

VITAL BATTERY METALS INC.

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS AND MANAGEMENT INFORMATION CIRCULAR

Meeting Details

Date: September 18, 2023
Time: 10:00 am (Pacific Standard Time)
Place: Via Zoom conference call (see details below)

**This notice of annual general meeting of shareholders and management information circular requires your immediate attention. If you are in doubt as to how to deal with any of the matters herein, please consult your financial, legal, tax or other professional advisor.*

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**Meeting**”) of the Shareholders of Vital Battery Metals Inc. (the “**Company**”) will be held on Monday, September 18, 2023 at 10:00am (Pacific Standard Time) virtually via Zoom conference call.

Registered shareholders and validly appointed proxyholders may attend the Meeting via Zoom at:

<https://us06web.zoom.us/j/87169287632?pwd=NjdZZUhTOHRWWUkxVUJvam02RTJkUT09>

Meeting ID: 871 6928 7632

Passcode: 295934

The Meeting will be held for the following purposes:

1. to receive and consider the financial statements of the Company for the year ended February 28, 2023, and the auditor's reports thereon;
2. to consider and, if thought appropriate, to pass, with or without variation, an ordinary resolution appointing Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants, as the Company's auditor for the ensuing year, at a remuneration to be fixed by the Directors;
3. to set the number of Directors for the ensuing year at four (4);
4. to elect Directors to hold office for the ensuing year; and
5. to transact such other business as may properly be transacted at the Meeting or at any adjournment thereof.

The record date for determination of the Shareholders entitled to receive notice of and to vote at the Meeting is August 14, 2023 (the “**Record Date**”).

If you are unable to attend the Meeting in person, we request that you date, sign, and return the enclosed Form of Proxy by mail or personal delivery to Odyssey Trust Company, Attn: Proxy Department, Suite 702, 67 Yonge St., Toronto, ON M5E 1J8 so that it arrives no later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in British Columbia) prior to the time of the Meeting or any adjournment or postponement thereof, OR:

1. To Vote Your Proxy Online please visit:

<https://login.odysseitrust.com/pxlogin> and click on VOTE. You will require the CONTROL NUMBER printed with your address to the right on your proxy form. If you vote by Internet, do not mail this proxy.

2. By Email to proxy@odysseitrust.com; or

3. By fax to Odyssey, to the attention of the Proxy Department at 1-800-517-4553 (toll free within Canada and the U.S.) or 416-263-9524 (international); or

4. By internet <https://login.odysseitrust.com/pxlogin> and follow the online voting instructions given to you.

If you are a non-registered holder of issued and outstanding common shares of the Company (the “Common Shares”) and have received these materials from your broker or another intermediary, please complete and return the voting instruction form or other authorization form provided to you by your broker or intermediary in accordance with the instructions provided. Failure to do so may affect your eligibility to vote your Common Shares at the Meeting.

The Form of Proxy confers discretionary authority on the proxyholder with respect to: (i) amendments or variations to the matters of business to be considered at the Meeting; and (ii) other matters that may properly come before the Meeting. As of the date hereof, management of the Company knows of no amendments, variations or other matters to come before the Meeting other than the matters set forth in this Notice of Annual General Meeting (the “**Notice of Meeting**”). The Shareholders who plan on returning the accompanying Form of Proxy are encouraged to review the Information Circular carefully prior to submitting the proxy form.

DATED: August 18, 2023.

**BY ORDER OF THE BOARD OF DIRECTORS
OF VITAL BATTERY METALS INC.**

“Adrian Lamoureux”

Adrian Lamoureux
Chief Executive Officer

VITAL BATTERY METALS INC.

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS
to be held on September 18, 2023

MANAGEMENT INFORMATION CIRCULAR

This management information circular (the “**Information Circular**”) is furnished to the holders (the “**Shareholders**”) of Common Shares without par value (the “**Common Shares**”) of VITAL BATTERY METALS INC. (the “**Company**”) in connection with the solicitation of proxies by the management of the Company for use at the annual general meeting (the “**Meeting**”) of the Shareholders of the Company to be held on Monday, September 18, 2023 at the time and place and for the purposes set forth in the accompanying Notice of Meeting and at any adjournment thereof.

The enclosed instrument of proxy (the “**Proxy**”) is solicited by the management of the Company. The solicitation will be primarily by mail, however, proxies may be solicited personally or by telephone by the regular officers and employees of the Company. The cost of solicitation will be borne by the Company. Unless otherwise stated, this Information Circular contains information as at August 18, 2023. References in this Information Circular to the Meeting include any adjournment or postponement thereof and, unless otherwise indicated in this Information Circular, all references to “\$” are to Canadian dollars.

Shareholders should not construe the contents of this Information Circular as legal, tax or financial advice and should consult with their own professional advisors in considering the relevant legal, tax, financial or other matters contained in this Information Circular.

If you hold Common Shares through a broker, investment dealer, bank, trust company, nominee or other intermediary (collectively, an “**Intermediary**”), you should contact your Intermediary for instructions and assistance in voting and surrendering the Common Shares that you beneficially own.

This Information Circular and other proxy-related materials are not being sent to registered or beneficial owners using the Notice-and-Access procedures contained in National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”). The Company will not deliver the proxy solicitation materials directly to the non-objecting Beneficial Shareholders (“**NOBOs**”).

