INTERNATIONAL BATTERY METALS LTD.

ANNUAL INFORMATION FORM

For the Financial Year Ending March 31, 2023.

August 29, 2023

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DEFINITIONS AND GLOSSARY OF TERMS

The following is a glossary of certain general terms used in this AIF, including the summary hereof. Words importing the singular, where the context requires, include the plural and vice versa and words importing any gender include all genders.

"**2021 Private Placement**" has the meaning ascribed to such term under the heading "*General Development of the Business – Three Year History – Fiscal Year Ended March 31, 2021*";

"**Applicable Securities Laws**" means the Securities Act and, to the extent applicable, the equivalent legislation in the other provinces and territories of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins, and notices of the securities commissions and similar regulatory authorities of each of the provinces and territories of Canada, as applicable, and the published rules and policies of the CSE;

"**Audit Committee**" has the meaning ascribed to such term under the heading "*Audit Committees and Corporate Governance*";

"**AIF**" means this Annual Information Form;

"**BCBCA**" means the *Business Corporations Act* (British Columbia), including the regulations promulgated thereunder, as amended;

"**BCSC**" means the British Columbia Securities Commission, as principal regulator to the Company;

"**Beaty Metals**" means Beaty Metals Ltd.;

"**BMO Capital Markets**" means BMO Nesbitt Burns Inc.;

"**BMO Transaction**" has the meaning ascribed to such term under the heading "*Material Contracts*";

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

"**CEO**" means Chief Executive Officer;

"**CFO**" means Chief Financial Officer;

"**CNC Committee**" means the corporate governance, nominating and compensation committee;

"**Common Share**" means a common share issued in the capital of the Company;

"**Common Share Purchase Warrant**" means a warrant issued in the Company exercisable for Common Shares;

"**Company**" or "**IBAT**" means International Battery Metals Ltd., a corporation existing under the BCBCA;

"**COVID-19**" means the COVID-19 coronavirus;

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

"**Crowe MacKay**" means Crowe MacKay LLP;

"**CSE**" or "**Exchange**" means the Canadian Securities Exchange;

"**DLE**" means direct lithium extraction;

"**Encompass**" means Encompass Capital Advisors LLC;

“**Encompass Warrants**” has the meaning ascribed to such term under the heading “has the meaning ascribed to such term under the heading “*General Development of the Business – Three Year History – Fiscal Year Ended 2022*”;

“**Ensorcia Metals**” means Ensorcia Metals Corporation, a company incorporated under the laws of the British Virgin Islands;

“**Ensorcia Argentina**” means Ensorcia Argentina LLC, a limited liability company incorporated under the laws of Delaware, and a wholly-owned subsidiary of Ensorcia Metals;

“**Entec**” means Entec LLC, a Cayman Islands Corporation;

“**Entec Licensing Agreement**” means the non-exclusive limited licensing agreement between the Company and Entec LLC;

“**Entec Participation Agreement**” has the meaning ascribed to such term under the heading “*General Development of the Business – Three Year History – Fiscal Year Ended March 31, 2023*”;

“**Entec Participation Interest**” has the meaning ascribed to such term under the heading “*General Development of the Business – Three Year History – Fiscal Year Ended March 31, 2023*”;

“**EVs**” means electric vehicles;

“**EVL Holdings**” means EVL Holdings, LLC;

“**Galvanic**” means Galvanic Energy, LLC;

“**IASB**” means the International Accounting Standards Board;

“**IBAT USA**” means IBAT USA, Inc., a company incorporated under the laws of Delaware, and a wholly owned subsidiary of the Company;

“**IFRS**” means International Financial Reporting Standards;

“**Integra**” means Energy Group SA;

“**Investment Agreements**” means the investment agreements the Company entered into with each of EVL Holdings and Sorcia Minerals;

“**km**” means kilometre;

“**LCE**” means lithium carbonate;

“**Li**” means lithium;

“**Licensing Agreements**” means the licensing agreements as entered into between the Company and each of Ensorcia Metals, Ensorcia Argentina, and Sorcia Minerals on November 7, 2018, as amended;

“**LiCl**” means lithium chloride;

“**Limited Testing Agreement**” has the meaning ascribed to such term under the heading “has the meaning ascribed to such term under the heading “*General Development of the Business – Three Year History – Fiscal Year Ended March 31, 2023*”;

“**m**” means metre;

“**m^3**” means cubic metre;

“**MCTO**” means management cease trade order;

“**MD&A**” means management discussion and analysis;

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

“**mm**” means millimetre;

“**Modular DLE Unit**” means the proprietary modular direct lithium extraction unit as owned and operated by the Company;

“**Mt**” means million tonnes;

“**MW/h**” means Megawatts per hour;

“**NA Lithium**” means North American Lithium Inc., a company incorporated under the laws of California, the shareholders of which being Christina Borgese, John Burba and Marc Privitera;

“**NA Lithium Royalty Agreement**” has the meaning ascribed to such term under the heading “*Material Contracts*”;

“**NGOs**” means Non-Governmental Organizations;

“**NI 52-109**” means National Instrument 52-109 – *Certification of Disclosure in Issuers’ Annual and Interim Filings*;

“**NI 52-110**” means National Instrument 52-110 – *Audit Committees*;

“**NPV**” means net present value;

“**Patent Application**” means the patent application filed by the Company with the U.S. Patent and Trademark Office on June 11, 2018;

“**pH**” means the measure of acidity/alkalinity of an aqueous solution;

“**Piper Sandler**” means Piper Sandler & Co;

“**ppm**” means parts per million;

“**RSUs**” means restricted share units;

“**RSU Plan**” means the Company's RSU plan as adopted on November 25, 2020, and as amended on June 31, 2022, whereby the Company is permitted to grant RSUs awarding up to a maximum number of Common Shares equal to 10% of the issued and outstanding Common Shares at the time of the award;

“**SA Lithium**” means Selective Adsorption Lithium Inc., a company incorporated under the laws of Delaware, and a wholly owned subsidiary of the Company;

“**SA Acquired Intellectual Property**” has the meaning ascribed to such term under the heading “*Corporate Structure – Intercorporate Relationships*”;

“**SAL Share Exchange Agreement**” has the meaning ascribed to such term under the heading “*Corporate Structure – Intercorporate Relationships*”;

“**SAL Litigation**” means the litigation proceedings commenced in the District Court of Colorado, United States of America where the Company is currently a defendant;

“**SEC**” means the U.S. Securities and Exchange Commission

“**Securities Act**” means the *Securities Act* (British Columbia);

“**Simbol**” means Simbol, Inc.;

“**SLR**” means SLR International Corporation;

“**Sorcia Development Services Agreement**” has the meaning ascribed to such term under the heading “*General Development of the Business – Three Year History – Fiscal Year Ended 2021*;

“**Sorcia Minerals**” means Social Minerals LLC, a limited liability company incorporated under the laws of Delaware, and a wholly-owned subsidiary of Ensorcia Metals;

“**Sorcia SPA**” means Sorcia Chile SPA;

“**SRSC**” means the Social Responsibility and Sustainability Committee;

“**Stock Option**” means a stock option issued under the Company’s Stock Option Plan;

“**Stock Option Plan**” has the meaning ascribed to such term under the heading “*Description of Capital Structure – Stock Options*”;

“**t**” means tonne;

“**tpa**” means tonnes per annum;

“**tpd**” means tonnes per day;

“TSX-V” means the TSX Venture Exchange; and

“USPTO” means the United States Patent and Trademark Office.

THIS ANNUAL INFORMATION FORM

In this AIF, unless the context otherwise requires, the "Company" or "IBAT" refers to International Battery Metals Ltd. All financial information in this AIF is prepared in Canadian dollars and using IFRS as issued by the International Accounting Standards Board.

This AIF applies to the financial activities and operations of the Company for the year ended March 31, 2023, and business activities and operations of the Company as at the date of this AIF unless otherwise indicated.

Except as otherwise indicated in this AIF, references to "Canadian dollars" or "$" are to the currency of Canada and references to "US$" are to United States dollars.

CAUTIONARY NOTES

Forward-Looking Statements

This AIF contains "forward-looking information" within the meaning of applicable Canadian securities legislation. These statements relate to future events or the Company's future performance. All statements, other than statements of historical fact, may be forward-looking information. Forward-looking information generally can be identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "propose", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information.

In particular, this AIF contains forward-looking information, including, without limitation, with respect to the following matters or the Company's expectations relating to such matters: anticipated timing to resolve, and the expected outcome of any ongoing litigation (including the SAL Litigation); development of the second generation of Modular DLE Units and proposed development of the LCE/hydroxide conversion facility, including the timing and costs estimates with respect to such developments that have been included herein; anticipated capital expenditures and programs; estimates, and any change in estimates; further development and deployment of the Modular DLE Unit; timing and expectations with respect to the completion of commercial joint ventures for deployment of the Modular DLE Unit, the potential benefits expressed or implied herein with respect to the Licensing Agreements or Entec Licensing Agreement, treatment under governmental and incentive taxation regimes; the future price of commodities, including lithium; assumptions related to the timing and amount of future production, if any; currency exchange and interest rates; the Company's ability to raise capital; expected expenditures to be made by the Company in the execution of its business plan; ability to extract and produce high purity battery grade lithium products; settlement of agreements related to the operation and sale of mineral production as well as contracts in respect of operations and inputs required in the course of production; capital costs, operating costs, sustaining capital requirements, after tax net present value and internal rate of return, payback period, sensitivity analysis, and net cash flows; ability to achieve capital cost efficiencies; and the effect of current or any additional regulations on the Company's operations in the jurisdictions in which it operates currently and where it proposes to operate in the future.

Forward-looking information does not take into account the effect of transactions or other items announced or occurring after the statements are made. Forward-looking information is based upon a number of expectations and assumptions and is subject to a number of risks and uncertainties, many of which are beyond the Company's control, that could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking information. With respect to forward-looking information listed above, the Company has made assumptions regarding, among other things:

- The Company's ability to attract and retain key personnel that are critical to the Company's operations;
- the Company's ability to obtain additional financing on satisfactory terms or at all;
- the ability of the Company to fund, advance and develop its Modular DLE Unit and related extraction technology, and the respective impacts of the projects when production commences;

- the ability to develop and achieve production on resource properties on which the Modular DLE Unit is deployed;
- demand for lithium, including that such demand is supported by growth in the EV market;
- the impact of increasing competition in the lithium business, and the Company's competitive position in the industry;
- the Company's ability to operate in a safe and effective manner;
- uncertainties relating to receiving and maintaining permits or approvals in respect of its anticipated business operations;
- current technological trends;
- the stable and supportive legislative, regulatory and community environment in the jurisdictions where the Company operates;
- the impact of unknown financial contingencies, including litigation costs, on the Company's operations;
- estimates of and unpredictable changes to the market prices for lithium products;
- timely responses from governmental agencies responsible for reviewing and considering the Company's permitting activities, when initiated;
- the impact of COVID-19, inflation and other global and general economic conditions on the Company's business; and
- accuracy of development budget and construction estimates.

Although the Company believes that the assumptions and expectations reflected in such forward-looking information are reasonable, the Company can give no assurance that these assumptions and expectations will prove to be correct. Since forward-looking information inherently involves risks and uncertainties, undue reliance should not be placed on such information.

The Company's actual results could differ materially from those anticipated in any forward-looking information as a result of the risk factors contained in this AIF, including but not limited to, the factors referred to under the heading "*Risk Factors"* in this AIF. Such risks include, but are not limited to the following: risk relating to the possible loss of key personnel; risks associated with the Company's ability to successfully secure adequate additional funding; market prices affecting business operations in which it has an interest; risks associated with co-ownership arrangements; cost overruns; risk to the growth of lithium markets; lithium prices; inability to obtain required governmental permits and government-imposed limitations on operations; the availability of supplies and equipment and on the timing for regulatory approvals and permits; technology risk; inability to achieve and manage expected growth; political risk associated with foreign operations, including co-ownership arrangements with foreign domiciled partners; risks arising from the outbreak of hostilities in Ukraine and the international response, including but not limited to their impact on commodity markets, supply chains, equipment and construction; risks relating to the increase of costs resulting from inflation; emerging and developing market risks; risks associated with not having production experience; operational risks; changes in government regulations; changes to environmental requirements; failure to obtain or maintain necessary licenses, permits or approvals; insurance risk; receipt and security of mineral property titles and mineral tenure risk; changes in project parameters as plans continue to be refined; changes in legislation, governmental or community policy; industry competition; market risk; volatility in global financial conditions; opposition to development of the Company's business; lack of brine management regulations; surface access risk; risks related to climate change; uncertainties in estimating capital and operating costs, cash flows and other project economics; liabilities and risks, including environmental liabilities and risks inherent in mineral extraction operations; health and safety risks; the effect of current and any additional regulations on the Company's operations; risks related to unknown financial contingencies, including litigation costs, on the Company's operations; unanticipated results of business activities; unpredictable weather conditions; unanticipated delays in preparing technical studies; inability to generate profitable operations; restrictive covenants in debt instruments; lack of availability of additional financing on terms acceptable to the Company, or to the Company and its co-owners for any co-ownership interests; shareholder dilution; intellectual property risk; dependency on consultants and key personnel; payment of dividends; competition for, amongst other things, capital, undeveloped lands and skilled personnel;

fluctuations in currency exchange and interest rates; regulatory risk; conflicts of interest; Common Share price volatility; cybersecurity risks and threats; uncertainties with obtaining required approvals and rulings, or satisfying other requirements, necessary or desirable to permit or facilitate business operations. Consequently, actual results and events may vary significantly from those included in, contemplated or implied by such statements.

Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward-looking information contained in this AIF is expressly qualified by these cautionary statements. All forward-looking information in this AIF speaks as of the date of this AIF. The Company does not undertake any obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law. Additional information about these assumptions and risks and uncertainties is contained in the Company's filings with securities regulators, including the Company's most recent MD&A for the most recently completed financial year, which are available on SEDAR+ at www.sedarplus.ca.

Market Data

Unless otherwise indicated, information contained in this AIF concerning the industry and markets in which the Company operates is based on information from independent industry organizations, other third-party sources (including industry publications, surveys, and forecasts), and management estimates.

The management estimates in this AIF are derived from publicly available information released by independent industry analysts and third-party sources, as well as data from the Company's internal research, and are based on assumptions made by the Company based on such data and its knowledge of such industry and markets, which the Company believes to be reasonable. The Company's internal research has not been verified by any independent source, and it has not independently verified any third-party information. While the Company is not aware of any misstatement regarding any industry or market data included in this AIF, such information is inherently imprecise. In addition, projections, assumptions and estimates of the Company's future performance and the future performance of the industry in which the Company operates are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described under "*Risk Factors*".

Currency

This AIF contains references to United States dollars and Canadian dollars. All dollar amounts referenced, unless otherwise indicated, are expressed in Canadian dollars. References to United States dollars are referred to as "US$".

The following table sets forth the high and low exchange rates for one US dollar expressed in Canadian dollars for each period indicated, the average of the exchange rates for each period indicated and the exchange rate at the end of each such period, based upon the daily exchange rates provided by the Bank of Canada:

United States Dollars into Canadian Dollars			
	2022	**2021**	**2020**
High	$1.3856	$1.2942	$1.4496
Low	$1.2451	$1.2040	$1.2718
Rate at end of period	$1.3544	$1.2678	$1.2732
Average Rate of Period	$1.3013	$1.2535	$1.3415

On August 28, 2023, the rate for Canadian dollars in terms of the United States dollar, as quoted by the Bank of Canada, was US$1.00 = $1.3596.

CORPORATE STRUCTURE

Name, Address, and Incorporation

The Company was incorporated on July 29, 2010, pursuant to the BCBCA under the name of Rheingold Exploration Corp. On October 31, 2012, the Company completed its initial public offering and subsequently registered as a reporting issuer with the TSX-V under the symbol "RGE". On February 25, 2015, the Company received approval to list its shares for trading on the CSE and voluntarily delisted its shares from the TSX-V. On August 23, 2017, the Company changed its name to International Battery Metals Ltd., and commenced trading on the CSE under the symbol "IBAT".

