered holders of Shares or duly appointed proxyholders are permitted to vote at the Meeting. Most Shareholders are “non-registered” Shareholders because the Shares they own are not registered in their names but instead registered in the name of a nominee such as brokerage firm through which they purchased the Shares; bank, trust company, trustee or administrator of self-administered RRSPs, RRIFs, RESPs and similar plans; or a clearing agency such as The Canadian Depository for Securities Limited (a “**Nominee**”). If you purchased your Shares through a broker, you are likely a non-registered holder.

In accordance with securities regulatory policy, the Company has distributed copies of the notice-and-access notice and form of proxy to the Nominees for distribution to non-registered holders.

Nominees are required to forward the Meeting materials to non-registered holders to seek their voting instructions in advance of the Meeting. Shares held by Nominees can only be voted in accordance with the instructions of the non-

registered holder. The Nominees often have their own form of proxy, mailing procedures and provide their own return instructions. If you wish to vote by proxy, you should carefully follow the instructions from the Nominee in order that your Shares are voted at the Meeting.

If you, as a non-registered holder, wish to vote at the Meeting in person, you should appoint yourself as proxyholder by writing your name in the space provided on the request for voting instructions or proxy provided by the Nominee and return the form to the Nominee in the envelope provided. Do not complete the voting section of the form as your vote will be taken at the Meeting.

Non-registered holders who have not objected to their Nominee disclosing certain ownership information about themselves to the Company are referred to as “non-objecting beneficial owners” (“**NOBOs**”). Those non-registered holders who have objected to their Nominee disclosing ownership information about themselves to the Company are referred to as “objecting beneficial owners” (“**OBOs**”).

The Company is not sending the Meeting materials directly to NOBOs in connection with the Meeting, but rather has distributed copies of the Meeting materials to the Nominees for distribution to NOBOs.

The Company does not intend to pay for Nominees to deliver the Meeting materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary* to OBOs. As a result, OBOs will not receive the Meeting materials unless their Nominee assumes the costs of delivery.

Revocability of Proxy

In addition to revocation in any other manner permitted by law, a Shareholder, his or her attorney authorized in writing or, if the Shareholder is a corporation, a corporation under its corporate seal or by an officer or attorney thereof duly authorized, may revoke a proxy by instrument in writing, including a proxy bearing a later date. The instrument revoking the proxy must be deposited at the registered office of the Company at any time up to and including the last Business Day preceding the date of the Meeting, or any adjournment or postponement thereof, or with the chairman of the Meeting on the day of the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company is authorized to issue an unlimited number of common shares without par value (“**Shares**”), of which 155,385,969 Shares were issued and outstanding as of the Record Date. Persons who are registered Shareholders at the close of business on the Record Date will be entitled to receive Notice of and vote at the Meeting and will be entitled to one vote for each Cruz Share held. The Company has only one class of shares issued and outstanding.

To the knowledge of the directors and executive officers of the Company, no person or company beneficially owns, controls or directs, directly or indirectly, Shares carrying 10% or more of the voting rights attached to the outstanding Shares of the Company.

NUMBER OF DIRECTORS

The Articles of the Company provide for a board of directors of no fewer than three directors and no greater than a number as fixed or changed from time to time by majority approval of the shareholders.

At the Meeting, Shareholders will be asked to pass an ordinary resolution to set the number of directors of the Company until the next annual meeting. The number of directors will be approved if the affirmative vote of the majority of Shares present or represented by proxy at the Meeting and entitled to vote are voted in favour to set the number of directors at three.

Management recommends the approval of the resolution to set the number of directors of the Company at four (4).

ELECTION OF DIRECTORS

The Company currently has four (4) directors and all of these directors are standing for re-election. The directors of the Company are elected at each annual general meeting and generally hold office until the next annual meeting or until their successors are appointed. In the absence of instructions to the contrary, proxies will be voted for the nominees listed herein.

The Company is required by applicable securities laws to have an audit committee. Members of the audit committee (the “**Audit Committee**”) are set out below.

Management of the Company proposes to nominate each of the following persons for election as a director. Information concerning such persons, as furnished by the individual nominees, is as follows:

| Name, Jurisdiction of Residence and Position(s) | Principal Occupation or Employment and, if not a Previously Elected Director, Occupation during the Past 5 Years | Director Since | Number of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly ⁽¹⁾ |
|--|--|------------------|---|
| James Nelson ⁽²⁾ Coquitlam, British Columbia, Canada <i>President, CEO, Secretary and Director</i> | Self-employed businessman offering consulting services to public companies | May 17 , 2010 | 2,027,500 |
| Seth Kay Vancouver, British Columbia, Canada <i>Director</i> | Self-employed businessman offering consulting services to public companies | April 24, 2015 | 2,176,000 |
| George Franklin Bain ⁽²⁾ Arizona, U.S.A. <i>Director</i> | Private geological consultant | October 28, 2021 | 80,000 |
| Negar Adam ⁽²⁾ Vancouver, British Columbia, Canada <i>Director</i> | Ms. Adam has been a director and officer of numerous Canadian public companies. Ms. Adam is self-employed as a consultant and has offered consulting services to public companies since 1999. | May 16, 2022 | Nil |

⁽¹⁾ The information as to country of residence, principal occupation and number of Shares beneficially owned by the nominees (directly or indirectly or over which control or direction is exercised) is not within the knowledge of the management of the Company and has been furnished to the Company by the respective nominees.

⁽²⁾ Member of the Audit Committee

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 of the Company.

To the knowledge of the Company, no proposed director is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer (“**CEO**”) or chief financial officer (“**CFO**”) of any company (including the Company) that:

- (i) was subject, while the proposed director was acting in the capacity as director, CEO or CFO of such company, of a cease trade or similar 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; or
- (ii) was subject to a cease trade or similar 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, CEO or CFO but which resulted from an event that occurred while the proposed director was acting in the capacity as director, CEO or CFO of such company; or
- (iii) is, as at the date of this Circular, or has been within ten years before the date of this Circular, a director or executive officer of any company (including Cruz) 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
- (iv) has, within the ten 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
- (v) has been subject to 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
- (vi) has been subject to any 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.