The Company does not intend to pay for intermediaries to deliver proxy-related materials or Form 54-101F7 – *Request for Voting Instructions Made by Intermediary* to the objecting beneficial owners of Common Shares (“**OBOs**”) and as such, OBOs will not receive such materials unless their intermediary assumes the costs thereof (OBOs and NOBOs are herein collectively referred to as the “**Non-Registered Shareholders**”). See also “*Proxy Related Information – Advice to Non-Registered Shareholders*” in this Information Circular.

PROXY RELATED INFORMATION

Appointment of Proxy

Those Shareholders desiring to be represented at the Meeting by proxy must complete and deposit their proper Form of Proxy to the Company’s transfer agent, Odyssey Trust Company, 323 – 409 Granville Street, Vancouver, British Columbia, V6C 1T2, Attention: Proxy Department (the “**Transfer Agent**”), in the enclosed self-addressed envelope. In order to be valid, proxies must be received by the Transfer Agent at least forty-eight (48) hours, excluding Saturdays, Sundays and statutory holidays in British Columbia, prior to the Meeting or any adjournment thereof. A proxy must be executed by the Shareholder or by his duly appointed attorney authorized in writing, or if the Shareholder is a Company, under its seal or by an officer or attorney thereof duly authorized. A proxy is valid only at the Meeting in respect of which it is given or any adjournment or postponement of the Meeting.

The Company may refuse to recognize any instrument of proxy deposited in writing or by the internet received later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in British Columbia) prior to the Meeting or any adjournment or postponement thereof.

The persons named in the enclosed Form of Proxy are officers and/or directors of the Company and each is a management designee (collectively, the “Management Designees**”). Management Designees will vote in favour of the matters specified in the Notice of Meeting and all other matters proposed by management at the Meeting. Each Shareholder submitting a proxy has the right to appoint a person, who need not be a Shareholder, to represent him/her or it at the Meeting other than the Management Designees. A Shareholder may exercise this right by inserting the name of the desired representative in the blank space provided in the Form of Proxy or**

by completing another Form of Proxy and, in either case, depositing the completed proxy to the Transfer Agent, at the place and within the time specified above for the deposit of proxies.

Revocability of Proxy

A Shareholder who has given a proxy has the power to revoke it at any time prior to the exercise thereof. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing signed by the Shareholder or by the Shareholder's attorney authorized in writing, and either: (a) delivered to the Transfer Agent at the place specified above at any time up to and including the last business day preceding the day of the Meeting or any adjournment or postponement thereof, or (b) deposited with the Chairman of the Meeting prior to the commencement of the Meeting or any adjournment or postponement thereof.

Advice to Non-Registered Shareholders

The information in this section is of significant importance to many Shareholders, as a substantial number of Shareholders do not hold their Common Shares in their own name. Shareholders who do not hold their shares in their own name, referred to in this Information Circular as "Beneficial Shareholders", are advised that only proxies deposited by Shareholders whose names appear on the records of the Company as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Common Shares will not be registered in the Shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms).

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The Form of Proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the Form of Proxy provided directly to registered Shareholders by the Company. However, its purpose is limited to instructing the registered Shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("Broadridge") in Canada. Broadridge typically prepares a machine-readable voting instruction form, mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote Common Shares directly at the Meeting. The voting instruction forms must be returned to Broadridge (or instructions respecting the voting of Common Shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the Common Shares voted. If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the Common Shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered shareholder should enter their own names in the blank space on the Form of Proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.**

Voting

Registered Shareholders may vote in person (via Zoom conference ONLY) at the Meeting or may give another person authority to vote at the Meeting on their behalf by appointing a proxyholder. Please vote, sign, date and return the enclosed Form of Proxy by mail or personal delivery to Odyssey Trust Company, Attn: Proxy Department, Suite 702, 67 Yonge St., Toronto, ON M5E 1J8 so that it arrives no later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in British Columbia) prior to the time of the Meeting or any adjournment or postponement thereof, OR:

1. To Vote Your Proxy Online please visit:

<https://login.odysseitrust.com/pxlogin> and click on VOTE. You will require the CONTROL NUMBER

printed with your address to the right on your proxy form. If you vote by Internet, do not mail this proxy.

2. By Email to proxy@odysseitrust.com; or

3. By fax to Odyssey, to the attention of the Proxy Department at 1-800-517-4553 (toll free within Canada and the U.S.) or 416-263-9524 (international); or

4. By internet <https://login.odysseitrust.com/pxlogin> and follow the online voting instructions given to you.

All references to Shareholders in this Information Circular and the accompanying Form of Proxy and Notice of Meeting are to Shareholders of record, unless specifically stated otherwise.

Voting by Proxyholder

The Common Shares represented by the enclosed 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 on the Proxy with respect to any matter to be acted upon, the shares will be voted accordingly. **In the absence of any such instructions, such shares will be voted IN FAVOUR of the matters set forth in the Notice of Meeting and in this Information Circular.**

If any amendment or variation to matters identified in the Notice of Meeting is proposed at the Meeting or any adjournment or postponement thereof, or if any other matters properly come before the Meeting or any adjournment or postponement thereof, the enclosed proxy, when properly signed, confers discretionary authority to vote on such amendments or variations or such other matters according to the best judgment of the appointed proxyholder. As at the date of this Information Circular, the management of the Company is not aware of any amendments or variations or other matters to come before the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

Voting Rights

The authorized share capital of the Company consists of an unlimited number of voting Common Shares without nominal or par value. As at the date of this Information Circular, there are 39,830,450 Common Shares currently issued and outstanding. Shareholders of the Record Date are entitled to receive notice of and attend and vote at the Meeting.