The registered and records office address of the Company is located at Royal Centre, Suite 1750 – 1055 West Georgia Street, Vancouver, British Columbia, V6E 3P3. The Company maintains executive offices at Suite 1925 – 5847 San Felipe Street, Houston, TX 77057. The Company's principal business activities include the continuous development and commercial deployment of its Modular DLE Unit.

Intercorporate Relationships

The Company has two wholly owned subsidiaries, namely, IBAT USA and SA Lithium.

IBAT USA, was incorporated on April 30, 2018, under the laws of the state of Colorado. On September 27, 2022, IBAT USA was re-incorporated via Corporate Conversion from a Colorado Corporation to a Delaware Corporation.

SA Lithium was incorporated on February 2, 2018, under the laws of the state of Delaware and was formerly a wholly owned subsidiary of NA Lithium. Pursuant to a share exchange agreement entered into by the Company, NA Lithium, and SA Lithium on March 4, 2018, as subsequently amended on April 12, 2018, the Company acquired (a) all of NA Lithium's data, analysis and reports related to lithium extraction from oilfield brines for petrol-lithium extraction projects, and (b) all of the outstanding and issued shares held by shareholders of SA Lithium (the "**SAL Share Exchange Agreement**"). Prior to the execution of the SA Share Exchange Agreement, NA Lithium and its shareholders assigned to SA Lithium all of their rights and interest in United States Patent Application Serial No. 62/577,554 entitled "Mobile Extraction Array with Brine Constituent Separation, Purification and Concentration" in only such manner as such application is used in oil field applications (the "**SA Acquired Intellectual Property**"). Following the completion of the SAL Share Exchange Agreement, SA Lithium became a wholly owned subsidiary of the Company.

GENERAL DEVELOPMENT OF THE BUSINESS

Overview

IBAT is an advanced technology and manufacturing company focused on environmentally responsible lithium extraction from subsurface brine aquifers. The Company, primarily through its subsidiary IBAT USA, is in the process of applying its intellectual property, extraction, and refining equipment to remove lithium, a member of the alkali metal group, from oilfield brines and subsurface brine aquifers, including geothermal brines and those aquifers found beneath high desert salars. IBAT's objective is to apply its technology in partnership with holders of resource properties to produce lithium salts and downstream battery-grade lithium products. IBAT's proprietary extraction process is intended to be environmentally friendly, low cost, and to produce high-quality commercial grade lithium at a faster rate than current industry standards.

The patented modular design of IBAT's Modular DLE Unit allows for rapid deployment and onsite assembly. The initial version of the Modular DLE Unit is currently located in Lake Charles, LA. It was mechanically assembled in 10 days by a crew of nine workers during the Spring of 2022. Depending on brine concentrations, it has the potential to produce 5,000 metric tons of commercial grade LiCl, on an LCE equivalent basis, each year. Due to its modular design, this plant has the potential to be expanded to produce up to 20,000 metric tons of LiCl per year, based on brine flow rate and lithium concentration of the brine resource. For the past 12 months the Company has been testing and implementing certain resulting upgrades and modifications to the Modular DLE Unit, while working with various parties to identify and establish a portfolio of projects for subsequent plant construction and deployment in the coming years.

Currently the Company is in negotiations with several brine aquifer mineral resource holders located in the Smackover formation of Texas with respect to deployment of the Modular DLE Unit on lithium projects. Assuming that the Company moves ahead with any of these projects, in the coming months, following installation and completion of pre-commissioning and commissioning activities, the Company expects to initiate lithium extraction and commercial production of LiCl. The Company will then begin placing fabrication orders for additional Modular DLE Units, while in parallel completing design and engineering work on the second-generation version of the Modular DLE Unit. The second generation is expected to have four times the production capacity of the first generation Modular DLE Unit. However, the introduction of the second generation of Modular DLE Units would not render the first generation obsolete, as the choice of siting will depend on the brine flow rate at the specific site under consideration for development, and the first generation Modular DLE Unit will be better suited for certain sites.

Three Year History

Fiscal Year Ended March 31, 2021

On December 6, 2019, the Company announced that it had entered into a private placement agreement with Integra for the purchase of up to 7,181,000 units at a price of US$0.103 per unit for total proceeds of up to US$739,643, with each unit consisting of one Common Share and one Common Share Purchase Warrant entitling the holder thereof to acquire one Common Share at a price per Common Share of US$0.103 for a period of two years from closing of the private placement. Under the terms of the private placement, investors were granted a pre-emptive right for two years from closing, to purchase at fair market value the number of securities required to maintain their percentage holding in the Company as determined following the completion of the private placement. The first tranche of this private placement was completed on December 27, 2019, wherein 3,000,000 units were acquired for total proceeds of US$309,000. The second and final tranche of this private placement was completed on January 23, 2020, and consisted of the acquisition of 2,912,621 units for total proceeds of US$300,000. The proceeds of this private placement were used to support the completion and implementation of the Company's first Modular DLE Unit.

On January 1, 2020, the Company and Sorcia Minerals entered into a master services agreement pursuant to which Sorcia Minerals agreed to exclusively engage the Company to provide design, construction, operation, repair and maintenance services and technology to Sorcia Minerals for use in a lithium extraction system to be built and leased by the Company to Sorcia Minerals or its affiliate (the "**Sorcia Development Services Agreement**").

On March 11, 2020, the Company and each of Ensorcia Metals, Ensorcia Argentina, and Sorcia Minerals entered into amendments to the Licensing Agreements. Pursuant to the terms of the Licensing Agreements, the Company would provide certain services to each of Ensorcia Metals, Ensorcia Argentina, and Sorcia Minerals relating to the design, construction, management, and maintenance for lithium extraction systems and technology to be developed and installed in Argentina and Chile utilizing the Company's Module DLE Unit, by no later than December 31, 2020. Pursuant to this amendment, the deadline to install and operate the first Modular DLE Unit was extended to June 30, 2021.

On June 18, 2020, the Company announced that it had approved a proposed private placement of 600,000 units at a price of $0.10 per unit for total proceeds of $60,000. Each unit consisted of one Common Share and one Common Share Purchase Warrant that permitted the holder to acquire one additional Common Share at a price of $0.10 per Common Share for a period of three years from the closing date of the private placement. The proceeds of the private placement were used to pay accounts payable.

On October 21, 2020, the Company completed a private placement with Sorcia Minerals, wherein Sorcia Minerals acquired 25,000,000 common shares at a price of $0.10 per Common Share for total proceeds of $2,500,000. The proceeds of the private placement were used to continue the fabrication of the Company's Modular DLE Unit and for general corporate purposes.

On December 2, 2020, the Company and each of Ensorcia Metals, Ensorcia Argentina, and Sorcia Minerals entered into a further amendment to the Licensing Agreements extending the deadline to install and operate the first Modular DLE Unit to June 30, 2022. In addition to this extension, the amendment further provided that should the Company fail to perform or provide services as required under the terms of the Licensing Agreements than each of Ensorcia Metals, Ensorcia Argentina, and Sorcia Minerals, as applicable, would be permitted without the prior consent of the Company to build or engage contractors to build, maintain and operate a Modular DLE Unit within Argentina or Chile, as the case may be. As further described in this AIF, the Licensing Agreements have been further amended such that the obligations of the Company to complete the construction of a Modular DLE Unit has been extended to December 31, 2028.

On December 15, 2020, the Company completed a private placement with EVL Holdings, wherein EVL Holdings purchased 25,000,000 Common Shares at a price of $0.10 per Common Share for total proceeds of $2,500,000. The proceeds raised pursuant to the private placement were used by the Company to continue fabrication of the Company's Modular DLE Unit and general corporate purposes.

On December 29, 2020, the Company held an annual general and special meeting of shareholders of the Company, to, in addition to the approval of standard annual general meeting matters, ratify and approve the private placement as completed by the Company, Sorcia Minerals and EVL Holdings on October 21, 2020, and December 15, 2020, respectively. Shareholders represented at the meeting approved by ordinary resolution the ratification and approval of the private placements completed with each of Sorcia Minerals and EVL Holdings. In addition, shareholders also approved the appointment of Dr. John Burba ("**Dr. Burba**"), Logan Anderson ("**Mr. Anderson**"), Rodger Cree ("**Mr. Cree**"), and David Ryan ("**Mr. Ryan**") as directors of the Company for the ensuing year.

On January 14, 2021, Ensorcia Minerals exercised its pre-emptive rights granted under a private placement completed by the Company on August 21, 2019, pursuant to which, Ensorcia acquired an additional 2,332,153 Common Shares at a price of $0.305 per Common Share. The pre-emptive right was exercised after the Company's issuance of 50,600,000 Common Shares under the 3 private placements completed during the 2020 fiscal year. The Company also provided notice to Beaty Metals, the other placee under the private placement completed on August 21, 2019, advising them of their right to exercise their pre-emptive right for a period of 30-days.

Throughout the fiscal year ending January 31, 2021, the Company, working in concert with Ensorcia Metals, began construction of its first Modular DLE Unit. The Modular DLE Unit was used by the Company as both a demonstration unit and a commercial unit, easily scalable to generate higher outputs if needed. The final design and blueprints were developed for the Modular DLE Unit by Practical Engineering Solutions LLC and all future units will be based off this design.

On February 2, 2021, 3,333,333 Common Share Purchase Warrants previously issued to Ensorcia Metal under the terms of the private placement completed on September 25, 2019, were exercised for total proceeds of US$350,000.

On February 9, 2021, the Company announced that its directors had approved a private placement with Sorcia Minerals and EVL Holdings of up to 17,250,000 units at a price of $0.58 per unit for total proceeds of $10,005,000 (the "**2021 Private Placement**"). Each unit consisted of one Common Share and one Common Share Purchase Warrant entitling the holder thereof to acquire one Common Share at a fixed price of $0.58 per Common Share for a period of two years from the closing of the private placement. Due to both Sorcia Minerals and EVL Holdings being considered "*related parties*" as such term is defined by Applicable Securities Laws, the private placement was subject to approval by minority shareholders of the Company under MI 61-101. On April 19, 2021, the Company held a special meeting in which dis-interested shareholders (those other than Sorcia Minerals, EVL Holdings, and related entities) approved the private placement.

On February 11, 2021, the Company announced that both Ensorcia Metals and Beaty Metals had exercised their pre-emptive right granted to them under the terms of the private placement completed on August 21, 2019. As a result of this exercise, the Company issued 4,664,306 Common Shares at a price of $0.305 per Common Share for total proceeds of approximately $1,422,613.

On February 4, 2021, the Company and each of Ensorcia Metals, Ensorcia Argentina, and Sorcia Minerals entered into further amendments to the Licensing Agreements, wherein the Company was granted an interest in each resource project or lithium extraction facility utilizing the Company's intellectual property equal to 10% of Ensorcia's and Sorcia's interest in such project, as the case may be.

Fiscal Year Ended March 31, 2022

On April 29, 2021, the Company appointed Garry Flowers ("**Mr. Flowers**") and Ante Razmilovic to the Company's advisory board, to assist with the Company's development as an ecological, ethical and industry leading lithium extraction company.

On May 19, 2021, Tony Colletti (**"Mr. Colletti**") was appointed as a director of the Company and later assumed the role of Interim President of the Company on March 3, 2022.

On May 25, 2021, the Company announced that two former employees and directors and a company which they control, commenced the SAL Litigation by filing a complaint in the United States District Court for the District of Colorado against the Company for alleged wrongful dismissal and breach of the SAL Share Exchange Agreement. The complaints allege non-payment of wages and benefits, appropriation of property and interference in outside employment. The Company is objecting the complaint and has retained counsel to address and file a countersuit alleging the counterclaim defendants diverted Company work to themselves and interfered with contractual relations. The amounts and outcome of the complaint cannot be determined at this time and has not been accrued for in the consolidated financial statements for the fourteen months ended March 31, 2023. See "*Legal Proceedings and Regulatory Actions*".

On June 29, 2021, the Company announced that Sorcia SPA a subsidiary of Sorcia Minerals had reached an agreement with RJR Salar SPA to exploit over 2,000 hectares, which was subsequently expanded to 9,000 hectares on August 30, 2021, for lithium extraction in the Maricunga Salar located in the Atacama Region using the Company's Modular DLE Unit.

On October 7, 2021, the Company announced that it had engaged Piper Sandler as exclusive financial advisor to assist the Company in evaluating a range of strategic alternatives to maximize shareholder value, including without limitation, a merger, reverse merger or other business combination, strategic private placement or succession of private placements representing 10% or more of the outstanding capital stock of the Company, or other transaction.

On November 29, 2021, the Company substantially completed the construction of its first Modular DLE Unit, and commenced with testing in the United States.

On December 20, 2021, the Company received a notice of allowance for its Modular DLE Unit patent application from the United States Patent Office.

On December 31, 2021, the Company and each of Ensorcia Metals, Ensorcia Argentina, and Sorcia Minerals entered into further amendments to the Licensing Agreements, pursuant to which the deadline to install and operate the first extraction system was extended to December 31, 2023.

On January 24, 2022, the Company filed for patent protection at the USPTO for a modular extraction apparatus. On March 23, 2022, the Company applied for patent protection at the USPTO for a renewable energy powered modular extraction system. On May 2, 2023, the Company applied for patent protection at the USPTO for a system and method for production of lithium carbonate and lithium hydroxide.

On February 2, 2022, the Company obtained patent No. 11,229,880 titled "Modular Extraction Apparatus" from the USPTO, in relation to the Company's Modular DLE Unit.

On February 24, 2022, the Company completed a private placement with a group of investors represented by Encompass, wherein 3,333,333 units were issued at a price per unit of $3.83 for total aggregate proceeds of US$10,000,000. Each unit consisted of one Common Share and one Common Share Purchase Warrant, entitling the holder thereof to acquire one additional Common Share at a price per Common Share of $3.83 for a period of two years from the closing of the private placement. The proceeds from the private placement were used towards the finalization of fabrication, testing, and deployment of the Company's first Modular DLE Unit to South America and also for general working capital. Pursuant to the private placement, the Company was required to pay an advisory fee of US$600,000 to Piper Sandler with another US$300,000 to be payable following the exercise of the 3,333,333 Common Share Purchase Warrants (the "**Encompass Warrants**").

On March 3, 2022, each of Ms. Maria Echaveste ("**Ms. Echaveste**"), Mr. Foy Wyman Morgan ("**Mr. Morgan**"), and Mr. William Webster ("**Mr. Webster**") were appointed as independent directors of the Company, and each of Mr. Ryan and Mr. Cree resigned as directors. The restructuring of the Board of Directors and the executive team allowed the Company to focus on the final and critical steps in the commercialization of the Company's Modular DLE Unit.

On March 14, 2022, the Company announced that it had successfully completed its first commercial deployment of the Modular DLE Unit, which, depending on wellhead lithium concentration in the brine and brine flow rate, is capable of producing 5,000 metric tons of commercial-grade LiCl, on a LCE equivalent basis, each year. The same plant can produce up to 20,000 metric tons of LCE per year, based on the brine flow rate and well head lithium concentration of the lithium producing brine resources.

Fiscal Year Ended March 31, 2023

On May 11, 2022, the Company announced that it had successfully completed a systems and safety testing of the Modular DLE Unit. This testing, which was a pre-requisite to flow-testing with lithium-bearing brine, ensured that the Modular DLE Unit met certain industry and safety standards as required by various governing authorities.

On May 16, 2022, the Company entered into the Investment Agreements based on EVL Holdings and Sorcia Minerals' assumption of third-party fabrication costs of the Modular DLE Unit in the amount of $10,980,393.35, and $9,759,951.66 respectively . Pursuant to the terms of the Investment Agreements, it was agreed that the subscription price of the 2021 Private Placement, as previously announced and approved by shareholders of the Company on April 19, 2021, would be satisfied by applying the amounts indebted to EVL and Sorcia with any excess thereunder being applied to the exercise of each of the Common Share Purchase warrants issued pursuant to the terms of the 2021 Private Placement.