Management recommends the approval of each of the nominees listed above for election as directors of the Company to hold office until the next annual meeting.

STATEMENT OF EXECUTIVE COMPENSATION

General

For the purpose of this Statement of Executive Compensation:

“**compensation securities**” includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the Company or one of its subsidiaries (if any) for services provided or to be provided, directly or indirectly to the Company or any of its subsidiaries (if any);

“**NEO**” or “**named executive officer**” means:

- (a) each individual who served as CEO of the Company, or who performed functions similar to a CEO, during any part of the most recently completed financial year,
- (b) each individual who served as CFO of the Company, or who performed functions similar to a CFO, during any part of the most recently completed financial year,
- (c) the most highly compensated executive officer of the Company or any of its subsidiaries (if any) other than individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000 for that financial year, and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries (if any), nor acting in a similar capacity, at the end of that financial year;

“**plan**” includes any plan, contract, authorization or arrangement, whether or not set out in any formal document, where cash, compensation securities or any other property may be received, whether for one or more persons; and

“**underlying securities**” means any securities issuable on conversion, exchange or exercise of compensation securities.

Director and Named Executive Officer Compensation, excluding Compensation Securities

The following table sets forth all direct and indirect compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Company or any subsidiary thereof to each NEO and each director of the Company, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or director for services provided and for services to be provided, directly or indirectly, to the Company or any subsidiary thereof for each of the two most recently completed financial years, other than stock options and other compensation securities:

| Name and Position | Year Ended July 31st | Salary, Consulting Fee, Retainer or Commission (\$) | Bonus (\$) | Committee or Meeting Fees (\$) | Value of Perquisites (\$) | Value of All Other Compensation (\$) | Total Compensation (\$) |
|--|----------------------|---|------------|--------------------------------|---------------------------|--------------------------------------|-------------------------|
| James Nelson ⁽¹⁾ President, CEO, Secretary and Director | 2022 | 55,300 ⁽²⁾ | Nil | Nil | Nil | Nil | 55,300 |
| | 2021 | 66,300 ⁽³⁾ | Nil | Nil | Nil | Nil | 66,300 |
| Cindy Cai ⁽⁴⁾ CFO | 2022 | 61,300 ⁽⁵⁾ | Nil | Nil | Nil | Nil | 61,300 |
| | 2021 | 73,800 ⁽⁶⁾ | Nil | Nil | Nil | Nil | 73,800 |
| Gregory Thomson ⁽⁷⁾ Former Director | 2022 | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2021 | 2,500 ⁽⁸⁾ | Nil | Nil | Nil | Nil | 2,500 |
| Seth Kay ⁽⁹⁾ Director | 2022 | 55,300 ⁽¹⁰⁾ | Nil | Nil | Nil | Nil | 55,300 |
| | 2021 | 65,300 ⁽¹¹⁾ | Nil | Nil | Nil | Nil | 65,300 |
| George Franklin Bain ⁽¹²⁾ Director | 2022 | 2,500 ⁽⁸⁾ | Nil | Nil | Nil | Nil | 2,500 |
| | 2021 | Nil | Nil | Nil | Nil | Nil | Nil |
| Negar Adam ⁽¹³⁾ Director | 2022 | 1,500 ⁽⁸⁾ | Nil | Nil | Nil | Nil | 1,500 |
| | 2021 | Nil | Nil | Nil | Nil | Nil | Nil |

(1) James Nelson was appointed as President and Secretary on April 24, 2015 and a director on May 17, 2010.

(2) \$52,800 of these fees were paid to BLB Consulting Inc., a company controlled by Mr. Nelson, as compensation for his services. \$2,500 of these fees were paid to Mr. Nelson as a directors' fee.

(3) \$52,800 of these fees were paid to BLB Consulting Inc., a company controlled by Mr. Nelson, and \$11,000 were paid to Mr. Nelson, as compensation for his services. \$2,500 of these fees were paid to Mr. Nelson as a directors' fee.

(4) Cindy Cai was appointed as Chief Financial Officer on September 13, 2010.

(5) \$7,300 of these fees were paid to Ms. Cai and \$54,000 of these fees were paid to Sea Star Consulting Inc., a company controlled by Ms. Cai, for accounting services provided.

(6) \$19,800 of these fees were paid to Ms. Cai and \$54,000 of these fees were paid to Sea Star Consulting Inc., a company controlled by Ms. Cai, for accounting services provided.

(7) Gregory Thomson was appointed a director of the Company on July 8, 2013. Mr. Thomson resigned on October 28, 2021.

(8) These fees were paid as a director's fee.

(9) Seth Kay was appointed a director of the Company on April 24, 2015.

(10) \$52,800 of these fees were paid to Mr. Kay as compensation for his services. \$2,500 of these fees were paid to Mr. Kay as a directors' fee.

(11) \$62,800 of these fees were paid to Mr. Kay as compensation for his services. \$2,500 of these fees were paid to Mr. Kay as a directors' fee.

(12) George Franklin Bain was appointed a director of the Company on October 28, 2021.

(13) Negar Adam was appointed a director of the Company on May 16, 2022.

Stock Options and Other Compensation Securities

The following table sets out all compensation securities granted or issued to each director and NEO by the Company or any subsidiary thereof in the year ended July 31, 2022 for services provided, or to be provided, directly or indirectly, to the Company or any subsidiary thereof:

| 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 |
|---|-------------------------------|--|------------------------|--|--|---|------------------|
| James Nelson ⁽¹⁾ President, CEO, Secretary and Director | Stock Options | 1,400,000 / 1.3% | November 2, 2021 | 0.30 | 0.30 | 0.15 | November 2, 2022 |
| Cindy Cai ⁽²⁾ CFO | Stock Options | 600,000 / * | November 2, 2021 | 0.30 | 0.30 | 0.15 | November 2, 2022 |
| Gregory Thomson ⁽³⁾ Former Director | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Seth Kay ⁽⁴⁾ Director | Stock Options | 1,400,000 / 1.3% | November 2, 2021 | 0.30 | 0.30 | 0.15 | November 2, 2022 |
| George Franklin Bain ⁽⁵⁾ Director | Stock Options | 600,000 / * | November 2, 2021 | 0.30 | 0.30 | 0.15 | November 2, 2022 |
| Negar Adam ⁽⁶⁾ Director | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

* Represents less than 1% of the issued and outstanding Shares.