Each Shareholder will be entitled to one vote at the Meeting for each Common Share held by them on the Record Date.

Record Date

The record date for the determination of Shareholders entitled to receive notice of and to vote at the Meeting or any adjournment or postponement thereof is August 14, 2023 (the “**Record Date**”).

Only Shareholders whose names have been entered in the register of Shareholders at the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting. **To the extent a Shareholder transfers the ownership of any of its Common Shares after the Record Date and the transferee of those Common Shares establishes that it owns such Common Shares and requests, at least ten (10) days before the Meeting, that the transferee’s name be included in the list of Shareholders entitled to vote at the Meeting, such transferee shall be entitled to vote such Common Shares at the Meeting.**

Principal Holders of Voting Securities

To the knowledge of the directors and senior officers of the Company, as of the date of this Circular, no person owns, directs, or controls, directly or indirectly, 10% or more of the issued and outstanding Common Shares.

STATEMENT OF EXECUTIVE COMPENSATION

For the purposes of this Circular, a Named Executive Officer of the Company (“**NEO**”) means each of the following individuals:

- a) the chief executive officer (“**CEO**”) of the Company;
- b) the chief financial officer (“**CFO**”) of the Company;

- c) the most highly compensated executive officer, other than the CEO and CFO, who was serving as an executive officer at the end of the most recently completed financial year and whose total compensation was more than \$150,000; and
- d) each individual who would be a NEO under paragraph (c) above 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.

The following information regarding executive compensation is presented in accordance with National Instrument Form 51-102F6V – *Statement of Executive Compensation*, and sets forth compensation for each director of the Company (a “**Director**”) and each NEO.

For the purposes of the following disclosure, the Company’s NEOs for the most recently completed fiscal year ended February 28, 2023 are: (a) Adrian Lamoureux, CEO; (b) Bryce Clark, CFO; and (c) Dong Shim, former CFO.

Director and NEO Compensation, Excluding Compensation Securities

The following table sets out the compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company to each NEO, in any capacity, and each Director, for the fiscal year ended February 28, 2023 and for the period from incorporation on October 4, 2021 to February 28, 2022:

<i>Table of Compensation Excluding Compensation Securities</i>							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Adrian Lamoureux ⁽¹⁾ <i>CEO & Director</i>	2023	70,000 ⁽²⁾	Nil	Nil	Nil	Nil	70,000
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Bryce Clark ⁽³⁾ <i>CFO</i>	2023	8,000 ⁽⁴⁾	Nil	Nil	Nil	Nil	8,000
	2022	N/A	N/A	N/A	N/A	N/A	N/A
Dong Shim ⁽⁵⁾ <i>Former CFO</i>	2023	15,700 ⁽⁶⁾	Nil	Nil	Nil	15,700 ⁽⁷⁾	31,400
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Mandeep Parmar ⁽⁸⁾ <i>Director, VP of Corporate Development</i>	2023	12,000 ⁽⁹⁾	Nil	Nil	Nil	Nil	12,000
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Paul Chung ⁽¹⁰⁾ <i>Director</i>	2023	4,000 ⁽¹¹⁾	Nil	Nil	Nil	Nil	4,000
	2022	N/A	N/A	N/A	N/A	N/A	N/A
R. Todd Hanas ⁽¹²⁾ <i>Director</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Trevor Doerksen ⁽¹³⁾ <i>Former Director</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil

(1) Mr. Lamoureux was appointed CEO and Director on January 7, 2022.

- (2) The Company pays consulting fees to Bordeaux Futures Consulting Corp., a company controlled by Mr. Lamoureux, pursuant to an agreement dated July 25, 2022, as amended October 25, 2022. For details, see "Employment, Consulting and Management Agreements or Arrangements".
- (3) Mr. Clark was appointed CFO on December 28, 2022.
- (4) The Company pays consulting fees to Bryce A. Clark & Associates, a company controlled by Mr. Clark, pursuant to an agreement dated January 1, 2023. For details, see "Employment, Consulting and Management Agreements or Arrangements".
- (5) Mr. Shim was appointed CFO on February 1, 2022 and resigned on December 28, 2022.
- (6) Paid to Golden Tree Capital, a company controlled by Mr. Shim, for management fees.
- (7) Paid to Shim & Associates, a company controlled by Mr. Shim, for bookkeeping fees.
- (8) Mr. Parmar was appointed a Director and VP of Corporate Development on December 14, 2022. He was also a Director from October 4, 2021 to January 11, 2022.
- (9) The Company pays consulting fees to MSP Consulting Inc., a company controlled by Mr. Parmar, pursuant to an agreement dated December 14, 2022. For details, see "Employment, Consulting and Management Agreements or Arrangements".
- (10) Mr. Chung was appointed a Director on November 29, 2022
- (11) The Company pays consulting fees to Boa Services Ltd., a company controlled by Mr. Chung, pursuant to an agreement dated November 28, 2022. For details, see "Employment, Consulting and Management Agreements or Arrangements".
- (12) Mr. Hanas was appointed a Director on January 11, 2022.
- (13) Mr. Doerksen was appointed a Director on January 11, 2022 and resigned on November 29, 2022.