On June 21, 2022, the Company held an annual general meeting of shareholders for the fiscal years ending January 31, 2021, and January 31, 2022. Following the completion of the annual general meetings each of Dr. Burba, Mr. Colletti, Ms. Echaveste, Mr. Morgan, and Mr. Webster were appointed as directors of the Company for the ensuing year. In addition to the appointment of these directors, Mr. Flowers was appointed at President of the Company to take effect on July 11, 2022. Also, effective that day, Mr. Anderson stepped down as CFO, remaining as Corporate Secretary, and Yick Chan ("**Mr. Chan**") was appointed interim CFO.

On June 28, 2022, the Company announced that it had engaged SLR to review and validate the processes and lithium recovery results of the Company's first Modular DLE Unit. On September 28, 2022, SLR completed its independent review and noted that the Modular DLE Unit extracts more than 65% of available lithium from lithium bearing brine sources, strips out impurities and reuses more than 94% of the water.

On July 19, 2022, the Company and Galvanic entered into a limited testing to further explore the viability of the Company's lithium extraction technology as applied to brine samples provided by Galvanic (the "**Limited Testing Agreement**").

On October 26, 2022, the Company and BMO Capital Markets entered into an engagement agreement, whereby BMO Capital Markets and Piper Sandler would act jointly in advising the Company on a range of commercial opportunities, including commercial partnerships, joint ventures, as well as business combinations, to better position its Modular lithium extraction technology in the lithium industry.

On November 17, 2022, the Company wrote to each of Beaty Metals and Ensorcia Metals advising each of them of their right to acquire an additional 3,331,162 Common Shares at $0.305 per Common Share pursuant to the terms of the private placement completed on August 21, 2019. The subsequent pre-emptive right notice was delivered following an internal review of the Company's accounting records with specific reference to the three private placement completed in 2020 whereby the Company issued 50,600,000 Common Shares, and whereby each of Beaty Metals and Ensorcia Metals were permitted to acquire 2,332,153 Common Shares. The Company received written confirmation from each of Beaty Metals and Ensorcia Metals as it relates to their acceptance of the subsequent pre-emptive right notice and issued 3,331,162 Common Shares to each of Beaty Metals and Ensorcia Metals on January 30, 2023, for aggregate proceeds of $2,032,008.82.

On December 2, 2022, Mr. Flowers was appointed as CEO of the Company to immediately replace Dr. Burba, whom as of the date of this AIF remains as a director of the Company.

On January 11, 2023, the Company announced that it had appointed Crowe MacKay, as independent auditor of the Company, effective as of November 30, 2022. Crow MacKay was appointed as the successor auditor following the receipt by the Company on December 20, 2022, of a formal resignation by Davidson and Company LLP, the Company's former independent auditor. Concurrent to the appointment of Crowe MacKay, the Company also announced a change in its financial year end from January 31 to March 31.

On February 7, 2023, pursuant to the terms of the SAL Share Exchange Agreement, the Company issued 5,024,331 Common Shares to Dr. Burba following the completion of the remaining milestone events. In addition to the 5,024,331 Common Shares issued to Dr. Burba, Dr. Burba also agreed to enter into a voluntary pooling agreement wherein the 5,024,331 Common Shares will be held by DS Lawyers Canada LLP, as pooling agent, until February 7, 2024, being one year form the date of issuance. The remaining 10,048,661 Common Shares issuable pursuant to the completion of the milestone events were issued to each of Christina Borgese and Marc Privitera, the other parties to the SAL Share Exchange Agreement, on March 22, 2023.

On February 21, 2023, the Company and each of Ensorcia Metals, Ensorcia Argentina, and Sorcia Minerals entered into further amendments to the Licensing Agreements, pursuant to which the deadline to install and operate the first extraction system was extended to December 31, 2028. In addition to the extension, the Licensing Agreements were further amended to provide the Company with the right to own, operate or license a direct lithium extraction system utilizing the Company's intellectual property outside of Argentina and Chile, while providing Ensorcia Metals, Ensorcia Argentina, and Sorcia Minerals with preferential treatment until the first extraction system is installed pursuant to the terms of the Licensing Agreements, and the amendments thereto.

On March 10, 2023, the Company held a special meeting of the holders of Common Shares to obtain shareholder re-approval of the 2021 Private Placement. As required under the special meeting held on April 19, 2021, the resolution re-approving the 2021 Private Placement required approval by a majority of disinterested shareholders (those other than Sorcia Minerals, EVL Holdings, and related entities). Pursuant to the special meeting, disinterested shareholders in attendance at the meeting voted in favor of the resolution re-approving the 2021 Private Placement and re-affirmed the pre-emptive rights granted to each of Sorcia Minerals and EVL Holdings under the terms of the 2021 Private Placement.

On March 21, 2023, the Company issued in satisfaction of the Indebtedness pursuant to the terms of the Investment Agreements in aggregate 17,250,000 Common Shares to EVL Holdings, representing 8,625,000 Common Shares issuable pursuant to the subscription of the units and 8,625,000 Common Shares issuable pursuant to the exercise of 8,625,000 Common Share Purchase Warrants, and further issued in aggregate 16,827,502 Common Shares to Sorcia Minerals, representing 8,625,000 Common Shares issuable pursuant to the subscription for the units and 8,202,502 Common Shares issuable pursuant to the exercise of 8,202,502 Common Share Purchase Warrants. The 422,489 Common Shares issuable pursuant to the exercise of the remaining 422,489 Common Share Purchase Warrants were issued by the Company to Sorcia Minerals on April 20, 2023.

On March 30, 2023, the Company and Entec, an affiliate of Sorcia, entered into the Entec Licensing Agreement. Pursuant to the terms of the Entec Licensing Agreement, the Company will provide Entec with a non-exclusive, limited, world-wide (other than Chile and Argentina) license to access to all patents, trade secrets, and other proprietary rights for use by Entec within the territory solely for the use and operation of equipment and systems manufactured and sold in accordance with the Entec License Agreement for the extraction of lithium salts from lithium bearing raw brine. In consideration for entering the Entec Licensing Agreement, Entec has agreed to provide the Company with a royalty equal to 6% of the net sales with respect to the first resource project or lithium extraction facility utilizing the Company's licensed technology as well as an interest in the project equal to 10% of Entec's interest in the project (the "**Entec Participation Interest**"). With respect to additional resource projects, Entec has agreed to provide the Company with both royalty payments and the Entec Participation Interest equal to the last lithium production agreement entered into by the Company in the country where the project resides.

During the 14 months ended March 31, 2023, the Company completed the assembly of its Modular DLE Unit. The system has completed preliminary systems and safety testing and the Company is in discussions with several brine resource holders in advance of its operational deployment.

Announcements Subsequent to Year End

On April 1, 2023, Daniel H. Christie was appointed as interim CFO of the Company following the lapse of a consulting agreement entered into by the Company and Business Talent Group LLC on June 1, 2022, whereunder Yick Chan was appointed as interim CFO for the period commencing June 1, 2022, and ending March 31, 2023.

On April 27, 2023, the Company completed a follow up private placement with the group of investors represented by Encompass, pursuant to which the Company issued 6,396,999 units for gross proceeds of CAD$6,693,500. Each unit consisted of one Common Share and one Common Share Purchase Warrant, entitling the holder thereof to acquire one additional Common Share at a price per Common Share of $1.21 for a period of two years from the closing of the private placement. The proceeds raised from this private placement will be used for working capital needs, to accelerate research and development efforts, product development and technology adoption, and for placement orders of new direct lithium extraction processing plants. Pursuant to the private placement, the Company and the investors acknowledged the requirement to pay an advisory fee to Piper Sandler, with such fee to be determined by the Company, investors, and Piper Sandler. In addition to the private placement, the Company further agreed to amend the exercise price of the Encompass Warrants from CAD$3.83 to CAD$1.21.

On May 5, 2023, Piper Sandler and the Company amended their Engagement Agreement executed on December 6, 2022, to in part clarify ambiguities in the document and to mutually agree upon acceptable payment terms and timing. Specifically, the remaining obligation for fee placements were therein limited to a 6% fee due on capital received by the

Company upon the exercise of the 2022 Encompass Warrants, and a 3% fee due on capital received by the Company upon the exercise of the 2023 Encompass Warrants.

On June 19, 2023, the Company announced that it had appointed Rita Adiani to its advisory board. Ms. Adiani has significant experience in capital raising, mergers and acquisitions, and resource and energy transition technology integration. Ms. Adiani's addition to the advisory board comes as the Company prepares to roll out its first Modular DLE Unit to the field.

Business Outlook for 2023

The following contains forward-looking statements about the Company's business and outlook for 2023. Reference should be made to "Forward-Looking Statements", and for a description of material factors that could cause actual results to differ materially from the forward-looking statements in the following, see "*Risk Factors*".

IBAT is working to enter into joint ventures with existing resource brine holders. Revenue will be realized through the sale and conversion of LiCl and production of LCE . The Company expects to initially generate revenues from offtake or tolling agreements, while planning is underway for the construction of a LCE or lithium hydroxide conversion facility to deliver battery grade materials to downstream battery manufacturers or original equipment manufacturers.

Following deployment of the first Modular DLE Unit, the Company intends to begin construction additional Modular DLE Units, and to complete the design, engineering, constructions and deployment of the second generation Modular DLE Unit. The Company anticipates requiring additional capital to carry out these activities, which it currently expects to seek through the issuance of Common Shares or other equity securities. Subsequently, the Company expects to begin development of the LCE/hydroxide conversion facility, which may require the Company to complete additional financings.

The Company is also evaluating an option to develop an innovative 'bolt on' hydroxide plant which could be co-located with the Modular DLE Unit. Future revenue streams may include 'revenue equivalent' licensing, leasing or sale of the technology to eligible customers, but these are not immediate considerations.

Beyond 2023, the Company will focus on the deployment of its Modular DLE Unit for commercial use through the Licensing Agreements, the Entec Licensing Agreement, additional licensing agreements with companies focused on lithium extraction or acquisition, and joint ventures with companies who own lithium resource properties.

DESCRIPTION OF THE BUSINESS

a) General Summary

The Company is a British Columbia incorporated company with operations directed from its executive office in Houston, Texas, and is involved in developing technologies for the extraction and processing of lithium from various brine sources. As of the date of this AIF, the Company has three existing licensing agreements, namely the Licensing Agreements as amended, and the Entec Licensing Agreement. These licensing agreements provide the Company with the unique opportunity to lease the use of its Modular DLE Unit for lithium extraction in Argentina and Chile, as well as world-wide. The Company is not now yet in commercial operation of lithium extraction, nor does it own lithium resources or hold leases for mineral rights, although may engage in such activities in the future.

b) Products and Services

<u>Joint Venture Development of Subsurface brine resources.</u>

The Company is in negotiations with several resource owners, that is, holders of licensed subsurface oil and gas, mineral and/or water rights, for the purposes of entering into contractual or corporate joint ventures which will give the Company raw material access to support deployment its Modular DLE Unit. Management believes that through such joint venture operations, the Company will begin to extract lithium salts from subsurface brine reservoirs in commercial quantities by the end of the 2024 fiscal year.

The targeted brine reservoirs can be commonly found in geographic areas populated with operating oil and gas wells; saltwater brine reservoirs are frequently an indication of the presence of oil and gas. Additional brine reservoirs free of hydrocarbons are also common. The most notable of these geological structures in the United States include the Smackover, which extends across Texas, Arkansas, Louisianna, and Florida; the Clayton Valley in Utah; the Marcellus shales of Ohio, Pennsylvania and New York; the Salton Sea in Imperial Valley County, California and elsewhere in Nevada and Canada. Subsurface brine resources are also found as geothermal hotspots, again such as under the Salton Sea. Geothermal sources exhibit extremely high temperatures, typically in the 150 to 370 degree Celsius range, with some as high as 1000 degrees Fahrenheit or 538 degrees Celsius. These fields typically contain a wide variety of minerals, including high concentrations of Iron, Silica and Hydrogen Sulfide (H2S), the presence of which can greatly complicate the recovery of lithium salts.

Licensing Agreements

Pursuant to the terms of Licensing Agreements, with Ensorcia Metals, Ensorcia Argentina, and Sorcia Minerals, the Company will provide design, construction, installation, and operation of its second generation Modular DLE Unit within the territories of Chile and Argentina by no later than December 31, 2028. In consideration for providing each of Ensorcia Metals, Ensorcia Argentina, and Sorcia Minerals with this exclusive license, the Company has been granted an interest in each resource project or lithium extraction facility utilizing the Company's intellectual property equal to 10% of the project value. By way of example, if Ensorcia Metals, Ensorcia Argentina, and/or Sorcia Minerals' negotiate what would otherwise be a 50:50 interest in a project, 10% of the total project will be allocated to the Company, with the participant parties each holding respectively 45% interest in such project.

In addition to the Licensing Agreements as amended, the Company entered into a non-exclusive license with Entec on March 30, 2023. Pursuant to the terms of the Entec Licensing Agreement, the Company will provide Entec with a non-exclusive, limited, world-wide (other than Chile and Argentina) license to access all patents, trade secrets, and other proprietary rights for use by Entec within the territory solely for the use and operation of equipment and systems manufactured and sold in accordance with the Entec License Agreement for the extraction of lithium salts from lithium bearing raw brine. In consideration for entering the Entec Licensing Agreement, Entec has agreed to provide the Company with a royalty equal to 6% of the net sales with respect to the first resource project or lithium extraction facility utilizing the Company's licensed technology as well as an interest in the project equal to 10% of Entec's interest in the project (the "**Entec Participation Interest**"). With respect to additional resource projects, Entec has agreed to provide the Company with both royalty payments and a Participation Interest equal to the last lithium production agreement entered into by the Company in the country where the project resides.

Development of Lithium Extraction Technology – Modular DLE Unit

Since the completion of the SAL Share Exchange Agreement, the Company and management have focused much of their efforts on developing a unique method of direct lithium extraction from lithium bearing brine sources. In that regard, the Company commenced construction of its first Modular DLE Unit in April 2021, which utilizes patent protected technology to ensure a greater percentage of lithium is extracted from those lithium bearing brine sources, while minimizing environmental impact. More specifically, the Company's Modular DLE Unit utilizes a specific absorbent, which strips out the lithium from brine sources, while leaving other naturally occurring elements in the brine, which allows the brine to be reintroduced into the environment. The Company completed construction of, and tested, its first Modular DLE Unit in May, 2022, and received patent protection from the United States Patent Office (Patent Number 11,229,880) titled "Modular Extraction Apparatus" on February 2, 2022. IBAT's commercial production plant is timely, as lithium is needed to produce virtually all batteries currently used in electric vehicles as well as consumer electronics. Electric vehicle demand has surged creating a heightened customer demand. In turn the Company expects to have a corresponding effect on the supply of lithium to meet increased demand.

During the summer months of 2022 the Company engaged SLR, a global leader in environmental and engineering services, to conduct an independent review of the Company's Modular DLE Unit. The results provided by SLR in a report dated September 27, 2022, verified the Modular DLE Unit's ability to extract more than 65% of available lithium from brine sources, effectively strips out impurities, and recycles and reuses more than 94% of water.

Below is an extract of the summary of SLR's conclusions and observations from the evaluation:

- The modules are robust and designed to oilfield standards of construction, comprising of process, piping, and electrical equipment associated with specific process packages, access platforms for operations and maintenance, and structural steel support frames to prevent the equipment from moving during transportation. The modules are designed to be lifted with a crane using installed pad eyes and loaded onto permit rated flatbed trailers for road transport to the site, to and from rail heads, and or to and from barges or ships for transport.