(1) As of July 31, 2022, James Nelson held 1,400,000 stock options which are exercisable at \$0.30 per share until expiry on November 2, 2022.

(2) As of July 31, 2022, Cindy Cai held 600,000 stock options which are exercisable at \$0.30 per share until expiry on November 2, 2022.

(3) As of July 31, 2022, Gregory Thomson did not hold any stock options.

(4) As of July 31, 2022, Seth Kay held 1,400,000 stock options which are exercisable at \$0.30 per share until expiry on November 2, 2022.

(5) As of July 31, 2022, George Franklin Bain held 600,000 stock options which are exercisable at \$0.30 per share until expiry on November 2, 2022.

(6) As of July 31, 2022, Negar Adam did not hold any stock options.

Exercise of Compensation Securities by Directors and NEOs

The following table sets out all compensation securities exercised by directors and NEOs in the year ended July 31, 2022:

| Exercise of Compensation Securities by Directors and NEOs | | | | | | | |
|---|-------------------------------|---|----------------------------------|------------------|---|--|-----------------------------------|
| Name and Position | Type of Compensation Security | Number of Underlying Securities Exercised | Exercise Price Per Security (\$) | Date of Exercise | Closing Price per Security on Date of Exercise (\$) | Difference Between Exercise Price and Closing Price on the Date of Exercise (\$) | Total Value on Exercise Date (\$) |
| James Nelson CEO & Director | Stock Options | 600,000 | 0.075 | February 1, 2022 | 0.26 | 0.185 | 111,000 |
| Seth Kay Director | Stock Options | 600,000 | 0.075 | February 1, 2022 | 0.26 | 0.185 | 111,000 |
| Cindy Cai CFO | Stock Options | 1,000,000 | 0.075 | February 1, 2022 | 0.26 | 0.185 | 185,000 |

Omnibus Equity Incentive Plan and Other Incentive Plans

The Company's Omnibus Equity Incentive Plan (the "2022 Equity Incentive Plan") was adopted by the Board on March 31, 2022 and was most recently approved by Shareholders on May 16, 2022. The 2022 Equity Incentive Plan superseded the Company's former Stock Option Plan. Notwithstanding the foregoing, pursuant to the terms of the 2022 Equity Incentive Plan, all outstanding options granted under the former Stock Option Plan will be governed by the 2022 Equity Incentive Plan, unless the former Stock Option Plan is more beneficial, in which case the terms of the Stock Option Plan will apply for the benefit of the option holder.

The purpose of the 2022 Equity Incentive Plan is to, among other things, provide the Company with a share related mechanism to attract, retain and motivate qualified directors, employees and consultants of the Company and its subsidiaries, to reward such of those directors, employees and consultants as may be granted awards under the 2022 Equity Incentive Plan by the Board from time to time for their contributions toward the long-term goals and success of the Company and to enable and encourage such directors, employees and consultants to acquire Shares as long-term investments and proprietary interests in the Company.

Shares Subject to the 2022 Equity Incentive Plan

The 2022 Equity Incentive Plan is a rolling plan which, subject to the adjustment provisions provided for therein (including a subdivision or consolidation of Shares), provides that the aggregate maximum number of Shares that may be issued upon the exercise or settlement of awards granted under the 2022 Equity Incentive Plan, shall not exceed 20% of the Company's issued and outstanding Shares from time to time, such number being 22,549,700 as at July 31, 2022. The 2022 Equity Incentive Plan is considered an "evergreen" plan, since the Shares covered by awards which have been exercised, settled or terminated shall be available for subsequent grants under the 2022 Equity Incentive Plan and the number of awards available to grant increases as the number of issued and outstanding Shares increases.

Insider Participation Limit

The 2022 Equity Incentive Plan also provides that the aggregate number of Shares (a) issuable to insiders at any time (under all of the Company's security-based compensation arrangements) cannot exceed 10% of the Company's issued and outstanding Shares and (b) issued to insiders within any one year period (under all of the Company's security-based compensation arrangements) cannot exceed 10% of the Company's issued and outstanding Shares.

Any Shares issued by the Company through the assumption or substitution of outstanding stock options or other equity-based awards from an acquired company shall not reduce the number of Shares available for issuance pursuant to the exercise of awards granted under the 2022 Equity Incentive Plan.

Administration of the 2022 Equity Incentive Plan

The Plan Administrator (as defined in the 2022 Equity Incentive Plan) is determined by the Board, and is initially the Board. The 2022 Equity Incentive Plan may in the future continue to be administered by the Board itself or delegated to a committee of the Board. The Plan Administrator determines which directors, officers, consultants and employees are eligible to receive awards under the 2022 Equity Incentive Plan, the time or times at which awards may be granted, the conditions under which awards may be granted or forfeited to the Company, the number of Shares to be covered by any award, the exercise price of any award, whether restrictions or limitations are to be imposed on the Shares issuable pursuant to grants of any award, and the nature of any such restrictions or limitations, any acceleration of exercisability or vesting, or waiver of termination regarding any award, based on such factors as the Plan Administrator may determine.

In addition, the Plan Administrator interprets the 2022 Equity Incentive Plan and may adopt guidelines and other rules and regulations relating to the 2022 Equity Incentive Plan, and make all other determinations and take all other actions necessary or advisable for the implementation and administration of the 2022 Equity Incentive Plan.

Eligibility

All directors, employees and consultants are eligible to participate in the 2022 Equity Incentive Plan. The extent to which any such individual is entitled to receive a grant of an award pursuant to the 2022 Equity Incentive Plan will be determined in the sole and absolute discretion of the Plan Administrator.