Stock Options and other Compensation Securities

The following table sets out all compensation securities granted or issued to each NEO and Director by the Company for the fiscal year ended February 28, 2023.

<i>Compensation Securities</i>							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end⁽¹⁾ (\$)	Expiry Date
Adrian Lamoureux <i>CEO & Director</i>	Stock Options	500,000	Jan 31, 2023	\$0.42	\$0.41	\$0.47	Jan 31, 2026
Bryce Clark <i>CFO</i>	Stock Options	300,000	Jan 31, 2023	\$0.42	\$0.41	\$0.47	Jan 31, 2026
Dong Shim <i>Former CFO</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mandeep Parmar <i>Director, VP of Corporate Development</i>	Stock Options	500,000	Jan 31, 2023	\$0.42	\$0.41	\$0.47	Jan 31, 2026
Paul Chung <i>Director</i>	Stock Options	300,000	Jan 31, 2023	\$0.42	\$0.41	\$0.47	Jan 31, 2026
R. Todd Hanas <i>Director</i>	Stock Options	300,000	Jan 31, 2023	\$0.42	\$0.41	\$0.47	Jan 31, 2026
Trevor Doerksen <i>Former Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Exercise of Compensation Securities by Directors and NEOs

No NEO or Director of the Company exercised compensation securities for the fiscal year ended February 28, 2023.

Stock Option Plans and Other Incentive Plans

The Company has adopted a stock option plan (the “**Option Plan**”) pursuant to which the board of Directors (the “**Board**”) may grant options (the “**Options**”) to purchase Common Shares of the Company to NEOs, directors and employees of the Company or affiliated corporations and to consultants retained by the Company.

The purpose of the Option Plan is to attract, retain, and motivate NEOs, directors and other service providers by providing them with the opportunity, through options, to acquire an interest in the Company and benefit from the Company’s growth. Under the Option Plan, the maximum number of Shares reserved for issuance, including Options currently outstanding, is equal to 10% of the Shares outstanding from time to time (the “**10% Maximum**”) less any Shares reserved for issuance under all other share compensation arrangements. The 10% Maximum is an “evergreen” provision, meaning that, following the exercise, termination, cancellation or expiration of any Options, a number of Shares equivalent to the number of Options so exercised, terminated, cancelled or expired would automatically become reserved and available for issuance in respect of future Option grants.

Employment, Consulting and Management Agreements or Arrangements

Other than as described below, the Company has not entered into any agreement or arrangement under which compensation was provided during the most recently completed fiscal year ended February 28, 2023 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 a NEO.

Adrian Lamoureux, CEO & Director

By an agreement dated July 26, 2022, Mr. Lamoureux, provides consulting services to the Company and, in particular, his services as its CEO, in consideration of consulting fees payable in equal monthly installments. On October 25, 2022, the agreement was amended to Bordeaux Futures Consulting Corp. (“Bordeaux”), a company controlled by Mr. Lamoureux. For actual amounts paid to Mr. Lamoureux for the financial year ended February 28, 2023, see “Table of Compensation Excluding Compensation Securities”.

The agreement with Bordeaux provides for termination:

- (a) by the consultant on 30 days’ notice to the Company;
- (b) by the Company: (i) in its discretion, without any notice or payment in lieu thereof, for cause; (ii) for any material breach by the consultant of the provisions of the agreement and the consultant failure to cure such breach within 30 days after notice from the Company; (iii) death or disability of the consultant; (iv) dishonesty or any willful and intentional act of the Consultant affecting the Company; (v) a material conflict (vi) upon the Company being advised that any regulatory authority having jurisdiction over the Company’s affairs has requested the removal of the consultant; and (vii) for a conviction of the consultant of a criminal offence; or
- (c) by the Company at any time at its sole discretion upon payment equal to three (3x) times: (i) the annual base fee in effect a of the termination date; and (ii) the average of the bonuses paid to the consultant for the two calendar years preceding the year in which the termination occurs.

On a change of control of the Company and triggering event (as defined in the agreement) subsequently within 1 year of such change, Bordeaux may give notice of termination to the Company and the consultant shall be entitled to a payment equal to two (2x) times: (i) the annual base fee in effect a of the termination date; and (ii) the average of the bonuses paid to the consultant for the two calendar years preceding the year in which the termination occurs.

Bryce Clark, CFO

By an agreement dated January 1, 2023, with Mr. Clark and Bryce A. Clark & Associates, Mr. Clark, provides consulting services to the Company and, in particular, his services as its CFO, in consideration of consulting fees

payable in equal monthly installments. For actual amounts paid to Mr. Clark for the financial year ended February 28, 2023, see “Table of Compensation Excluding Compensation Securities”.

The agreement with Mr. Clark provides for termination:

- (a) by the consultant on three months’ notice to the Company;
- (b) by the Company: (i) in its discretion, without any notice or payment in lieu thereof, for cause; (ii) theft, dishonestly or fraud; and (iii) conviction of a criminal offence; or
- (c) by the Company at any time at its sole discretion on three months’ notice.

On a change of control of the Company and for good reason (as defined in the agreement) subsequently within 90 days of such change, Mr. Clark may give one month’s notice of termination to the Company. Mr. Clark would not be entitled to any additional pay out on such notice.