- The current Modular DLE Unit configuration is designed to produce 5,738 tons (t) LiCl in solution per year (5,000) tons of lithium carbonate equivalent (Li2CO3eq) per year), from a brine with a lithium concentration of 1,800 g/t Li (1,800 ppm Li).

- Operational tests consisted of continuously processing the lithium bearing brine (containing 300 ppm Li) through the plant and monitoring the solution chemistry by sampling at regular intervals to determine the performance of the process equipment and the absorption media through multiple loading and elution cycles.

- Operation of the plant during absorption and elution was observed during the site visit. The plant was operated according to the criteria presented in the appendix of this letter report. Estimated lithium extraction for the three cycles ranged from 72.6% Li to 87.5% Li with an average extraction of 81%. Estimated lithium recovery to product from brine feed was an average of 68.8% Li with the high level result up to a 89% Li total recovery.

The Company subsequently engaged an independent testing agency, Greg Mehos & Associates to evaluate the efficiency of its Modular DLE Unit. On June 21, 2023, Greg Mehos, PhD, PE, certified that the Issuer's technology performed in accordance with Company claims, delivering a 97% extraction rate of lithium from feed brine (to lithium chloride). Further, according to Greg Mehos & Associates, the Company's commercial plant produces a total recovery rate of 95% using its internal transition recycle loop technology.

c) Specialized Skill and Knowledge

All aspects of the Company's business require specialized skills and knowledge. Such skills and knowledge include the areas of geology, drilling, logistical planning, and implementation of exploration programs and regulatory, finance and accounting. The Company relies upon its management, employees, and various consultants for such expertise.

d) Competitive Conditions

As a technological company focused on developing intellectual property relating to lithium extraction, the Company may compete with other entities in various aspects of the business including: (a) seeking out and acquiring future leases of the Modular DLE Unit; (b) obtaining the resources necessary to identify and evaluate suitable companies to utilize the Modular DLE Unit; and (c) raising the capital necessary to fund its operations. The technological and mining industry is intensely competitive in all its phases, and the Company may compete with other companies that have greater financial resources and technical facilities. Moreover, the anticipated increase in global demand for products could adversely affect the Company's ability to license its Modular DLE Units in the future or to raise the capital necessary to continue with operations.

e) Intangible Property

The Company has developed a suite of IP through the filing of patents with the USPTO related to it's Modular DLE and processes related to the DLE from lithium bearing brine resources.

The Company has been issued the following patents for its lithium extraction intellectual property:

(a) US Patent 11,498,031 Mobile Extraction Array with Brine Constituent Separation, Purification and Concentration, November 15, 2022;

(b) US Patent 11,229,880 Modular extraction apparatus January 25, 2022; and

(c) Chilean Patent 66652, Mobile Extraction Array with Brine Constituent Separation, Purification and Concentration, April 20, 2023.

Attached to this AIF as Schedule "A" is a summary of those patents owned by the Company as well as their current status.

f) Mineral Price and Economic Cycles

The mining business is subject to mineral price cycles. The marketability of minerals and mineral concentrates is also affected by worldwide economic cycles. Lithium markets are affected by demand for lithium batteries and global economic conditions. Fluctuations in supply and demand in various regions throughout the world are common. See *"Risk Factors – Commodity Price Risk"* and *"Risk Factors – Lithium Market Growth Risk"*.

g) Economic Dependence

The Company's business is dependent on its ability to identify and negotiate contracts and licenses with lithium exploration companies for the purpose of deploying the Modular DLE Unit. The Company is not dependent on any sole contract to sell a significant portion of the Company's products or services or to purchase a significant portion of the Company's requirements for goods, services, or raw materials, or on any franchise or licence or other agreement to use a patent, formula, trade secret, process, or trade name upon which the Company's business depends.

h) Environmental Protection

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates and/or licenses its Modular DLE Unit, including provisions relating to property reclamation, discharge of hazardous materials and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of properties on which its Modular DLE Units are operated. The Company conducts all of its activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its properties that may result in material liability to the Company.

i) Employees

The Company has 7 employees and the loss of an individual could affect the business of the Company. Additionally, the Company will require other personnel to facilitate future progress on the resource and technology aspect of the Company, including the ongoing development and deployment of the Modular DLE Unit. Any inability to secure and/or retain appropriate personnel may have a materially adverse impact on the business and operations of the Company. See *"Risk Factors – Reliance on Key Personnel"*.

j) Foreign Operations

The Company's operations are currently conducted in Canada and the United States and in the near term may include Chile and Argentina. Any changes in regulations or shifts in political attitudes in these jurisdictions, or other jurisdictions in which the Company has operations from time to time, are beyond the control of the Company and may adversely affect its business. Future development and operations may be affected in varying degrees by such factors as government regulations (or changes thereto) with respect to the restrictions on production, government initiatives enacted in response to COVID-19, export controls, income taxes, expropriation of property, repatriation of profits, environmental legislation, land use, water use, land claims of local people and receipt of necessary permits.

k) Bankruptcy and Similar Procedures

There are no bankruptcies, receivership, or similar proceedings against the Company, nor is the Company aware of any such pending or threatened proceedings. The Company has not commenced any bankruptcy, receivership, or similar proceedings during the Company's history.

l) Reorganizations

There have been no material reorganizations of or involving the Company within the three most recently completed financial years or currently proposed for the current financial year.

m) Social and Environmental Policies

At its current stage of development and activities, the Company has limited financial obligations in meeting applicable environmental standards. This will change as the Company advances its projects. Environmental regulations that are applicable to the Company cover a wide variety of matters, including, without limitation, prevention of waste, pollution and protection of the environment, labor regulations and worker safety. While the Company does not currently expect the impact of costs and other effects related to compliance with environmental, health and safety regulations to have a material adverse effect on the Company's financial condition or results of operations, such regulations are evolving in a manner which is likely to result in stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their directors and employees. Such stricter standards could impact the Company's costs and have an adverse effect on results of operations. Furthermore, an environmental, safety or security incident could impact the Company's reputation in such a way that the result could have a material adverse effect on its business and on the value of its securities.

To meet the growing social and environmental concerns as they relate to the Company's business, the Company formed the SRSC. The SRSC, which is currently comprised of Ms. Echaveste and Mr. Colletti, is primarily responsible for ensuring the Company's commitment in practicing environmental and socially sustainable business practices.

RISK FACTORS

There are a number of risks that may have a material and adverse impact on the future operating and financial performance of the Company and could cause the Company's operating and financial performance to differ materially from the estimates described in forward-looking information relating to the Company. These include widespread risks associated with any form of business and specific risks associated with the Company's business and its involvement in the lithium exploration and development industry.

This section describes risk factors identified as being potentially significant to the Company. Additional risk factors may be included in other documents previously disclosed by the Company. In addition, other risks and uncertainties not discussed to date or not known to management could have material and adverse effects on the valuation of our securities, existing business activities, financial condition, results of operations, plans and prospects.

An investment in the Company's securities should be considered as highly speculative given the current stage of the Company's business and development. Such an investment is subject to a number of risks at any given time. The risk factors set out below are not exhaustive and do not include risks the Company deems to be immaterial; however, even an immaterial risk has the potential to have a material adverse effect on the Company's financial condition, operating results, business or future prospects. Investors should carefully consider these risk factors, many of which are beyond the Company's control, together with other information set out in this AIF before investing in the Company's securities.

Reliance on Key Personnel

The senior officers of the Company are critical to the Company's success. In the event of the departure of a senior officer, the Company believes that it will be successful in attracting and retaining qualified successors, but there can be no assurance of such success. Recruiting qualified personnel as the Company grows is critical to its success. The number of persons skilled in the acquisition, exploration and development of mining properties is limited as well those that are skilled or knowledge in the Company's Modular DLE Unit, and competition for such persons is intense. As the Company's business activity grows, it will require additional key financial, administrative, engineering, geological and other personnel. If the Company is not successful in attracting and training qualified personnel, the efficiency of its operations could be affected, which could have an adverse impact on future cash flows, earnings, results of operations and the financial condition of the Company. The Company is particularly at risk at this state of its development as it relies on a small management team, the loss of any member of which could cause severe adverse consequences.

Substantial Capital Requirements and Liquidity

As at March 31, 2023, the Company had a cash balance of approximately $406,860 a working capital deficit of approximately $2,073,393, and current obligations of approximately $2,914,010.

The Company anticipates that it will incur substantial capital expenditures for the continued development and deployment of its Modular DLE Unit in the future. The Company currently has no revenue and may have limited ability to undertake or complete future development programs and process studies. There can be no assurance that debt or equity financing, or cash generated by operations will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to the Company. Moreover, future activities may require the Company to alter its capitalization significantly.

The inability of the Company to access sufficient capital for its operations could have a material and adverse effect on the Company's financial condition, results of operations or prospects. Sales of substantial amounts of Common Shares or other securities may have a highly dilutive effect on the ownership or share structure of the Company. Sales of a large number of Common Shares in the public markets, or the potential for such sales, could decrease the trading price of the Common Shares and could impair the Company's ability to raise capital through future sales of Common Shares.

The Company has not yet commenced commercial operations of its Modular DLE Unit and as such, it has not generated positive cash flows to date and has no reasonable prospects of doing so unless successful commercial operation of the Company's Modular DLE Unit can be achieved. The Company expects to continue to incur negative investing and operating cash flows until such time as it enters into commercial operations. This will require the Company to deploy its working capital to fund such negative cash flow and to seek additional sources of financing.

Historically, capital requirements have been primarily funded through the sale of Common Shares. Factors that could affect the availability of financing include the progress and results of the ongoing development of the Company's Modular DLE Unit, the state of international debt and equity markets and investor perceptions and expectations of the global market for lithium and its derivatives. There is no assurance that any such financing sources will be available or sufficient to meet the Company's requirements. There is no assurance that the Company will be able to continue to raise equity capital or that the Company will not continue to incur losses.

Commodity Price Fluctuations

The prices of commodities vary on a daily basis. Price volatility could have dramatic effects on the results of operations and the ability of the Company to execute its business plan. The price of lithium materials may also be reduced by the discovery of new lithium deposits, which could not only increase the overall supply of lithium (causing downward pressure on its price), but could draw new firms into the lithium industry which would compete with the Company. Factors beyond the control of the Company may affect the marketability of any substances discovered. The prices of various metals have experienced significant movement over short periods of time and are affected by numerous factors beyond the control of the Company, including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities, and increased production due to improved mining and production methods. The supply of and demand for lithium is affected by various factors, including political events, economic conditions, and production costs in major producing regions. Furthermore, the price of lithium products is significantly affected by their purity and performance, and by the specifications of end-user battery manufacturers. The Company may not be able to effectively mitigate against pricing risks which may materially affect the level of revenues expected to be generated by the Company, which in turn could affect the value of the Company and the price of its Common Shares.

Lithium Market Growth Risks

The development of the Company's Modular DLE Unit is highly dependent upon the currently projected demand for and uses of lithium-based end products. This includes lithium-ion batteries for electric vehicles and other large format batteries that currently have limited market share and whose projected adoption rates are not assured. To the extent that such markets do not develop in the manner contemplated by the Company, then the long-term growth in the market for lithium products will be adversely affected, which would inhibit the potential for development of the Company's Modular DLE Unit, and would otherwise have a negative effect on the business and financial condition of the Company. In addition, as a commodity, lithium market demand is subject to the substitution effect in which end-users adopt an alternate commodity as a response to supply constraints or increases in market pricing. To the extent that these factors arise in the market for lithium, it could have a negative impact on overall prospects for growth of the lithium market and pricing, which in turn could have a negative effect on the Company.

EV Credit Risk

Demand for lithium-based end products, such as lithium-ion batteries for use in EVs, may be impacted by changes to government regulation and economic incentives. Government and economic incentives that support the development and adoption of EVs in the U.S. and abroad, including certain tax exemptions, tax credits and rebates, may be reduced, eliminated or exhausted from time to time. For example, previously available incentives favoring EVs in areas including Ontario, Canada, Germany, Hong Kong, Denmark and California have expired or were cancelled or made temporarily unavailable, and in some cases were not eventually replaced or reinstituted. Any similar developments could have a negative impact on overall prospects for growth of the lithium market and pricing, which in turn could have a negative effect on the Company.

Novel Technology Risks

The Company's Modular DLE Unit has not yet been operated on a commercial scale. To mitigate this risk, the Company engaged SLR, a global leader in environmental and engineering services, to conduct an independent review of the Company's Modular DLE Unit. The results provided by SLR verified the Modular DLE Unit's ability to extract more than 65% of available lithium from brine sources, effectively strips out impurities, and recycles and reuses more than 94% of water. However, there are risks that the Modular DLE Unit and related technologies (proprietary or otherwise) will not demonstrate the requisite capability to extract lithium at scale. In addition, the novel nature of the Company's business and technologies could result in unforeseen costs, additional changes to the process chemistry and engineering, and other unforeseen circumstances that could result in additional delays relating to the further development and commencement of commercial operations of the Modular DLE Unit, all of which could have a material adverse effect on Company.

Operational Risks

The Company will be subject to a number of operational risks and may not be adequately insured for certain risks, including: environmental contamination, liabilities arising from historic operations, accidents or spills, industrial and transportation accidents, which may involve hazardous materials, labor disputes, catastrophic accidents, fires, blockades or other acts of social activism, changes in the regulatory environment, impact of non-compliance with laws and regulations, natural phenomena such as inclement weather conditions, floods, earthquakes, ground movements, cave-ins, and encountering unusual or unexpected geological conditions and technological failure of exploration methods.

There is no assurance that the foregoing risks and hazards will not result in damage to, or destruction of, the property of the Company, personal injury or death, environmental damage or, regarding the exploration or development activities of the Company, increased costs, monetary losses and potential legal liability and adverse governmental action. These factors could all have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

Additionally, the Company may be subject to liability or sustain loss for certain risks and hazards against which the Company cannot insure or which the Company may elect not to insure because of the cost. This lack of insurance coverage could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

Construction Risks

As a result of the substantial expenditures involved in the continuous development of the Company's Modular DLE Unit, these ongoing developments are prone to material cost overruns versus budget. The capital expenditures and time required to further develop and manufacture additional Modular DLE Units are considerable and changes in cost or construction schedules can significantly increase both the time and capital required to build subsequent Modular DLE Units.

Construction costs and timelines can be impacted by a wide variety of factors, many of which are beyond the control of the Company. These include, but are not limited to, weather conditions, ground conditions, access to construction materials, and performance of key contractors and suppliers. Each of these risks could materially impact the Company's financial position.

Environmental Risks and Regulations

All phases of mineral exploration and development businesses present environmental risks and hazards and are subject to environmental regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances used and or produced in association with natural resource exploration and production operations. The legislation also requires that facility sites be operated, maintained, abandoned, and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures, and a breach may result in the imposition of fines and penalties, some of which may be material.

The Company must comply with stringent environmental regulation in the United States and other areas in which it intends to operate, which may include Argentina and Chile. Such regulations relate to many aspects of the Company's project operations. Environmental regulations are evolving in a manner that is expected to require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. Applicable environmental laws and regulations may require enhanced public disclosure and consultation.

Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of pollutants into the air, soil or water may give rise to liabilities to foreign governments and third parties and may require the Company to incur costs to remedy such discharge.

No assurance can be given that the application of environmental laws to the business and operations of the Company will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise adversely affect the Company's financial condition, results of operations or prospects.

Exploration and Development

Exploring and developing natural resource projects bears a high potential for all manner of risks. Additionally, few exploration projects successfully achieve development due to factors that cannot be predicted or foreseen. Moreover, even one such factor may result in the economic viability of a project being detrimentally impacted, such that it is neither feasible nor practical to proceed. Natural resource exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development, and production of natural resources, any of which could result in work stoppages, damage to property, and possible environmental damage. The Company closely monitors its activities and those factors which could impact them, and employs experienced consulting, engineering, and legal advisors to assist in its risk management reviews where it is deemed necessary.

