



## INFORMATION CIRCULAR

### FOR THE ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON MARCH 17, 2022

This information is given as of February 7, 2022 unless otherwise noted.

#### PERSONS MAKING THE SOLICITATION

This Information Circular is furnished in connection with the solicitation of proxies by the management of ACME Lithium Inc. (the "Company") for use at the Annual General Meeting (the "Meeting") of the shareholders of the Company, to be held on **Thursday, March 17, 2022**, at the time and location and for the purposes set forth in the accompanying Notice of Meeting (the "Notice") and at any adjournment thereof.

Except as noted below, the Company has distributed or made available for distribution, copies of the Notice, the Information Circular and form of proxy or voting instruction form ("VIF") (if applicable) (the "Meeting Materials") to clearing agencies, securities dealers, banks and trust companies or their nominees (collectively, the "Intermediaries") for distribution to Beneficial Shareholders (as defined below) whose common shares are held by or in custody of such Intermediaries. Such Intermediaries are required to forward such documents to Beneficial Shareholders unless a Beneficial Shareholder has waived the right to receive them. The Company is sending proxy-related materials indirectly to NOBOs (as defined below), through the Intermediaries. The solicitation of proxies from Beneficial Shareholders will be carried out by the Intermediaries or by the Company if the names and addresses of the Beneficial Shareholders are provided by Intermediaries. The Company will pay the permitted fees and costs of Intermediaries incurred in connection with the distribution of the Meeting Materials. The Company is not relying on the notice-and-access provisions of securities laws for delivery of the Meeting Materials to registered shareholders or Beneficial Shareholders.

#### APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy are directors and/or officers of the Company. **A shareholder has the right to appoint a person (who need not be a shareholder) to attend and act for such shareholder and on his, her or its behalf at the Meeting other than the persons designated in the enclosed form of proxy.** Such right may be exercised by inserting in the blank space provided for that purpose the name of the desired person or by completing another proper form of proxy and, in either case, delivering the completed and executed proxy to the Company's transfer agent and registrar, Odyssey Trust Company, by email to [voteproxyonline.com](mailto:voteproxyonline.com), or by fax at 1-800-517-4553, or by mail to Odyssey Trust Company, 350 – 409 Granville Street, Vancouver, B.C. V6C 1T2, to be received not later than forty-eight (48) hours (excluding Saturdays, Sundays and holidays) before the time fixed for the Meeting or any adjournment thereof, or delivering it to the chairman of the Meeting on the day of the Meeting or any adjournment thereof prior to the time of voting. A proxy must be executed by the registered shareholder or his, her or its attorney duly authorized in writing or, if the shareholder is a corporation, by an officer or attorney thereof duly authorized.

Proxies given by shareholders for use at the Meeting may be revoked prior to their use:

- (a) by depositing an instrument in writing executed by the shareholder or by such shareholder's attorney duly authorized in writing or, if the shareholder is a corporation, by an officer or attorney thereof duly authorized indicating the capacity under which such officer or attorney is signing:

- (i) at the registered office, Suite 2900 – 595 Burrard Street, Vancouver, BC, V7X 1J5, at any time up to and including the last business day preceding the day of the Meeting, or if adjourned, any reconvening thereof; or
  - (ii) with the chair of the Meeting on the day of the Meeting or any adjournment thereof; or
- (b) in any other manner permitted by law.

### EXERCISE OF DISCRETION BY PROXIES

The persons named in the accompanying form of proxy will vote the common shares in respect of which they are appointed in accordance with the direction of the shareholders appointing them. The common shares represented by the proxy will be voted or withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for and, if the shareholder specifies a choice with respect to any matter to be acted on, the common shares will be voted accordingly. **In the absence of such direction, where the management nominees are appointed as proxyholder, such common shares will be voted in favour of the passing of the matters set out in the Notice. The form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice and with respect to other matters which may properly come before the Meeting or any adjournment thereof.** At the time of the printing of this Information Circular, the management of the Company knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice. **However, if any other matters which at present are not known to the management of the Company should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxies.**

### ADVICE TO BENEFICIAL SHAREHOLDERS

Shareholders should note that only proxies deposited by shareholders whose names appear on the records of the Company as the registered holders of common shares, or non-objecting beneficial owners (“NOBOs”) whose names have been provided to the Company’s registrar and transfer agent, can be recognized and acted upon at the Meeting. The information set forth in this section is therefore of significant importance to a substantial number of shareholders who do not hold their common shares in their own name (“Beneficial Shareholders”). If common shares are listed in an account statement provided to a shareholder by an Intermediary, then in almost all cases those common shares will not be registered in such shareholder’s name on the records of the Company. Such common shares will more likely be registered under the name of the shareholder’s Intermediary or an agent of that Intermediary. In Canada, the vast majority of such common shares are registered under the name of CDS & Co., as nominee for CDS Clearing and Depository Services Inc., which acts as a depository for many Canadian Intermediaries. Common shares held by Intermediaries or their nominees can only be voted for or against resolutions upon the instructions of the Beneficial Shareholder. Without specific instructions, Intermediaries are prohibited from voting common shares for their clients.

Applicable regulatory policy requires Intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders’ meetings. Every Intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their common shares are voted at the Meeting. Often the form of proxy supplied to a Beneficial Shareholder by its Intermediary is identical to the form of proxy provided by the Company to the Intermediaries. However, its purpose is limited to instructing the Intermediary how to vote on behalf of the Beneficial Shareholder. The majority of Intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“Broadridge”). Broadridge typically mails the VIFs or proxy forms to the Beneficial Shareholders and asks the Beneficial Shareholders to return the VIFs or proxy forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of common shares to be represented at the Meeting. A Beneficial Shareholder receiving a proxy or VIF from Broadridge cannot use that proxy to vote common shares directly at the Meeting - the proxy must be returned to Broadridge well in advance of the Meeting in order to have the common shares voted.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purposes of voting common shares registered in the name of their Intermediary, a Beneficial Shareholder may attend the Meeting as proxyholder for the Intermediary and vote their common shares in that capacity.

Should a NOBO wish to attend and vote at the Meeting in person, the NOBO must insert his or her name (or the name of the person that the NOBO wants to attend and vote on the NOBO's behalf) in the space provided on the VIF and return it to the Company or its transfer agent. If the Company receives a written request that the NOBO or its nominee be appointed as proxyholder, if management is holding a proxy with respect to common shares beneficially owned by such NOBO, the Company will arrange, without expense to the NOBO, to appoint the NOBO or its nominee as proxyholder in respect of those common shares. Under NI 54-101, unless corporate law does not allow it, if the NOBO or its nominee is appointed as proxyholder by the Company in this manner, the NOBO or its nominee, as applicable, must be given the authority to attend and vote the applicable shares in respect of all matters that come before the meeting and any adjournment or postponement of the meeting. If the Company receives such instructions at least one business day before the deadline for submission of proxies, it is required to deposit the proxy within that deadline, in order to appoint the NOBO or its nominee as proxyholder. **If a NOBO requests that the NOBO or its nominee be appointed as proxyholder, the NOBO or its appointed nominee, as applicable, will need to attend the meeting in person in order for the NOBOs vote to be counted.**

**NOBOs that wish to change their vote must in sufficient time in advance of the Meeting contact their Intermediary to arrange to change their vote. NOBOs should carefully follow the instructions of their Intermediaries, including those regarding when and where to complete the VIF's that are to be returned to their Intermediaries.**

Should an objecting beneficial owner (an "OBO") wish to attend and vote at the Meeting in person, the OBO should insert his or her name (or the name of the person the OBO wants to attend and vote on the OBO's behalf) in the space provided for that purpose on the request for VIF and return it to the OBO's Intermediary or send the Intermediary another written request that the OBO or its nominee be appointed as proxyholder. The Intermediary is required under NI 54-101 to arrange, without expense to the OBO, to appoint the OBO or its nominee as proxyholder in respect of the OBO's common shares. Under NI 54-101, unless corporate law does not allow it, if the Intermediary makes an appointment in this manner, the OBO or its nominee, as applicable, must be given authority to attend, vote and otherwise act for and on behalf of the Intermediary (who is the registered shareholder) in respect of all matters that come before the meeting and any adjournment or postponement of the meeting. An Intermediary who receives such instructions at least one business day before the deadline for submission of proxies is required to deposit the proxy within that deadline, in order to appoint the OBO or its nominee as proxyholder. **If an OBO requests that an Intermediary appoint the OBO or its nominee as proxyholder, the OBO or its appointed nominee, as applicable, will need to attend the meeting in person in order for the OBOs vote to be counted.**

**OBOs should carefully follow the instructions of their Intermediary, including those regarding when and where the completed request for voting instructions is to be delivered. Only registered shareholders have the right to revoke a proxy. OBOs who wish to change their vote must in sufficient time in advance of the Meeting, arrange for their respective intermediaries to change their vote and if necessary revoke their proxy in accordance with the revocation procedures set out above.**

Shareholders with questions respecting the voting of shares held through an Intermediary should contact that Intermediary for assistance.