Mandeep Parmar, VP of Corporate Development & Director

By an agreement dated December 14, 2022, with MSP Consulting Inc. (“MSP”), a company controlled by Mr. Parmar, Mr. Parmar, provides consulting services to the Company and, in particular, his services as its VP of Corporate Development, in consideration of consulting fees payable in equal monthly installments. For actual amounts paid to

Mr. Parmar for the financial year ended February 28, 2023, see “Table of Compensation Excluding Compensation Securities”.

The agreement with MSP provides for termination:

- (a) by either party on 30 days’ notice; or
- (b) by the Company at any time there has been a material breach of the agreement.

The agreement with MSP does not provide for any change of control benefit.

Paul Chung, Director

By an agreement dated November 28, 2022, Mr. Chung, provides director services to the Company in consideration of fees payable in equal monthly installments. For actual amounts paid to Mr. Chung for the financial year ended February 28, 2023, see “Table of Compensation Excluding Compensation Securities”.

The agreement with Mr. Chung provides for termination:

- (a) automatically if Mr. Chung is removed from office by a resolution of the shareholders;
- (b) if Mr. Chung becomes prohibited by law from acting as a director;
- (c) if Mr. Chung resigns in writing;
- (d) if Mr. Chung receives an order made against him;
- (e) if Mr. Chung is unable to perform his duties to the reasonable satisfaction of the board of directors of the Company or by reason of mental incapacity;
- (f) if Mr. Chung is in breach of the *Criminal Code* (Canada);
- (g) if Mr. Chung is in breach of any terms set out in his agreement;
- (h) if Mr. Chung is incompetent, guilty of gross misconduct and/or any serious or persistent negligence or misconduct in respect of his obligations under his agreement; or

(i) if Mr. Chung refuses after a written warning to carry out the duties reasonably and properly required of his under the terms of her appointment as set out in his agreement. The agreement with Mr. Chung does not provide for any change of control benefit.

Oversight and Description of Director and NEO Compensation

Compensation of Directors

Compensation of directors of the Company is reviewed annually and determined by the Board. The level of compensation for directors is determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the availability of financial resources.

In the Board's view, there is, and has been, no need for the Company to design or implement a formal compensation program for directors. While the Board considers Option grants to directors under the Option Plan from time to time, the Board does not employ a prescribed methodology when determining the grant or allocation of Options. Other than the Option Plan, as discussed above, the Company does not offer any long-term incentive plans, share compensation plans or any other such benefit programs for directors.

Compensation of NEOs

Compensation of NEOs is reviewed annually and determined by the Board. The level of compensation for NEOs is determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the availability of financial resources.

Elements of NEO Compensation

As discussed above, the Company provides an Option Plan to motivate NEOs by providing them with the opportunity, through Options, to acquire an interest in the Company and benefit from the Company's growth. The Board does not employ a prescribed methodology when determining the grant or allocation of Options to NEOs. Other than the Option Plan, the Company does not offer any long-term incentive plans, share compensation plans, retirement plans, pension plans, or any other such benefit programs for NEOs.

Pension Plan Benefits

No pension, retirement or deferred compensation plans, including defined contribution plans, have been instituted by the Company and none are proposed at this time.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLAN

The following table sets forth information with respect to all compensation plans under which equity securities are authorized for issuance as of February 28, 2023.

<i>Equity Compensation Plan Information</i>			
Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans excluding securities reflected in column (a)
	(a)	(b)	(c)
Equity compensation plans approved by securityholders ⁽¹⁾	3,185,000	\$0.42	772,745
Equity compensation plans not approved by securityholders	Nil	N/A	Nil
TOTAL	3,185,000	\$0.42	772,745

(1) Represents the Option Plan of the Company, which reserves a number of common shares equal to 10% of the then outstanding common shares from time to time for issue pursuant to stock options. For further information on the Option Plan, refer to the heading "Stock Option Plan and Other Incentive Plans"

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As of the date hereof, other than indebtedness that has been entirely repaid on or before the date of this information circular or "routine indebtedness" as defined in Form 51-102F5 of National Instrument 51-102, none of:

- a) the individuals who are, or at any time since the beginning of the last financial year of the Company were, a director or executive officer of the Company;
- b) the proposed nominees for election as a director of the Company; or
- c) any associates of the foregoing persons,

is, or at any time since the beginning of the most recently completed financial year has been, indebted to the Company or any subsidiary of the Company, or is a person whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any subsidiary of the Company.

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

Except as otherwise disclosed herein, none of the Directors or officers of the Company ("**Officers**"), at any time since the beginning of the Company's last financial year, nor any proposed nominee for election as a Director, or any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matters to be acted upon at the Meeting exclusive of the election of directors.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

For purposes of the following discussion, "Informed Person" means:

- a) a Director or Officer;
- b) a director or executive officer of a person or company that is itself an Informed Person or a Subsidiary;
- c) 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 or a combination of both carrying more than 10 percent of the voting rights attached to all outstanding voting securities of the Company, other than the voting securities held by the person or company as underwriter in the course of a distribution; and
- d) the Company itself if it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

Except as disclosed elsewhere herein or in the Notes to the Company's financial statements for the period ended February 28, 2023 none of

- a) the Informed Persons of the Company;
- b) the proposed nominees for election as a Director; or
- c) any associate or affiliate of the foregoing persons,

has 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.