Geopolitical Risks

The Company's business is international in scope, with its incorporating jurisdiction in British Columbia, Canada, its executive office located in Houston, Texas, and its current licensing agreements as it relates to the lease of its Modular DLE Unit in Argentina and Chile. In recent years there has been a substantial increase in political tensions among many jurisdictions, including between the United States and China. This political tension is particularly acute in respect of lithium, which has been identified as a 'critical mineral' in these jurisdictions and is the subject of increasingly active industrial policy. There is a risk that the Company's connection to conflicting jurisdictions will have a negative impact on its ability to advance its business, including becoming subject to restrictions arising from industrial policies, a reduced ability to obtain financing and impediments to obtaining government approvals, all of which could have a material adverse impact on the Company.

Intellectual Property Risks

The Company relies on the ability to protect its intellectual property rights and depends on patent, trademark and trade secret legislation to protect its proprietary know-how. There is no assurance that the Company has adequately protected or will be able to adequately protect its valuable intellectual property rights, or will at all times have access to all intellectual property rights that are required to conduct its business or pursue its strategies, or that the Company will be able to adequately protect itself against any intellectual property infringement claims. There is also a risk that the Company's competitors could independently develop similar technology, processes or know-how; that the Company's trade secrets could be revealed to third parties; that any current or future patents, pending or granted, will be broad enough to protect the Company's intellectual property rights; or, that foreign intellectual property laws will adequately protect such rights. The inability to protect the Company's intellectual property could have a material adverse effect on the Company's business, results of operations and financial condition.

Emerging Market Risks

Through the Licensing Agreement, the Company's operations may expose it to risks associated with operating in emerging markets such as Argentina and Chile. Investments in emerging markets generally pose a greater degree of risk than investments in more mature market economies because the economies in the developing world are more susceptible to destabilization resulting from domestic and international developments. Such risks have historically included, but are not limited to: high rates of inflation; military repression; social and labour unrest; violent crime; civil disturbance; extreme fluctuations in currency exchange rates; expropriation and nationalization; renegotiation or nullification of existing concessions, licenses, permits and contracts; changes in taxation policies; underdeveloped industrial and economic infrastructure; unenforceability of contractual rights; restrictions on foreign exchange and repatriation; and changing political norms, currency controls and governmental regulations that favour or require the Company to award contracts in, employ citizens of, or purchase supplies from, a particular jurisdiction. The Company has not purchased any "political risk" insurance coverage and currently has no plans to do so.

Volatility of the Market Price of the Shares

Securities of junior companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally, and market perceptions of the attractiveness of particular industries. The Common Share price is also likely to be significantly affected by delays experienced in progressing with development plans, a decrease in investor appetite for junior stocks, or adverse changes in our financial condition or results of operations as reflected in the Company's quarterly and annual financial statements. Other factors unrelated to performance that could have an effect on the price of the Common Shares include:

a. the trading volume and general market interest in the Common Shares could affect a shareholder's ability to trade significant numbers of common shares; and

b. the size of the public float in the Common Shares may limit the ability of some institutions to invest in the Company's securities.

As a result of any of these or other factors, the market price of the Common Shares at any given point in time might not accurately reflect the Company's long-term value. Securities class action litigation has been brought against companies following years of volatility in the market price of their securities. The Company could in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources. Further, there is no guarantee that an active trading market for the Common Shares will be maintained on the Exchange.

Significant Shareholder and Commercial Relationship Risks

Sorcia holds approximately 15.22% of the outstanding Common Shares as of the date of this AIF. Additionally, Sorcia has a commercial relationship with the Company in respect of the Licensing Agreements and Sorcia Development Services Agreement, and by virtue of the Entec Licensing Agreement as a result of Sorcia's affiliation with Entec.

As a result of its significant Common Share holdings Sorcia may have the ability to influence the outcome of corporate actions requiring shareholder approval, including the election of directors of the Company and the approval of certain corporate transactions. There is a risk that the interests of Sorcia may diverge from those of other shareholders and also discourage transactions involving a change of control, including transactions in which an investor, as a holder of the Company's securities, would otherwise receive a premium for the Company's securities over the then current market price. The significant holdings of Sorcia could also create a risk that the Company's securities are less liquid and trade at a relative discount compared to circumstances where Sorcia did not have the ability to influence or determine matters affecting the Company. Additionally, dispositions by significant shareholders could also have an adverse effect on the market price of the Common Shares.

Risks of Cost Estimations

The Company prepares estimates of operating costs and/or capital costs for each operation and project. The Company's actual costs are dependent on several factors, including royalties, the price of lithium and by-product metals and the cost of inputs used in exploration activities and the deployment of the Company's Modular DLE Unit.

Capital costs, operating costs, production and economic returns, and other estimates may differ significantly from those anticipated by the Company's current estimates, and there can be no assurance that the Company's actual capital, operating and other costs will not be higher than currently anticipated. The Company's actual costs and production may vary from estimates for a variety of reasons, including, but not limited to: lack of availability of resources or necessary supplies or equipment; inflationary pressures flowing from global supply chain shortages and increased transportation costs due to the ongoing global COVID-19 pandemic and other international events, which in turn are causing increased costs for supplies and equipment; increasing labour and personnel costs; unexpected construction or operating problems; cost overruns; lower than expected realized lithium prices; lower than expected ore grade; revisions to construction plans; risks and hazards associated with mineral production; natural phenomena; floods; unexpected labour shortages or strikes; general inflationary pressures (such as those that would reduce the effective return of previous payments made by the Company related to Value Added Tax) and interest and currency exchange rates. Many of these factors are beyond the Company's control and could have a material effect on the Company's operating cash flow, including the Company's ability to service its indebtedness.

Failure to achieve cost estimates or material increases in costs could have an adverse impact on the Company's future cash flows, profitability, results of operations and financial condition.

Future Share Issuances May Affect the Market Price of the Common Shares

In order to finance future operations, the Company may raise funds through the issuance of additional Common Shares or the issuance of debt instruments or other securities convertible into Common Shares. The Company cannot predict the size of future issuances of Common Shares or the issuance of debt instruments or other securities convertible into Common Shares or the dilutive effect, if any, that future issuances and sales of the Company's securities will have on the market price of the Common Shares.

Economic and Financial Market Instability

Global financial markets have been volatile and unstable at times since the global financial crisis, which began in 2007. Bank failures, the risk of sovereign defaults, other economic conditions and intervention measures have caused significant uncertainties in the markets. The resulting disruptions in credit and capital markets have negatively impacted the availability and terms of credit and capital. High levels of volatility and market turmoil could also adversely impact commodity prices, exchange rates and interest rates. In the short term, these factors, combined with the Company's financial position, may impact the Company's ability to obtain equity or debt financing in the future and, if obtained, the terms that are available to the Company. In the longer term, these factors, combined with the Company's financial position could have important consequences, including the following:

a. increasing the Company's vulnerability to general adverse economic and industry conditions;

b. limiting the Company's ability to obtain additional financing to fund future working capital, capital expenditures, operating and exploration costs and other general corporate requirements;

c. limiting the Company's flexibility in planning for, or reacting to, changes in the Company's business and the industry; and

d. placing the Company at a disadvantage when compared to competitors that have less debt relative to their market capitalization.

Issuance of Debt

From time to time, the Company may enter into transactions to acquire assets or securities of other companies. These transactions may be financed partially or wholly with debt, which may increase the Company's debt levels above industry standards. The Company's articles and by-laws do not limit the amount of indebtedness that the Company may incur. The level of the Company's indebtedness from time to time could impair the Company's ability to obtain additional financing in the future on a timely basis to take advantage of business opportunities that may arise. The Company's ability to service any future debt obligations will depend on the Company's future operations, which are subject to prevailing industry conditions and other factors, many of which are beyond the control of the Company.

Financing Risks

The Company's development and exploration activities may require additional external financing. There can be no assurance that additional capital or other types of financing will be available when needed or that, if available, the terms of such financing will be acceptable to the Company. Furthermore, if the Company raises additional capital by offering equity securities or securities convertible into equity securities, any additional financing may involve substantial dilution to existing shareholders. Failure to obtain sufficient financing could result in the delay or indefinite postponement of exploration, development, construction, or deployment of the Company's Modular DLE Unit. The cost and terms of such financing may significantly reduce the expected benefits from new developments or render such developments uneconomic.

Compliance with Regulations and Laws

Mining operations and exploration activities are subject to extensive laws and regulations. Such regulations relate to production, development, exploration, exports, imports, taxes and royalties, labor standards, occupational health, waste disposal, protection, and remediation of the environment, mine decommissioning and reclamation, mine safety, toxic and radioactive substances, transportation safety and emergency response, and other matters. Compliance with such laws and regulations increases the costs of exploring, drilling, developing, constructing, operating, and closing mines and refining and other facilities. It is possible that in the future the costs, delays and other effects associated with such laws and regulations may impact decisions of the Company with respect to the exploration and development of properties including the deployment of the Modular DLE Unit. The Company will be required to expend significant financial and managerial resources to comply with such laws and regulations. Since legal requirements change frequently, are subject to interpretation and may be enforced in varying degrees in practice, the Company is unable to predict the ultimate cost of compliance with these requirements or their effect on operations. Furthermore, future changes in governments, regulations and policies and practices, such as those affecting exploration and development of the Company's properties could materially and adversely affect the results of operations and financial condition of the Company in a particular year or in its long-term business prospects.

Cyclical Nature of the Mining Business

The mining business and the marketability of the products it produces are affected by worldwide economic cycles. At the present time, the significant demand for lithium and other commodities in many countries is driving increased prices, but it is difficult to assess how long such demand may continue. Fluctuations in supply and demand of mined resources in various regions throughout the world are common.

As the Company's development and commercial deployment of its Modular DLE Unit is still at its early stage, its ability to fund ongoing development is affected by the availability of financing which is, in turn, affected by the strength of the economy and other general economic factors.

Community Relations and License to Operate

The Company's relationship with the host communities where it operates is critical to ensure the future success of its existing operations and the construction and development of its projects. There is an increasing level of public concern relating to the perceived effect of mining activities on the environment and on communities impacted by such activities. Certain NGOs, some of which oppose globalization and resource development, are often vocal critics of the mining industry and its practices, including the use of cyanide and other hazardous substances in processing activities. Adverse publicity generated by such NGOs or others related to extractive industries generally, or the Company's exploration or development activities specifically, could have an adverse effect on the Company's reputation. Reputation loss may result in decreased investor confidence, increased challenges in developing and maintaining community relations and an impediment to the Company's overall ability to advance its Modular DLE Unit, which could have a material adverse impact on the Company's results of operations, financial condition, and prospects. While the Company is committed to operating in a socially responsible manner, there is no guarantee that the Company's efforts in this respect will mitigate this potential risk.

No Revenue and Negative Cash Flow

The Company has negative cash flow from operating activities and does not currently generate any revenue. Lack of cash flow from the Company's operating activities could impede its ability to raise capital through debt or equity financing to the extent required to fund its business operations. In addition, working capital deficiencies could negatively impact the Company's ability to satisfy its obligations promptly as they become due. If the Company does not generate sufficient cash flow from operating activities, it will remain dependent upon external financing sources. There can be no assurance that such sources of financing will be available on acceptable terms or at all.

Legal and Litigation

In addition to the SAL Litigation, in the ordinary course of the Company's business, it may become party to new litigation or other proceedings in local or international jurisdictions in respect of any aspect of its business, whether under criminal law, contract or otherwise. The causes of potential litigation cannot be known and may arise from, among other things, business activities, employment matters, including compensation issues, environmental, health and safety laws and regulations, tax matters, volatility in the Company's stock price, failure to comply with disclosure obligations or labour disruptions. Regulatory and government agencies may initiate investigations relating to the enforcement of applicable laws or regulations and the Company may incur expenses in defending them and be subject to fines or penalties in case of any violation and could face damage to its reputation. The Company may attempt to resolve disputes involving foreign contractors/suppliers through arbitration in another county and such arbitration proceedings may be costly and protracted, which may have an adverse effect on the Company's financial condition. Litigation may be costly and time-consuming and can divert the attention of management and key personnel from the Company's operations and, if adjudged adversely to the Company, may have a material and adverse effect on the Company's cash flows, results of operations and financial condition.

Insurance

The Company is also subject to a number of operational risks and may not be adequately insured for certain risks, including: accidents or spills, industrial and transportation accidents, which may involve hazardous materials, labor disputes, catastrophic accidents, fires, blockades or other acts of social activism, changes in the regulatory environment, impact of non-compliance with laws and regulations, natural phenomena such as inclement weather conditions, floods, earthquakes, tornados, thunderstorms, ground movements, cave-ins, and encountering unusual or unexpected geological conditions and technological failure of exploration methods.

There is no assurance that the foregoing risks and hazards will not result in damage to, or destruction of, the properties of the Company, personal injury or death, environmental damage or, regarding the exploration or development activities of the Company, increased costs, monetary losses and potential legal liability and adverse governmental action, all of which could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition. The payment of any such liabilities would reduce the funds available to the Company. If the Company is unable to fully fund the cost of remedying an environmental problem, it might be required to suspend operations or enter into costly interim compliance measures pending completion of a permanent remedy.

No assurance can be given that insurance to cover the risks to which the Company's activities are subject will be available at all or at commercially reasonable premiums.

Conflicts of Interest

The Company's directors and officers are or may become directors or officers of other mineral resource companies or reporting issuers or may acquire or have significant shareholdings in other mineral resource companies. To the extent that such other companies may participate in ventures in which the Company may participate or wish to participate, the directors and officers of the Company may have a conflict of interest with respect to such opportunities or in negotiating and concluding terms respecting the extent of such participation.

The Company and its directors and officers will attempt to minimize such conflicts. If such a conflict of interest arises at a meeting of the directors of the Company, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In appropriate cases, the Company will establish a special committee of independent directors to review a matter in which several directors, or officers, may have a conflict. In determining whether or not the Company will participate in a particular program and the interest to be acquired by it, the directors will primarily consider the potential benefits to the Company, the degree of risk to which the Company may be exposed and its financial position at that time. Other than as indicated, the Company has no other procedures or mechanisms to deal with conflicts of interest.

Climate Change

The Company acknowledges climate change as an international and community concern and it supports and endorses various initiatives for voluntary actions consistent with international initiatives on climate change. However, in addition to voluntary actions, governments are moving to introduce climate change legislation and treaties at the international, national, state/provincial and local levels. Where legislation already exists, regulation relating to emission levels and energy efficiency is becoming more stringent. Some of the costs associated with reducing emissions can be offset by increased energy efficiency and technological innovation. However, if the current regulatory trend continues, the Company expects that this could result in increased costs at its operations in the future.

Dividends and Profitability

The Company has no history of earnings and, due to the nature of its proposed business, there can be no assurance that the Company will ever be profitable. The Company has never paid cash dividends on Common Shares and does not expect to pay any cash dividends in the future in favor of utilizing cash to support the development of its business. Any future determination relating to the Company's dividend policy will be made at the discretion of the Board and will depend on a number of factors, including future operating results, capital requirements, financial condition and the terms of any credit facility or other financing arrangements the Company may obtain or enter into, future prospects and other factors the Company's Board may deem relevant at the time such payment is considered. As a result, shareholders will have to rely on capital appreciation, if any, to earn a return on their investment in the Common Shares for the foreseeable future.

Time and Cost Estimates

Actual time and costs may vary significantly from estimates for a variety of reasons, both within and beyond the control of the Company. Failure to achieve time estimates and significant increases in costs may adversely affect the Company's ability to continue exploration, develop the Company's projects and ultimately generate sufficient cash flows. There is no assurance that the Company's estimates of time and costs will be achievable.