All references to shareholders in this Information Circular and the accompanying form of proxy and Notice are to shareholders of record unless specifically stated otherwise.

#### **NOTE TO NON-OBJECTING BENEFICIAL OWNERS**

The Meeting Materials are being sent to both registered shareholders and NOBOs. If you are a NOBO, and the Company or its agent has sent the Meeting Materials directly to you, it means your name, address and information about your holdings of common shares have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf. By choosing to send the Meeting Materials to you directly, the Company (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering the Meeting Materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

## VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The authorized capital of the Company consists of an unlimited number of common shares without par value.

The Company has fixed the close of business on February 7, 2022 as the record date (the “Record Date”) for the purposes of determining shareholders entitled to receive the Notice and vote at the Meeting. As at the Record Date, 42,574,898 common shares were issued and outstanding. At a general meeting of the Company, on a show of hands, every shareholder present in person shall have one vote and, on a poll, every shareholder shall have one vote for each common share of which he, she or it is the holder. The Company has no other classes of voting securities.

In accordance with the provisions of the *Business Corporations Act* (British Columbia), the Company will prepare a list of the holders of common shares on the Record Date. Each holder of common shares named on the list will be entitled to vote the common shares shown opposite his, her or its name on the list at the Meeting.

To the knowledge of the directors and senior officers of the Company, as of the Record Date, no person or company beneficially owns, directly or indirectly or exercises control or direction over, shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company.

## QUORUM AND VOTES NECESSARY TO PASS RESOLUTIONS

Under the Company’s Articles, the quorum for the transaction of business at a meeting of shareholders is two shareholders who are present in person or represented by proxy. A simple majority of the votes of those shareholders who are present and vote either in person or by proxy at the Meeting is required in order to pass an ordinary resolution. A majority of two-thirds of the votes of those shareholders who are present and vote either in person or by proxy at the Meeting is required to pass a special resolution. There are no special resolutions proposed at this Meeting.

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

Other than as disclosed elsewhere in this Information Circular, none of the current directors or executive officers, no proposed nominee for election as a director, none of the persons who have been directors or executive officers since the commencement of the last completed financial year and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, save and except for those matters pertaining to the election of directors and the Company’s stock option plan.

## STATEMENT OF EXECUTIVE COMPENSATION

For the purpose of this Information Circular:

“**CEO**” means each individual who acted as chief executive officer of the Company or acted in a similar capacity for any part of the most recently completed financial year;

“**CFO**” means each individual who acted as chief financial officer of the Company or acted in a similar capacity for any part of the most recently completed financial year;

“**COO**” means chief operating officer; and

“**Named Executive Officer**” or “**NEO**” means: (a) a CEO; (b) a CFO; (c) a COO; (d) the Company’s most highly compensated executive officers, including any of the Company’s subsidiaries, or the most highly compensated individuals acting in a similar capacity, other than the CEO, CFO and COO, at the end of the most recently completed financial year and whose total compensation was, individually, more than \$150,000 as determined in accordance with subsection 1.3(5) of Form 51-102F6V *Statement of Executive Compensation – Venture Issuers*, for that financial year; and (e) each individual who would be a NEO under paragraph (d) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity at the end of the most recently completed financial year.

As of the financial year ended September 30, 2021, the Company had two Named Executive Officers, namely Stephen Hanson, CEO; and Zara Kanji-Aquino, CFO.

*All dollar amounts referenced herein are Canadian Dollars unless otherwise specified.*

## **Oversight and Description of Director and NEO Compensation**

The Company provides a blend of base salaries, bonuses and equity incentive components in the form of stock options to further align the interests of management with the interests of the Company's Shareholders.

The Company's board of directors (the "Board") does not presently have a Compensation Committee. Compensation of NEOs is reviewed annually and determined by the Board. When determining compensation policies and individual compensation levels for the Company's executive officers, the Company takes into consideration a variety of factors, including the overall financial and operating performance of the Company, and the Board's overall assessment of:

- (a) each executive officer's individual performance and contribution towards meeting corporate objectives;
- (b) each executive officer's level of responsibility,
- (c) each executive officer's length of service; and
- (d) industry comparables.

In the Board's view, there is, and has been, no need for the Company to design or implement a formal compensation program for NEOs.

### Base Salary and Consulting Fees

Base salary and consulting fee levels reflect the fixed component of pay that compensates executives for fulfilling their roles and responsibilities and assists in the attraction and retention of highly qualified executives. Base salaries are reviewed annually to ensure they reflect each respective executive's performance and experience in fulfilling his or her role and to ensure executive retention. Currently base salaries and consulting fees are set at below industry standard levels to make more capital available for development of the Company's business. Compensation is made up with the provision of stock options (see below for description). Salary and consulting fee levels will be reviewed and revised as the Company grows.

### Stock Options

Performance-based incentives are granted by way of stock options. The awards are intended to align executive interests with those of shareholders by tying compensation to share performance and to assist in retention through vesting provisions.

In determining the number of stock options to be granted to the executive officers and directors, the Board takes into account the number of stock options, if any, previously granted to each executive officer and director and the exercise price of any outstanding options to ensure that such grants are in accordance with the policies of the Canadian Securities Exchange (the "CSE").

The number of stock options granted to officers and directors is also dependent on each officer's and director's level of responsibility, authority and importance to the Company and to the degree to which such officer's or director's long term contribution to the Company will be key to its long term success.

In monitoring or adjusting the option allotments, the Board takes into account its own observations on individual performance (where possible), its assessment of individual contribution to shareholder value and previous option grants. The scale of options is generally commensurate to the appropriate level of base compensation for each level of responsibility. The Board will make these determinations subject to and in accordance with the provisions of the Stock Option Plan.

## **Director and NEO Compensation**

The following table (presented in accordance with National Instrument Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*) sets forth all annual and long term compensation for services paid to or earned by each NEO and director for the two most recently completed financial years ended September 30, 2021, excluding compensation securities.