Types of Awards

The 2022 Equity Incentive Plan provides the grant of stock options, restricted share units ("RSUs"), deferred share units ("DSUs"), and performance share units ("PSUs").

All of the awards described below are subject to the conditions, limitations, restrictions, exercise price, vesting, settlement and forfeiture provisions determined by the Plan Administrator, in its sole discretion, subject to such limitations provided in the 2022 Equity Incentive Plan, and will generally be evidenced by an award agreement. In addition, subject to the limitations provided in the 2022 Equity Incentive Plan and in accordance with applicable law, the Plan Administrator may accelerate or defer the vesting or payment of awards, cancel or modify outstanding awards, and waive any condition imposed with respect to awards or Shares issued pursuant to awards.

Restricted Share Units

A RSU is a unit equivalent in value to a Share credited by means of a bookkeeping entry in the books of the Company which entitles the holder to receive one Share (or the value thereof) for each RSU after a specified vesting period. The Plan Administrator may, from time to time, subject to the provisions of the 2022 Equity Incentive Plan and such other terms and conditions as the Plan Administrator may prescribe, grant RSUs to any participant in respect of a bonus or similar payment in respect of services rendered by the applicable participant in a taxation year (the "RSU Service Year").

The number of RSUs (including fractional RSUs) granted at any particular time under the 2022 Equity Incentive Plan will be calculated by dividing (a) the amount of any bonus or similar payment that is to be paid in RSUs, as determined by the Plan Administrator, by (b) the Market Price. The Plan Administrator shall have the authority to

determine any vesting terms applicable to the grant of RSUs, provided that the terms comply with Section 409A of the U.S. Internal Revenue Code of 1986, to the extent applicable.

Upon settlement, holders will redeem each vested RSU for the following at the election of such holder but subject to the approval of the Plan Administrator: (a) one fully paid and non-assessable Share in respect of each vested RSU, (b) a cash payment or (c) a combination of Shares and cash. Any such cash payments made by the Company shall be calculated by multiplying the number of RSUs to be redeemed for cash by the Market Price per Share as at the settlement date. Subject to the provisions of the 2022 Equity Incentive Plan and except as otherwise provided in an award agreement, no settlement date for any RSU shall occur, and no Share shall be issued or cash payment shall be made in respect of any RSU any later than the final business day of the third calendar year following the applicable RSU Service Year.

Performance Share Units

A PSU is a unit equivalent in value to a Share credited by means of a bookkeeping entry in the books of the Company which entitles the holder to receive one Share (or the value thereof) for each PSU after specific performance-based vesting criteria determined by the Plan Administrator, in its sole discretion, have been satisfied. The performance goals to be achieved during any performance period, the length of any performance period, the amount of any PSUs granted, the effect of termination of a participant's service and the amount of any payment or transfer to be made pursuant to any PSU will be determined by the Plan Administrator and by the other terms and conditions of any PSU, all as set forth in the applicable award agreement. The Plan Administrator may, from time to time, subject to the provisions of the 2022 Equity Incentive Plan and such other terms and conditions as the Plan Administrator may prescribe, grant PSUs to any participant in respect of a bonus or similar payment in respect of services rendered by the applicable participant in a taxation year (the "**PSU Service Year**").

The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of PSUs. Upon settlement, holders will redeem each vested PSU for the following at the election of such holder but subject to the approval of the Plan Administrator: (a) one fully paid and non-assessable Share in respect of each vested PSU, (b) a cash payment, or (c) a combination of Shares and cash. Any such cash payments made by the Company to a participant shall be calculated by multiplying the number of PSUs to be redeemed for cash by the Market Price per Share as at the settlement date. Subject to the provisions of the 2022 Equity Incentive Plan and except as otherwise provided in an award agreement, no settlement date for any PSU shall occur, and no Share shall be issued or cash payment shall be made in respect of any PSU any later than the final business day of the third calendar year following the applicable PSU Service Year.

Dividend Equivalents

Except as otherwise determined by the Plan Administrator or as set forth in the particular award agreement, RSUs, PSUs and DSUs shall be credited with dividend equivalents in the form of additional RSUs, PSUs and DSUs, as applicable, as of each dividend payment date in respect of which normal cash dividends are paid on Shares. Dividend equivalents shall vest in proportion to, and settle in the same manner as, the awards to which they relate. Such dividend equivalents shall be computed by dividing: (a) the amount obtained by multiplying the amount of the dividend declared and paid per Share by the number of RSUs, PSUs and DSUs, as applicable, held by the participant on the record date for the payment of such dividend, by (b) the Market Price at the close of the first business day immediately following the dividend record date, with fractions computed to three decimal places.

Black-out Periods

In the event an award expires, at a time when a scheduled blackout is in place or an undisclosed material change or material fact in the affairs of the Company exists, the expiry of such award will be the date that is 10 business days after which such scheduled blackout terminates or there is no longer such undisclosed material change or material fact.

Term

While the 2022 Equity Incentive Plan does not stipulate a specific term for awards granted thereunder, as discussed below, awards may not expire beyond 10 years from its date of grant, except where shareholder approval is received

or where an expiry date would have fallen within a blackout period of the Company. All awards must vest and settle in accordance with the provisions of the 2022 Equity Incentive Plan and any applicable award agreement, which award agreement may include an expiry date for a specific award.