Consumables Availability and Costs

The Company's planned commercial deployment of its Modular DLE Unit, including the profitability thereof, will continue to be affected by the availability and costs of consumables used in connection with the Company's activities. Of significance, this may include concrete, steel, copper, piping, diesel fuel and electricity. Other inputs such as labor, consultant fees and equipment components are also subject to availability and cost volatility. If inputs are unavailable at reasonable costs, this may delay or indefinitely postpone planned activities. Furthermore, many of the consumables and specialized equipment used in Modular DLE Unit are subject are subject to significant volatility and inflation. There is no assurance that consumables will be available at all or at reasonable costs.

Pandemic Risks, the Russian War in Ukraine, Inflation and Other Global Financial Conditions Risks

The COVID-19 pandemic, the Russian war in Ukraine, inflation and other factors continue to impact global markets and cause general economic uncertainty, the impact of which may have a significant adverse effect on the Company's operations, business and financial condition.

The impacts of the COVID-19 pandemic, and governmental response thereto, on global commerce have and continue to be extensive and far-reaching. There has been significant stock market volatility, volatility in commodity and foreign exchange markets, restrictions on the conduct of business in many jurisdictions and the global movement of people has been restricted from time to time. The current global uncertainty with respect to COVID-19, the rapidly evolving nature of the pandemic, including the occurrence of new variants, and local and international developments related thereto and its effect on the broader global economy and capital markets may have a negative effect on the Company and its business operations. The precise impact of further COVID-19 outbreak or the emergence of new diseases on the Company remains uncertain. The rapid spread of COVID-19 and declaration of the outbreak as a global pandemic has resulted in travel advisories and restrictions, certain restrictions on business operations, social distancing precautions and restrictions on group gatherings which had direct impacts on businesses in Canada, the United States, Argentina, Chile and globally, and could again result in travel bans, work delays, difficulties for contractors and employees to work at site, and diversion of management attention all of which in turn could have a negative impact on the Company's business operations as well as the Company's prospects generally. Although many of these impacts appear to be lessening in most jurisdictions, there continues to be significant ongoing uncertainty surrounding the long-term ramifications of COVID-19 for the global and national economies and the extent and duration of the impacts that it, or governmental responses to it, may have on the advancement of the Company's mining projects, suppliers and employees, and on global supply chains and financial markets. This may have a material adverse effect on the Company's operations, business and financial condition.

Global financial conditions have been subject to continued volatility. Government debt, the risk of sovereign defaults, political instability and wider economic concerns in many countries have been causing significant uncertainties in the markets. Disruptions in the credit and capital markets can have a negative impact on the availability and terms of credit and capital. Uncertainties in these markets could have a material adverse effect on the Company's liquidity, ability to raise capital and cost of capital. High levels of volatility and market turmoil could also adversely impact commodity prices, exchange rates and interest rates and have a detrimental effect on the Company's business.

The recent global economic and geopolitical events, such as the war in Ukraine and sanctions imposed on Russia and higher energy costs coupled with supply concerns have been extremely disruptive to the world economy, with increased volatility in commodity markets, international trade and financial markets and oil and gasoline prices, all of which have a trickle-down effect on supply chains, equipment and construction. There is substantial uncertainty about the extent to which each of these events will continue to impact economic and financial affairs, as the numerous issues arising from each event are in flux and there is the potential for escalation of conflict both within Europe and globally. There is a risk of substantial market and financial turmoil arising from further conflict which could have a material adverse effect on the economics of the Company's projects and the Company's ability to operate its business and advance project development. There is also a risk of recession, which may cause decreases in asset values and may result in impairment losses which could adversely impact the Company's operations and the trading price of the Company's Common Shares.

Concerns over global economic conditions may also have the effect of heightening many of the other risks described herein, including, but not limited to, risks relating to: fluctuations in the market price of lithium-based products, the terms and availability of financing, supply chain constraints and cost overruns, geopolitical concerns, and changes in law, policies or regulatory requirements

Infrastructure

Mining, processing, development, and exploration activities depend on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, or community, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition, and results of operations.

Foreign Currency Risk

The Company and its subsidiaries incur significant purchases denominated in currencies other than the presentation currency, the Canadian dollar, and are subject to foreign currency risk on assets and liabilities denominated in currencies other than the Canadian dollar. Expenditures are transacted in United States Dollars and the Company is exposed to risk of exchange rate fluctuation between the Canadian dollar and this currency. The Company does not hedge the foreign currency balances.

Corruption and Bribery Laws

The Company's operations are governed by, and involve interactions with, many levels of government in other countries. The Company is required to comply with anti-corruption and anti-bribery laws, including the Criminal Code, and the Corruption of Foreign Public Officials Act (Canada), as well as similar laws in the countries in which the Company conducts its business. In recent years, there has been a general increase in both the frequency of enforcement and the severity of penalties under such laws, resulting in greater scrutiny and punishment to companies convicted of violating anti-corruption and anti-bribery laws. Measures that the Company has adopted to mitigate these risks are not always effective in ensuring that the Company, its employees, or third-party agents will comply strictly with such laws. Furthermore, a company may be found liable for violations by not only its employees, but also by its contractors and third-party agents. If the Company finds itself subject to an enforcement action or is found to be in violation of such laws, this may result in significant penalties, fines and/or sanctions imposed on the Company resulting in a material adverse effect on the Company's reputation and results of its operations.

Competition

The Company faces strong competition from other technologically based resource companies in connection with the identification and acquisition of properties producing, or capable of producing, lithium. Many of these companies have greater financial resources, operational experience, and technical capabilities than the Company. As a result of this competition, the Company may be unable to identify, maintain or acquire attractive mining properties on acceptable terms or at all. Consequently, the Company's prospects, revenues, operations, and financial condition could be materially adversely affected.

Taxation

The Company is affected by the tax regimes of various local, regional, and national authorities. Revenues, expenditures, income, investments, land use, intercompany transactions and all other business conditions can be taxed. Tax regulations, interpretations and enforcement policies may differ from the Company's applied methods and may change over time due to circumstances beyond the Company's control. The effect of such events could have material adverse effects on the Company's anticipated tax consequences. There is no assurance regarding the nature or rate of taxation, assessments and penalties that may be imposed.

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that material information is gathered and reported to management, as appropriate to allow for timely decisions about public disclosure. The Company has disclosure controls and procedures in place to provide reasonable assurance that any information required to be disclosed by the Company under securities legislation is recorded, processed, summarized, and reported within the applicable time periods and that required information is accumulated and communicated to the Company's management, so that decisions can be made about the timely disclosure of that information.

Internal Controls over Financial Reporting

Management is responsible for establishing and maintaining adequate internal controls over financial reporting as such term is defined in the rules of the NI 52-109 in Canada and Rules 13a-15(f) and 15d-15(f) of the Exchange Act in the United States. The Company's internal controls over financial reporting is designed to provide reasonable assurance regarding the reliability of the Company's financial reporting for external purposes in accordance with IFRS as issued by the IASB.

Though the Company believes its internal safeguards over financial reporting are effective, the Company cannot provide absolute assurance.

Limitation of Controls and Procedures

Management believes that any disclosure controls and procedures or internal control over financial reporting, no matter how well designed and operated, have their inherent limitations. Due to those limitations (resulting from unrealistic or unsuitable objectives, human judgment in decision making, human errors, management overriding internal control, circumventing controls by the individual acts of some persons, by collusion of two or more people, external events beyond the entity's control), internal control can only provide reasonable assurance that the objectives of the control system are met.

The design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Cybersecurity and Information Systems

The Company's operations depend, in part, on how well it and the entities that it conducts business with protect networks, technology systems and software against damage from a number of threats, including viruses, security breaches and cyber-attacks. Cybersecurity threats include attempts to gain unauthorized access to data or automated network systems and the manipulation or improper use of information technology systems. A failure of the Company's information technology systems could, depending on the nature of such failure, materially adversely impact the Company's reputation, financial condition and results of operations. Although to date the Company has not experienced any material losses relating to cyber-attacks or other information security breaches, there can be no assurance that it will not incur such losses in the future. The risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats.

In addition, as the regulatory environment related to information security, data collection and use, and privacy becomes increasingly rigorous, with new and constantly changing requirements applicable to our business, compliance with those requirements could also result in additional costs. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any cybersecurity or system vulnerabilities.\

DIVIDENDS AND DISTRIBUTIONS

The Company has no fixed dividend policy and has not declared any dividends on its Common Shares since its incorporation. The Company anticipates that all available funds will be used to undertake the continuous development, production, and deployment of its Modular DLE Unit as well as the procurement of additional revenue channels. Any future payment of dividends will depend, among other things, upon the Company's earnings, capital requirements and operating and financial condition. Generally, dividends can only be paid if the Company has retained earnings. There can be no assurance that the Company will generate sufficient earnings to allow it to pay dividends.

DESCRIPTION OF CAPITAL STRUCTURE

Common Shares

As of the date of this AIF, the Company's authorized share structure consists of an unlimited number of Common Shares of which 203,067,907 are issued and outstanding as at the date of this AIF. The holders of Common Shares are entitled to attend and vote at any general meeting of the Company, and to cast one vote for each Common Share held on the applicable record date in respect of any matter put to vote at such a meeting. The holders of Common Shares are entitled to receive dividends if and when declared by the Board. Subject to the special rights or restrictions attached to the shares of any other class of shares of the Company, the holders of Common Shares are entitled to share equally in the remaining property of the Company upon the liquidation, dissolution or winding-up of the Company.

Common Share Purchase Warrants

As of the date of this AIF, the Company has 9,730,332 Common Share Purchase Warrants issued and outstanding with such Common Share Purchase Warrants having the following terms:

a. 3,333,333 Common Share Purchase Warrants having an exercise price of CAD$1.21, and an expiration date of February 24, 2024, subject to the policy of the Exchange as it pertains to the amendment of warrant terms; and

b. 6,396,999 Common Share Purchase Warrants with an exercise price of CAD$1.21, and an expiration date of April 21, 2025.

Stock Options

On August 17, 2017, the Company adopted a "rolling" stock option plan (the "**Stock Option Plan**") pursuant to which up to a maximum of 10% of the issued and outstanding Common Shares may be reserved for issuance pursuant to the exercise of Stock Options. The Stock Option Plan was amended and subsequently approved by way of shareholder approval on April 22, 2021.

The following information is intended to be a brief description and summary of the material features of the Stock Option Plan:

a. directors, officers, employees and consultants of the Company, persons engaged in investor relations activities on behalf of the Company or any of its subsidiaries are eligible to receive grants of Stock Options under the Stock Option Plan;

b. a number of Common Shares equal to ten (10%) percent of the issued and outstanding Common Shares in the capital stock of the Company from time to time are reserved for the issuance pursuant to the exercise of Stock Options;

c. the exercise price of any options granted is determined by the Board in its sole discretion as of the date the Board grants the options, and shall not be less than the greater of the closing market prices of the Common Shares 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;

d. Stock Options granted under the Stock Option Plan are non-assignable and non-transferable and are issuable for a period of up to ten (10) years commencing on the date of grant;

e. an optionee's Stock Options expire on the earlier of (i) a date, not to exceed one year after the date the optionee ceases to be eligible to receive options, determined by the Board or the CEO or President of the Company and (ii) the date of expiration of the term otherwise applicable to such Stock Option; and

f. notwithstanding the foregoing, if an optionee dies, any vested Stock Options held by him or her at the date of death will become exercisable by the optionee's lawful personal representatives, heirs, or executors until the earlier of (i) one year after the date of death of such optionee and (ii) the date of expiration of the term otherwise applicable to such Stock Option.

Under the Stock Option Plan, the number of Common Shares which may be reserved for issuance: (i) to any one optionee who is an insider and any associates of such insider, shall not exceed 5% of the outstanding issue; and (ii) to all persons who undertake investor relations activities, shall not exceed 2% of the outstanding issue.

As of the date of this AIF, the Company was eligible to grant up to 20,306,790 Stock Option of which there are 9,739,402 options outstanding under the Stock Option Plan.

Restricted Share Units

On November 25, 2020, the Company adopted the RSU Plan, pursuant to which the Company is permitted to grant RSUs awarding up to a maximum number of Common Shares equal to 10% percent of the issued and outstanding Common Shares at the time of the award.

The following information is intended to be a brief description and summary of the material features of the RSU Plan:

a. the RSU Plan allows the Company to grant RSUs awarding up to a maximum number of Common Shares equal to ten (10%) percent of the issued and outstanding Shares, under and subject to the terms and conditions of the RSU Plan, which RSUs may be exercised by any holder of RSUs to receive an award payout of either: (a) one Share for each wholly vested RSU; or (b) a cash amount equal to the notional value of the market value of the Shares (the "**Vesting Date Value**") as at the date set by the Board (or if no date is set by the Board, September 1 of the third calendar year following the date of grant) of such vested RSU; and

b. fractional Common Shares will not be issued pursuant to the RSU Plan; instead, an RSU Plan recipient entitled to a fractional Share is entitled to receive payment from the Company of cash value equal to the Vesting Date Value of such fractional Share.

The RSU Plan was subsequently amended and approved by shareholders at its annual general meeting held on June 21, 2022, wherein is was established that:

a. the maximum number of RSUs that may be granted to related persons (as a group) may not exceed 10% of the issued Common Shares calculated on the grant date;

b. the maximum number of RSUs that may be granted to an eligible person within a 12 month period may not exceed 5% of the issued Common Shares calculated on the grant date; and

c. notwithstanding anything in the RSU Plan the Company shall not issue Common Shares to any eligible person who is a related person of the Company where the issuance would result in the total number of Common Shares issuable at any time under the RSU Plan to related persons exceeding 10% of the total number of issued and outstanding equity security of the Company on a non-diluted basis.

As of the date of this AIF, the Company has approximately 12,500 RSUs outstanding under the RSU Plan.

MARKET FOR SECURITIES

Trading Price and Volume

The Company's Common Shares are listed and traded on the CSE under the trading symbol "IBAT".

The following table sets out trading information for the Common Shares on the CSE for the fiscal year ending March 31, 2023.

Period	High($)	Low ($)	Volume
March 2023	2.38	0.95	1,059,923
February 2023	2.29	1.12	375,431
January 2023	2.57	2.02	264,205
December 2022	3.03	1.88	338,658
November 2022	3.0	2.46	463,858
October 2022	3.95	2.6	413,792
September 2022	4.84	3.6	743,617
August 2022	4.85	3.05	435,476
July 2022	3.65	2.26	792,882
June 2022	4.55	3.27	1,130,556
May 2022	6.1	3.1	1,513,078
April 2022	7.5	3.43	1,762,812
March 2022	7.52	3.91	1,385,441

Prior Sales

The following tables set forth the number, exercise price and date of issuance of outstanding securities of the Company issued during the most recently completed year ended March 31, 2023, other than securities of the Company that were listed or quoted on a marketplace.

Date of Issue	Class of Security	Number of Securities Issued	Exercise Price per Security
February 24, 2022(1)	Warrants	3,333,333	$1.21
March 5, 2022(2)	Options	1,000,000	$1.12
May 16, 2022(3)	Options	200,000	$1.12
July 1, 2022(4)	Options	600,000	$1.12
April 21, 2023(5)	Warrants	6,396,999	$1.21
May 3, 2023(6)	Options	2,100,000	$1.12

Notes

(1) Issued pursuant to a private placement wherein the Company issued 3,333,333 units at $3.83 per unit for gross proceeds of US$10,000,000. Each unit consisted of one Common Share and one Common Share Purchase Warrant, which entitles the holder thereof to acquire one Common Share at a price of $3.83 per Common Share for a period of two years. The exercise price of these Common Share Purchase Warrants was amended from $4.37 to $1.21 on April 21, 2023.

(2) Granted to directors of the Company pursuant to the Company's Stock Option Plan. Each option entitles the holder to acquire one Common Share at a price of $4.37 per Common Share for a period of five years. The exercise price of these Options was amended from $4.37 to $1.12 on July 7, 2023.

(3) Granted to an employee of the Company pursuant to the Company's Stock Option Plan. Each option entitles the holder to acquire one Common Share at a price of $4.10 per Common Share for a period of five years. The exercise price of these Options was amended from $4.10 to $1.12 on July 7, 2023.