**Table of Compensation excluding Compensation Securities**

Name and position	Year Ended 30/09	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
<b>Stephen Hanson</b> <sup>1</sup> <i>CEO and President</i>	2021 2020	45,000 n/a	nil n/a	nil n/a	nil n/a	nil n/a	45,000 n/a
<b>Vivian Katsuris</b> <sup>2</sup> <i>Director</i>	2021 2020	nil n/a	nil n/a	nil n/a	nil n/a	nil n/a	nil n/a
<b>Ioannis Tsitos</b> <sup>3</sup> <i>Director</i>	2021 2020	nil n/a	nil n/a	nil n/a	nil n/a	nil n/a	nil n/a
<b>Zara Kanji-Aquino</b> <sup>4</sup> <i>CFO</i>	2021 2020	45,000 n/a	nil n/a	nil n/a	nil n/a	21,442 n/a	66,442 n/a
<b>Vincent Wong</b> <sup>5</sup> <i>Former CEO &amp; Director</i>	2021 2020	nil 75,000	nil nil	nil nil	nil nil	nil nil	nil 75,000
<b>Charles Jenkins</b> <sup>6</sup> <i>Former CFO &amp; Director</i>	2021 2020	4,500 18,000	nil nil	nil nil	nil nil	nil nil	4,500 18,000
<b>Frank Harley</b> <sup>7</sup> <i>Former Director</i>	2021 2020	nil nil	nil nil	nil nil	nil nil	nil nil	nil nil

1. Appointed as a director on November 6, 2020, and as CEO on December 11, 2020.
2. Appointed as a director on November 6, 2020.
3. Appointed as a director on December 21, 2020.
4. Appointed as CFO on December 11, 2020.
5. Served as a director from January 31, 2017 to May 10, 2021; and as CEO from January 31, 2017 until December 11, 2020.
6. Served as a director from November 1, 2018 to November 6, 2020; and as CFO from December 7, 2017 until December 11, 2020.
7. Served as a director from December 7, 2017 to November 6, 2020.

### Stock Options and Other Compensation Securities

During the financial year ended September 30, 2021, the Company issued an aggregate of 1,325,000 stock options, of which 1,250,000 were issued to its directors and Named Executive Officers (no options were granted during the fiscal year ended September 30, 2020).

The following table sets forth all compensation securities granted or issued to each director and NEO in the financial year ended September 30, 2021 for services provided or to be provided, directly or indirectly, to the Company:

Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class (#)	Date of issue, grant or modification (mm/dd/yy)	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant or modification (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date (mm/dd/yy)
<b>Stephen Hanson</b> <i>CEO and President</i>	Stock Options	500,000	07/09/21	0.80	0.85	1.15	07/09/26

Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class (#)	Date of issue, grant or modification (mm/dd/yy)	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant or modification (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date (mm/dd/yy)
<b>Vivian Katsuris</b> <i>Director</i>	Stock Options	250,000	07/09/21	0.80	0.85	1.15	07/09/26
<b>Ioannis Tsitos</b> <i>Director</i>	Stock Options	250,000	07/09/21	0.80	0.85	1.15	07/09/26
<b>Zara Kanji-Aquino</b> <i>CFO</i>	Stock Options	250,000	07/09/21	0.80	0.85	1.15	07/09/26
<b>Vincent Wong</b> <i>Former CEO &amp; Director</i>	Stock Options	nil	n/a	n/a	n/a	n/a	n/a
<b>Charles Jenkins</b> <i>Former CFO &amp; Director</i>	Stock Options	nil	n/a	n/a	n/a	n/a	n/a
<b>Frank Harley</b> <i>Former Director</i>	Stock Options	nil	n/a	n/a	n/a	n/a	n/a

#### Exercise of Compensation Securities by Directors and NEOs

No compensation securities were exercised by any directors or NEOs during the financial year ended September 30, 2021:

#### Stock Option Plans and Other Incentive Plans

The only stock option plan or other incentive plan the Company currently has in place is a 10% “rolling” stock option plan (the “Plan”), which authorizes the Board to grant options to directors, officers, employees and consultants to acquire up to 10% of the issued and outstanding common shares of the Company, from time to time. The underlying purpose of the Plan is to attract and motivate the directors, officers, employees and consultants of the Company and to advance the interests of the Company by affording such persons with the opportunity to acquire an equity interest in the Company through rights granted under the Plan.

For details of the Plan, see “Particulars of Matters to be Acted Upon –Ratification of Stock Option Plan” below.

The Company has no other form of compensation plan under which equity securities of the Company are authorized for issuance to employees or non-employees in exchange for consideration in the form of goods and services.

#### Employment, Consulting and Management Agreements

The material terms of each agreement or arrangement under which compensation was provided during the most recently completed financial year or is payable in respect of services provided to the Company or any of its subsidiaries that were: (a) performed by a director or NEO; or (b) performed by any other party but are services typically provided by a director or NEO are as follows:

*Zara Kanji-Aquino, (CFO and Corporate Secretary)* - During the year-ended September 30, 2021, Ms. Kanji-Aquino earned \$5,000 per month as CFO and Corporate Secretary of the Company. Her contract can be terminated by the Company at any time by providing written notice and payment of any outstanding fees and expenses.

Other than disclosed above, there were no other agreements or arrangement containing provisions with respect to

change of control, severance, termination or constructive dismissal for directors or NEOs.

#### Pension disclosure

The Company does not provide any form of pension to any of its directors or NEOs.

#### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides information regarding the number of common shares to be issued upon the exercise of outstanding options and the weighted-average exercise price of the outstanding options in connection with the Stock Option Plan as at September 30, 2021:

Plan Category	Number of Common Shares to be issued upon exercise of outstanding options #	Weighted-average exercise price of outstanding options \$	Number of Common Shares remaining available for future issuance under equity compensation plans <sup>1</sup> #
Equity compensation plans approved by security holders	1,325,000	0.80	2,298,781
Equity compensation plans not approved by security holders	n/a	n/a	n/a
<b>Total</b>	1,325,000	0.80	2,298,781

1. Based on there being 36,237,814 shares outstanding as of September 30, 2021.

#### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

At no time during the last completed financial year was any current director, executive officer or employee or any former director, executive officer or employee of the Company, or any proposed nominee for election as a director of the Company (i) indebted to the Company; or (ii) indebted to another entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company, other than routine indebtedness.

#### INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

The term “informed person” as defined in National Instrument 51-102 *Continuous Disclosure Obligations* means a director or executive officer of the Company, or any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company, other than voting securities held by the person or company as underwriter in the course of a distribution.

Except as disclosed below or in the Notes to the Company’s financial statements for the financial year ended September 30, 2021, no informed person or nominee for election as a director of the Company, or any associate or affiliate of an informed person or proposed director, has or had any material interest, direct or indirect, in any transaction since the commencement of the Company’s most recently completed financial year or in a proposed transaction which has materially affected or would materially affect the Company or any subsidiary of the Company.



## AUDIT COMMITTEE

Pursuant to the policies of the CSE and the provisions of section 224 of the *Business Corporations Act* of British Columbia, the Company is required to have an Audit Committee comprised of at least three directors, the majority of which must not be officers or employees of the Company.

The Company must also, pursuant to the provisions of National Instrument 52-110 *Audit Committees* (“NI 52-110”), have a written charter, which sets out the duties and responsibilities of its Audit Committee. In providing the following disclosure, the Company is relying on the exemption provided under NI 52-110, which allows for the short form disclosure of the audit committee procedures of venture issuers.

### Audit Committee’s Charter

The Board has adopted an Audit Committee Charter, which sets out the Audit Committee’s mandate, organization, powers and responsibilities. The Audit Committee’s Charter is attached as Schedule A to this Information Circular.

### Composition of the Audit Committee

The following were the members of the Company’s Audit Committee during the financial year ended September 30, 2021:

Ioannis Tsitos (Chair)	Independent <sup>1</sup>	Financially literate <sup>1</sup>
Vivian Katsuris	Independent <sup>1</sup>	Financially literate <sup>1</sup>
Stephen Hanson	Not Independent <sup>1</sup>	Financially literate <sup>1</sup>

1. As defined by NI 52-110.

### Relevant Education and Experience

In addition to each member’s general business experience, the education and experience of each Audit Committee member that is relevant to the performance of his/her responsibilities as an Audit Committee member is as follows:

**Ioannis Tsitos** - President & Director of Goldsource Mines Inc., a TSXV listed company with mineral property interests in Guyana. Director and Audit Committee Chair of Soma Gold Corp., a TSXV listed company with mineral property interests in South America. Director of other public mineral exploration companies.

**Vivian Katsuris** – Ms. Katsuris has over 20 years’ experience as an investment advisor having worked for Global Securities Corporation from 2003 to 2013 and Canaccord Capital Corp. (now Canaccord Genuity) from 1993 to 2003. President of Vivkor Holdings Inc. since August 2014, a private company that provides corporate and administrative services to public and private companies. She has been Director and Officer of several TSXV and CSE issuers since 2014.