Termination of Employment or Services

The following table describes the impact of certain events upon the participants under the 2022 Equity Incentive Plan, including termination for cause, resignation, termination without cause, disability, death or retirement, subject, in each case, to the terms of a participant’s applicable employment agreement, award agreement or other written agreement:

| <u>Event</u> | <u>Provisions</u> |
|--|---|
| Termination for Cause/Resignation | <ul style="list-style-type: none"> Any award held by the participant that has not been exercised, surrendered or settled as of the Termination Date (as defined in the 2022 Equity Incentive Plan) shall be immediately forfeited and cancelled as of the Termination Date. |
| Termination without Cause | <ul style="list-style-type: none"> A portion of any unvested awards shall immediately vest, such portion to be equal to the number of unvested awards held by the participant as of the Termination Date multiplied by a fraction the numerator of which is the number of days between the date of grant and the Termination Date and the denominator of which is the number of days between the date of grant and the date any unvested awards were originally scheduled to vest. |
| Disability | <ul style="list-style-type: none"> A portion of any unvested awards shall immediately vest, such portion to be equal to the number of unvested awards held by the participant as of the date of disability multiplied by a fraction the numerator of which is the number of days between the date of grant and the date of disability and the denominator of which is the number of days between the date of grant and the date any unvested awards were originally scheduled to vest. Any vested award will be settled within 90 days after the Termination Date. |
| Death | <ul style="list-style-type: none"> A portion of any unvested awards shall immediately vest, such portion to be equal to the number of unvested awards held by the participant as of the date of death multiplied by a fraction the numerator of which is the number of days between the date of grant and the date of death and the denominator of which is the number of days between the date of grant and the date any unvested awards were originally scheduled to vest. Any vested award will be settled with the Participant’s beneficiary or legal representative (as applicable) within 90 days after the date of the Participant’s death. |
| Retirement | <ul style="list-style-type: none"> (i) a portion of any unvested awards shall immediately vest, such portion to be equal to the number of unvested awards held by the Participant as of the date of retirement multiplied by a fraction the numerator of which is the number of days between the Date of Grant and the date of retirement and the denominator of which is the number of days between the Date of Grant and the date any unvested awards were originally scheduled to vest, and (ii) any outstanding award that vests based on the achievement of Performance Goals (as defined in the 2022 Equity Incentive Plan) that has not previously become vested shall continue to be eligible to vest based upon the actual achievement of such Performance Goals. Any vested award that is described in (i), such award will be settled within 90 days after the participant’s retirement. In the case of a vested award that is described in (ii), such award will be settled at the same time the award would otherwise have been settled had the participant remained in active service with the Company or its subsidiary. Notwithstanding the foregoing, if, following his or her retirement, the participant commences (the “Commencement Date”) employment, consulting or acting as a director of the Company or any of its subsidiaries (or in an analogous capacity) or otherwise as a service provider to any person that carries on or proposes to carry on a business competitive with the Company or any of its subsidiaries. |

Change in Control

Under the 2022 Equity Incentive Plan, except as may be set forth in an employment agreement, award agreement or other written agreement between the Company or a subsidiary of the Company and a participant:

- (a) If within 12 months following the completion of a transaction resulting in a Change in Control (as defined below), a participant's employment, consultancy or directorship is terminated by the Company or a subsidiary of the Company without Cause (as defined in the 2022 Equity Incentive Plan), without any action by the Plan Administrator:
 - (i) any unvested awards held by the participant at Termination Date may vest in the sole discretion of the Plan Administrator; and
 - (ii) any vested awards may be exercised, surrendered to the Company, or settled by the participant at any time during the period that terminates on the earlier of: (A) the expiry date of such award; and (B) the date that is 90 days after the Termination Date. Any award that has not been exercised, surrendered or settled at the end of such period being immediately forfeited and cancelled.
- (b) Unless otherwise determined by the Plan Administrator, if, as a result of a Change in Control, the Shares will cease trading on the CSE, the Company may terminate all of the awards held by a participant that is a resident of Canada for the purposes of the Income Tax Act (Canada), granted under the 2022 Equity Incentive Plan at the time of and subject to the completion of the Change in Control transaction by paying to each holder at or within a reasonable period of time following completion of such Change in Control transaction an amount for each Award equal to the fair market value of the Award held by such participant as determined by the Plan Administrator, acting reasonably, provided that any vested awards granted to U.S. Taxpayers (as defined in the 2022 Equity Incentive Plan) will be settled within 90 days of the Change in Control.

Subject to certain exceptions, a "Change in Control" includes (a) any transaction pursuant to which a person or group acquires more than 50% of the outstanding Shares, (b) the sale of all or substantially all of the Company's assets, (c) the dissolution or liquidation of the Company, (d) the acquisition of the Company via consolidation, merger, exchange of securities, purchase of assets, amalgamation, statutory arrangement or otherwise, (e) individuals who comprise the Board at the last annual meeting of Shareholders (the "Incumbent Board") cease to constitute at least a majority of the Board, unless the election, or nomination for election by the Shareholders, of any new director was approved by a vote of at least a majority of the Incumbent Board, in which case such new director shall be considered as a member of the Incumbent Board, or (f) any other event which the Board determines to constitute a change in control of the Company.

Non-Transferability of Awards

Except as permitted by the Plan Administrator and to the extent that certain rights may pass to a beneficiary or legal representative upon death of a participant, by will or as required by law, no assignment or transfer of awards, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such awards whatsoever in any assignee or transferee and immediately upon any assignment or transfer, or any attempt to make the same, such awards will terminate and be of no further force or effect. To the extent that certain rights to exercise any portion of an outstanding award pass to a beneficiary or legal representative upon the death of a participant, the period in which such award can be exercised by such beneficiary or legal representative shall not exceed one year from the participant's death.

Amendments to the 2022 Equity Incentive Plan

The Plan Administrator may also from time to time, without notice and without approval of the holders of voting Shares, amend, modify, change, suspend or terminate the 2022 Equity Incentive Plan or any awards granted pursuant thereto as it, in its discretion, determines appropriate, provided that (a) no such amendment, modification, change, suspension or termination of the 2022 Equity Incentive Plan or any award granted pursuant thereto may materially impair any rights of a participant or materially increase any obligations of a participant under the 2022 Equity Incentive Plan without the consent of such participant, unless the Plan Administrator determines such

adjustment is required or desirable in order to comply with any applicable securities laws or stock exchange requirements, and (b) any amendment that would cause an award held by a U.S. Taxpayer to be subject to the income inclusion under Section 409A of the United States Internal Revenue Code of 1986, as amended, shall be null and void ab initio.