CORPORATE GOVERNANCE

Further to National Instrument 58-101 *Disclosure of Corporate Governance Practices*, and the Company's status as a "Venture Issuer", the following is a description of the Company's corporate governance practices.

Board of Directors

The Board facilitates its exercise of independent supervision over the Company's management through frequent meetings of the Board.

Paul Chung and R. Todd Hanas are "independent" in that they are independent and 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 in the best interests of the Company, other than the interests and relationships arising from shareholdings. Adrian Lamoureux and Mandeep Parmar are not considered to be independent as they are officers of the Company.

Directorships

Certain directors are presently directors in one or more other reporting issuers, as follows:

Director	Other Issuers
Adrian Lamoureux	New Target Mining Corp.
Mandeep Parmar	N/A
Paul Chung	Troubadour Resources Inc. Collective Metals Inc.
R. Todd Hanas	New Target Mining Corp. Longhorn Exploration Corp.

Orientation and Continuing Education

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

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual Directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Nomination of Directors

The Board is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual meeting of the shareholders.

New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, show support for the Company's mission and strategic objectives, and a willingness to serve.

Compensation

The Board is responsible for setting compensation paid to directors and executive officers, establishing and reviewing incentive plans for directors, officers and management, providing guidance to the Company on corporate governance matters. The process determining compensation includes comparison with compensation in entities comparable to the Company.

Other Board Committees

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

Assessments

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

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

The Company is relying upon the exemption in section 6.1 of National Instrument 52-110 *Audit Committees* (“**NI 52-110**”), which states that venture issuers are exempt from the requirements in Part 3 of NI 52-110 and the reporting obligations in Part 5 of NI 52-110. National Instrument 52-110 requires the Company, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor, as set forth in the following.

Audit Committee

The Audit Committee reviews all financial statements of the Company prior to their publication, oversees audits, considers the adequacy of audit procedures, recommends the appointment of independent auditors, reviews and approves the professional services to be rendered by them and reviews fees for audit services. The Audit Committee Charter (the “**Audit Charter**”) has set criteria for membership, which all members of the Audit Committee are required to meet consistent with NI 52-110 and other applicable regulatory requirements. The Audit Committee, as needed, meets separately (with the Company’s auditors to discuss the various aspects of the Company’s financial statements. A copy of the Audit Charter is attached to this Information Circular as Schedule “A”.

Composition of Audit Committee

The members of the Audit Committee are Adrian Lamoureux, Paul Chung and R. Todd Hanas. Of those, Mr. Chung and Mr. Hanas are “independent” in that they were independent and free from any interest and any business or other relationship, other than interests and relationships arising from shareholdings, which could or could reasonably be perceived to, materially interfere with their ability to act in the best interests of the Company. All of the members of the Audit Committee are financially literate.

Relevant Education and Experience of Audit Committee

Adrian Lamoureux - Mr. Lamoureux has more than ten years of experience in management and finance of both private and public companies, specializing in the design and implementation of market strategies and corporate development. He has also assisted several public companies with building and executing their business plans and has financed a number of successful private and public companies.

Paul Chung - Mr. Chung has approximately 25 years of professional experience in the management of public companies. He is a director of several reporting issuers. Mr. Chung is the President of BOA Services Ltd., a private consulting company. He holds a Bachelor of Science from the University of British Columbia and a Master of Business Administration from the University of Athabasca, Alberta.

R. Todd Hanas – Mr. Hanas has served as an officer and/or director of several publicly traded and private companies over the past 10 years.

As a result of their education and experience, each member of the Audit Committee has familiarity with, an understanding of, or experience in:

- (a) 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) reviewing 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, and
- (c) an understanding of internal controls and procedures for financial reporting.

Audit Committee Oversight

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

Reliance on Certain Exemptions

Since the effective date of NI 52-110, the Company has not relied on the exemptions contained in section 2.4 or section 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the financial year in which the non-audit services were provided. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

Pre-approval of Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Company's Board, and where applicable the Audit Committee, on a case-by-case basis.

External Auditor Service Fees (By Category)

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

The fees billed or billable by the Company's auditor in each of the last two financial years, by category, are as follows:

Financial Year Ending	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
February 28, 2023	\$20,000	Nil	Nil	Nil
February 28, 2022 ⁽¹⁾	\$5,000	Nil	Nil	Nil

(1) For the period from incorporation on October 4, 2021 to February 28, 2022.

PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the Board, the only matters to be brought before the Meeting are those matters set forth in the Notice of Meeting.

Presentation of Financial Statements

The audited financial statements of the Company for the fiscal year ended February 28, 2023, together with the Auditor's Reports of the Company (the "**Financial Statements**"), will be presented to Shareholders at the Meeting.

The Financial Statements, the Auditor's Report thereon together with Management Discussion and Analysis ("**MD&A**") for the fiscal year ended February 28, 2023, are available on SEDAR at www.sedar.com.

Appointment and Remuneration of Auditor

Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants ("**DMCL**") is the Company's auditor. Management is recommending the appointment of DMCL as Auditors for the Company, to hold office until the next annual general meeting of the shareholders at a remuneration to be fixed by the Board.

In the absence of instructions to the contrary, the Proxyholders intend to vote FOR appointing DMCL as the Company's independent auditor for the ensuing year, and FOR authorizing the Board to fix the auditor's remuneration.

Fixing the Number of Directors

Management proposes, and the persons named in the accompanying form of proxy intend to vote in favour of, fixing the number of Directors at four (4).