(4) Granted to Mr. Flowers pursuant to the terms of an executive employment agreement entered into by the Company and Mr. Flowers on July 1, 2022. The exercise price of these Options was amended from $3.50 to $1.12 on July 7, 2023.
(5) Issued pursuant to a private placement wherein the Company issued 6,396,999 units at a price of $1.04635 per unit for gross proceeds of $6,693,450. Each unit consisted of one Common Share and one Common Share Purchase Warrant, which entitles the holder thereof to acquire on Common Share at a price of $1.21 per Common Share for a period of two years.
(6) Granted to directors and consultants of the Company pursuant to the Company's Stock Option Plan. Each option entitles the holder to acquire one Common Share at a price of $1.12 per Common Share for a period of five years.

DIRECTORS AND OFFICERS

The following table sets out, as at the date hereof, for each of our directors and executive officers, the person's name, province or state, and country of residence, position(s) with us, the date on which he or she became a director of the Company, and his or her principal occupation and previously held positions for the last five years. Our directors are expected to hold office until our next annual meeting of shareholders. Our directors are elected annually and, unless re-elected, retire from office at the end of the next annual general meeting of shareholders.

Name, Positions Held, Residence	Principal Occupations during the Last Five Years	Period as a Director or Officer of the Company
John Burba *Founder and Director* Texas, United States	Former Chairman (July 2023) and Director of the Company since April 2018 and served as CEO of the Company from April 2018 to December 2022; CEO and President of Simbol Inc. from March 2013 to March 2016; and previously CTO and EVP of MolyCorp Minerals, LLC, a rare earth minerals company.	April 12, 2018
Garry Flowers *CEO* South Carolina, United States	President of the Company from July 2022 to December 2022, and CEO of the Company from December 2022 to present. Executive Vice President of Fluor Corporation from January 2012 to June 2021.	July 11, 2022
Daniel Christie *CFO* South Carolina, United States	Interim CFO of the Company since April 2023. VP Finance & Legal, KeyMark Inc. 2007-2019, VP of Finance, Water and Electricity, Elster Group, GmbH 2004-2007, CFO PDIT/Modulant, Inc, 2002-2004, CFO HomePoint Corporation, 1999-2002, CFO Datastream Systems, Inc (Nasdaq:DSTM) 1993-1999, Group Finance Manager Digital Equipment Corporation 1984-1993	April 1, 2023
Joshua Hebert *Vice President of Field Operations* Louisiana, United States	Vice President of Field Operations since April 2023.	April 1, 2023
Tony Colletti(2)(3) *Director* Florida, United States	Director of the Company since May 2021; Interim President of the Company from March 2022 to July 2022; Up until July 2023 Chief Operating Officer of 3867 Partners, LLC, a private investment firm specialized in the acquisition and turnaround of mid-sized US companies; Leads Colletti & Associates, a national governmental relations consulting firm.	May 12, 2021
Maria Echaveste(1)(3) *Director* California, United States	Director of the Company since March 3, 2022; President and CEO of the Opportunity Institute since March 2019; and Director of Cadiz, Inc. since July 2019, a publicly-held natural resources company trading on the Nasdaq Stock Exchange.	March 3, 2022

Name, Positions Held, Residence	Principal Occupations during the Last Five Years	Period as a Director or Officer of the Company
Foy Wyman Morgan(1)(2) *Director* New Jersey, United States	Director of the Company since March 3, 2022; President of Strategic Technology Resources since 2005, LLC; and Senior Vice President of Infinity Resources, LLC, since 2007.	March 3, 2022
William Webster(1)(2) *Chairman and Director* South Carolina, United States	Director of the Company since March 3, 2022 and Chairman of the Company since July 2023, and has served as Lead Director since November, 2022; Director, Chairman and Member of Audit Committee of Golub Capital BDC from March 2010 to February 2022; and Director of LKQ Corporation from September 2003 to May 2019.	March 3, 2022
Roderick Kirkham Corporate Secretary British Columbia, Canada	Counsel to DS Lawyers Canada LLP (August 2017 – Present).	July 26, 2023

Notes:
(1) Member of the Audit Committee.
(2) Member of the Corporate Governance, Nominating and Compensation Committee.
(3) Member of the Social Responsibility and Sustainability Committee.

Aggregate Ownership of Securities

As of the date of this AIF, the Company's directors, and executive officers beneficially own, control or direct, directly or indirectly, 9,458,247 Common Shares, representing 4.66% of the issued and outstanding Common Shares of the Company as of the date of this AIF. The information as to Common Shares beneficially owned, directly or indirectly or over which control or direction is exercised, is based upon information furnished to the Company by each of the individuals listed above.

CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Within one year of Dr. Burba ceasing to act as the CEO and President of Simbol, Simbol ceased operations and certain of Simbol's creditors filed claims in California resulting in Simbol being placed into receivership. Simbol's assets, under the supervision of a receiver, were later sold to a third party pursuant to the terms of an asset purchase agreement.

In addition to the above, the Company voluntarily applied for a MCTO with the BCSC on May 27, 2022, due to a delay in the Company's filing of its audited annual financial statements by the filing deadline of May 31, 2022. The MCTO prohibited all trading by the CEO and CFO of the Company, and such other directors, officers and persons as determined by the applicable regulatory authorities until the MCTO has been revoked. The annual financial filings were subsequently filed on June 14, 2022, and the MCTO was revoked permitting directors and officers of the Company to recommencing trading of securities of the Company.

Other than as set out above, no director or executive officer of the Company is, as at the date of this AIF, or was, within ten years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including the Company), that (a) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under the securities legislation, for a period of more than 30 consecutive days, or (b) was subject to an order that was issued after the director or executive officer 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.

No director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company (a) is, as at the date of this AIF, or has been within the 10 years before the date of this AIF, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (b) has, within the 10 years before the date of this AIF, 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 director, executive officer or shareholder.

No director, or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

CONFLICTS OF INTEREST

The Company's directors and officers may serve as directors or officers, or may be associated with, other reporting companies, or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the transaction.

If a conflict of interest arises, the Company will follow the provisions of the BCBCA dealing with conflict of interest. These provisions state that where a director has such a conflict, that director must, at a meeting of the Company's directors, disclose his or her interest and refrain from voting on the matter unless otherwise permitted by the BCBCA. In accordance with the laws of the Province of British Columbia, the directors and officers of the Company are required to act honestly, in good faith, and the best interest of the Company.

To the best of the Company's knowledge, there are no known existing or potential conflicts of interest among the Company or a subsidiary of the Company and the Company's directors and officers or the directors and officers of a subsidiary of the Company as a result of their outside business interests, except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Company and their duties as a director or officer of such other companies.

PROMOTERS

A "Promoter" is defined in the *Securities Act* (British Columbia) as a "person who (a) alone or in concert with other persons directly or indirectly takes the initiative of founding, organizing or substantially reorganizing the business of the issuer; or (b) in connection with the founding, organization or substantial reorganization of the business of the Company, directly or indirectly receives, in consideration of services or property or both, 10% or more of a class of the Company's own securities or 10% or more of the proceeds from the sale of a class of the Company's own securities of a particular issue." No person or company has been, within the two most recently completed financial years or during the current financial year, a promoter of the Company or of a subsidiary of the Company.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

In the ordinary course of business, the Company may be subject to certain contingent liabilities with respect to existing or potential claims, lawsuits, and other proceedings, including those involving tax, social security, labour lawsuits and other matters.

The Company is currently a defendant in the SAL Litigation. The SAL Litigation was commenced by two former employees of the Company, namely Christina M. Borgese ("**Ms. Borgese**") and Marc Privitera ("**Mr. Privitera**"), as well as NA Lithium, a company wholly owned by Ms. Borgese and Mr. Privitera. The SAL Litigation relates to the SAL Share Exchange Agreement entered into between the Company, NA Lithium and SA Lithium pursuant to which the Company acquired (a) NA Lithium's data, analysis and reports related to lithium extraction from oilfield brines for petro-lithium extraction projects, and (b) all of the outstanding and issued shares held by SA Lithium shareholders in exchange for 4,700,000 Common Shares of the Company. In addition to the issuance of 4,700,000 Common Shares, the Company further agreed to issue an additional 20,609,488 Common Shares, as part of the purchase price, to be equally distributed amongst Dr. Burba, Ms. Borgese, and Mr. Privitera pursuant to the achievement of certain milestone events. In furtherance to the SAL Share Exchange Agreement, each of Ms. Borgese and Mr. Privitera were to be appointed as employees of the Company. The claims as brought forward in the SAL Litigation relate to purported breaches of the SAL Share Exchange Agreement as well as breaches to the employee agreements of each of Ms. Borgese and Mr. Privitera. Presently, the Company is in the process of formalizing a response to the complaint.

Apart from the SAL Litigation set out above, as of the date of this AIF, the Company's management is not aware of any current or contemplated legal proceedings material to the Company to which it is a party or of which any of its property is the subject matter. As of the date hereof, no penalties or sanctions have been imposed against the Company by a court or regulatory body and the Company did not enter into any settlement agreements before a court relating to securities legislation or with a securities regulatory authority during its last financial year.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed herein and in the financial statements and management's discussion and analysis of the Company, there were no material interests, direct or indirect, of directors or executive officers of the Company, of any shareholder who beneficially owns, directly or indirectly, or exercises control or direction over more than 10% of the outstanding Common Shares, or any known associate or affiliate of such persons, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or would materially affect Company or any of its subsidiaries.

TRANSFER AGENTS AND REGISTRARS

The transfer agent and registrar for the Company's Common Shares is Computershare Investor Services Inc., located at 510 Burrard Street, Vancouver, British Columbia, V6C 3B9.

MATERIAL CONTRACTS

The following are the only material contracts, other than contracts entered into in the ordinary course of business, entered into by the Company during its most recently completed financial year or previous to it that are still in effect:

a. Royalty Agreement entered into by the Company and NA Lithium on March 4, 2018, as provided for in the SAL Share Exchange Agreement dated March 4, 2018, and as amended on April 12, 2018 (the "**NA Lithium Royalty Agreement**"). Pursuant to the terms of the Royalty Agreement, the Company has agreed to pay, on a fiscal quarterly basis, an amount equal to 5% of product income as such income is derived from the proceeds received by the Company from the sale of any saleable lithium material less production costs. As of the date of this AIF, the Company does not have and valid products for disposition and as such no royalty payments are presently owed by the Company to NA Lithium.

b. Licensing Agreements dated November 7, 2018, as amended, entered into by the Company with each of, Ensorcia Metals, Ensorcia Argentina, and Sorcia Minerals, with respect to the exclusive licensing of the Company's Modular DLE Unit to be used in lithium extraction systems from lithium producing brine sources located in Argentina and Chile, respectively;

c. Sorcia Development Services Agreement dated January 1, 2020, between the Company and Sorcia Minerals, with respect to Sorcia Minerals engagement of the Company to provide design, construction, operation, repair and maintenance services and technology to Sorcia Minerals for use in a lithium extraction system to be built and leased by the Company to Sorcia Minerals or its affiliate;

d. Piper Services Agreement dated September 23, 2021, as amended, between the Company and Piper Sandler, whereby Piper Sandler has agreed to act as financial advisor to the Company in connection with any proposed business combination or private placement involving the Company and another party;

e. Investment Agreements dated May 16, 2022, entered into by the Company and each of EVL Holdings and Sorcia Minerals pursuant to which the Indebtedness owing to EVL Holdings and Sorcia Minerals would be satisfied through the satisfaction of the subscription price and any excess thereunder being applied to the exercise of warrants pursuant to the terms of the 2021 Private Placement;

f. Limited Testing Agreement dated July 19, 2022, between the Company and Galvanic, with respect to the evaluation of the Company's lithium extraction technology; and

g. BMO Service Agreement dated October 26, 2022, whereby BMO Capital Markets agreed to its appointment to act as financial advisor to the Company with respect to: (a) any proposal to acquire control of the Company by way of an offer to acquire; (b) a sale of all or substantially all of the Company's assets, by way of a negotiated purchase, lease, license, exchange, joint venture transaction or other means; (c) any merger, amalgamation, plan of arrangement, reorganization or other business combination pursuant to which the assets and business of the Company are combined with one or more other persons and there is an acquisition of control of the Company; (d) the issue by the Company to one or more other persons of securities of the Company in numbers sufficient to constitute an acquisition of control of the Company; (e) the direct or indirect acquisition of control of the Company otherwise than as contemplated by any of the foregoing paragraphs (a) to (d) inclusive (collectively referred to herein as a "**BMO Transaction**").

h. Entec Licensing Agreement dated March 30, 2023, as between the Company and Entec, whereby the Company will provide Entec with a non-exclusive, limited, world-wide (other than Chile and Argentina) license to access to all patents, trade secrets, and other proprietary rights for use by Entec within the territory solely for the use and operation of equipment and systems manufactured and sold in accordance with the Entec License Agreement for the extraction of lithium salts from lithium bearing raw brine.

Apart from what is provided above, as at the date of this AIF, the Company has not entered into any other material contracts within the most recently completed financial year, or before the most recently completed financial year but which are still in effect.

INTERESTS OF EXPERTS

The following person or companies whose profession or business gives authority to a statement made by the person or company are named in the AIF having prepared or certified a part of that document or a report of valuation described in the AIF:

a. the Company's Financial Statements have been audited by Crowe MacKay, who are independent in accordance with the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of British Columbia.

Based on information provided by the experts, the registered or beneficial interest, direct or indirect, in any securities or other property of the Company or of one of the Company's associates or affiliates of each of the above experts represents less than one per cent of the Company's outstanding securities. None of the above experts is or is expected to be elected, appointed, or employed as a director, officer or employee of the Company or of any associate or affiliate of the Company.

AUDIT COMMITTEES AND CORPORATE GOVERNANCE

The following information regarding the audit committee of the Board (the "**Audit Committee**") is required to be disclosed pursuant to NI 52-110.

Pursuant to applicable laws, the policies of the CSE and NI 52-110, the Company is required to have an audit committee comprised of not less than three directors, a majority of whom are not officers, control persons or employees of the Company or any affiliate of the Company.

Audit Committee's Charter

The Audit Committee provides review and oversight of the Company's accounting and financial reporting process, and the audit process, including the selection, oversight, and compensation of the Company's external auditor. Since the commencement of the Company's most recently completed financial year, the Board has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

A copy of the Company's Audit Committee Charter is attached as Schedule "B" hereto.

Composition of the Audit Committee

The current Audit Committee members are William Webster, Maria Echaveste, and Foy Wyman Morgan, a majority of which are "independent" and at least one member of which is "financially literate" within the meaning of NI 52-110.

A member of the Audit Committee is independent if the member has no direct or indirect material relationship with the Company. A material relationship means a relationship which could, in the Board's reasonable opinion, interfere with the exercise of a member's independent judgement.

A member of the Audit Committee is considered financially literate if he or she has the ability to read and understand a set of financial statements presenting a breadth and level of complexity of accounting issues generally comparable to the breadth and complexity of issues one can reasonably expect to be raised by the Company.

Relevant Education and Experience

Each member of the Company's Audit Committee has adequate education and experience relevant to their performance as an Audit Committee member and, in particular, the requisite education and experience that provides the member with:

(a) an understanding of the accounting principles used by the Company to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals, and reserves;

(b) experience preparing, auditing, analyzing, or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements or experience actively supervising individuals engaged in such activities; and

(c) an understanding of internal controls and procedures for financial reporting.

See "*Directors and Officers*" above, and in particular the biographies of each Audit Committee member, for more information concerning each Audit Committee member's education and experience.

Audit Committee Oversight

At no time since the commencement of the most recently completed financial year of the Company was a recommendation of the audit committee to nominate or compensate an external auditor not adopted by the directors of the Company.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services but will review the engagement of all such services.