Notwithstanding the above, and subject to the rules of the CSE, the approval of Shareholders is required to effect any of the following amendments to the 2022 Equity Incentive Plan:

- (a) increasing the number of Shares reserved for issuance under the 2022 Equity Incentive Plan, except pursuant to the provisions in the 2022 Equity Incentive Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Company or its capital;
- (b) increasing or removing the 10% limits on Shares issuable or issued to insiders;
- (c) reducing the exercise price of an option award (for this purpose, a cancellation or termination of an award of a participant prior to its expiry date for the purpose of reissuing an award to the same participant with a lower exercise price shall be treated as an amendment to reduce the exercise price of an award) except pursuant to the provisions in the 2022 Equity Incentive Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Company or its capital;
- (d) increasing or removing the limits on the participation of non-employee directors;
- (e) permitting awards to be transferred to a person;
- (f) changing the eligible participants; and
- (g) deleting or otherwise limiting the amendments which require approval of the Shareholders.

Except for the items listed above, amendments to the 2022 Equity Incentive Plan will not require shareholder approval. Such amendments include (but are not limited to): (a) amending the general vesting provisions of an award, (b) amending the provisions for early termination of awards in connection with a termination of employment or service, (c) adding covenants of the Company for the protection of the participants, (d) amendments that are desirable as a result of changes in law in any jurisdiction where a participant resides, and (e) curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error.

Anti-Hedging Policy

Participants are restricted from purchasing financial instruments such as prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of awards granted to them.

As at the date hereof, there are 4,300,000 stock options and 1,996,000 RSUs outstanding under the 2022 Equity Incentive Plan. A copy of the Company's 2022 Equity Incentive Plan is available under the Company's profile on SEDAR at www.sedar.com.

Employment, Consulting and Management Agreements

The Company does not have any employment, consulting or management agreements or arrangements with any of the Company's current NEOs or directors.

Oversight and Description of Director and NEO Compensation

The Company's compensation program is intended to attract, motivate, reward and retain the management talent needed to achieve the Company's business objectives of improving overall corporate performance and creating long-term value for the Company's Shareholders. The compensation program is intended to reward executive officers on the basis of individual performance and achievement of corporate objectives, including the advancement of the exploration and development goals of the Company. The Company's current compensation program is

comprised of base salary or fees, short term incentives such as discretionary bonuses and long term incentives such as stock options.

The Company's board of directors (the "**Board**") has not created or appointed a compensation committee given the Company's current size and stage of development. All tasks related to developing and monitoring the Company's approach to the compensation of the Company's NEOs and directors are performed by the members of the Board. The compensation of the NEOs, directors and the Company's employees or consultants, if any, is reviewed, recommended and approved by the Board without reference to any specific formula or criteria. NEOs that are also directors of the Company are involved in discussion relating to compensation, and disclose their interest in and abstain from voting on compensation decisions relating to them, as applicable, in accordance with the applicable corporate legislation.

In making compensation decisions, the Board strives to find a balance between short-term and long-term compensation and cash versus equity incentive compensation. Base salaries or fees and discretionary cash bonuses primarily reward recent performance and incentive stock options encourage NEOs and directors to continue to deliver results over a longer period of time and serve as a retention tool. The annual salary or fee for each NEO, as applicable, is determined by the Board based on the level of responsibility and experience of the individual, the relative importance of the position to the Company, the professional qualifications of the individual and the performance of the individual over time. The NEOs' performances and salaries or fees are to be reviewed periodically. Increases in salary or fees are to be evaluated on an individual basis and are performance and market-based. The amount and award of cash bonuses to key executives and senior management is discretionary, depending on, among other factors, the financial performance of the Company and the position of a participant.

Pension Plan Benefits

The Company does not have any pension, defined benefit, defined contribution or deferred compensation plans in place.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth details of all the Company's equity compensation plans as of July 31, 2022. The equity compensation plan consists of the Company's 2022 Equity Incentive Plan:

| Plan Category | Number of securities to be issued upon exercise of outstanding options, warrants and rights⁽¹⁾ (a) | Weighted-average exercise price of outstanding options, warrants and rights (b) | Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c) |
|---|--|--|--|
| Equity compensation plans approved by securityholders | 7,000,000 | \$0.30 | 15,549,700 ⁽²⁾ |
| Equity compensation plans not approved by securityholders | Nil | \$Nil | Nil |
| Total | 7,000,000 | \$0.30 | 15,549,700 |

⁽¹⁾ The Company does not have any warrants or rights outstanding under any equity compensation plans.

⁽²⁾ Based on the Company's issued and outstanding Shares of 112,748,504 as of July 31, 2022.

For further information on the Company's 2022 Equity Incentive Plan, see "*Statement of Executive Compensation – Omnibus Equity Incentive Plan and Other Incentive Plans*", above.

APPOINTMENT OF AUDITORS

At the Meeting, Shareholders will be asked to vote for the appointment of Davidson & Company LLP, Chartered Professional Accountants, as auditors of the Company and to authorize the directors to set their remuneration. Davidson & Company LLP was first appointed as auditors of the Company on July 6, 2011.

Management recommends that Shareholders vote in favour of the appointment of Davidson & Company LLP, Chartered Professional Accountants, as the auditor of the Company and authorizing the directors to set their remuneration.

AUDIT COMMITTEE

National Instrument 52-110 of the Canadian Securities Administrators requires the Company, as a venture issuer, to disclose annually in its Circular certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor.

Audit Committee Charter

The Company has adopted an audit committee charter, a copy of which was filed on SEDAR on October 15, 2008.

Mandate

The primary function of the Audit Committee is to assist the Company's Board in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and Shareholders, the Company's systems of internal controls regarding finance and accounting and the Company's auditing, accounting and financial reporting processes. Consistent with this function, the Audit Committee will encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. The Audit Committee's primary duties and responsibilities are to:

- serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements;
- review and appraise the performance of the Company's external auditors; and
- provide an open avenue of communication among the Company's auditors, financial and senior management and the Board.