In the absence of instructions to the contrary, the persons named in the enclosed Proxy intend to vote FOR

fixing the number of Directors at four (4) for the ensuing year.

Election of Directors

The Company's Articles set out an advance notice policy (the “**Advance Notice Policy**”) for the purpose of providing shareholders, directors and management of the Company with a clear framework for nominating directors of the Company in connection with any annual or special meeting of the Shareholders.

As of the date of this Information Circular, the Company has not received notice of a nomination in compliance with the Advance Notice Policy.

Each Director of the Company is elected annually and holds office until the next annual general meeting of Shareholders or until his successor is duly elected, unless his office is earlier vacated in accordance with the Articles of the Company.

Unless such authority is withheld, the persons named in the enclosed Proxy intend to vote FOR the nominees herein listed. Management does not contemplate that any of the nominees will be unable to serve as a Director.

Information Concerning Nominees Submitted by Management

The following table sets out the names of the persons proposed to be nominated by Management for election as a Director, the province or state and country in which he is ordinarily resident, the positions and offices which each presently holds with the Company, the period of time for which he has been a Director of the Company, the respective principal occupations or employment 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 and Country of ordinary residence, and positions held with the Company⁽¹⁾	Principal occupation and, IF NOT an elected Director, principal occupation during the past five years⁽¹⁾	Date(s) serving as a Director⁽²⁾	No. of shares beneficially owned or controlled⁽¹⁾
Adrian Lamoureux ⁽³⁾ British Columbia, Canada <i>CEO & Director</i>	CEO of the Company; former President and CEO of Patriot Battery Metals Inc.	Jan 7, 2022	1,000,000
Mandeep Parmar British Columbia, Canada <i>VP of Corporate Development & Director</i>	Consultant to various publicly traded companies.	Dec 14, 2022	2,414,000
Paul Chung ⁽³⁾ British Columbia, Canada <i>Director</i>	Director of BOA Services Ltd., a privately held consulting company; director and officer of several public companies.	Nov 29, 2022	20,000
R. Todd Hanas ⁽³⁾ British Columbia, Canada <i>Director</i>	Consultant, director and/or officer to various publicly traded companies.	Jan 11, 2022	325,000

(1) The information as to ordinary residence, principal occupation and number of common shares of the Company beneficially owned, or controlled or directed, directly or indirectly, by the nominee director and his or her associates and affiliates, not being within the knowledge of the Company, has been furnished by the respective nominees. Information provided as at the date of this Information Circular.

(2) Each Director holds office as long as he is elected annually by Shareholders at Annual General Meetings, unless his office is earlier vacated in accordance with the Articles of the Company.

(3) Member of Audit Committee.

Cease Trade Orders, Corporate and Personal Bankruptcies, Penalties and Sanctions

For purposes of the disclosure in this section, an “order” means a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days; and for purposes of item (a)(i) below, specifically includes a management cease trade order which applies to directors or executive officers of a relevant company that was in effect for a period of more than 30 consecutive days whether or not the proposed director was named in the order.

None of the proposed directors, including any personal holding company of a proposed director:

- a) is, as at the date of this Circular, or has been, within the 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:
 - (i) was subject to an order that was issued while the proposed director was acting in the capacity as a director, chief executive officer or chief financial officer of the company; or
 - (ii) 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 a director, chief executive officer or chief financial officer of the company; or
- b) is, as at the date of this Circular, or has been, within the 10 years before the date of this Circular, 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;
- c) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director;
- d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority since December 31, 2000, or before December 31, 2000 if the disclosure of which would likely be important to a reasonable security holder in deciding whether to vote for a proposed director, or
- e) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

OTHER MATTERS TO BE ACTED UPON

The Company will consider and transact such other business as may properly come before the Meeting or any adjournment thereof. The management of the Company knows of no other matters to come before the Meeting other than those referred to in the Notice. Should any other matters properly come before the Meeting, the shares represented by the Proxies solicited hereby will be voted on such matter in accordance with the best judgment of the persons voting by Proxy.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com. Copies of the Company's Financial Statements and Management Discussion and Analysis may be obtained without charge upon request from the Company by emailing kelly@niacorporateservices.com.

DIRECTOR APPROVAL

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

DATED this 18th day of August, 2023.

VITAL BATTERY METALS INC.

“Adrian Lamoureux”

Adrian Lamoureux
Chief Executive Officer

SCHEDULE "A"

AUDIT COMMITTEE CHARTER

This Charter establishes the composition, the authority, roles and responsibilities and the general objectives of the audit committee, or the Board of Directors in lieu thereof (the "**Audit Committee**"), of Vital Battery Metals Inc. (the "**Company**"). The roles and responsibilities described in this Charter must at all times be exercised in compliance with the legislation and regulations governing the Company and any subsidiaries.

Composition

- *Number of Members.* The Audit Committee must be comprised of a minimum of three directors of the Company, a majority of whom will be independent. Independence of the board members will be as defined by applicable legislation.
- The members of the Committee will be appointed by the board of directors of the Company ("**Board**") annually at the first meeting of the Board following the annual meeting of the shareholders, to serve until the next annual meeting of shareholders or until their successors are duly appointed.
- *Chair.* The Board will designate one member to act as chair of the Audit Committee (the "**Chair**") or, if it fails to do so, the members of the Audit Committee will appoint the Chair among its members.
- *Financially Literacy.* All members of the audit committee will be financially literate as defined by applicable legislation. If upon appointment a member of the Audit Committee is not financially literate as required, the person will be provided with a period of three months to acquire the required level of financial literacy.