**Stephen Hanson** – Director and CEO of the Company since November 6, 2020. President of Channel Capital since 2002, a private venture capital consulting firm. President and CEO of International Frontier Resources Corp., a public company that operates oil and gas assets in Mexico; Executive, director and advisor of several private and public resource companies. Previously Chairman and Managing Director of Van Arbor Asset Management, a money management firm, from 2004 until 2008, which he founded in 2003.

### Audit Committee Oversight

At no time since the commencement of the Company’s most recent completed financial year was a recommendation of the Committee to nominate or compensate an external auditor not adopted by the Board.

### Reliance on Certain Exemptions

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

## Pre-Approval Policies and Procedures

The Committee has adopted specific policies and procedures for the engagement of non-audit services as described above under the heading “External Auditors”.

## External Auditor Service Fees (By Category)

The aggregate fees billed by the Company’s external auditors in each of the last two fiscal years for audit fees are as follows:

Financial Year Ending	Audit Fees	Audit Related Fees <sup>1</sup>	Tax Fees <sup>2</sup>	All Other Fees <sup>3</sup>
2021	\$22,500	\$275	nil	nil
2020	\$4,000	\$49	nil	nil

1. Fees charged for assurance and related services reasonably related to the performance of an audit, and not included under “Audit Fees”.
2. Fees charged for tax compliance, tax advice and tax planning services.
3. Fees for services other than disclosed in any other column.

## CORPORATE GOVERNANCE

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Company. National Policy 58-201 *Corporate Governance Guidelines* establishes corporate governance guidelines which apply to all public companies. These guidelines are not intended to be prescriptive but to be used by issuers in developing their own corporate governance practices. The Board is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making.

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“NI 58-101”) the Company is required to disclose its corporate governance practices, as summarized below. The Board will continue to monitor such practices on an ongoing basis and when necessary implement such additional practices as it deems appropriate.

### Board of Directors

The Board is currently composed of three directors, namely Stephen Hanson, Vivian Katsuris, and Ioannis Tsitos. All of the current directors will be standing for re-election as directors at the Meeting.

NI 58-101 suggests that the Board of a public company should be constituted with a majority of individuals who qualify as “independent” directors. An “independent” director is a director who is independent of management and is free from any interest and any business or other relationship which could, or could reasonably be perceived to materially interfere with the director’s ability to act with a view to the best interests of the Company, other than interests and relationships arising from shareholding. In addition, where a company has a significant shareholder, NP 58-101 suggests that the Board should include a number of directors who do not have interests in either the company or the significant shareholder. Of the proposed nominees, Vivian Katsuris, and Ioannis Tsitos are considered by the Board to be “independent” within the meaning of NP 58-101, and Stephen Hanson (CEO) is considered to be “non-independent”.

The independent directors exercise their responsibilities for independent oversight of management and meet independently of management whenever deemed necessary.

Each member of the Board understands that he or she is entitled, at the cost of the Company, to seek the advice of an independent expert if he or she reasonably considers it warranted under the circumstances. No director found it necessary to do so during the financial year ended September 30, 2021.

## Directorships

The Company's directors are not directors of other reporting companies, except as follows:

**Stephen Hanson** – is a director of International Frontier Resources.

**Ioannis Tsitos** – is a director of each of Goldsource Mines Inc.; Soma Gold Corp.; Pampa Metals Corp.; Altamira Gold Corp.; AsiaBase Metals Inc.; and ABZMinerals Inc.

**Vivian Katsuris** – is a director of each of KAPA Capital Inc; Zenith Capital Corporation; Brascan Gold Inc; and Plymouth Rock Technologies Inc.

## Orientation and Continuing Education

New directors are briefed on the Company's overall strategic plans, short, medium- and long-term corporate objectives, financials status, general business risks and mitigation strategies, and existing company policies. There is no formal orientation for new members of the Board. This is considered to be appropriate, given the Company's size and current level of operations, the ongoing interaction amongst the directors and the low director turn-over. However, if the growth of the Company's operations warrants it, a formal orientation process will be implemented.

The skills and knowledge of the Board as a whole is such that no formal continuing education process is currently deemed required. Board members are encouraged to communicate with management and auditors to keep themselves current with industry trends and developments and changes in legislation, with management's assistance. The directors are advised that, if a director believes that it would be appropriate to attend any continuing education event for corporate directors, the Company will pay for the cost thereof. Board members have full access to the Company's records. Reference is made to the table under the heading "Election of Directors" for a description of the current principal occupations of the members of the Board.

## Ethical Business Conduct

The Board has not adopted a written Code of Ethical Conduct for its directors, officers and employees at this time. The Board monitors the ethical conduct of the Company and ensures that it complies with applicable legal and regulatory requirements, such as those of relevant securities commissions and stock exchanges. The Board has found that the fiduciary duties placed on individual directors by governing corporate legislation and the common law, as well as the restrictions placed by applicable corporate legislation on the individual director's participation in decisions of the Board in which the director has an interest, have been sufficient to ensure that the Board operates in the best interests of the Company and its shareholders.

In addition, as some of the directors of the Company also serve as directors and officers of other companies engaged in similar business activities, the Board must comply with the conflict of interest provisions of the British Columbia *Business Corporations Act*, as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Any interested director would be required to declare the nature and extent of his interest and would not be entitled to vote at meetings of directors which evoke any such conflict.

## Nomination of Directors

The Company's management is continually in contact with individuals and reporting issuers involved in the both the agricultural industry and technology driven companies. From these sources the Company has made numerous contacts and in the event that the Company were in a position to nominate any new directors, such individuals would be brought to the attention of the Board. The Company conducts the due diligence, reference and background checks on any suitable candidate. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required and a willingness to serve the Company.

## Board Committees

The Company currently has only an Audit Committee in place.

## Assessments

Neither the Company nor the Board has determined formal means or methods to regularly assess the Board, its committees or the individual directors with respect to their effectiveness and contributions. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The contributions of any individual director are informally monitored by the other Board members, having in mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

## MANAGEMENT CONTRACTS

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

## PARTICULARS OF MATTERS TO BE ACTED UPON

### A. Financial Statements

The consolidated financial statements of the Company for the fiscal years ended September 30, 2021 and 2020, the reports of the auditor, and related management discussion and analysis (together, the “financial statements”) will be placed before the Meeting for discussion. No formal action will be taken at the Meeting to approve the financial statements.

### B. Election of Directors

Although Management is only nominating three individuals to stand for election, the names of further nominees for directors may come from the floor at the Meeting.

The directors of the Company are elected annually and hold office until the next annual general meeting of the Shareholders or until their successors are elected or appointed. Management proposes to nominate the persons listed below for election as directors of the Company to serve until their successors are elected or appointed. In the absence of instructions to the contrary, Proxies given pursuant to the solicitation by Management will be voted for the nominees listed in this Information Circular. **Management does not contemplate that any of the nominees will be unable to serve as a director.**

The following table sets out the names of the persons to be nominated for election as directors, the positions and offices which they presently hold with the Company, their respective principal occupations or employments during the past five years if such nominee is not presently an elected director and the number of shares of the Company which each beneficially owns, directly or indirectly, or over which control or direction is exercised as of the date of this Information Circular:

Name, Province/State and Country of Residence and Other Positions, if any, held with the Company	Date First Became a Director	Principal Occupation	Number of Shares <sup>1</sup>
<b>STEPHEN HANSON</b> <sup>2</sup> British Columbia, Canada <i>CEO, President and Director</i>	Nov. 6, 2020	Director and CEO of the Company. President of Channel Capital since 2002, a private venture capital consulting firm. President and CEO of International Frontier Resources Corp., a public company that operates oil and gas assets in Mexico; Executive, director and advisor of several private and public resource companies. Previously Chairman and Managing Director of Van Arbor Asset Management, a money management firm, from 2004 until 2008, which he founded in 2003.	
<b>VIVIAN KATSURIS</b> <sup>2</sup> British Columbia, Canada <i>Director</i> <sup>2</sup>	Nov. 6, 2020	President of Vivkor Holdings Inc. since August 2014, a private company that provides corporate and administrative services to public and private companies. Prior thereto, an Investment Advisor at Global Securities Corp., a brokerage firm, for 10 years and Canaccord Capital, a brokerage firm (US and CDN divisions) for 10 years.	
<b>IOANNIS TSITOS</b> <sup>2</sup> British Columbia, Canada Director	Dec. 21, 2020	President & Director of Goldsource Mines Inc., a TSXV listed company with mineral property interests in Guyana. Director and Audit Committee Chair of Soma Gold Corp., a TSXV listed company with mineral property interests in South America. Director of other public mineral exploration companies.	