Composition

The Audit Committee shall be comprised of a minimum three directors as determined by the Board. If the Company ceases to be a "venture issuer" (as that term is defined in National Instrument 51-110), then all of the members of the Audit Committee shall be free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Audit Committee.

If the Company ceases to be a "venture issuer" (as that term is defined in National Instrument 51-110), then all members of the Audit Committee shall have accounting or related financial management expertise. All members of the Audit Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Company's Audit Committee Charter, the definition of "financially literate" is 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 presumably be expected to be raised by the Company's financial statements.

The members of the Audit Committee shall be elected by the Board at its first meeting following the annual shareholders' meeting. Unless a Chair is elected by the full Board, the members of the Audit Committee may designate a Chair by a majority vote of the full Audit Committee membership.

Meetings

The Audit Committee shall meet at least twice annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Audit Committee will meet at least annually with the CFO and the external auditors in separate sessions.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Audit Committee shall:

1. Documents/Reports Review
 - (a) review and update this Audit Committee Charter annually; and
 - (b) review the Company's financial statements, MD&A and any annual and interim earnings press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.
2. External Auditors
 - (a) review annually, the performance of the external auditors who shall be ultimately accountable to the Company's Board and the Audit Committee as representatives of the shareholders of the Company;
 - (b) obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Company, consistent with Independence Standards Board Standard;
 - (c) review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors;
 - (d) take, or recommend that the Company's full Board take appropriate action to oversee the independence of the external auditors, including the resolution of disagreements between management and the external auditor regarding financial reporting;
 - (e) recommend to the Company's Board the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval;
 - (f) recommend to the Company's Board the compensation to be paid to the external auditors;
 - (g) at each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements;
 - (h) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company;
 - (i) review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements; and
 - (j) review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
 - (i) the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by

the Company to its external auditors during the fiscal year in which the non-audit services are provided,

- (ii) such services were not recognized by the Company at the time of the engagement to be non-audit services, and
- (iii) such services are promptly brought to the attention of the Audit Committee by the Company and approved prior to the completion of the audit by the Audit Committee or by one or more members of the Audit Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Audit Committee.

Provided the pre-approval of the non-audit services is presented to the Audit Committee's first scheduled meeting following such approval such authority may be delegated by the Audit Committee to one or more independent members of the Audit Committee.

3. Financial Reporting Processes

- (a) in consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external;
- (b) consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting;
- (c) consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management;
- (d) review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments;
- (e) following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;
- (f) review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements;
- (g) review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented;
- (h) review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters;
- (i) review certification process;
- (j) establish a procedure for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
- (k) establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

4. Other

- (a) review any related-party transactions;
- (b) engage independent counsel and other advisors as it determines necessary to carry out its duties; and
- (c) to set and pay compensation for any independent counsel and other advisors employed by the Audit Committee.

Composition of the Audit Committee

Until his resignation on April 17, 2023, Seth Kay served on the Audit Committee during and subsequent to the 2022 fiscal year. Mr. Kay was an independent, financially literate Audit Committee member. Upon Mr. Kay's resignation on April 17, 2023, George Franklin Bain was appointed to serve on the Audit Committee.

The Company's Audit Committee is comprised of three directors consisting of James Nelson, George Franklin Bain and Negar Adam. As defined in National Instrument 52-110, none of the Audit Committee members are "independent"; however, George Franklin Bain and Negar Adam are considered independent for the purposes of the Exchange Audit Committee composition requirements. All of the Audit Committee members are "financially literate", as defined in National Instrument 52-110, as all have the industry experience necessary to understand and analyze financial statements of the Company, as well as the understanding of internal controls and procedures necessary for financial reporting.

The Audit Committee is responsible for review of both interim and annual financial statements for the Company. For the purposes of performing their duties, the members of the Audit Committee have the right at all times, to inspect all the books and financial records of the Company and any subsidiaries and to discuss with management and the external auditors of the Company any accounts, records and matters relating to the financial statements of the Company. The Audit Committee members meet periodically with management and annually with the external auditors.

Relevant Education and Experience

James Nelson

Mr. Nelson has been involved in various capacities with several public companies as a director, officer, and a consultant specializing in corporate communications. Mr. Nelson's years of experience with public companies has given him significant exposure to the preparation and review of financial statements.

George Franklin Bain

Mr. Bain has been a consulting mineral exploration geologist for 12 years. Mr. Bain holds a Bachelor of Science degree in Geology from the Northern Arizona University and has been a Registered Professional Geoscientist for 25 years.

Negar Adam

Ms. Adam earned a Bachelor of Commerce from the University of British Columbia and has a corporate finance background. Ms. Adam has been a director and officer of numerous Canadian public companies. In addition to previously sitting on the board of numerous companies, Ms. Adam is self-employed as a consultant who offers consulting services to public companies. Ms. Adam's years of experience with public companies has given her significant exposure to the preparation and review of financial statements and assistance with capital raising activities.

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, the Company's Board has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (De Minimis Non-audit Services), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as set out in the Audit Committee Charter of the Company. A copy of the Company's Audit Committee Charter was filed on SEDAR on October 15, 2008.

External Auditor Service Fees

In the following table, "audit fees" are fees billed by the Company's external auditor for services provided in auditing the Company's annual financial statements for the subject year. "Audit-related fees" are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit review of the Company's financial statements. "Tax fees" are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. "All other fees" are fees billed by the auditor for products and services not included in the foregoing categories.

The aggregate fees billed by the Company's external auditor in the years ended July 31, 2022 and 2021 by category, are as follows:

| Financial Year Ended July 31 | Audit Fees | Audit Related Fees | Tax Fees | All Other Fees |
|------------------------------|------------|--------------------|----------|----------------|
| 2022 | \$23,281 | \$Nil | \$Nil | Nil |
| 2021 | \$18,220 | \$Nil | \$Nil | Nil |

Exemption

The Company is relying on the exemption provided by section 6.1 of National Instrument 52-110 which provides that the Company, as a venture issuer, is not required to comply with Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of National Instrument 52-110.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No current or former director, executive officer or employee, proposed nominee for election to the Board, or associate of such persons is, or has been, indebted to the Company since the beginning of the most recently completed financial year of the Company and no indebtedness remains outstanding as at the date of this Circular.