External Auditor Service Fees

The Audit Committee has reviewed the nature and amount of the non-audit services provided by Crowe MacKay, to the to ensure auditor independence in the financial periods ended March 31, 2023, and 2022. Fees incurred for audit and non-audit services provided by Crowe Mackay during such periods are outlined in the following table:

Nature of Services	Fees Paid to Auditor in Year Ended March 31, 2023	Fees Paid to Auditor in Year Ended March 31, 2022
Audit Fees(1)	$86,000	$41,500
Audit-Related Fees(2)	Nil	Nil
Tax Fees(3)	$4,363.50	$5,000
All Other Fees(4)	$1,270.00	$6,750
Total	$91,663.50	$53,250

Notes:

(1) "**Audit Fees**" include fees necessary to perform the annual audit and quarterly reviews of the Company's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

(2) "**Audit-Related Fees**" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

(3) "**Tax Fees**" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

(4) "**All Other Fees**" include all other non-audit services.

Corporate Governance, Nominating and Compensation Committee

The CNC Committee as appointed by the Board is designed to enable the Board to discharge its responsibilities and obligations with respect to: (a) developing and implementing an effective corporate governance system, (b) reviewing and assessing on an ongoing basis the Company's corporate governance and public disclosure, (c) identifying and recommending candidates for election to the Board and all committees of the Board, (d) developing and reviewing compensation plans, (e) assessing on an annual basis the performance of the Board, and (f) managing compensation related risk.

The CNC Committee is comprised of a minimum of 3 directors, a majority of whom are "independent directors" as defined by National Instrument 58-101 "Disclosure of Corporate Governance Practices".

For greater details pertaining to the CNC Committee's responsibilities to the Board, please refer to the Charter attached as Schedule "C" hereto.

ADDITIONAL INFORMATION

Additional information including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and options to purchase Common Shares of the Company and securities authorized for issuance under equity compensation plans is contained in the management proxy circular for the most recent annual general meeting of the Company, which is available on SEDAR+ at www.sedarplus.ca.

Additional financial information is contained in the Company's comparative financial statements and MD&A as at and for the years ended March 31, 2023, and 2022 and the interim periods therein, which are available on SEDAR+ at www.sedarplus.ca.

SCHEDULE "A"

SUMMARY OF PATENTS

Case Number	Country	Application No.	Title	Filing Date	Publication No.	Status
028273-0002	US	16/171,107	MOBILE EXTRACTION ARRAY WITH BRINE CONSTITUENT SEPARATION, PURIFICATION, AND CONCENTRATION	25-Oct-2018	WO2019/84311	Granted
028273-0002PCT	PCT	PCT/US2018/057578	MOBILE EXTRACTION ARRAY WITH BRINE CONSTITUENT SEPARATION, PURIFICATION, AND CONCENTRATION	25-Oct-2018	20190264301A1	Expired
028273-0003	US	16/171,109	MOBILE EXTRACTION ARRAY WITH BRINE CONSTITUENT SEPARATION, PURIFICATION, AND CONCENTRATION	25-Oct-2018	CL2020001110A1	Granted
028273-0005	CL	CL2020001110A1	MOBILE EXTRACTION ARRAY WITH BRINE CONSTITUENT SEPARATION, PURIFICATION, AND CONCENTRATION	27-Apr-2020	3700866	Granted
028273-0006	EU	18869704.9	MOBILE EXTRACTION ARRAY WITH BRINE CONSTITUENT SEPARATION, PURIFICATION, AND CONCENTRATION	25-Oct-2018	3080499	Published
028273-0007	CA	3080499	MODULAR EXTRACTION APPARATUS	25-Oct-2018	2018354320A1	Published

028273-0008	AU	2018354320	MOBILE EXTRACTION APPARATUS	25-Oct-2018	HK40037055	Published
028273-0009	HK	62021026565	MOBILE EXTRACTION ARRAY WITH BRINE CONSTITUENT SEPARATION, PURIFICATION, AND CONCENTRATION	02-Mar-2021	115126	Published
028273-0010	AR	20180103014	MOBILE EXTRACTION ARRAY WITH BRINE CONSTITUENT SEPARATION, PURIFICATION, AND CONCENTRATION	17-Oct-2018		Published
028273-0011	US	63/164,698	RENEWABLE ENERGY POWERED EXTRACTION SYSTEM	23-Mar-2021	20220219119	Expired
028273-0013	US	17/582,391	MODULAR EXTRACTION APPARATUS	24-Jan-2022	WO 2022/221012	Published
028273-0014	PCT	PCT/US22/21500	RENEWABLE ENERGY POWERED MODULAR EXTRACTION SYSTEM	23-Mar-2022		Published
028273-0015	AR	20220100696	RENEWABLE ENERGY POWERED MODULAR EXTRACTION SYSTEM	23-Mar-2022	20220212144	Pending
028273-0016	US	17/701,893	RENEWABLE ENERGY POWERED MODULAR EXTRACTION SYSTEM	23-Mar-2022		Published
028273-0017	US	62/577,554	MOBILE EXTRACTION ARRAY WITH BRINE CONSTITUENT SEPARATION, PURIFICATION	26-Oct-2017		Expired

			AND CONCENTRATION			
028273-0038	US	63/463,548	SYSTEM AND METHOD FOR PRODUCTING LITHIUM CARBONATE AND LITHIUM HYDROXIDE	02-May-2023	WO2019/84311	Pending

SCHEDULE "B"

AUDIT COMMITTEE CHARTER

The Audit Committee (the "**Committee**") of the Board of Directors (the "**Board**") of International Battery Metals Ltd., (the "**Company**") shall assist the Board in fulfilling its financial oversight responsibilities. The Committee's mandate and charter can be described as follows:

1. Each member of the Audit Committee shall be a member of the Board, in good standing, and the majority of the members of the Audit Committee shall be independent in order to serve on this committee.

2. At least one of the members of the Audit Committee shall be financially literate.

3. Review the Audit Committee's charter annually, reassess the adequacy of this charter, and recommend any proposed changes to the Board. Consider changes that are necessary as a result of new laws or regulations.

4. The Audit Committee shall meet at least four times per year, and each time the Company proposes to issue a press release with its quarterly or annual earnings information. These meetings may be combined with regularly scheduled meetings, or more frequently as circumstances may require. The Audit Committee may ask members of the management or others to attend the meetings and provide pertinent information as necessary.

5. Conduct executive sessions with the outside auditors, outside counsel, and anyone else as desired by the Audit Committee.

6. The Audit Committee shall be authorized to hire outside counsel or other consultants as necessary (this may take place any time during the year).

7. Approve any non-audit services provided by the independent auditors, including tax services. Review and evaluate the performance of the independent auditors and review with the full Board any proposed discharge of the independent auditors.

8. Review with the management the policies and procedures with respect to officers' expense accounts and perquisites, including their use of corporate assets, and consider the results of any review of these areas by the independent auditor.

9. Consider, with the management, the rationale for employing accounting firms rather than the principal independent auditors.

10. Inquire of the management and the independent auditors about significant risks or exposures facing the Company; assess the steps the management has taken or proposes to take to minimize such risks to the Company; and periodically review compliance with such steps.

11. Review with the independent auditor, the audit scope and plan of the independent auditors. Address the coordination of the audit efforts to assure the completeness of coverage, reduction of redundant efforts, and the effective use of audit resources.

12. Inquire regarding the "**quality of earnings**" of the Company from a subjective as well as an objective standpoint.

13. Review with the independent accountants: (a) the adequacy of the Company's internal controls including computerized information systems controls and security; and (b) any related significant findings and recommendations of the independent auditors together with the Management's responses thereto.

14. Review with the management and the independent auditor the effect of any regulatory and accounting initiatives, as well as off-balance-sheet structures, if any.

15. Review with the management the annual financial reports before they are filed with the regulatory authorities.

16. Review with the independent auditor that performs an audit: (a) all critical accounting policies and practices used by the Company; and (b) all alternative treatments of financial information within generally accepted accounting

principles that have been discussed with the management of the Company, the ramifications of each alternative and the treatment preferred by the Company.

17. Review all material written communications between the independent auditors and the management.

18. Review with the management and the independent auditors: (a) the Company's annual financial statements and related footnotes; (b) the independent auditors' audit of the financial statements and their report thereon; (c) the independent auditor's judgments about the quality, not just the acceptability, of the Company's accounting principles as applied in its financial reporting; (d) any significant changes required in the independent auditors' audit plan; and (e) any serious difficulties or disputes with the management encountered during the audit.

19. Review the procedures for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters that may be submitted by any party internal or external to the organization. Review any complaints that might have been received, current status, and resolution if one has been reached.

20. Review procedures for the confidential, anonymous submission by employees of the organization of concerns regarding questionable accounting or auditing matters. Review any submissions that have been received, the current status, and resolution if one has been reached.

21. The Audit Committee will perform such other functions as assigned by law, the Company's articles, or the Board.

SCHEDULE "C"

CORPORATE GOVERNANCE, NOMINATING AND COMPENSATION COMMITTEE CHARTER

1. OVERVIEW AND PURPOSE

The Corporate Governance, Nominating and Compensation Committee (the "**Committee**") is responsible for performing the duties set out in this Charter to enable the board of directors (the"**Board**", and each director, a "**Director**") to discharge its responsibilities and obligations with respect to:

- developing an effective corporate governance system for the Company;
- reviewing and assessing on an ongoing basis the Company's corporate governance and public disclosure;
- identifying and recommending candidates for election to the Board and all committees of the Board;
- developing and reviewing compensation plans, particularly those relating to executive officers, senior management, Board members and committee members, as well as providing guidance on the Company's overall compensation structure;
- assessing, on an annual basis, the performance of the Board and its members; and
- managing compensation related risk.

2. COMMITTEE COMPOSITION

2.1 The Committee will be comprised of a minimum of 3 Directors, a majority of whom shall be "independent directors" as defined by National Instrument 58-101 "Disclosure of Corporate Governance Practices."

2.2 The members of the Committee shall be appointed by the Board and shall serve until their successors are appointed. The Board shall have the power at any time to change the membership of the Committee and to fill vacancies in it, subject to the Committee continuing to satisfy the composition requirements mentioned above. The Board shall designate one member of the Committee as its Chair. If a Chair of the Committee is not designated or present at a meeting, the members of the Committee may designate a Chair for the meeting by majority vote of the Committee membership.

3. ATTENDANCE AT MEETINGS

3.1 Except as expressly provided in this Charter or the Articles of the Company, the Committee shall fix its own rules of procedure.

3.2 In order to discharge its responsibilities, the Committee shall establish a schedule of meetings on an annual basis and shall otherwise meet at such times as the Chair of the Committee shall designate.

3.3 At all meetings of the Committee, the presence of a majority of the members will constitute a quorum for the transaction of the business and the vote of a majority of the members present shall be the act of the Committee.

3.4 Members of the Committee may participate in a meeting of the Committee by conference telephone or similar communications equipment by means of which all people participating in the meeting can hear each other and participation in such a meeting will constitute presence in person at such a meeting.

3.5 Any action required or permitted to be taken at any meeting of the Committee may be taken without a meeting if all of its members consent in writing to the action and such writing is filed with the records of proceedings of the Committee.

3.6 At the invitation of the Chair of the Committee, members of management and outside consultants shall attend

Committee meetings.

4. RESPONSIBILITIES AND DUTIES

4.1 The responsibilities and duties of the Committee with respect to its mandate are set forth below. In addition, the Committee may perform such other duties as may be necessary or appropriate under applicable law, or as may be delegated to the Committee by the Board from time to time.

4.2 The Committee has the authority to delegate some or all of its responsibilities to a subcommittee from time to time, when deemed appropriate.

5. CORPORATE GOVERNANCE

5.1 The following shall be the principal corporate governance responsibilities of the Committee:

(a) developing appropriate corporate governance principles and practices;

(b) reviewing the corporate governance principles of the Company and monitoring proposed changes in laws, rules, instruments, and regulations, as well as in policies of applicable regulators from time to time to ensure compliance with changing requirements and best practices;

(c) providing continuing education of corporate governance issues, legal requirements, and trends;

(d) ensuring that Board and committee members can engage special advisors, from time to time, at the expense of the Company;

(e) reviewing the size, duties and responsibilities of the Board, all Board committees, and all position descriptions from time to time;

(f) reviewing the duties and responsibilities of the CEO, the CFO, and any other executive officers of the Company (together referred to herein as the "**Senior Officers"**) from time to time and to the extent necessary recommending changes for approval of the Board;

(g) reviewing the Company's business plan and the Senior Officers' goals and objectives for each year and making a recommendation to the Board with respect to the appropriate level of the Senior Officers' compensation based on the Committee's assessment of the Senior Officers' performance against his or her objectives;

(h) the Committee shall review and recommend changes to the Board of the Company's Code of Conduct, and shall consider any requests for waivers from the Company's Code of Conduct. The Company shall make disclosure of such waivers of the Code of Conduct to Canadian securities regulatory authorities as required by law;

(i) the Committee shall review annually or more often if appropriate: (i) Committee members' qualifications and requirements, (ii) Committee structure (including authority to delegate) and (iii) Committee performance (including reporting to the Board). The Committee shall make recommendations to the Board, as appropriate based on its review; and

(j) the Committee shall receive comments from all directors and report annually to the Board with an assessment of the Board's performance, which will be discussed with the full Board following the end of each fiscal year.

6. NOMINATION OF DIRECTORS AND BOARD COMPOSITION

6.1 The following shall be the principal responsibilities of the Committee for selection and nomination of director nominees:

(a) reviewing the diversity of skills, experience, tenure, and other relevant characteristics represented by current Board members and making recommendations to the Board regarding the size and composition of the Board;

(b) developing the criteria, profile, and qualifications for new nominees to fill vacancies on the Board and recommending same for approval of the Board;

(c) establishing procedures for the identification of potential Board members and assisting in identifying, interviewing, and recruiting new nominees to fill vacancies on the Board as may be required;

(d) recommending for the approval of the Board the nominees to stand for election as Directors at each annual meeting or otherwise to be appointed by the Board to fill any vacancy on the Board from time to time;

(e) reviewing and recommending to the Board for approval, the need, composition, membership, and chairmanship of all committees, including this Committee;

(f) reviewing any material changes in a Director's circumstances which could adversely impact the Director's ability to carry out his or her duties on the Board and any Committees; and

(g) establishing an orientation and onboarding program for new Directors.

7. COMPENSATION

7.1 The following shall be the principal responsibilities of the Committee for compensation matters:

(a) reviewing the Company's compensation plans and making recommendations in connection therewith to the Board for approval, in respect of (i) the salary and salary structure, incentive plan awards and pension and other benefit arrangements of the Senior Officers, and (ii) the salary structure and aggregate incentive pools of all other employees;

(b) annually reviewing the adequacy and form of compensation of the Directors and committee members to ensure it realistically reflects the responsibilities and risks involved and making appropriate recommendations to the Board for approval;

(c) conducting periodic reviews of the Company's compensation philosophy (including the retention of outside consultants as deemed appropriate), as well as developing and fostering a compensation policy that rewards the creation of shareholder value and reflects an appropriate balance between short and long-term performance;

(d) reviewing and recommending to the Board for approval an executive compensation report for inclusion in the Company's annual information circular;

(e) annually meeting with the Audit Committee to consider the Company's key business risks and how the Company's compensation policies and programs mitigate or promote excessive risk; and

(f) annually reviewing the Company's compensation policies and programs to ensure that they motivate an appropriate level of risk-taking and implementing and/or amending the Company's policies and programs to ensure that they mitigate or do not promote excessive risk-taking.

8. SUCCESSION PLANNING

8.1 Establishing and reviewing succession planning for the Senior Officers and making recommendations in connection therewith to the Board for approval.

9. CHARTER REVIEW

9.1 The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval. Nothing contained in this charter shall expand applicable standards of conduct or other obligations under any law or regulation for the Directors of the Company or the members of the Committee.