1. Information as to voting shares beneficially owned, not being within the knowledge of the Company, has been furnished by the respective nominees individually.
2. Member of Audit Committee.

None of the proposed nominees for election as a director of the Company are proposed for election pursuant to any arrangement or understanding between the nominee and any other person, except the directors and senior officers of the Company acting solely in such capacity.

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

No proposed director is, as at the date of this Information Circular, or has been within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:

- (a) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

For the purposes hereof, the term “order” means:

- (a) a cease trade order;
- (b) an order similar to a cease trade order; or
- (c) an order that denied the relevant company access to any exemption under securities legislation,

that was in effect for a period of more than 30 consecutive days.

No proposed director:

- (a) is, as at the date of this Information Circular, or has been within the 10 years before the date of this Information Circular, a director or executive officer of any company (including the Company) that, while such person was acting in such 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 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or has a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Except as disclosed herein, no proposed director 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 deciding whether to vote for a proposed director.

### **C. Appointment of Auditor**

Management of the Company has recommended to the Board that the Company propose Charlton & Company, Chartered Professional Accountants, the incumbent auditors, to the shareholders for re-election as the Company's auditors. Accordingly, unless such authority is withheld, the persons named in the accompanying proxy intend to vote for the reappointment of Charlton & Company, as auditors of the Company for the ensuing year, until the close of the next annual general meeting of shareholders, at a remuneration to be fixed by the directors. Charlton & Company was appointed to the position of auditor of the Company on or about January 24, 2020.

### **D. Ratification of Stock Option Plan**

#### ***Background***

The Company presently has in place a "rolling" stock option plan (the "Plan") whereby the Company is authorized to grant stock options of up to 10% of its issued and outstanding shares, from time to time (calculated at the time of any particular grant). The Company's existing Plan, while adopted by the Board, has not been ratified by Shareholders. Accordingly, the Board seeks to have Shareholders ratify and approve the Plan.

The Stock Option Plan has been established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Plan is administered by the Board and provides that options will be issued to directors, officers, employees or consultants of the Company or a subsidiary of the Company. A copy of the Plan is attached to this Circular, as Appendix A.

#### ***Material Terms of the Stock Option Plan***

The following is a brief description of the principal terms of the Plan:

***Number of Shares Reserved.*** The maximum number of shares which may be issued pursuant to options granted under the Plan shall not exceed 10% of the issued and outstanding shares from time to time as at the date of grant.

***Maximum Term of Options.*** The term of any options granted under the Plan is fixed by the board of directors and may not exceed 10 years from the date of grant. The options are non-assignable and non-transferable.

***Exercise Price.*** The exercise price of options granted under the Plan is determined by the board of directors, provided that the exercise price must not be lower than the greater of the closing market prices of the Company's 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.

*Amendment and Cancellation.* The terms of an option may not be amended once issued. If an option is cancelled prior to the expiry date, the Company must post notice of such cancellation, and shall not grant new options to the same person until 30 days have elapsed from the date of cancellation.

*Vesting.* Vesting, if any, and other terms and conditions relating to such options, shall be determined by the board of directors of the Company in accordance with CSE requirements.

*Termination.* Any options granted pursuant to the Plan will terminate generally within 90 days of the option holder ceasing to act as a director, officer, employee, management company or consultant of the Company or any of its affiliates, and generally within 30 days of the option holder ceasing to act as an employee engaged in investor relations activities, unless such cessation is on account of death. If such cessation is on account of death, the options terminate on the first anniversary of such cessation. If such cessation is on account of cause, or terminated by regulatory sanction or by reason of judicial order, the options terminate immediately.

*Administration.* The Plan is administered by the board of directors of the Company, or if the board of the Company so elects, by a committee, which committee consists of at least two board members.

*Board Discretion.* The Plan provides that, generally, the number of shares subject to each option, the exercise price, the expiry time, the extent to which such option is exercisable, including vesting provisions, and other terms and conditions relating to such options shall be determined by the board of directors of the Company, all in accordance with CSE requirements.

*General.* Options that have been cancelled or that have expired without having been exercised shall continue to be issuable under the Plan. The Plan also provides for adjustments to outstanding options in the event of any consolidation, subdivision or exchange of the Company's shares.

A four month hold period (commencing on the date the stock options are granted) applies to all options granted under the Plan, including those issued to insiders of the Company. Notice of options granted under the Plan must be given to the CSE at the end of each calendar month in which stock options are granted. Any material amendments to the Plan will require Shareholders' approval prior to becoming effective.

### ***Outstanding Options***

As at the date of this Information Circular, the Company has options outstanding under the Plan to purchase 1,325,000 common shares, representing 36.6% of the available options, and 3.66% of the issued common shares, as at that date. Accordingly, 2,298,781 options remain available for grant under the Stock Option Plan.

### ***Ratification of the Stock Option Plan***

Shareholders will be asked at the Meeting to consider and, if thought fit, pass an ordinary resolution in substantially the following form:

“RESOLVED, as an ordinary resolution, that the Company's incentive stock option plan, as described in the Company's Information Circular dated February 7, 2022, and the grant of options thereunder in accordance therewith, be approved.”

An ordinary resolution is a resolution passed by the Shareholders of the Company at a general meeting by a simple majority of the votes cast in person or by proxy. Disinterested shareholder approval of the foregoing resolution is not required.

The Board considers that the ability to grant incentive stock options is an important component of its compensation strategy and is necessary to enable the Company to attract and retain qualified directors, officers, employees and consultants. **The Board therefore recommends that Shareholders vote “For” the resolution ratifying the Company's stock option plan.** Unless otherwise instructed, the persons named in the enclosed form of Proxy will vote “IN FAVOUR” of the above resolution. If the Stock Option Plan is not re-approved by the Shareholders, existing options will not be affected, but new options granted by the Company will be required to be approved by the shareholders before they can be exercised by the holders thereof.

**OTHER MATTERS**

Management knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. Should any other matters properly come before the Meeting, the shares represented by the Proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting by proxy.

**ADDITIONAL INFORMATION**

Additional information regarding the Company and its business activities is available on the SEDAR website located at [www.sedar.com](http://www.sedar.com) under "Company Profiles – ACME Lithium Inc.". The Company's audited financial statements and management discussion and analysis ("MD&A") for the financial year ended September 30, 2021 are available for review under the Company's profile on SEDAR. Shareholders may contact the Company to request copies of the financial statements and MD&A by mail to Corporate Secretary, at 300 - 2015 Burrard Street, Vancouver, British Columbia V6J 3H4.

**BOARD APPROVAL**

The contents of this Information Circular have been approved and its mailing authorized by the directors of the Company.

**DATED** at Vancouver, British Columbia, this 7<sup>th</sup> day of February, 2022.

ON BEHALF OF THE BOARD

*"Stephen Hanson"*

Stephen Hanson  
Chief Executive Officer



## *APPENDIX I*

### **AUDIT COMMITTEE CHARTER**

#### **ACME Lithium Inc. (“ACME” or the “Company”)**

##### **Purpose and Composition**

The Audit Committee (the “Committee”) is responsible to assist the Board of Directors (the “Board”) of the Company in fulfilling the Board’s obligations and oversight responsibilities relating to financial planning, the audit process, the External Auditor, financial reporting, the system of corporate controls and risk management, and when required, to make recommendations to the full Board for approval. The Committee is accountable to the Board.