None of the directors or executive officers of the Company is or, at any time since the beginning of the most recently completed financial year, has been indebted to the Company. None of the directors' or executive officers' indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year, has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed in this Circular, no: (a) director, proposed director or executive officer of the Company; (b) person or company who beneficially owns, directly or indirectly, Shares or who exercises control or direction of Shares, or a combination of both carrying more than 10% of the voting rights attached to the Shares outstanding (an "Insider"); (c) director or executive officer of an Insider; or (d) associate or affiliate of any of the directors, executive officers or Insiders, has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company, except with an interest arising from the ownership of Shares where such person or company will receive no extra or special benefit or advantage not shared on a pro rata basis by all holders of the same class of Shares. See "Statement of Executive Compensation" above and the Company's financial statements for the year ended July 31, 2022 for further information.

MANAGEMENT CONTRACTS

Management functions of the Company are substantially performed by directors or senior officers of the Company and not, to any substantial degree, by any other person with whom the Company has contracted.

CORPORATE GOVERNANCE

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“NI 58-101”), the Company is required to disclose its corporate governance practices as follows:

Board of Directors

The Board currently consists of four directors: James Nelson, George Franklin Bain, Negar Adam and Seth Kay. NI 58-101 distinguishes between independent and non-independent directors. For the purposes of NI 58-101, directors who have a direct or indirect material relationship with the Company, including directors who are or have been within the last three years, an employee or executive officer, are deemed to be no independent of the Company. James Nelson, the current CEO of the Company, is not independent. George Franklin Bain and Negar Adam have no direct or indirect material relationship with the Company, and are therefore considered independent.

The Board of the Company facilitates its exercise of independent supervision over the Company’s management through frequent meetings of the Board. The Board approves all significant decisions that affect the Company before they are implemented. The Board generally meets on a quarterly basis, and special meetings are held upon the request of a Board member.

Directorships

| Name of Director of the Company | Names of Other Reporting Issuers |
|---------------------------------|---|
| James Nelson | Spearmint Resources Inc. Jinhua Capital Corporation |
| George Franklin Bain | Spearmint Resources Inc. |
| Negar Adam | Spearmint Resources Inc. Sienna Resources Inc. Jinhua Capital Corporation |
| Seth Kay | Edge Total Intelligence Inc. |

Orientation and Continuing Education

The Board of the Company briefs all new directors with respect to the policies of the Board and other relevant corporate and business information. The Board does not provide any continuing education.

Ethical Business Conduct

The Board has adopted a Code of Business Conduct and Ethics on September 9, 2008, a copy of which was filed on SEDAR on October 15, 2008. In addition, the Board has found that the fiduciary duties placed on individual directors by the Company’s governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director’s participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Nomination of Directors

The Board 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 required time, show support for the Company's mission and strategic objectives, and a willingness to serve.

Compensation

The Board conducts reviews with regard to the compensation of the directors and CEO once a year. The compensation of directors and the CEO is reviewed, recommended and approved by the Board without reference to any specific formula or criteria. In making compensation decisions, the Board strives to find a balance between short-term and long-term compensation and cash versus equity incentive compensation. Increases in salary or fees are to be evaluated on an individual basis and are performance and market-based. The amount and award of cash bonuses to key executives and senior management is discretionary, depending on, among other factors, the financial performance of the Company and the position of a participant. At this time, the Board has not established any benchmarks or any performance goals that the directors and CEO must achieve in order to maintain their respective positions with the Company, although they are expected to carry out their duties in an effective and efficient manner and advance the exploration and development goals of the Company.

Other Board Committees

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

Assessments

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

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

Except as disclosed elsewhere in this Circular, no director or executive officer of the Company who was a director or executive officer since the beginning of the Company's last financial year, each proposed nominee for election as a director of the Company, or any associate or affiliates of any such directors, officers or nominees, has any material interest, direct or indirect, by way of beneficial ownership of Shares or other securities in the Company or otherwise, in any matter to be acted upon at the Meeting other than the election of directors and the grant of options which may be granted to such persons in accordance with the 10% Rolling Option Plan, as discussed above.

PARTICULARS OF MATTERS TO BE ACTED UPON

Transaction of Other Business

In addition to matters described in this Circular, there may be other business which properly comes before the Meeting, or any adjournment or postponement thereof. The form of proxy accompanying this Circular gives the person or company named as proxyholder discretionary authority regarding other business that may properly come before the Meeting, or any adjournment or postponement thereof. In the event that other business is properly brought before the Meeting, it is the intention of the management appointees to vote in accordance with their best judgment on such matters or business. At the time of printing of this Circular, management does not know of any other matters which may be brought before the Meeting or any adjournment or postponement thereof. See "Appointment of Proxy" above.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on Cruz's profile on SEDAR at www.sedar.com.

Shareholders may contact the Company by mail at P. O. Box 10112, Pacific Centre, Vancouver, British Columbia V7Y 1C6, by email at nancy@cococapital.ca or by calling toll-free at 1-855-599-9150 (in North America) or at +1-604-899-9150 (outside North America) to request copies of the Company's audited financial statements and related management discussion & analysis for the financial year ended July 31, 2022.

OTHER MATTERS

Other than the above, management of the Company knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. However, if any other matters that are not known to management should properly come before the Meeting, the accompanying form of proxy confers discretionary authority upon the persons named therein to vote on such matters in accordance with their best judgment.

APPROVAL OF THE BOARD OF DIRECTORS

The contents of this Circular have been approved and the delivery of it to each Shareholder of the Company entitled thereto and to the appropriate regulatory agencies has been authorized by the board of directors of the Company.

DATED at Vancouver, British Columbia as of this 8th day of May, 2023.

ON BEHALF OF THE BOARD OF DIRECTORS

CRUZ BATTERY METALS CORP.

"James Nelson"

James Nelson
President, Chief Executive Officer,
Secretary and Director