Meetings

- *Meetings and Quorum.* The Audit Committee will meet at least quarterly, with the authority to convene additional meetings as circumstances require. A majority of the members of the Audit Committee will constitute a quorum.
- *Agenda.* The Chair will set the agenda for each meeting, after consulting with management and the external auditor. Agenda materials such as draft financial statements must be circulated to all Audit Committee members for members to have a reasonable amount of time to review the materials prior to the meeting.
- *In Camera Sessions.* The Audit Committee will, when appropriate, hold in camera sessions without management present.
- *Minutes.* The Audit Committee will keep minutes of its meetings which will be available for review by the Board. The Audit Committee may appoint any person who need not be a member, to act as the secretary at any meeting. The Audit Committee may invite such officers, directors and employees of the Company and such other advisors and persons as it may see fit, from time to time, to attend at meetings of the Audit Committee.

Roles and Responsibilities

The roles and responsibilities of the Audit Committee include the following: External Auditor

The Audit Committee will:

- (a) *Selection of the external auditor.* Select, evaluate and recommend to the Board, for shareholder approval, the Auditor to examine the Company's accounts, controls and financial statements.
- (b) *Scope of Work.* Evaluate, prior to the annual audit by the Auditors, the scope and general extent of the Auditor's review, including the Auditor's engagement letter.
- (c) *Compensation.* Recommend to the Board the compensation to be paid to the external auditors.
- (d) *Replacement of Auditor.* If necessary, recommend the replacement of the Auditor to the Board of Directors.

(e) *Approve Non-Audit Related Services.* Pre-approve all non-audit services to be provided by the Auditor to the Company or its subsidiaries.

(f) *Direct Responsibility for Overseeing Work of Auditors.* Must directly oversee the work of the Auditor. The Auditor must report directly to the Audit Committee.

(g) *Resolution of Disputes.* Assist with resolving any disputes between the Company's management and the Auditors regarding financial reporting.

Consolidated Financial Statements and Financial Information

The Audit Committee will:

(a) *Review Audited Financial Statements.* Review the audited consolidated financial statements of the Company and related MD&A, discuss those statements with management and with the Auditor, and recommend their approval to the Board.

(b) *Review of Interim Financial Statements.* Review and discuss with management the quarterly consolidated financial statements and related MD&A, and recommend their approval by the Board.

(c) *Public Disclosure.* review the annual and interim financial statements and related MD&A, news releases that contain significant financial information that has not previously been released to the public, and any other public disclosure documents that are required to be reviewed by the Audit Committee under any applicable laws and satisfy itself that the documents do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made before the Corporation publicly discloses this information.

(d) *Auditor Reports and Recommendations.* Review and consider any significant reports and recommendations issued by the Auditor, together with management's response, and the extent to which recommendations made by the Auditor have been implemented.

Risk Management, Internal Controls and Information Systems

The Audit Committee will:

(a) *Internal Control.* Review with the Auditors and with management, the general policies and procedures used by the Company with respect to internal accounting and financial controls. Remain informed, through communications with the Auditor, of any weaknesses in internal control that could cause errors or deficiencies in financial reporting or deviations from the accounting policies of the Company or from applicable laws or regulations.

(b) *Financial Management.* Periodically review the team in place to carry out financial reporting functions, circumstances surrounding the departure of any officers in charge of financial reporting, and the appointment of individuals in these functions.

(c) *Accounting Policies and Practices.* Review management plans regarding any changes in accounting practices or policies and the financial impact thereof.

(d) *Litigation.* Review with the Auditors and legal counsel any litigation, claim or contingency, including tax assessments, that could have a material effect upon the financial position of the Company and the manner in which these matters are being disclosed in the consolidated financial statements.

(e) *Other.* Discuss with management and the Auditors correspondence with regulators, employee complaints, or published reports that raise material issues regarding the Company's financial statements or disclosure.

Complaints

(a) *Accounting, Auditing and Internal Control Complaints.* The Audit Committee must establish a procedure for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal controls or auditing matters.

(b) *Employee Complaints.* The Audit Committee must establish a procedure for the confidential transmittal on condition of anonymity by the Company's employees of concerns regarding questionable accounting or auditing matters.

Authority

- (a) *Auditor.* The Auditor, and any internal auditors hired by the company, will report directly to the Audit Committee.
- (b) *To Retain Independent Advisors.* The Audit Committee may, at the Company's expense and without the approval of management, retain the services of independent legal counsels and any other advisors it deems necessary to carry out its duties and set and pay the monetary compensation of these individuals.

Reporting

The Audit Committee will report to the Board on:

- (a) the Auditor's independence;
- (b) the performance of the Auditor and any recommendations of the Audit Committee in relation thereto;
- (c) the reappointment and termination of the Auditor;
- (d) the adequacy of the Company's internal controls and disclosure controls;
- (e) the Audit Committee's review of the annual and interim consolidated financial statements;
- (f) the Audit Committee's review of the annual and interim management discussion and analysis;
- (g) the Company's compliance with legal and regulatory matters to the extent they affect the financial statements of the Company; and
- (h) all other material matters dealt with by the Audit Committee.