Management is responsible for the preparation and integrity of the Company’s financial statements, the related reports and the related disclosures and for maintaining appropriate accounting and financial reporting principles and policies and internal controls and procedures designed to ensure compliance with accounting standards and applicable laws and regulations.

The External Auditor is responsible for planning and carrying out, in accordance with professional standards, an audit of ACME’s annual financial statements and where applicable internal controls over financial reporting. The External Auditor will report directly to ACME’s Audit Committee.

In the process of overseeing ACME’s audit procedures, the Audit Committee will have unrestricted access to ACME’s personnel and documents, and will be provided with the resources necessary to carry out its responsibilities, including the authorization to engage and set the pay of independent counsel and other advisors.

##### **Procedural Matters**

###### **I. Composition and Quorum**

- a. The Committee will be composed of a minimum of three directors and no more than five directors
- b. The majority of the Audit Committee members must not have any direct or indirect association with ACME which could, in the view of the Board, reasonably interfere with the exercise of the member’s independent judgement.
- c. The Audit Committee members must not have any direct or indirect association with External Auditors, which could, in the view of the Board, reasonably interfere with the exercise of the member’s independent judgement.
- d. The Board, on the recommendation of the Board Chair, appoints the Committee Chair (the “Chair”) and members who shall serve at the pleasure of the Board until their successors are duly appointed.
- e. Committee members shall have a degree of financial literacy deemed appropriate by the Board. Financial literacy is a committee member’s ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the ACME’s financial statements.
- f. In addition, at least one member of the Committee should have a financial designation or relevant financial management expertise.
- g. A majority of independent members of the Committee shall constitute a quorum.
- h. The Committee may, from time to time, delegate to its Chair certain powers or responsibilities that the Committee itself may have hereunder.

###### **II. Meetings**

- a. The Committee shall meet a minimum of four times per year.
- b. The Committee may choose to hold additional meetings if considered necessary for it to carry out its responsibilities effectively.
- c. The Chair shall prepare an agenda for each meeting based on the Committee work calendar developed in response to the Committee Charter.

- d. The agenda and any pre-reading material for each meeting will be circulated to the members in advance as outlined in the Work Calendar.
- e. Minutes of each meeting must be prepared and circulated to the Board. When a Board meeting closely follows a Committee meeting, the Chair will provide a verbal report to the Board and the minutes will be circulated in advance of the next Board meeting.
- f. The Chair shall:
  - i. confer with one or more Committee members on any matter to be discussed at a Committee meeting, if in the Chair's opinion, the discussion of that matter at the Committee meeting would probably be thereby enhanced
  - ii. ensure the Committee has the opportunity to meet in separate closed sessions with internal personnel or outside advisors, as needed or appropriate
  - iii. schedule regular sessions of the non-executive directors without the presence of management
  - iv. use his/her best efforts to provide or to cause to be provided to the Board a reasonable time in advance of each Board meeting all reasonably required and available information relating to each matter to be dealt with by the Board at that meeting;
  - v. approve the general nature and length of all presentations to be made at each Board meeting and review every written presentation to be made to the Board or to any committee of the Board before such written presentation is provided to Directors;

### **Duties and Responsibilities**

#### **III. Financial Planning**

The Committee will review and make recommendations to the Board in respect of:

- a) financial plans and budgets forwarded to the Board for approval;
- b) the appropriateness and validity of any material assumptions and estimates used in the preparation of such plans or budgets;
- c) the consistency of the plans and budgets with strategic plans and initiatives approved by the Board.

#### **IV. Financial Reporting**

The Committee will perform the following duties:

- a) maintain oversight of the selection of accounting policies, estimates and judgements used in preparation of the financial statements, including consideration of relevant alternatives and non-gaap measures used in the preparation of the management discussion and analysis;
- b) review and approve internal financial statements and report to the Board;
- c) review and recommend to the Board for approval the:
  - i. annual audited financial statements and the accompanying notes thereto;
  - ii. management discussion and analysis that accompanies the audited financial statements;
  - iii. significant financial reports made publicly available or required by legislation or the government; and
  - iv. News releases disclosing any annual or interim financial results or other significant financial information that has not been previously released to the public

#### **V. External Audit**

The Committee will:

- a) recommend to the Board the re-appointment of the External Auditor on an annual basis by performing an annual review of the External Review,
- b) complete a comprehensive review of the External Auditor at least every five years,
- c) in the event the Committee does not recommend re-appointment or the External Auditor is unable to accept re-appointment, will oversee the steps for an orderly transition to new auditors;
- d) review the terms of engagement of the External Auditor and the reasonableness of proposed fees;
- e) review and recommend on an annual basis the actual fees paid to the External Auditor;
- f) review and approve the annual audit plan;
- g) confirm the independence of the External Auditor, including;

- i. receiving from the External Auditors on a periodic basis a statement delineating all relationships between ACME and the external auditors consistent with Canadian professional standards for auditors;
- ii. Reviewing and discussing annually with the Board, and the External Auditor, any relationship or services between ACME and the External Auditor that may impact their objectivity and independence;
- iii. Confirming the External Auditor is not registered as a participating audit firm and is independent from any other participating audit firm.
- h) discuss with the External auditor any problems experienced in conducting the audit including any issues with management's co-operation or disagreements with management regarding the financial statements or disclosure;
- i) discuss with the External Auditor any significant findings and recommendations;
- j) meet with the External Auditor at least once per year without management present;
- k) review and approve any non-audit services with the external firm and with any participating audit firms in excess of the lower of 5% of previous year audit fees or \$5,000.

## VI. Internal Controls

The Committee will:

- a) through discussions with management and the External Auditors, obtain reasonable assurance that ACME's has implemented appropriate systems of internal control:
  - i. over financial reporting and that these systems are operating effectively;
  - ii. to ensure compliance with its policies and procedures and that these systems are operating effectively; and
  - iii. to identify, monitor, mitigate and report significant financial or operational risk exposures and that these systems are operating effectively;
- b) review with management on at least an annual basis any legal matters that could have a significant impact on ACME's financial statements;
- c) review the evaluation of internal controls by the External Auditor, where applicable, including any recommendations for improvement of ACME's accounting procedures and internal controls, together with management's response;
- d) direct the External Auditor's examinations to any particular areas of concern with respect to internal controls.

## VII. Risk Management

The Committee will:

- a) review on a quarterly basis management's assessment of any material changes to the risk matrix of financial and non-financial risks to the organization including any changes in the probability of these risks;
- b) review on a quarterly basis the results of management's assessment of the protocols governing the active extremely high-risk RI situations (the "Watch List"), and management's updates to the "Watch List" on a non-disclosure basis;
- c) review the annual Information technology risks and controls including disaster recovery plans;
- d) review the Company's controls over confidential and private information;
- e) review insurance coverage for material business risks annually;
- f) review D&O insurance coverage annually.

## VIII. Whistleblower Policy

The Committee will establish, review and assess procedures for receipt (including confidential) retention and treatment of submissions of concerns in relation to questionable accounting, auditing, financial reporting, disclosure or other financially related improprieties by ACME employees and Directors. The Committee should ensure that employees will not suffer any recourse for acting in good faith when making such claims.

IX. Performance Evaluation

The performance evaluation for the Board and its Committees will be evolve to suit the complexity, size and scope of the business. Notwithstanding, the Committee Chair and the members will complete an annual self-evaluation for the committee and themselves as individual committee members.

X. Other Responsibilities

The Committee will:

- a) annually evaluate the adequacy of this Charter and recommend any proposed changes to the Board
- b) Review the appointment of the Company's Chief Financial Officer and any other key financial executive involved in the financial reporting process
- c) Review the Chief Financial Officer position with Chief Executive Officer - review of annual salary, annual performance and any changes in roles/responsibilities;
- d) Annually review performance of Audit Committee Chair;
- e) Review and approve expense limits of Board, Management and Employees;
- f) Review compliance with withholding and remittance obligations with respect to employees;
- g) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and form external auditor of the issuer
- h) Perform such other functions and exercise such other powers as prescribed from time to time for the audit committee of a reporting company in Parts 2 and 4 of National Instrument 52-110 of the Canadian Securities Administrators, the Business Corporations Act (British Columbia) and the articles of the Company.

*APPENDIX II*  
**STOCK OPTION PLAN**



**STOCK OPTION PLAN**

## ARTICLE I DEFINITIONS AND INTERPRETATION

### 1.1 *DEFINITIONS*

As used herein, unless anything in the subject matter or context is inconsistent therewith, the following terms shall have the meanings set forth below:

“**Administrator**” means such committee, director, executive officer or employee of the Company as may be designated as Administrator by the Board from time to time; or in the absence of a designated Administrator, means the Board;

“**Award Date**” means the date on which the Board grants and announces a particular grant of Options;

“**Board**” means the board of directors of the Company;

“**Company**” means Acme Lithium Inc. and any Related Entity thereto, as the context may apply;

“**consultant**” means an individual (or a company wholly owned by the individual), other than an employee, director or executive officer, of the Company who (i) is engaged to provide services to the Company (excluding services provided in relation to a distribution of the Company’s securities); (ii) provides the services under a written contract with the Company; (iii) spends a significant amount of time and attention to the business and affairs of the Company;

“**Exchange**” means the Canadian Securities Exchange;

“**Exchange Policies**” means the policies and procedures of the Exchange;

“**executive officer**” means, with respect to the Company, the chairman, vice-chairman, Chief Executive Officer, Chief Financial Officer, president, vice-president in charge of a principal business unit, division or function, and any other individual performing a policy-making function;

“**Exercise Notice**” means the notice respecting the exercise of an Option, forming part of the Option Certificate;

“**Exercise Period**” means the period during which a particular Option may be exercised, being the period from and including the Award Date through to and including the Expiry Date;

“**Exercise Price**” means the price at which an Option may be exercised as determined in accordance with section 3.7;

“**Expiry Date**” means the date determined in accordance with section 3.4 and after which a particular Option cannot be exercised;

“**Investor Relations Activities**” has the meaning ascribed thereto in the Exchange Policies;

“**Option**” means an option to acquire Shares, awarded to an eligible Person pursuant to this Plan;

“**Option Certificate**” means the certificate, substantially in the form set out as Schedule “A” hereto, evidencing an Option;

“**Option Holder**” means a current or former director, employee, executive officer or consultant who holds an unexercised and unexpired Option or, where applicable, the Personal Representative of such person;

“**Person**” means an individual, corporation, partnership, party, trust, fund, association or any other organized group of person and the personal or other legal representative of a person to whom the context can apply;

“**Personal Representative**” means (i) in the case of a deceased Option Holder, the executor or administrator of the deceased duly appointed by a court or public authority having jurisdiction to do so; and (ii) in the case of an Option Holder who for any reason is unable to manage his or her affairs, the person entitled by law to act on behalf of such Option Holder;

“**Plan**” means this stock option plan;

“**Regulatory Authority**” means any Canadian securities commission, the Exchange, or any other regulatory body having jurisdiction;

“**Related Entity**” means, with respect to the Company, any Person that controls or is controlled by the Company, or that is controlled by the same Person that controls the Company;

“**Related Person**” means, (i) each director and executive officer of the Company or any Related Entity, or (ii) an associate or permitted assign of such director or executive officer;

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

“**Share**” or “**Shares**” means, as the case may be, one or more common shares without par value in the capital of the Company.

## 1.2 CHOICE OF LAW

The Plan is established under, and the provisions of the Plan shall be interpreted and construed solely in accordance with, the laws of the Province of British Columbia.

## 1.3 HEADINGS

The headings used herein are for convenience only and are not to affect the interpretation of the Plan.

# ARTICLE II PURPOSE AND PARTICIPATION

## 2.1 PURPOSE

The purpose of the Plan is to provide the Company with a Share-related mechanism to attract, retain and motivate directors, employees, executive officers and consultants, to reward or compensate such persons from time to time for their contributions toward the long term goals of the Company, and to enable and encourage such persons to acquire Shares as long-term investments.

## 2.2 PARTICIPATION

The Board shall, from time to time, in its sole discretion determine those directors, employees, executive officers and consultants, if any, to whom Options are to be awarded. If the Board elects to award Options, then in determining the number, Exercise Period and Exercise Price of such Options, the Board may take into account such considerations as it deems advisable, which may include the following:

- (a) the person’s remuneration as at the Award Date in relation to the total remuneration payable by the Company to all of its directors, employees, executive officers and consultants as at the Award Date;
- (b) the length of time that the person has provided services to the Company; and

- (c) the nature and quality of work performed by the person.

### 2.3 *NOTIFICATION OF AWARD*

Following the approval by the Board of the awarding of an Option, the Administrator shall notify the Option Holder in writing of the award and shall enclose with such notice the Option Certificate representing the Option so awarded, and a copy of this Plan.

### 2.4 *LIMITATION*

Neither this Plan nor the grant of any Options hereunder gives any Option Holder who is a director the right to serve or continue to serve as a director, nor does it give any Option Holder who is an employee, executive officer or consultant the right to be or to continue to be employed or engaged by the Company.

## **ARTICLE III TERMS AND CONDITIONS OF OPTIONS**

### 3.1 *BOARD TO ALLOT SHARES*

The Shares to be issued to Option Holders upon the exercise of Options shall be allotted and authorized for issuance by the Board prior to the exercise thereof.

### 3.2 *NUMBER OF SHARES*

Subject to section 3.3, after any particular grant of Options, the aggregate number of Shares which may be reserved for issuance pursuant to the exercise of Options granted under this Plan shall not exceed 10% of the Company's issued and outstanding shares at the time of the grant; and the aggregate number of Shares which may be reserved for issuance pursuant to the exercise of Options granted under this Plan to any one person (and its associates) cannot exceed 5% of the Company's issued and outstanding shares at the time of the grant.

Options that have been cancelled, or that have expired, or that have been exercised, continue to be issuable under the Plan.

### 3.3 *INCREASE NUMBER OF SHARES – SHAREHOLDERS' APPROVAL*

The 10% and 5% limits in section 3.2 do not apply to a grant of Options if the Company:

- (a) obtains security holder approval, and
- (b) before obtaining security holder approval, provides security holders with the following information in sufficient detail to permit security holders to form a reasoned judgment concerning the matter:
  - (i) the eligibility of employees, executive officers, directors, and consultants to be issued or granted Options under this Plan;
  - (ii) the maximum number of securities that may be issued on exercise of the Options, under this Plan;
  - (iii) particulars relating to any financial assistance or support agreement to be provided to Option Holders by the Company to facilitate the exercise of Options under this Plan, including whether the assistance or support is to be provided on a full, part, or nonrecourse basis;
  - (iv) the maximum Exercise Period and the basis for the determination of the Exercise Price;
  - (v) particulars relating to the Options to be granted under this Plan, including transferability; and



- (vi) the number of votes attaching to securities that, to the Company's knowledge at the time the information is provided, will not be included for the purpose of determining whether security holder approval has been obtained.

### 3.4 *TERM OF OPTION*

Subject to section 3.5, the Expiry Date of an Option shall be the date so fixed by the Board at the time the particular Option is awarded, provided that such date shall not be later than the tenth anniversary of the Award Date of the Option.

### 3.5 *VESTING AND OTHER RESTRICTIONS*

The Board may, at the Award Date, impose vesting or other limitations or restrictions on the exercise of Options as applicable to any particular Option Holder. An Option Holder may exercise an Option in whole or in part at any time or from time to time during the Exercise Period subject to such vesting, limits or restrictions.

### 3.6 *TERMINATION OF OPTION*

Any Option or part thereof not exercised within the Exercise Period shall terminate and become null, void and of no effect as of 5:00 p.m. (Vancouver time) on the Expiry Date. The Expiry Date of an Option shall be the earlier of the date so fixed by the Board on the Award Date, and the date established, if applicable, in subsections (a) to (d) below.

#### (a) *Death*

In the event that the Option Holder should die while he or she is still (i) a director, executive officer or employee (not performing Investor Relations Activities), the Expiry Date shall be 12 months from the date of death of the Option Holder; or (ii) a consultant, or an employee performing Investor Relations Activities, the Expiry Date shall be one month from the date of death of the Option Holder.

#### (b) *Ceasing to Hold Office*

In the event that the Option Holder holds his or her Option as a director or executive officer and such Option Holder ceases to be hold such position other than by reason of death, the Expiry Date of the Option shall be the 90<sup>th</sup> day following the date the Option Holder ceases to be a director or executive officer of the Company unless the Option Holder continues to be engaged by the Company as an employee or consultant, in which case the Expiry Date shall remain unchanged. However, if the Option Holder ceases to be a director of the Company as a result of:

- (i) ceasing to meet the qualifications set forth in s.124 of the *Business Corporations Act* (British Columbia); or
- (ii) a special resolution having been passed by the members of the Company pursuant to subsection 128(3) of the *Business Corporations Act* (British Columbia),

then the Expiry Date shall be the date the Option Holder ceases to be a director of the Company.

And provided however, if the Option Holder ceases to be an executive officer of the Company as a result of (i) being terminated for cause, or (ii) an order of a Regulatory Authority, then the Expiry Date shall be the date the Option Holder ceases to be an executive officer of the Company.

#### (c) *Ceasing to be Employed*

In the event that the Option Holder holds his or her Option as an employee or consultant of the Company (other than an employee or consultant performing Investor Relations Activities) and such Option Holder ceases to be an employee or consultant of the Company other than by reason of

death, the Expiry Date of the Option shall be the 30<sup>th</sup> day following the date the Option Holder ceases to be an employee or consultant of the Company, unless the Option Holder ceases to be such as a result of (i) termination for cause; or (ii) an order of a Regulatory Authority, in which case the Expiry Date shall be the date the Option Holder ceases to be an employee or consultant of the Company.

(d) *Ceasing to Perform Investor Relations Activities*

Notwithstanding the paragraph (c) immediately above, in the event that the Option Holder holds his or her Option as an employee or consultant of the Company who provides Investor Relations Activities on behalf of the Company, and such Option Holder ceases to be an employee or consultant of the Company other than by reason of death, the Expiry Date shall be the date the Option Holder ceases to be an employee or consultant of the Company.

3.7 *EXERCISE PRICE*

The Exercise Price shall be that price per Share, as determined by the Board in its sole discretion, and announced as of the Award Date, at which an Option Holder may purchase a Share upon the exercise of an Option, provided that it shall not be less than the greater of the closing market prices of the Company's Shares on (a) the trading day prior to the date of grant of the Options; and (b) the date of grant of the Options.

3.8 *ASSIGNMENT OF OPTIONS*

Options may not be assigned or transferred, and all Option Certificates will be so legended, provided however that the Personal Representatives of an Option Holder may, to the extent permitted by section 4.1, exercise the Options within the Exercise Period.

3.9 *ADJUSTMENTS*

If prior to the complete exercise of any Option the Shares are consolidated, subdivided, converted, exchanged or reclassified or in any way substituted for (each an "Event"), the Option, to the extent that it has not been exercised, shall be adjusted by the Board in accordance with such Event in the manner the Board deems appropriate. No fractional Shares shall be issued upon the exercise of the Options and accordingly, if as a result of an Event an Option Holder would become entitled to a fractional Share, such Option Holder shall have the right to purchase only the next lowest whole number of Shares and no payment or other adjustment will be made with respect to the fractional interest so disregarded. Additionally, no lots of Shares in an amount less than 500 Shares shall be issued upon the exercise of the Options unless such amount of Shares represents the balance left to be exercised under the Options.

3.10 *EXERCISE RESTRICTIONS*

The Options may be subject to resale restrictions in accordance with applicable securities legislation and Exchange Policies, which will not exceed four months and a day from the Award Date.

The Board may, at the time an Option is awarded or upon renegotiation of the same, attach restrictions relating to the exercise of the Option, including vesting provisions. Any such restrictions shall be recorded on the applicable Option Certificate.

## **ARTICLE IV EXERCISE OF OPTIONS**

### 4.1 *EXERCISE OF OPTIONS*

An Option may be exercised only by the Option Holder or his Personal Representative. An Option Holder or his Personal Representative may exercise an Option in whole or in part, subject to any applicable exercise restrictions, at any time or from time to time during the Exercise Period up to 5:00 p.m. (Vancouver time) on the Expiry Date by delivering to the Administrator an Exercise Notice, the applicable Option Certificate and a certified cheque or bank draft payable to the Company in an amount equal to the aggregate Exercise Price of the Shares to be purchased pursuant to the exercise of the Option.

### 4.2 *ISSUE OF SHARE CERTIFICATES*

As soon as practicable following the receipt of the Exercise Notice and other items under section 4.1, the Administrator shall cause to be delivered to the Option Holder a certificate for the Shares so purchased. If the number of Shares so purchased is less than the number of Shares subject to the Option Certificate surrendered, the Administrator shall forward a new Option Certificate to the Option Holder concurrently with delivery of the aforesaid share certificate for the balance of the Shares available under the Option.

### 4.3 *CONDITION OF ISSUE*

The issue of Shares by the Company pursuant to the exercise of an Option is subject to this Plan and compliance with the laws, rules and regulations of all applicable Regulatory Authorities, including the Exchange. The Option Holder agrees to comply with all such laws, rules and regulations and agrees to furnish to the Company any information, report and/or undertakings required to comply with and to fully cooperate with the Company in complying with such laws, rules and regulations.

## **ARTICLE V ADMINISTRATION**

### 5.1 *ADMINISTRATION*

The Plan shall be administered by the Board, or an Administrator on the instructions of the Board or such committee of the Board formed in respect of matters relating to the Plan. The Board or such committee may make, amend and repeal at any time and from time to time such regulations not inconsistent with this Plan as it may deem necessary or advisable for the proper administration and operation of this Plan and such regulations shall form part of this Plan. The Board may delegate to the Administrator such administrative duties and powers as it may see fit.

### 5.2 *INTERPRETATION*

The interpretation by the Board or its authorized committee of any of the provisions of this Plan and any determination by it pursuant thereto shall be final and conclusive and shall not be subject to any dispute by any Option Holder. No member of the Board or any person acting pursuant to authority delegated by the Board hereunder shall be liable for any action or determination in connection with this Plan made or taken in good faith and each member of the Board and each such person shall be entitled to indemnification with respect to any such action or determination in the manner provided for by the Company.

## **ARTICLE VI APPROVALS, AMENDMENTS AND TERMINATION**

### 6.1 *EFFECTIVE DATE*

This Stock Option Plan becomes effective upon the Board passing a resolution adopting it.

## 6.2 *PLAN AMENDMENT*

The Board may from time to time amend this Plan, which amendment may be retroactive provided it does not offend section 6.3.

## 6.3 *OPTION AMENDMENT*

The terms and conditions of any Option may not be amended once issued, other than for the purpose of meeting any changes in any relevant law, Exchange Policy, rule or regulation applicable to this Plan.

## 6.4 *TERMINATION*

The Board may terminate this Plan at any time provided that such termination shall not alter the terms or conditions of any Option or impair any right of any Option Holder pursuant to any Option awarded prior to the date of such termination; and notwithstanding such termination the Company, such Options and such Option Holders shall continue to be governed by the provisions of this Plan.

## 6.4 *AGREEMENT*

The Company and every person to whom an Option is awarded hereunder shall be bound by and subject to the terms and conditions of this Plan.

**END OF DOCUMENT**